

Government of New Zealand, having a currency of twenty years from the 1st April, 1885, payable in London, and bearing interest at the rate of £4 per centum per annum; and with respect to these debentures the company binds itself in the same manner and extent as is hereinbefore provided in paragraph 5 with respect to the debentures to be issued in respect of the first part of this agreement: Provided always that until the delivery of the said debentures Her Majesty the Queen shall allow and pay to the company interest upon moneys expended by the company in and about the construction and completion of the said incompleting portion of the said railway and works from Morrinsville to Lichfield, at and after the rate of £6 per centum per annum, to be computed from time to time upon the moneys so expended by the company, after Her Majesty the Queen shall be satisfied that such moneys have been so expended by the company for the purpose aforesaid, and shall further allow £2 per centum from the date of the delivery of the said debentures until the 31st day of March, 1887.

And this agreement further witnesseth that the company and Her Majesty the Queen further agree, the one with the other, as follows:—

8. That the company shall, at its own costs and charges, construct and completely finish, ready for traffic, to the satisfaction of Her Majesty the Queen, the line of railway between Putaruru, near Lichfield, and Rotorua, and construct and finish all buildings, erections, stations, and other railway works connected with or necessary for the said railway: Provided always that the company shall not enter into any contract for the purposes aforesaid, nor construct any railway works, except the same shall be first approved of by the Minister for Public Works or the Minister for the time being acting as such; and the company shall, in carrying out this portion of their agreement, be bound to comply with the instructions which may be issued by the Minister aforesaid as to the nature of the works to be constructed, the tenders to be accepted, and the time when such railway works are to be proceeded with, and generally shall be bound to accept and act on instructions as to construction and completion of the said railway works as the said Minister may from time to time direct.

Under this clause the company shall be bound to purchase or acquire all land required for the construction of the said railway and works between Putaruru and Rotorua, but in so doing the sanction and approval of the Minister aforesaid shall in all cases be first obtained.

9. Her Majesty the Queen agrees to make payment to the company for the costs and expenses of the construction of that portion of the railway from Putaruru to Rotorua as aforesaid, and the line of railway, and the buildings, erections, stations, and other railway works connected with or necessary to the said railway as hereinbefore agreed, as follows:—

10. The company shall from time to time, as the construction aforesaid shall proceed, issue the company's debentures, in such form as Her Majesty the Queen may from time to time prescribe, for the value of the works constructed and expenditure of every kind in connection with the said construction, and such debentures shall bear interest at such rate per annum as Her Majesty shall direct, and shall be payable at such date from the issue thereof as shall not be beyond the 31st day of March, 1888. Her Majesty the Queen shall, upon being satisfied that the works in connection with that portion of the said railway from Putaruru to Rotorua hereinbefore agreed to be constructed have been constructed, and other expenditure incurred to the value represented by the said company's debentures, in addition to the value of the works represented by other debentures theretofore or then issued in respect of the said portion of the said railway works, pay to the company or the holders of the said debentures the amount represented thereby; and, further, that, when and so soon as the said railway works in connection with that portion of the railway between Putaruru and Rotorua hereinbefore agreed to be constructed shall be constructed and finished in accordance with this agreement.

11. Her Majesty the Queen will issue to every holder of a debenture issued by the company as provided by this portion of this agreement, in substitution of the company's debenture held by such holder, a debenture of the colony for a sum represented by the company's debenture, having a currency of twenty years from the 1st day of April, 1885, and bearing interest at the rate of £4 per centum per annum; and such debenture shall be payable either in London or in the colony, at the option of the holder, together with such payment (if any) as may be agreed upon between Her Majesty and the holder, as may return with the debenture the amount expressed thereby clear of expenses, or Her Majesty may, at her option, redeem the company's debentures by paying off the amount expressed thereby.

12. The company shall commence the said construction of the works mentioned in this part of this agreement, and will execute the various parts and portions of the said works before the 31st day of March, 1888, and deliver over the railway works and other works aforesaid to Her Majesty the Queen fully completed, and in default thereof will pay to Her Majesty the Queen for every week's delay after the respective times aforesaid during which any parts or portions of the said works may remain uncompleted or the said works may remain unfinished a sum of £100, and so in proportion for any less period than a week, as liquidated damages, and the amount of such liquidated damages may be deducted by Her Majesty the Queen from any moneys payable to the company under this contract.

13. The company shall in every respect execute and finish all the works hereby contracted to be finished and completed, and fulfil their part of this contract to the entire satisfaction of the Minister for Public Works, or of any person appointed by him (and hereinafter referred to as "the Government engineer"), and the company will also make any alterations or additions which may be ordered by the Government engineer; but, if such alterations or additions shall involve the company in any extra cost or expense, then such expense shall be borne by the Queen.

14. The company shall keep on the railway works some competent person to superintend the construction of the said works (and hereinafter referred to as "the company's engineer"), and all