

1059

Mr. Veitch.

WANGANUI-RANGITIKEI ELECTRIC-POWER BOARD  
ENABLING.

[LOCAL BILL.]

ANALYSIS.

<p>Title. Preamble. 1. Short Title. 2. Interpretation. 3. Board to purchase and Corporation to sell part of property and assets of Corporation. 4. Authority to execute agreement. 5. Power to raise loan-moneys by special order. 6. Application of provisions of Local Bodies' Loans Act.</p>	<p>7. Power to extend area within which special loan-moneys can be expended. 8. Power to rate whole district of Board for special loan. 9. Saving clause. 10. Application of purchase-money, and interest thereon. 11. Provision relating to sinking fund. 12. Application of section 3 of Local Bodies' Finance Act, 1921. Schedule.</p>
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A BILL INTITULED

AN ACT to provide for the Purchase by the Wanganui-Rangitikei Electric-power Board of certain Electrical Works from the Mayor, Councillors, and Burgesses Citizens of the Borough City of Wanganui, and for Matters incidental thereto.

WHEREAS the Wanganui-Rangitikei Electric-power Board, a Board duly constituted under the Electric-power Boards Act, 1918 (hereinafter called "the Board"), was by Order in Council dated the twenty-fourth day of October, nineteen hundred and twenty-two, and published in the *New Zealand Gazette* of the twenty-sixth day of October, nineteen hundred and twenty-two, Number 76, at page 2855, authorized to erect and maintain electric lines, transformers, and substations for the transmission and distribution of electric energy within the district of the Board: And whereas the district of the Board is defined by a Proclamation dated the twenty-ninth day of November, nineteen hundred and twenty-one, and published in the *New Zealand Gazette* of the first day of December, nineteen hundred and twenty-one, Number 100, at page 2852: And whereas the area described in the *Second Schedule hereto*, being the area comprised in the Borough of Wanganui, the boundaries whereof are as defined in the *New Zealand Gazette* of the nineteenth day of December, nineteen hundred and twelve, Number 92, at page 3618, is included in such district: And whereas on the seventh day of November, nineteen hundred and twenty-three, the Board caused a poll to be taken over the whole of its district, except that portion comprised within the Borough of Wanganui the boundaries whereof are hereinbefore defined the area described in the *Second Schedule*

hereto on a proposal by the Board to raise a special loan of three hundred and seventy-five thousand pounds for the following purposes : (1) To supply and distribute electric energy for the benefit of the Wanganui-Rangitikei Electric-power District exclusive of the area ~~comprised within the Borough of Wanganui described in the Second Schedule~~ *hereto*, and for such purpose to do all or any of such matters and things which the Board is empowered to do by the Electric-power Boards Act, 1918, and its amendments, except such matters and things as it is empowered to do by sections eighty-eight and ninety thereof, and in particular, but without limiting in any way any of the aforesaid powers, to provide, erect, and construct a system of electrical distribution and reticulation, to purchase plant, land, easements, general equipment, and any existing electrical installations and plants, and to erect generating-stations, buildings, and offices within such district as hereinbefore defined ; (2) to make provision for financial assistance to consumers and for trading purposes as provided by sections eighty-eight and ninety of the Electric-power Boards Act, 1918, and the sum of three hundred and fifty-five thousand pounds was allocated for purposes Number 1 and twenty thousand pounds for purpose Number 2 : And whereas the security proposed for such loan was an annual-recurring special rate of one-halfpenny in the pound sterling upon the rateable value (on the basis of the capital value) of all the rateable property in the Board's district, exclusive of the area ~~comprised within the Borough of Wanganui the boundaries whereof are defined as aforesaid described in the Second Schedule~~ *hereto* : And whereas the said poll was duly carried, and part of the moneys thereby authorized to be raised have been raised and expended in pursuance of the purposes for which such loan was raised : And whereas the Corporation of the Mayor, Councillors, and Burgesses of the *then* Borough of Wanganui, a Corporation incorporated under the provisions of the Municipal Corporations Act, 1920, and hereinafter called "~~the Corporation,~~" duly obtained on the fifth day of July, nineteen hundred and twenty-one, a license in terms of the Public Works Amendment Act, 1911, authorizing the construction and maintenance within the ~~Borough of Wanganui the boundaries whereof are hereinbefore defined~~ *area described in the Second Schedule hereto* of electric lines for lighting, power, and heating purposes : And whereas pursuant to the provisions in that behalf contained in the Municipal Corporations Act, 1920, the ~~Corporation has~~ *Mayor, Councillors, and Burgesses of the then Borough of Wanganui* duly established electric-lighting works, electric lines, transformers, and substations for the purpose of the transmission, distribution, and supply of electrical energy within the area ~~aforesaid~~ *New.*

