

leave Port Chalmers on the eighteenth day of each month (except the month of February), not earlier than two p.m. in the day, and on the sixteenth day of the month of February, not earlier than two p.m. on that day.

4. All Post Office mails from England for New Zealand, and from New Zealand for England, shall be taken from and delivered on board of the European mail ship in Hobson's Bay, at Melbourne, by, and at the expense of the Contractors, in a suitable and sea-worthy boat for the purpose, to be furnished with effectual covering for the mails, and properly provided, manned, and equipped by the Contractors, to the satisfaction of the Post Office Agent hereinafter mentioned.

5. The Post Office mails for the Northern Ports of New Zealand shall be delivered by, and at the expense of the Contractors, on board a steam-boat to be provided by the said Postmaster General, or his successors in office, and to be kept waiting at Port Chalmers for the arrival there of the steam-ship which may be employed in each month, under this contract, in conveying mails from Melbourne to New Zealand.

6. A chief cabin passage, free of cost either for passage or victualling, in each of the steam-ships employed under this Contract, shall be provided on all occasions when required by the said Postmaster General for an Agent or Clerk of the New Zealand Post Office, and also a safe and proper place of deposit for the mails, and proper accommodation for enabling the mails to be sorted on board of the said steam-ships.

7. The sum of £100 (one hundred pounds) shall be paid by the Contractors to the said Postmaster General or his successors in office, if, on any occasion, either of the said steam-ships shall not sail at the appointed time, and an additional sum of £100 (one hundred pounds) shall be in like manner paid for every delay of twenty-four hours in sailing after the appointed time; and the sum of £200 (two hundred pounds) shall be in like manner paid whenever either of the said steam-ships shall not call at the Bluff Harbour, unless prevented from doing so by tempestuous weather.

8. If the Contractors shall fail in any month to deliver the homeward mails to the European Mail Contract steam-ship at Melbourne, before her departure from that Port with her homeward mails, the Contractors shall pay to the said Postmaster General, or his successors in office, the sum of £300 (three hundred pounds), in addition to any other penalties which they may become liable to under these presents.

9. In the event of either of the said steam-ships becoming disabled, the Contractors shall immediately at their own cost and charge, replace the same by another good and efficient vessel, to be approved of by the said Postmaster General, of similar tonnage and power, obtained by hire or otherwise.

10. If there be no Post Office Agent or Clerk on board, the Masters of the said steam-ship, shall, without charge to the Government, take care of, and the Contractors shall be responsible for the receipt, safe custody, and delivery of the mails according to the terms of this Contract.

11. The Contractors, and all officers of their vessels, when employed in the performance of this Contract, and all seamen and servants of the Contractors, shall at all times punctually attend to the orders and directions of the said Postmaster General, and of any of the Officers Agents of the said Post Office, as to the receiving, landing, and delivery of the mails.

12. All sums of money herein before stipulated to be forfeited, or paid by the Contractors, shall be considered as stipulated, or ascertained damages, and may at the option of the said Postmaster General, or his successors in office, be deducted and retained by him or them, out of any money payable to the Contractors under this Contract; or payment thereof may be entered as a debt due by the Contractors to Her Majesty, with full costs of suit.

13. In case of habitual negligence, or wilful default by the Contractors in the performance of this Contract, the said Postmaster General, or his successors in office, may by writing under his or their hand or hands, give to the Contractors one month's notice of an intention to determine this Contract, and at the expiration of the said month, this Contract shall end and determine accordingly, but the Contractors shall be and continue, subject to any liability which they may have incurred previously to such determination, and as though this Contract had not been determined.

14. Any notice which the said Postmaster General, or his successors, shall require to serve on the said Contractors shall be deemed to be duly served when the same is delivered at the office of the said Company in Dunedin, or to the master of either of the said steam-ships employed or used by the Contractors under this Contract.

15. For the faithful performance of all the covenants, stipulations, and agreements herein-before contained, the Contractors bind themselves, and himself respectively, in the sum of £4,000 (four thousand pounds sterling), to be paid to our Sovereign Lady the Queen, Her heirs, and successors, by way of stipulated or ascertained damages, in manner following, that is to say, the sum of £2,000 (two thousand pounds) in case of wilful failure or default on the part of the Contractors in the due performance of this Contract, or any part thereof, in respect of each or either of the said mail services hereby contracted for, that is to say, the service from New Zealand to Melbourne, and the service from Melbourne to New Zealand.

16. And, in consideration of the due and faithful performance by the said Contractors of all the services hereby contracted to be performed by them, the said Postmaster General, on behalf of the Colony of New Zealand, hereby covenants with the said Contractors, their executors, and administrators to pay to them, or to their agent in New Zealand, for the said services, at the rate of £4,475 (four thousand four hundred and seventy-five pounds) for six months, by equal monthly instalments or payments of £745 16s. 8d. (of seven hundred and forty-five pounds sixteen shillings and eight pence), at the Sub-Treasury in Dunedin, on the first day of each month; and also the further sum of £200 (two hundred pounds) for each and every period of twenty-four hours during which either of the steam-ships employed under this Contract shall have been detained at Melbourne by the said Postmaster General, or his agent, under the provisions of the second clause hereof.