

12. That the Queen shall give to the Company and the Company shall give to the Queen mutual running powers and terminal facilities over the respective lines of railway of the Queen and the Company, and the Queen hereby agrees in particular to give the Company access to the ports of Lyttelton, Nelson, and Greymouth, and to the Government termini at such ports, and at Christchurch.

13. That the period for expenditure of the sum of £150,000 as provided in clause 5 of the original contract shall be and the same is hereby extended until the 31st day of December, 1888.

And this deed further witnesseth that, in consideration of the premises, the said Company doth hereby covenant with the Queen in manner following, that is to say,—

- (a.) The Company shall enter into and enforce the due performance of a *bona fide* contract or contracts for the construction of a section of the said railway, to commence at Springfield and extend towards Brunnerton, at a cost of not less than £60,000; and of another section of the said railway, to commence at some point to be agreed upon on the present Government line from Nelson to Belgrove, and extend towards Reefton, at a cost also of not less than £60,000, in addition to the contract already entered into for the section of the said railway from Brunnerton to a point on the Teremakau River, such contract or contracts to be entered into as soon as the necessary surveys can be made and tenders obtained, and each to contain a provision which shall be of the essence thereof, for the continuous prosecution of the same until the due completion thereof. Provided, further, that, as respects all the said sections of the said railway hereinbefore mentioned, or any of them, or any other sections from time to time completed fit for opening, the Queen will, at the request of the Company, and for such time and in such manner as may be agreed upon between the Queen and the Company, work and carry on the traffic on any parts or part thereof which are or is completed and fit for traffic upon terms as favorable to the company as shall be given by or on behalf of the Queen to any other Company, authority, or person owning railways in New Zealand.
- (b.) The Company shall not deviate from the line of railway as surveyed, or alter any gradients upon the said line of railway, as the same are shown upon the plans of that portion of the said railway from Springfield to Brunnerton, deposited in the office of the Minister for Public Works, No. , and copies whereof have been handed to the Company before the execution of these presents, without the consent of the Governor first had and obtained.
- (c.) The Company shall not at any time assign, change, or dispose of this contract, or any benefit or advantage thereof or thereunder, either at law or in equity, without the written consent of the Governor on behalf of the Queen first had and obtained; but this clause shall not be deemed to affect or interfere with or in anywise abridge the powers of borrowing given by the said Act. Provided that the Governor may at any time appoint any person in the colony or elsewhere for the purpose of consenting to any such assignment, and no such consent shall be arbitrarily withheld either by the Governor or by any person so appointed as aforesaid.

14. Upon the company entering into either of the contracts specified in the preceding clause to the satisfaction of the Agent-General for New Zealand for the time being, the Queen shall forthwith place, in the names of a trustee or trustees to be agreed upon between the parties, such lands as the Company may select, of a value of not less than £30,000, as shown in the certified valuation, in respect of each such contract; and such trustee or trustees shall have power, if so requested by the Company, to sell, dispose of, or charge or mortgage such lands, and to apply the proceeds thereof in or towards the construction of the section of railway in respect of which they shall have been so placed in the names of such trustee or trustees, and for no other purpose. Provided that upon the completion of any such section any lands not already sold by the trustee or trustees may be vested in the Company, subject only to such charges or mortgages thereupon as shall have been made by the trustee or trustees at the request of the Company as aforesaid, and such lands shall form part of the lands to which the Company is entitled. Provided also that all land so selected shall, until any sale, disposition, charge, or mortgage thereof, be subject to clauses 2 and 9 of this contract.

15. It is hereby declared that the said original contract of the 17th day of January, 1885, and all the covenants, agreements, provisions, terms, and conditions thereof, is hereby confirmed, save so far as the same is modified by any of the provisions of this contract.

16. And it is hereby declared and agreed that if at any time hereafter any dispute, difference, or question shall arise touching the construction, meaning, or effect of these presents, or any clause or thing herein contained, or the rights or liabilities of either of the said parties under these presents, or if the Queen and the Company shall be unable to come to an agreement within the meaning of clause 6 of these presents as to the cost of any section of the said railway, to be ascertained as aforesaid, or otherwise howsoever in relation to the premises, then every such dispute, difference, or question shall be referred to the arbitration of two indifferent persons, one to be appointed by each party to the reference, or an umpire to be appointed by the arbitrators in writing before entering on the business of the reference. And if either party shall refuse or neglect to appoint an arbitrator within three calendar months after the other party shall have appointed an arbitrator and shall have served a written notice upon the first-mentioned party requiring such party to make an appointment, then the arbitrator appointed as aforesaid shall, at the request of the party appointing him, proceed to hear and determine the matters in difference as if he were an arbitrator appointed by both parties for that purpose, and the award or determination which shall be made by the said arbitrators or arbitrator, or of such umpire, if the arbitrators shall disagree, shall be final and binding upon the said parties hereto respectively, so as such arbitrators or arbitrator shall make their or his award in writing within three calendar months after the reference to them or him, or on or before any later day to which the said arbitrators or arbitrator, by any writing signed by them or him, shall enlarge the time for making their or his award, and so as such