

poration, by an Act of their Legislature, of certain persons to be designated by the Government of Canada for the construction of a railway from Esquimalt to Nanaimo, and that the Government of Canada should take security from such company for the construction of such railway; and whereas the parties hereto of the first part are associated together for the purpose of constructing or contracting for the construction of a railway and telegraph from Esquimalt to Nanaimo, and are hereafter referred to as the said contractors; now these presents witness, that in consideration of the covenants and agreements on the part of Her Majesty, hereinafter contained, the said contractors covenant and agree with Her Majesty as follows:—

1. In this contract the word "work" or "works" shall, unless the contract requires a different meaning, mean the whole of the works, material, matter and things to be done, furnished and performed by the said contractors under this contract.

2. All covenants and agreements herein contained shall be binding on and extend to the executors, administrators and assigns of the said contractors, and shall extend and be binding upon the successors of Her Majesty, and wherever in this contract Her Majesty is referred to such reference shall include her successors; and wherever the said contractors are referred to, such reference shall include their executors, administrators and assigns.

3. That the said contractors shall and will well, truly and faithfully lay out, make, build, construct, complete, equip, maintain and work continuously a line of railway of a uniform gauge of 4 feet 8½ inches, from Esquimalt to Nanaimo, in Vancouver Island, British Columbia, the points and approximate route and course being shown on the map hereunto annexed, marked B; and also construct, maintain and work continuously a telegraph line throughout and along the said line of railway and supply all such telegraphic apparatus as may be required for the proper equipment of such telegraph line, and perform all engineering services, whether in the field or in preparing plans or doing other office work, to the entire satisfaction of the Governor in Council.

4. That the said contractors shall and will locate and construct the said line of railway in as straight a course as practicable, between Esquimalt and Nanaimo, with only such deviations as may seem absolutely indispensable to avoid serious engineering obstacles, and as shall be allowed by the Governor in Council.

5. That the gradients and alignments shall be the best that the physical features of the country will admit of, without involving unusually or unnecessarily heavy works of construction, with respect to which the Government in Council shall decide.

6. That the said contractors shall and will furnish profiles, plans and bills of quantities of the whole line of railway in ten-mile sections, and that before the work is commenced on any ten-mile section such profiles, plans and bills of quantities shall be approved by the Governor in Council, and before any payments are made the said contractors will furnish such further returns as may be required to satisfy the Minister of Railways and Canals as to the relative value of the works executed with that remaining to be done.

7. That the Minister of Railways and Canals may keep and retain five per cent. of the subsidy, or of such part thereof as the said contractors may be entitled to, for three months after the completion of the said railway, and telegraph line and works appertaining thereto, and for a further period, until the said Minister of Railways and Canals is satisfied that all failures or defects in said line of railway and telegraph line, respectively, and the works appertaining thereto, that may have been discovered during the said period of three months, or such further period, have been permanently made good, and that no lands shall be conveyed to the said contractors until the road is fully completed and equipped.

8. That the said contractors shall commence the works embraced in this contract forthwith, and shall complete and equip the same by the 10th day of June, 1887, time being declared material and of the essence of the contract; and in default of such completion and equipment as aforesaid, on or before the last mentioned date, the said contractors shall forfeit all right, claim or demand to the sum of money and