

covered by the contract between the Government of New Zealand and the Government of the United States dated December 18, 1945, as amended in this Agreement, and in order to further educational and cultural relationships between the two countries by means of scholarships or otherwise in a manner mutually agreeable, will pay to the Government of the United States the value of such aircraft and related spares and surplus property as provided in paragraphs 8 and 9 hereof, by any of the following methods or any combination thereof designated by the Government of the United States, employing in every case the rate of 3·2442 United States dollars to one New Zealand pound :

- (i) (a) By delivery of title to the Government of the United States by the Government of New Zealand of such real property and improvements to real property in New Zealand as may be selected and determined by agreement between the two Governments, aggregating in value not more than \$1,200,000 ;
- (b) By establishment of a fund in New Zealand pounds, equivalent to not more than the remaining amount due to the Government of the United States hereunder, for expenditure in accordance with agreements to be reached between the two Governments for carrying out educational and cultural programmes of benefit to the two countries :
- (ii) By delivery to the Government of the United States of such other property or services in New Zealand as may be selected and determined by agreement between the two Governments, aggregating in value not more than such part of the amount due to the Government of the United States as may not have been expended under the provisions of subparagraphs (i) (a) and (i) (b) hereof :
- (iii) In the event that, after three years from the date of this Agreement the two Governments have been unable to agree that the purposes described in subparagraphs (i) and (ii) above hereof can be carried out to the full extent now contemplated, any residue will be paid by the Government of New Zealand to the Government of the United States in United States dollars.