

the said £35,000 before the 31st January, 1887, unless it is convenient to the Government so to do, and moreover the said £35,000 shall not be paid on the 31st January, 1887, unless the said contract and all the necessary conveyances and transfers have been previously executed as aforesaid. The £75,000, representing a loan of £40,000 and a loan of £35,000 advanced by the Government Insurance Association to the company on the security of the property of the company and debentures issued by the company, will be redeemed by the Government upon terms to be agreed upon between the said association and the Government, and the interest on the said loans shall be paid by the Government to the holders of the said debentures from the 1st April, 1886; but the company shall remain liable for the payment of all interest due to the said association on the said loans up to the 1st April, 1886, and the interest so due shall be paid by the company to the said association before the £35,000 firstly herein mentioned is paid by Government to the company.

5. That the Government shall pay to the company interest at the rate of £4 per centum per annum on the sum of £35,000, part purchase-money aforesaid, from the 1st April, 1886, to the date on which the said sum of £35,000 is handed by the Government to the company or to its agent.

6. That the company shall remain liable for the discharge of all liabilities in connection with all or any work done or in progress by the company, and also in connection with all materials obtained or agreed for, and the lands taken or acquired in connection with the said railway by the company, up to the 31st March, 1886.

7. That the company shall not hereafter take any proceedings against any ratepayers who have paid or who are willing to pay one-half of such rates as the company is authorized by law to collect up to the 31st March, 1886; and if any such proceedings have been commenced by the company the same shall forthwith be stayed, and the company shall pay any costs incurred by it in respect of such proceedings: Provided, however, that any stay of proceedings made in terms of the foregoing provisions shall in no wise prejudice the remedies of the company, if any, for recovery of the remaining half of any such rates respectively in the event of Parliament refusing to ratify the agreement hereby intended to be made.

8. That the company shall be entitled to so much, if any, of the Government contribution, up to a limit of two-sevenths of deficiency of guaranteed interest between the 1st April, 1885, and 31st March, 1886, as may remain unpaid; but the company shall have no further claim on account of rates or guaranteed interest of any description for any period subsequent to the 31st March, 1886, aforesaid.

9. That, before the amounts above provided for to be paid to the company shall be so paid, the company shall refund to the Government a sum of £822 15s. 7d., due by the company to the Government in respect of guaranteed interest paid by the Government to the company in excess of the amount determined by "The Waimea Plains Railway Rating Act, 1885." The company shall also refund to the Government the sum of £57 9s. 3d., being the cost of the classification of the lands of the Waimea Plains Railway District, in pursuance of "The Waimea Plains Railway Rating Act, 1885."

10. That, in the event of this agreement being approved by the General Assembly as aforesaid, one-half of any rate which any ratepayers have paid in full to the company for any period prior to the 31st March, 1886, shall be returned by the said company to such ratepayers: Provided, however, that, if the General Assembly does not approve of this agreement, the rights of the company against the ratepayers shall not be prejudiced either as regards the recovery of rates in full for the past, or for the future, by reason of anything herein contained.

11. That the company shall and will, immediately upon the execution of these presents, inform the ratepayers, by a notice published twice in a newspaper circulating in the railway district, that the Government proposes to reduce their liability to be taxed for the guaranteed interest from 5 per cent. as at present, to a rate not exceeding one-half of £4 per centum per annum for twenty years from the 31st March, 1886, on the cost of the railway to the Government as defined by "The District Railways Purchasing Act 1885 Extension Act, 1886," and that the Government will introduce a Bill into Parliament during the present session validating such arrangement.

12. That the Bill to be introduced into Parliament to ratify this agreement shall contain provisions for removing difficulties, if any, in the way of enforcing payment of the half-rates aforesaid from the ratepayers from the 1st April, 1882, to the 31st March, 1886.

13. That the company will, as from the 31st March, 1886, keep separate accounts from those previously in use, showing the whole of the earnings and expenditure of and in connection with the railway, wherein shall be made all such entries as are usually made and entered in books of accounts of a like nature, and will furnish to the Minister proper extracts from the said books of accounts whenever called upon so to do; and all profit made by the company through working the railway after the 31st March, 1886, shall become the property of the Government, and shall be handed over to the Government accordingly before the purchase-money is paid.

14. That a good and satisfactory title shall be given by the company to Her Majesty the Queen for all lands mentioned in the First Schedule hereto, and to all properties hereby agreed to be sold; and the company shall pay for all such lands and properties all such sums of money, and do all such things in connection therewith, as may be due or awarded to the owners, lessees, or occupiers on account thereof, including the cost of completing the titles thereto, and of transferring the said titles to the Queen; and the company shall also convey to the Queen all its estate, right, title, interest, privileges, and appurtenances in respect of the land mentioned in the Third Schedule hereto.

15. That the company shall and will, before the purchase-money herein mentioned is handed over, give full effect to all existing agreements, either verbal or written, between itself and the land-owners through which the railway passes, or between itself and the adjoining local bodies.

16. That the company shall and will, before the payment of the purchase-money as aforesaid, and provided that Parliament has ratified these presents as aforesaid, execute a proper contract with His Excellency the Governor, or with whoever Parliament may appoint for the purpose, em-