

in part recited Articles of Agreement, certain securities have been deposited by the Contractors with the Bank of New Zealand, and are now held by the said Bank, for and on behalf of the Governor and the Colonial Treasurer of New Zealand, subject to the terms of the said two lastly hereinbefore in part recited Articles of Agreement, and as security for the due performance and fulfilment, by the Contractors, of the covenants and agreements by and on the part of the Contractors respectively contained in the said Contract No. 2: And whereas the House of Representatives, on the twenty-sixth day of October, one thousand eight hundred and seventy-one, resolved as follows:—"And further recommends that the Government negotiate with the Messieurs Brogden for the modification and extension of No. 2 Contract, or the substitution of one in its place as nearly as possible to the following effect:—That Messieurs Brogden and Sons construct such railways authorized or to be authorized by the Assembly as it may be agreed shall be offered to them, to the amount of one million pounds, at prices to be agreed to between them and the Government, such prices being within the limits fixed by the Legislature; Messieurs Brogden and Sons to state the price at which they are willing to construct each railway, and the Government to be at liberty to refuse or accept the offer. Payment to be made in debentures, bearing five and one quarter per cent interest, or in cash, at the option of the Government. In the event of the Government and Messieurs Brogden and Sons not being able to agree as to the construction of railways under these provisos, the Government or Messieurs Brogden and Sons, on notice to that effect being given by either party, to be bound to carry out No. 2 Contract." And whereas, with a view to carrying out the said recommendation of the House of Representatives, so far as the Governor thinks it expedient so to do, it is proposed that negotiations should at once be entered into with the Contractors for the construction of railways to the extent of one million pounds, and that, if such negotiations should eventuate in a Contract, the said Contract No. 2 should by the parties thereto be mutually released, cancelled and abandoned, and that, pending such negotiations, the said Contract No. 2 should be suspended: Now these presents witness that Her Majesty the Queen, for Herself, Her Heirs and Successors (all of whom are hereinafter included in the term "the Queen"), and so far as the covenants hereinafter contained are to be performed or observed on Her or their parts respectively, doth hereby covenant with the Contractors, their executors, administrators, and assigns (all of whom are hereinafter included in the expression "the Contractors"), and the Contractors and each of them, for themselves and himself, and their respective heirs, executors, administrators, and assigns (so far as such covenants hereafter contained are to be performed or observed on their parts), do and doth hereby covenant with the Queen, Her Heirs and Successors, in manner hereinafter appearing; and the Governor, for himself and his successors (all of whom are hereinafter included in the expression "the Governor"), so far as the covenants hereinafter contained are to be performed or observed on his and their parts respectively, doth hereby covenant with the Contractors, their executors, administrators, and assigns (all of whom are hereinafter included in the expression "the Contractors"), and the Contractors and each of them, for themselves and himself, and their respective heirs, executors, administrators, and assigns (so far as the covenants hereinafter contained are to be observed and performed on their parts), do and doth hereby covenant and agree with the Governor, his successors and assigns, in manner hereinafter appearing.

1. That, notwithstanding anything to the contrary contained in the said Contract No. 2, or in the said two lastly hereinbefore recited Articles of Agreement, dated respectively the twenty-sixth day of June last, the said Contract No. 2 shall not, so far as regards any of the covenants or agreements therein contained which are to be observed or performed either by the Queen or the Governor, or by the Contractors, be deemed to have come into or be in operation until the negotiations intended to be entered into pursuant to a certain Memorandum of Proposals already prepared and agreed to between the said parties, and intended to bear even date with these presents, but to be executed after the execution of these presents, shall have failed in manner therein particularly mentioned, and the Governor on the one hand shall have caused to be delivered to the Contractors, or the Contractors shall have delivered to the Minister of Public Works on behalf of the Governor, a notice in writing that such negotiations have failed and are deemed at an end, and any such notice to the Contractors which shall be delivered to any one of the Contractors in New Zealand, or to any Agent or reputed Agent of the Contractors in New Zealand, or be published in the *New Zealand Gazette*, shall have the same effect as if delivered to the Contractors.

2. The Contractors covenant that the said securities so deposited as aforesaid shall, notwithstanding anything contained in these presents, remain as now deposited during the suspension of the said Contract No. 2, and be held, as provided by the said Contract No. 2, as security for the due performance thereof by the Contractors in case the same shall come into actual operation.

In witness whereof the Seal of the Colony has hereunto been affixed, and the said Contractors have hereunto set their hands and seals, the day and year first above written.

G. F. BOWEN,
Governor.
(Seal of the Colony.)

Sealed with the Seal of the Colony,
and signed by the Governor, in the presence of

JULIUS VOGEL.

ALEXANDER BROGDEN,
By his Attorney, James Brogden.

(Seal.)

HENRY BROGDEN,
By his Attorney, James Brogden.

(Seal.)

JAMES BROGDEN.

(Seal.)

Signed, sealed, and delivered by the above-named Alexander Brogden, Henry Brogden, and James Brogden, in the presence of

WM. THOS. LOCKE TRAVERS,
Solicitor,
Wellington.