No. 3.

The Commissioner of Crown Lands, Hawke's Bay, to the Under-Secretary for Lands.

Department of Lands and Survey,

District Office, Napier, 27th October, 1903.

The Under-Secretary for Lands, Wellington.

Education Reserves and School Commissioners.

I have the honour, in reply to Circular No. 597 of the 21st instant, to forward herewith a copy of conditions and covenants to be entered into by any person acquiring a lease of an education reserve from the School Commissioners for the Hawke's Bay District, and which gives the required information.

Eric C. Gold Smith,

Commissioner of Crown Lands.

Particulars of the Education Reserves set out in the Schedule hereunder to be offered for Lease by the School Commissioners for the Provincial District of Hawke's Bay at , at Napier, on , the day of , at , for a term of twenty-one years.

Conditions.

1. The properties mentioned in the foregoing particulars will be offered in separate lots as specified above.

2. The highest bidder or bidders of the upset rental, as the case may be, for each lot shall be the lessee thereof, and if any dispute shall arise the lot in dispute shall again be put up and resold.

3. Areas of the several lots set down in the schedule hereinbefore mentioned are correct.

4. Bids of not less than a sum to be fixed by the auctioneer will be reserved for each lot offered.

5. The lessee for each lot shall pay to the Secretary for the School Commissioners the first half-year's rent on the fall of the hammer, and shall also pay in cash to him the fees for the preparation of the lease, and will be required to sign and stamp an agreement to complete the lease according to these conditions.

6. In the case of Lot the lessee shall also pay on the , in addition to the half-year's rent due on the fall of the hammer, the amount of the improvements thereon as specified in the particulars of sale.

7. In the case of Lot the lessee shall on the fall of the hammer pay for the timber on same at a valuation which shall be stated at date of sale.

8. Possession of Lot will be given on the ; of Lot on the ; and of the other lots on the day of the sale: but in no case will the lessors undertake to give actual personal possession.

9. The upset price or highest bidding, as the case may be, shall be the amount payable by

annual rent for each lot during the whole term.

10. The lessee of each lot during the term of his lease shall pay the rent half-yearly in advance, and shall also bear, pay, and discharge all rates, taxes, charges, assessments, and impositions either already made or which may afterwards be made upon or in respect of the lot leased by him, and any buildings erected thereon, and improvements which may be made thereon, whether chargeable against the owner or occupier thereof.

11. Should the rent of any lot not be paid punctually when due, interest at the rate of £10 per centum per annum shall be charged thereon from the date on which the same may be due up to the

12. If the lessee of any lot shall allow the rent of such lot to fall six calendar months in arrear, or shall fail to perform any of the conditions of the lease, the lessors shall have the powers, without any formal demand having been made, to re-enter and take possession of the premises, and to let, use, or dispose thereof as they shall think fit; but the lessee shall not be thereby discharged from liability for rent due or accruing due at the time of such entry, or for or on account of any breach or breaches of any of the covenants or conditions on his part contained or implied in the lease.

13. The lessee shall not assign, sublet, or part with the possession or occupation of the lot leased by him, or any part thereof, without the consent in writing of the lessors previously had and obtained.

14. The lessee shall not, without the previous consent in writing of the lessors first had and obtained, remove any buildings or erections now or hereafter to be erected on the lot leased, whether the same shall be affixed to the freehold or not.

15. All buildings, fences, and fixtures which are now or which may hereafter during the lease be erected on the land shall be kept in good and tenantable order and repair, and such buildings and fixtures shall be insured at the cost of the lessee in the name of the lessors to at least one-half of the cost of such buildings and erections in some responsible insurance company in-Napier to be approved by the lessors: Provided that all moneys received in respect of such insurance shall be forthwith applied in or towards rebuilding or repairing the buildings and erections, for the damage and destruction whereof such moneys shall have been so received.

16. The lessee of any lot shall have the right of renewing the lease to be granted under these conditions from time to time for a period not exceeding twenty-one years for each such renewal: Provided that the lessee shall give to the lessors not less than two calendar months' previous notice in writing of his or their intention to renew. The renewal lease shall be upon the same terms and conditions as are herein expressed, including this present right of renewal, but the