described in the *Second Schedule hereto* : And whereas by Proclamation of His Excellency the Governor-General of New Zealand, made pursuant to the provisions in that behalf contained in the Municipal Corporations Act, 1920, on the ninth day of June, nineteen hundred and twenty-four, and published in the *New Zealand Gazette* of the twelfth day of June, nineteen hundred and twenty-four, Number 40, at page 1399, the Borough of Wanganui as constituted at the first day of April, nineteen hundred and twenty-four, and hereinafter called the "~~Corporation,~~" was declared a city as from the first day of July, nineteen hundred and twenty-four, under the name of the "*City of Wanganui.*"

And whereas the Board proposes to purchase from the Corporation and the Corporation proposes to sell to the Board all the electrical lighting works, undertaking, plant, electrical lines, transformers, and substations of the Corporation, save and except such portion thereof as is used solely  
 5 by the Corporation for or in connection with its tramway system (hereinafter called "~~the borough~~ city power plant"), at the price and upon the terms and conditions in the *draft* agreement set out in the Schedule hereto expressed and declared: And whereas it is expedient that the Board and the Corporation should be authorized to enter into the said agree-  
 10 ment and to execute the same: And whereas it is expedient that the Board should be permitted to expend for the purposes for which it was raised the sum of three hundred and seventy-five thousand pounds in such ~~that part of its district as is included in the Borough of Wanganui~~ the boundaries whereof are defined as aforesaid described in the *Second*  
 15 *Schedule hereto*, as well as in the remainder of the *its* said district, and that all rateable property in the ~~Borough of Wanganui~~ the boundaries whereof are defined as aforesaid *area described in the Second Schedule hereto* should also be charged in the same manner as all other rateable property in the district of the Board as security for the payment of  
 20 interest, sinking fund, and all other charges on or in connection with the said loan of three hundred and seventy-five thousand pounds: And whereas the Corporation ~~has from time to time raised~~ *is liable for the payment of certain loans from time to time raised* under the Local Bodies' Loans Act, 1913, for the installation of the ~~borough~~ city power plant, the  
 25 greater portion of which loans mature in the month of December, nineteen hundred and thirty-one: And whereas the Corporation is not desirous of receiving payment for that portion of the purchase-money for the ~~borough~~ city power plant as is represented by such loans until and except upon such terms as such loans themselves are repayable: And whereas  
 30 in order to pay for the ~~borough~~ city power plant in terms of the said agreement the Board desires to raise from time to time special loans secured upon an annual-recurring special rate over all property in the district of the Board, including ~~that within the district of the Borough of~~ Wanganui ~~as hereinbefore defined,~~ *the area described in the Second*  
 35 *Schedule hereto*, and to raise such loans in terms of the Local Bodies' Loans Act, 1913, by special order and without taking the steps described in sections eight to twelve of that Act: And whereas it is expedient that the Board should be authorized so to do:

40 BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Wanganui-Rangitikei Electric-power Board Enabling Act, 1924. Short Title

2. In this Act, if not inconsistent with the context,—  
 45 "The Board" means the Wanganui-Rangitikei Electric-power Board. Interpretation.

"Corporation" means the Corporation of the Mayor, Councillors, and ~~Burgesses~~ *Citizens* of the ~~Borough~~ *City* of Wanganui, and includes the Wanganui ~~Borough~~ *City* Council.

