

pleted, to be maintained and worked in all respects under and subject to the provisions of the principal Act and the said Act, and also under and subject to the terms and conditions of these presents.

Railway to be constructed of sound materials, &c., upon plans and in manner approved of by Engineer appointed by the Crown.

3. The said railway, and all other works in connection therewith which are provided for in this contract, shall be constructed, maintained, and worked under the provisions of these presents, and shall be well and faithfully constructed of sound materials, and of sufficient strength and durability, having regard to the nature of such works, upon plans, both general and detail, to be from time to time approved of by the Engineer, and so that the details shall as nearly as may be conform to the approved standard drawings in use on the New Zealand Government railways, or such modifications thereof as the Engineer shall from time to time approve; and that the specifications shall accord as nearly as may be to the standard specifications of the Government of New Zealand for the time being used in respect of railways of a similar character having single lines of permanent-way, or as may be necessary for any particular work included in this contract; and such construction and maintenance shall in all things be to the satisfaction of the Engineer, it being the intent and meaning of this provision that all such plans and specifications, when approved by the Engineer, or as the same may be altered or modified subject to his approval, shall form part of this contract as effectually as if the same had respectively been attached hereto at the date of the execution hereof.

Subject to the terms of the next succeeding clause hereof the grades on the said railway shall not be steeper than one in forty on the straight, with a sufficient flattening on curves to give equivalent haulage-power, and no curve shall be of a less radius than five chains.

Company not to deviate from line or alter gradients on plans without consent of Governor.

4. The Company shall not, without the consent of the Governor first had and obtained, deviate from the line of railway as surveyed, or alter any gradients upon the said 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, marked P.W.D. 11554, 11555, 12007, and 12009, copies whereof have been handed to the Company before the execution of these presents: Provided that so much of sheets 45a, 46a, 47a, and 48a of the said plan 11555 as apply to the "incline-line" at Arthur's Pass shall not be deemed to be part of the said plan: Provided also that the Company may construct the incline-line instead of the tunnel-line, if the Governor, after having obtained the opinion of two eminent engineers to be nominated by him, is satisfied that the incline-line when made will be suitable for mineral and other heavy traffic, and in his opinion worked at a satisfactory cost, and if the cost of the construction of the entire line from Springfield to Belgrove shall be less than two million five hundred thousand pounds a reduction shall be made in the grant of land to the Company proportionate to the amount saved by the substitution of the incline-line for the tunnel-line.

Rolling-stock and plant to be at least equal to that in use on Government railways.

5. All rolling-stock and plant to be from time to time used or employed upon the said railway or in connection therewith shall be of at least equal character and strength in all respects to the rolling-stock and plant in general use upon railways constructed by the Government of New Zealand, and so as to be sufficient both in quality and quantity for effectually carrying on the traffic on the said railway as may from time to time be requisite or necessary.

Company to expend £150,000 before 31st December, 1888.

6. The Company will, before the thirty-first day of December, one thousand eight hundred and eighty-eight, or within such extended period after the expiration of that date as may be allowed under the powers hereinafter contained, expend a sum of not less than one hundred and fifty thousand pounds in the construction and execution of permanent works on the said railway, such works to be of a character, in the opinion of the Engineer, that will enable some complete section or sections of the said railway to be fit for traffic as early as possible.

Company to enter into two contracts for portions of lines from Springfield

7. The Company shall enter into and enforce the due performance of a *bond fide* contract or contracts for the construction of a portion of the said railway to commence at Springfield and extend towards Brunnerton, at a cost of not less