

the Contractors, after reciting as therein recited, it is amongst other things declared that it was agreed between the Governor and the Contractors that he would, within eight years from the date of the articles of agreement now being recited, entrust to the Contractors the making of railways in New Zealand, and the providing of plant for such railways, to the extent in total cost of four million pounds: And whereas by articles of agreement dated the twenty-second day of June, one thousand eight hundred and seventy-one (hereinafter referred to as Contract No. 2), made between the Governor and the Contractors, after reciting as therein recited, it is amongst other things declared that it was agreed by the Governor that he would, with all convenient despatch, entrust to the Contractors the making of railways in New Zealand, and the providing plant for such railways, to the extent of five hundred thousand pounds; and that he would cause the necessary surveys and plans and sections of such railways to be declared, deposited, and proclaimed: And whereas by other articles of agreement purporting to have been entered into on the twenty-sixth day of June, one thousand eight hundred and seventy-one, between the Governor and the Contractors, after reciting amongst other things that the said Contract No. 1 and Contract No. 2 had not as yet been executed by the Governor, it was amongst other things agreed between the Governor and the Contractors that the Governor would, within a period of three months from the time when the said Contracts Nos. 1 and 2 arrived in New Zealand, execute one or both of them, and that, until the expiration of the said period, both of the said contracts should be binding upon the Contractors as fully as if the Governor had executed both of them, and that, after the expiration of the said period, then, as the case may be, both, or, if the Governor should have executed one only of the said Contracts Nos. 1 and 2, such one only should be binding upon the Contractors: And whereas by other articles of agreement dated the twenty-sixth day of June, one thousand eight hundred and seventy-one, and made between the Governor and the Contractors, but executed by the said Contractors subsequently to the execution by them of the said thirdly hereinbefore in part recited articles of agreement, it was agreed between the Governor and the Contractors to the same effect and in the same terms as in the said thirdly hereinbefore in part recited articles of agreement, except that the period of six months was substituted for the period of three months in the last recited, and in the first clause thereof: And whereas on the                      day of                      , one thousand eight hundred and seventy-one, being within the said period of six months, the Governor did execute the Articles of agreement secondly hereinbefore in part recited and referred to as Contract No. 2, and has determined and elected not to execute the first hereinbefore in part recited articles of agreement called Contract No. 1: And whereas, in accordance with the terms of the said two lastly hereinbefore 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