50 "The district" means the district of the Board as defined by a Proclamation dated the twenty-ninth day of November,

nineteen hundred and twenty-one, and published in the *New Zealand Gazette* of the first day of December, nineteen hundred and twenty-one, Number 100, at page 2852.

*Struck out.*

“The Borough of Wanganui” means the area comprised within the Borough of Wanganui the boundaries whereof are defined in the *New Zealand Gazette* of the nineteenth day of December, nineteen hundred and twelve, Number 92, at page 3618.

“The special loan of three hundred and seventy-five thousand pounds” means the special loan of three hundred and seventy-five thousand pounds which the Board was authorized to raise by a poll of ratepayers in ~~its~~ *the district of the Board* other than ~~those ratepayers in the Borough of Wanganui the area described in the Second Schedule hereto,~~ and to be expended for the supply and distribution generally of electric energy in the district of the Board other than ~~that comprised in the Borough of Wanganui the area described in the Second Schedule hereto.~~

Board to purchase and Corporation to sell part of property and assets of Corporation.

3. (1.) The Board shall purchase from the Corporation and the Corporation shall sell to the Board the properties and assets of the Corporation mentioned in the *draft* agreement set out in the *First Schedule* hereto, and therein and herein referred to as “the ~~borough~~ *city* power plant,” at the price and upon the terms and conditions in the said agreement contained. Such agreement shall be executed by the parties thereto within twenty-one days from the passing of this Act.

*Struck out.*

No stamp duty or other duty shall be chargeable upon any conveyance, transfer, or other assurance executed in pursuance of the provisions of this subsection.

(2.) The Board shall supply to the Corporation and the Corporation shall take the electricity required by the Corporation for its electric-tramway system, for lighting municipal services, and for municipal purposes upon and subject in each case to the terms and conditions contained in the said agreement, but with such modifications (if any) as may from time to time be agreed upon between the Board and the Corporation.

Authority to execute agreement.

4. (1.) The Board and the Corporation respectively are hereby authorized and empowered to enter into the said agreement, and to do and execute all acts, deeds, matters, and things necessary to carry into effect the provisions of the said agreement.

(2.) The Corporation is expressly authorized and empowered to execute the lease referred to in the said agreement without taking any of the steps required by section one hundred and fifty-five of the *Municipal Corporations Act, 1920.*

Power to raise loan-moneys by special order.

5. The Board may, in terms of the *Local Bodies' Loans Act, 1913,* by special order and without taking the steps described in sections eight to twelve of that Act, raise a special loan or loans charged upon the whole or any part of the rateable property in its district for the purpose of paying or providing for any moneys payable by the Board to the Corporation in terms of the said agreement, and such loan or loans may be raised from time to time as may be desired by the Board to meet such payments.

6. The provisions of the Local Bodies' Loans Act, 1913, shall apply to the loans to be raised and issued by the Board under this Act as if the same had been raised and issued under that Act, subject always to the special provisions of this Act.

Application of provisions of Local Bodies' Loans Act.

5 7. Any Act or Acts to the contrary notwithstanding, it shall be lawful for the Board to expend the moneys to be derived from the special loan of three hundred and seventy-five thousand pounds for any purpose or purposes which the Board is authorized by law to do in any part of its district, including that part of its district within the boundaries of the Borough of Wanganui the area described in the Second Schedule hereto.

Power to extend area within which special loan-moneys can be expended.

10 8. As security for the payment of interest, sinking fund, and all other charges on or in connection with the said special loan of three hundred and seventy-five thousand pounds, the Board is hereby authorized to make and levy an annual-recurring special rate of one-halfpenny in the pound sterling upon the rateable value (on the basis of the capital value) of all rateable property in its district, including that part of its district as is included within the boundaries of the Borough of Wanganui *New*.

Power to rate whole district of Board for special loan.

20 including the area described in the *Second* Schedule hereto, such special rate to be in substitution for any special rate the Board has heretofore made and levied.

25 9. Nothing herein contained shall in any way affect the security of any debentures heretofore issued by the Board as part of its special loan of three hundred and seventy-five thousand pounds.

Saving clause.

