in accordance with the original contract and these presents, and the Company, in exercising such selection, shall not be compelled to take any lands upon the alternate-block system unless they shall so think fit; and thereupon, as soon as the land selected shall have been surveyed as provided by the said Act, the Company shall be entitled to receive a warrant from the Governor, on behalf of the Queen, directing the District Land Registrar of the district in which the land dealt with is situated to issue a certificate to the Company, or to such person or persons as the Company shall direct, in such manner and form as is authorised by law: Provided that the Queen or the Government of the colony shall not be liable to the Company for any delay in making any such survey, or in the issue of any warrant or certificate as aforesaid; but the Company shall be entitled, after making any such selection under the original contract and these presents, to enter upon the land selected. And the Governor, on behalf of the Queen, or such person as he may from time to time authorise in that behalf, shall, as soon as conveniently may be, issue and give to the Company, or to such person or persons as the Company shall direct, such instrument or authority as may be necessary to define generally the situation and area of the land so selected and the title of the Company thereto.

5. That, until the particular lands to be respectively retained or acquired by the Queen and the Company shall be actually ascertained, the Queen will not, without the written consent of the Company for that purpose first had and obtained, grant any leases or licenses of or otherwise alienate or deal with any of the lands within the lands described as available for selection by the Company under section 2 hereof, except for the purposes of mining under the Acts relating to mining, and for cutting and removing timber for sawmills and mining purposes as hereinbefore mentioned in the proviso to section 2, or for pastoral purposes under any Act authorising licenses for such purposes, and except as provided in these presents.

6. That, with all convenient speed after the date hereof, the parties hereto shall ascertain and agree upon the proportion which the estimated cost of construction of the several sections of the said railway as defined in or delineated upon the map marked "A" annexed to the original contract, or such other sections as shall be agreed upon between the parties hereto bears towards the sum of £2,500,000, being the estimated cost of construction of the said railway so far as the same relates to the lands to be granted by the Crown to the company; and the amount of such estimated cost of construction of each respective section, when so ascertained, shall be entered against such section in the account hereinafter mentioned, so that the value of the land to be selected and taken as hereinbefore described in respect of each such respective section of the said railway shall be ascertained. Such value shall be equal to 50 per cent. of the estimated cost of each section of the said railway in relation to the lands to be granted by the Crown to the Company as hereinbefore mentioned.

7. That the value of the land so selected and taken as aforesaid, when ascertained by reference to the certified valuation, shall be charged against the Company in an account of the value of the land to which for the time being they shall be entitled, and which shall be kept with them for that purpose, at the same rate per acre as that named in the certified valuation for the block within which such piece of land is contained.

8. The boundaries of the lands earned by the Company, or to which the Company shall have become entitled, shall be surveyed, and the costs of such survey, and of the survey of boundaries common to such lands, and to the lands to be hereafter reserved or set apart as aforesaid, shall be borne one half by the Queen and the other half by the Company; and all such surveys shall be made by or under the direction of the Surveyor-General, whose certificate of the cost thereof shall be binding and conclusive on the parties hereto, and the amount of such costs shall be ascertained and settled as each block is surveyed; and the amount shown to be due by the Company shall, on demand, be paid by them to the Queen, or any of her officers entitled to receive the same.

9. Notwithstanding anything contained in this contract as to the right of the Company to select any land to which it may be or become entitled, no selection shall be valid until a period of two calendar months shall have elapsed after such selection has been made and notified to the Minister for Public Works by the Company; and within such period the Minister for Public Works may object to any such selection, in whole or in part, on the ground that the land, or part of the land, comprised therein is required for any of the purposes set forth in subsections (*a*), (*b*), (*c*), *and* (*d*) of clause 2 hereof, in which case the selection shall be deemed not to have been made, or at the option of the Company the selection may be varied so as to exclude the land objected to, as the case may be.

10. After the completion of the said railway the whole or any part of the lands which the Company shall have earned or become entitled to in respect thereof, and not already selected and taken and granted to or otherwise vested in them, shall be granted to them, the legal estate being antevested to the date of selection when they shall so require or direct, but so that each separate selection shall be granted to the Company in one grant only, and the whole of such lands earned by the Company, or to which they shall have become entitled, shall be granted to the Company within ten years from the 1st day of January, 1888.

11. That, in the event of the purchase of the said railway by the Queen or on her behalf, in accordance with the Acts relating thereto, such a sum shall be included in the price to be paid for such purchase as is equal to the amount which may have been actually paid to the shareholders or debenture-holders of the Company as interest during construction for the period ending 31st July, 1897, the rate not to exceed an average of 4 per cent. per annum, except in the case of shares or debentures representing £500,000 in amount of capital first raised, in regard to which the rate shall be 5 per cent. The total amount of such interest to be added to the price of the said railway not to exceed the sum of £400,000.