

equipped with 20 in. x 7½ in. x 7 in. buckets, made in accordance with the detail drawings. Each one of the stands of elevator legs will be supplied with a 1,600 bushel garner and a 1,600 bushel scale. The other ten stands of small elevators will be equipped with 12 in. x 6 in. x 6 in. buckets.

Clause 5 of the contract reads as follows:—

“5. It is mutually agreed that the chief engineer for the owner shall be the arbitrator to decide as to the quality of material furnished and work performed by the contractor under this contract, and as to any extension of time claimed by the contractor, and his decision shall have the force of an award and be final and conclusive to both parties. But as the contractor is the originator and designer of the aforesaid works, he shall have the right to decide all matters pertaining to design or form of construction of the work and be responsible to the owner for the correctness of the same.”

Clauses 8 and 9 of the contract are as follows:—

“8. The contractor shall execute and deliver to the owner a bond to secure the owner in the faithful performance of this contract by said contractor, in the penal sum of thirty thousand dollars (\$30,000) with a surety company as security thereon, by use of the bond hereto attached, the surety to be such as may be approved by the treasurer of the owner.”

“9. The owner shall pay and the contractor shall accept, the sum of three hundred and sixty thousand dollars (\$360,000) in full payment for the materials and labour herein agreed to be furnished by the contractor for the construction and completion of the works hereinbefore described, and for the full and complete performance by the contractor of all the covenants herein contained and specifications herein referred to; payment thereof to be made in the manner and within the time set forth in the attached specifications under the head of ‘estimates and payments,’ except as the same may be modified by the foregoing provisions of this indenture.”

The work was proceeded with and sums on account amounting to over \$280,000 paid prior to 23rd October, 1906.

A second contract was entered into between the same parties bearing date 26th November, 1906, for the erection