

Now, this deed witnesseth that, in consideration of the covenants hereinafter contained on the part of the Queen, the company doth hereby covenant with the Queen in manner following, that is to say :—

1. The company shall and will, with all convenient speed, and within the term of five years computed from the date of these presents, at its own expense in all things, construct and thereafter maintain and work a line of railway between a point on the bank of the Wairoa River north of the confluence of the Kaihu and Wairoa Rivers, thence up the Kaihu Valley, a distance of about nineteen and a half miles, to such point as the directors of the company shall determine, with the approval of an engineer appointed for that purpose by the Governor (hereinafter throughout these presents referred to as “the engineer”), and will construct such line of railway along the line shown in red upon the map marked A hereunto annexed, or as near thereto as practicable: such railway to be constructed, and, when completed, to be worked, in all respects under and subject to the provisions of the said Act.

2. The railway to be constructed, maintained, and worked under the provisions of this contract; and all other works in connection with the said railway which are provided for in this contract shall be well and faithfully constructed of sound materials, and of sufficient strength and durability, having regard to the nature of such works, upon plans, both general and detail, to be from time to time approved of by the engineer, and so that the details shall, as nearly as may be, conform to the approved standard drawings in use on the New Zealand Government railways, and that the specifications shall accord as nearly as may be to the standard specifications of the Government of New Zealand for the time being used in respect of the construction of railways having single lines of permanent way, or as may be necessary for any particular work included in this contract; and such construction shall in all things be to the satisfaction of the engineer, it being the intent and meaning of this provision that all such plans and specifications, when approved by the engineer, or as the same may be altered or modified subject to his approval, shall form part of this contract as effectually as if the same had respectively been attached hereto at the date of the execution hereof.

3. All rolling-stock and plant to be from time to time used or employed upon the said line or in connection therewith shall be of like character and strength in all respects to the rolling-stock and plant in use upon railways constructed by the Government of New Zealand.

4. The power conferred by the 48th section of the said Act shall be deemed to extend to and include all works of every kind executed by or on behalf of the company under this contract, and all plant, rolling-stock, materials, and things which are or may be used, or are intended to be used, in or upon the said works; and if at any time the Governor shall be advised that some addition, alteration, or repair is necessary or requisite to or upon the said railway or all or any of the works aforesaid, or to the rolling-stock, plant, and materials used or intended to be used thereon, then, for the purpose of more effectually carrying out this contract, he may, on behalf of the Queen, direct the engineer to take such steps as may be necessary to have such addition or alteration made or repair effected; and, upon delivery to the company, at its registered office in Auckland, of a notice in writing from the engineer specifying the nature and extent of the addition, alteration, or repair required, or the class and character of the rolling-stock, plant, or material to be supplied, the company shall cause the same to be made, executed, or supplied within the period specified in such notice, as the case may require.

And this deed further witnesseth that, subject to the provisions of the said Act, and in consideration of the premises, the Queen doth hereby covenant with the company in manner following, that is to say :—

5. Subject to the provisions of “The Harbours Act, 1878,” it shall be lawful for the company to build a bridge or bridges over the Kaihu River according to plans to be approved by the engineer; and also to build a breastwork and wharf on the bank of the Wairoa River at the point of junction of the railway and the Wairoa River, according to plans to be approved by the engineer.

And whereas, there being no land adjoining the proposed line of railway available under the provisions of the said Act, the land set apart for selection as hereinafter mentioned is so set apart under the provisions of section 101 of the said Act :

Now it is hereby further agreed between the Queen and the company,—

6. That, as soon as conveniently may be after the execution of this contract, the lands shown by a red border and colour on the map hereunto annexed, and marked B, shall be withdrawn from sale and set apart to be granted to the company under the powers and to be dealt with in manner respectively provided by Parts I. and V. of the said Act, and that the selection of such land for the purposes of the said Act and of this contract shall, after the construction of the said railway or of any completed section or sections of the same, be conducted and carried out as follows, that is to say :—

- (a.) For the purposes of such selection, the estimated cost of constructing the said line of railway shall be the sum of £3,000 per mile throughout its whole length, estimated at nineteen and a half miles.
- (b.) For the purposes of such selection, the value of the lands shall be ascertained in the manner prescribed by section 102 of the said Act, but to the “estimated market value” of the land as defined in the said section there shall be added the value to the company of the surveys already made of, and roads already constructed through, the said lands.
- (c.) For the purposes of such selection as aforesaid, the said line of railway shall be divided into sections, and, when and so soon as the Minister for Public Works for the time being shall be satisfied that the said line of railway, or any section thereof which can be usefully worked for public traffic, has been completed and is fit for such traffic in accordance with the said Act, the company shall be at liberty to select and shall receive a grant for so much of the said land as they may be entitled to in respect of the number of miles of the said railway comprised in such completed section; and, if there shall be