10. The Corporation shall,—

30 (a.) Pay or apply all moneys payable by the Board to the Corporation under paragraph 2 (a) of the said agreement for the purchase by the Board of the borough city power plant, and all instalments of such moneys, as a sinking fund in or towards payment of the loans raised or partly raised by the Corporation Mayor, Councillors, and Burgesses of the Borough of Wanganui under the provisions of the Local Bodies' Loans Act, 1913, for the supply or furnishing of electric current for lighting and power, and the reticulation of the same, and the making of advances to owners or occupiers of premises as provided by section two hundred and eighty-three of the Municipal Corporations Act, 1920, at the maturity of such loans as the Corporation shall by resolution determine:—

Application of purchase-money and interest thereon.

40 (b.) Pay and apply all other moneys payable by the Board to the Corporation in terms of as provided by the said agreement, and the interest thereon, in or towards payment of the amount owing by the Corporation on its electrical lighting account and the interest payable thereon:—

45 (c.) Apply the interest payable by the Board to the Corporation on the amount of the purchase-money payable by the Board to the Corporation for the borough city power plant as set out and expressed in paragraph 2 (a) of the said agreement in or towards payment of the interest payable from time to time by the Corporation on loans raised or partly raised by the Corporation Mayor, Councillors, and Burgesses of the Borough of Wanganui, under the provisions of the Local Bodies'

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Loans Act, 1913, for the supply or furnishing of electric current for lighting and power, and the reticulation of the same, and the making of advances to the owners or occupiers of premises as provided by section two hundred and eighty-three of the Municipal Corporations Act, 1920, as the Corporation shall by resolution determine. 5

Provision relating to sinking fund.

11. The setting-aside or appropriating by the Corporation of the moneys mentioned in subsection ~~paragraph~~ (a) of section *ten* hereof shall be deemed to be payments made in respect of and in satisfaction *pro tanto* of the sinking funds established by ~~the Corporation~~ in respect of such of 10 the loans raised or partly raised by ~~the Corporation~~ for the purposes mentioned in such subsection ~~paragraph~~ as the Corporation shall by resolution determine.

Application of section 3 of Local Bodies' Finance Act, 1921.

12. The moneys payable by the Board in terms of subsection ~~para-~~ *graph* (b) of section *ten* hereof, or so much thereof as shall in each year, 15 until the same are fully paid, remain unpaid, shall for the purposes of section three of the Local Bodies' Finance Act, 1921, be deemed part of the total revenue of the Corporation.

## SCHEDULES.

Schedules.

## FIRST SCHEDULE.

AN agreement made this                    day of                    one thousand nine hundred and twenty-four between the Mayor Councillors and ~~Burgesses~~ *Citizens* of the ~~Borough~~ *City* of Wanganui (hereinafter called "the Corporation") of the one part and the Wanganui-Rangitikei Electric-power Board (hereinafter called "the Board") of the other part:

*Struck out.*

Whereas the Corporation on the twenty-fifth day of July one thousand nine hundred and twenty-one being a Corporation duly constituted under the provisions of the Municipal Corporations Act 1920 obtained a license in terms of the Public Works Amendment Act 1911 authorizing the Corporation to erect and maintain electric lines for lighting power and heating purposes within the district of the Corporation namely the Borough of Wanganui the boundaries whereof are defined in the *New Zealand Gazette* of the 19th day of December 1912 Number 92 at page 3618 And whereas pursuant to the powers in that behalf contained in the Municipal Corporations Act 1920 the Corporation has established electric-lighting works electric lines transformers and substations for the purpose of the transmission distribution and supply of electrical energy within the Borough of Wanganui the boundaries whereof are defined as aforesaid and the lighting of the streets private streets and public places of the said borough And whereas the Board was on the 29th day of November 1921 duly constituted an Electric-power Board under the provisions of the Electric-power Boards Act 1918 And whereas the district of the Board pursuant to the provisions of the Electric-power Boards Act 1918 has been proclaimed and is defined by Proclamation dated the 29th day of November 1921 published in the *New Zealand Gazette* of the 1st day of December 1921 Number 100 at page 2852 and includes the Borough of Wanganui the boundaries whereof are hereinbefore defined And whereas the Board pursuant to the provisions of the Public Works Amendment Act, 1911 duly obtained a license authorizing the Board to erect electric lines transformers and substations for the transmission and distribution of electrical energy within the district of the Board And whereas the Board pursuant to the powers in that behalf contained in the Local Bodies' Loans Act 1913 the Electric-power Boards Act 1918 and all other Acts and powers enabling it took the necessary steps and has been duly authorized to raise a loan of £375,000 for the supply and distribution of electric energy within the district of the Board exclusive of the Borough of Wanganui the boundaries whereof are hereinbefore defined and providing for financial assistance to consumers and for trading purposes as provided by sections 88 and 90 of the Electric-power Boards Act 1918 And whereas the security for the said loan is an annually recurring special rate of one-halfpenny in the pound upon the rateable value (on the basis of the capital value) of all rateable property in the district of the Board exclusive of the area comprised within the Borough of Wanganui the boundaries whereof are defined as aforesaid

