

5. The company shall repay the moneys so to be advanced, with interest thereon, at the rate aforesaid, within two years from the day of the date of these presents, such interest to be computed from the time or respective times of the said moneys being advanced, and to be payable by equal half-yearly payments on the first day of October and the first day of April in each year.

6. If the company shall fail to pay the moneys so to be advanced within the said period of two years, or if the company shall fail to pay any interest payable in respect of the moneys so to be advanced on either of the days hereinbefore appointed for payment of interest, the said debentures shall become the absolute property of Her Majesty; and it shall be lawful for Her Majesty, her heirs or successors, to sell the said debentures or any of them at such price or prices as Her Majesty's Government in New Zealand may think fit, so that the minimum price at which such debentures shall be sold shall be such a sum as will only yield to the purchaser or purchasers interest on the amount of his or their purchase-money at the rate of seven pounds per centum per annum at the place where the coupons attached to the said debentures are payable. And the company will, on demand, pay any deficiency there may be between the amount of the net proceeds realized by the sale of the said debentures and the amount of the moneys so to be advanced to the company as aforesaid, together with interest thereon at the rate aforesaid.

7. Simultaneously with the execution by the Governor of the instrument in writing under his hand guaranteeing the said debentures, the company shall execute to the Public Trustee, as a trustee for and on behalf of the holders of the whole of the said seven hundred and fifty debentures issued by the company as aforesaid, a deed or instrument conveying, assigning, and charging the railway and the works thereof, and all plant, rolling-stock, material, and property of the company, by way of mortgage, for securing the repayment of the amount of such debentures and interest; and such deed or instrument shall contain all usual and necessary powers and remedies contained in instruments of a like nature, including a power of sale in case of default in payment of the principal moneys or interest secured by any debenture or any part thereof respectively.

8. Notwithstanding anything in "The District Railways Act, 1877," or "The District Railways Act 1877 Amendment Act, 1878," to the contrary, the Governor, on behalf of Her Majesty, shall be entitled at any time before the first day of March, one thousand eight hundred and eighty-two, upon giving one month's notice in writing to the company, to purchase and acquire the lands acquired and held by the company for the purposes of the said railway, and also the railway-works, plant, rolling-stock, and implements of the company, and all their rights, powers, and privileges, at the price for the said lands of six pounds per acre, and for the said railway-works, plant, rolling-stock, implements, rights, powers, and privileges an amount equal to the sums actually expended by the company thereon and therefor, together with interest on such sums, computed from the respective times of payment thereof until the time of the completion of the purchase of the said lands, railway-works, and other premises at the rate of seven pounds per centum per annum; and if any profit shall have been made by the company, or any amount shall before the completion of such purchase have been paid by the company to its shareholders as and by way of dividend, the profit so made, or the amount so paid by way of dividend, shall be deducted from the purchase-money or price to be paid to the company; and any moneys for the then time being charged upon the said railway-works, plant, rolling-stock, implements, rights, powers, and privileges, or any part thereof, in respect of the said seven hundred and fifty mortgaged debentures, or otherwise howsoever, shall be deducted from the said purchase-money or price, and the difference only between the moneys charged and the purchase-money or price computed as aforesaid, less the amount of any such profit or dividend as aforesaid, shall be paid to the company: Provided always that if any of the said debentures shall remain in the hands of the company unsold the same may be cancelled, and the amounts thereof shall not in that case be deducted from the said purchase-money.

9. If there shall be any dispute with regard to the amount actually expended by the company upon or for the said railway-works, plant, rolling-stock, implements, and appurtenances, the computation of such amount shall be referred to three (3) arbitrators, one to be chosen by the Governor, one by the company, and the third arbitrator by the two other arbitrators.

10. Upon payment of the purchase-money, or price computed as aforesaid, the company shall convey, assign, and transfer to Her Majesty all their estate, property, and interest in the said lands, railway-works, plant, rolling-stock, and everything appurtenant thereto.

11. All costs and expenses of and incident to these presents, and of and incident to the guaranteeing of the said debentures, and of any incident to the preparation of the said deed or instrument in the seventh paragraph of this agreement mentioned, shall be borne and paid by the company.

In witness whereof the Honorable Richard Oliver, as and being the Minister for Public Works for the Colony of New Zealand, for and on behalf of Her Majesty the Queen, hath hereunto set his hand, and the company have hereunto set their common seal, on the day and year first above written.

Signed by the Honorable Richard Oliver, the Minister for Public Works for the Colony of New Zealand, in the presence of—

JOHN KNOWLES,

Under-Secretary for Public Works, Wellington.

R. OLIVER.

The common seal of the Waimea Plains Railway Company (Limited) was affixed hereto by Bendix Hallenstein, John Roberts, John Davie, and James Taylor Mackerras, four of the directors of the said company, being present at and constituting a board of directors of the said company, in the presence of—

HORACE BASTINGS,
Secretary.

BENDIX HALLENSTEIN.
JOHN ROBERTS.
JOHN DAVIE.
JAS. T. MACKERRAS.