

to the Licensee, subject to the conditions hereinafter set forth, and to the payment of the rent hereby reserved, a license to take, divert, and use such quantity of water from the headworks in the Waikato River described in the Second Schedule hereto (and hereinafter referred to as "the said water") as shall be theoretically capable of developing ten thousand horse-power at the turbine shaft in the generating-station, described in the Third Schedule hereto; but nothing herein shall be held to imply any guarantee by His Majesty the King that the said river contains or shall at any time contain the quantity of water referred to.

This license is granted on condition that the Licensee will at the Licensee's own expense construct the works hereinafter generally described, including all necessary appliances connected therewith, and will also observe and perform the conditions hereinafter mentioned:—

1. In this license the following words and phrases shall have the meanings hereby attached to them respectively:—

"Mining purposes" means and includes "mining operations" and "mining purposes" as defined in the Mining Act, 1908, and includes also lighting by electric light any mining operation.

"A sluice-head of water" means a sluice-head as defined by the Mining Act, 1908, and regulations thereunder.

"A horse-power" ("H.P.") is the quantity of work equivalent to the raising of thirty-three thousand pounds weight through one foot of space per minute.

"Minister" means the Minister of Public Works.

"Public works" means any public work as defined in the Public Works Act, 1903, and includes any work authorized, constructed, or maintained under Division II of the Post and Telegraph Act, 1908.

"Inspecting Engineer" means the Engineer-in-Chief of the Public Works Department of New Zealand, or other officer appointed by the Minister for the purpose of inspecting works to be constructed or maintained by the Licensee hereunder.

2. The said water shall be used solely for the purpose of generating electricity or electrical energy for mining, lighting, and manufacturing purposes in connection with that portion of the Auckland Provincial District described in the First Schedule hereto.

3. The said water shall be taken by the Licensee from the point in the Waikato River described in clause (a) in the Second Schedule hereto, and therein referred to as the "headworks," and such water shall be conducted, by a race over or along the route described in clause (b) in the Second Schedule hereto, to the generating-station to be erected at a site on the bank of the said Waikato River at or near Horahora described in the Third Schedule hereto, and all water diverted from the said river shall be returned by the Licensee to such river at the generating-station.

4. The Licensee shall pay to the Receiver of Land Revenue at Auckland, or at such other place as the Minister may from time to time require, for the privileges herein bestowed, a rent of threepence sterling (3d.) per calendar month per horse-power, calculated upon ten thousand horse-power less twenty per centum. Such rent shall be paid in two equal half-yearly instalments in advance—viz., on the first day of April and the first day of October in each year, commencing on the first day of October, one thousand nine hundred and twelve, and thereafter in the same manner half-yearly during the currency of this license: provided that an allowance of one-third of the first half-yearly payment due on the first day of October, one thousand nine hundred and twelve, shall be made by His Majesty the King to the Licensee in respect of the final two months of the concession of three years free from rent from the first day of December, one thousand nine hundred and nine, allowed by the Minister: but if it be proved to the satisfaction of the Minister at any time that the water in the said river at the headworks is incapable of developing ten thousand horse-power, then in any such case the Minister may allow a corresponding reduction in rent: Provided, however, and it is hereby expressly stipulated, that if the Licensee shall at any time use, or shall at any time sell or grant, any electrical energy to any other person, body corporate, or company for any purpose other than for mining purposes, the Licensee in any such case shall, in addition to the rent hereby reserved, pay to the said Receiver an additional rent of threepence (3d.) per horse-power per calendar month for so many horse-power (less twenty per centum) as in the opinion of the Minister would be required to generate the electrical energy so used, sold, or granted: and for the purpose of enabling the Minister to form such opinion the Licensee shall allow any Government officer appointed by the Minister for that purpose to examine the books or records of the Licensee, so far as they relate to such subject, and shall provide or cause to be provided such meters for gauging the quantity of electrical energy so used, sold, or granted as the Minister may reasonably require.

5. The Licensee shall have the right to apply for and to obtain at the same rental per horse-power, and upon the same conditions in all respects as are in this license prescribed, any further water available beyond the quantity granted by this license, and such water shall be taken and used at the site of the headworks described in the Second Schedule hereto: Provided always that no other person, body corporate, or company has in the meantime applied for or has been granted the right to use the said water: And provided also that if in utilizing such water the Licensee shall require to dam the river or to alter the said headworks as provided by this license, the Licensee shall first submit plans and specifications of such work for the approval of the Minister, and such work shall not be commenced until such approval is given.

6. The term for which this license and any extension thereof is granted is a period of forty-two years without right of renewal, commencing as from the first day of December, one thousand nine hundred and nine, unless such term is sooner revoked, determined, or surrendered in accordance with or in pursuance of the provisions hereinafter contained.