

and that the ships would be at liberty before departure on the homeward service or after arrival on the outward service to call at all or any of such ports; that the Contractors should from time to time give thirty days' notice previous to the departure of the ship both to the Agent-General in London and the Postmaster-General at Wellington of the port selected as the port of arrival or of departure, as the case might be, and of the other ports at and the day on which it was intended the ship should call; that if the Contractors should fail to commence the performance of the services thereby contracted to be by them performed according to the provisions of the said contract, or having commenced the same should refuse or wilfully neglect to carry on the same according to the true intent and meaning of the said contract, they should forfeit and pay to the said Government the sum of ten thousand pounds as and by way of liquidated damages and not by way of penalty; that all and every the sums of money thereby stipulated to be paid by the Contractors, whether to the Government or to any passengers, should be considered as liquidated or ascertained damages due to the Government, whether any damage or loss should have or should not have been sustained, and might be set off by the Government against any moneys payable to the Contractors under or by virtue of the said contract, or might be enforced as a debt due with full costs of suit at their discretion: Provided always that the payment by the Contractors of any sums of money for any neglect or default in the observance or performance of the covenants or agreements therein contained should not in any manner prejudice the rights of the Government to treat such defaults as a non-observance or non-performance of this contract on the part of the Contractors, or disentitle the Government to determine the said contract under clause No. 75 of the said contract on account of any such default, it being thereby expressly agreed that the performance of the service thereby contracted to be performed within the times mentioned in clause No. 6 of the said contract should be deemed and held to be the essence of the said contract; that the Contractors should, with two sureties to be approved by the Agent-General, jointly and severally enter into a bond in the penal sum of ten thousand pounds, conditioned for the due and faithful performance of the covenants and agreements on the part of the Contractors therein contained, according to a draft or form already then agreed upon, and that in case from time to time either of the sureties executing any bond given as thereby required should die, or be adjudicated a bankrupt, or file a petition for liquidation or arrangement with his creditors, or his estate should be sequestered, then the Contractors should and would from time to time execute and procure to be executed by the other surety or sureties, as the case might be, and a new surety to be approved as aforesaid, another similar bond in substitution of the one then in force.

Now the condition of the above-written bond or obligation is such that if in case the said A.B. and C.D. shall not at all times hereafter during the period during which the said contract is to be performed provide, or, having provided, shall not keep seaworthy and in complete repair and readiness, a sufficient number of, and not less than five, good, substantial, and efficient screw steamships of the first class, and fully equal to Class 100 A1, Lloyd's Register, and of not less gross register-tonnage than three thousand tons each, constructed of iron, and propelled by first-rate engines of adequate power for a continuous speed so as to perform the voyages mentioned in the said contract, and hereinbefore referred to within the time [*or times] therein [*respectively] specified, and hereinbefore referred to, and having spar-decks and proper capacity for passengers and cargo, and ample ventilation for passing through tropical latitudes, and with a minimum height in every part between decks of seven feet; it being nevertheless hereby provided and declared that the said A.B. and C.D., so long as they shall perform the said services, shall not be required to keep more than four of the said ships actually employed in the said services if one of the said five ships, if laid up, shall, including its machinery and engines if in complete repair when it is laid up, be kept in complete repair, and, if the same or its machinery or engines shall be out of repair, shall with all due diligence be put in complete repair, and be thenceforth kept in complete repair, and the ship so laid up, being, with its machinery and engines when laid up, in, or after it and its machinery and engines shall have been put into, complete repair, shall at all times thereafter while laid up be kept in such a state and condition that, upon being furnished with stores, fuel, and provisions, and being manned and provided with officers, engineers, and crew, as in the said contract provided for, it would thereupon be in readiness for performing the said services, and efficient for travelling at the speed in the said contract mentioned as hereinbefore recited; or in case any ship shall be employed or used for the purposes of the said contract before having been approved by the Government or such person or persons as they shall have authorized to inspect and examine the same; or in case any such ship as aforesaid, or any part thereof, shall, on any such survey as in the said contract mentioned as hereinbefore recited, be declared to have any defect or deficiency, or to be unseaworthy, or not adapted for the said services, and be nevertheless employed in carrying out the said contract without such defect, deficiency, unseaworthiness, or want of adaptation for the said services having been repaired, supplied, or corrected to the satisfaction of the said Government or such officers or agents as in the said contract mentioned and hereinbefore referred to; or in case the first of such steamships shall not leave London for New Zealand on the day of , or within thirty days thereafter, or in case the first of such steamships shall not leave New Zealand for London on the day of , or within thirty days thereafter; or in case one of such steamships shall not leave London for New Zealand, and another New Zealand for London, once in every calendar month for a period of three years, to be computed from the day on which the first of such ships shall leave London for New Zealand, the said A.B., C.D., E.F., and G.H., or some or one of them, or the executors or administrators of some or one of them, do and shall in any of the said cases pay unto Her Majesty's Government in the said colony, or to such other person or persons for and on behalf of Her Majesty as the Governor for the time being of the said colony shall appoint, the sum of ten thousand pounds as and for liquidated damages, then the above-written bond or obligation shall be void, otherwise to remain in full force and virtue.

Signed, sealed, and delivered by the above-named

* Omit if each voyage is to be performed in the 1,200 hours.