*New.*

Whereas the Corporation is the owner of certain electric-lighting works electric lines transformer substation established for the purpose of the transmission distribution and supply of electrical energy within that portion of the district of the Corporation the boundaries whereof are defined in the *New Zealand Gazette* of the 19th day of December 1912 Number 92 at page 3618 and for the lighting of the streets private streets and public places of the Corporation within the area aforesaid And whereas the Corporation has agreed to sell and the Board has agreed to purchase all that the electrical lighting works electric lines transformers and substations undertaking and plant of the Corporation save and except that portion thereof used solely for or in connection with the tramway system of the Corporation (hereinafter called "the borough plant") at the price and upon the terms and conditions hereinafter appearing And whereas the Corporation and the Board have agreed to execute these presents Now therefore it is agreed,—

1. The Corporation shall sell and the Board shall purchase at the price mentioned in paragraph 2 hereof all that the ~~borough~~ *city* power plant as hereinbefore defined.

2. The price or purchase-money to be paid by the Board to the Corporation shall be—

- (a.) The actual capital cost including the installation thereof to the Corporation of the said borough power plant to be ascertained in manner hereinafter appearing.
- (b.) The actual losses (including interest during the period of the construction) sustained or incurred by the Corporation in connection with the said ~~borough~~ city power plant at the date of the completion of the said purchase as hereinafter mentioned.

3. (a.) The actual capital cost of the said ~~borough~~ city power plant as mentioned in subparagraph (a) of paragraph 2 of this agreement shall be determined or agreed upon by the Town Clerk of the Corporation and the Secretary of the Board.

(b.) The actual losses mentioned in subparagraph (b) of paragraph 2 of this agreement shall be as shown in the books of the Corporation and such losses shall be determined or agreed upon by the Town Clerk and Secretary aforesaid.

(c.) All books vouchers and other papers of the Corporation relating to the capital cost of the ~~borough~~ city power plant and the actual losses mentioned respectively in subparagraphs (a) and (b) of paragraph 2 of this agreement shall for the purposes of ascertaining such capital cost and actual losses be open to the inspection of the Town Clerk and Secretary aforesaid.

(d.) In the event of the said Town Clerk and Secretary being unable to agree (a) as to the capital cost of the ~~borough~~ city power plant (b) the actual losses or (c) either of the same then such matter shall be referred to an actuary to be mutually agreed upon by the said Town Clerk and Secretary and failing such agreement by an actuary to be appointed by the Minister of Public Works and the provisions of subparagraph (c) hereof as to access to the books vouchers and papers of the Corporation shall with the necessary modifications apply.

4. The purchase-money payable by the Board to the Corporation shall be paid in manner following that is to say:—

(a.) The Board shall on the first day of December in each and every year until and inclusive of the first day of December 1930 pay to the Corporation in part-payment and reduction of the moneys payable by the Board under subparagraph (a) of paragraph 2 of this agreement a sum equal to two per centum of such moneys. The balance of the said purchase-money shall be paid by the Board to the Corporation on the first day of December 1931 subject however to the provisions contained in clause 5 hereof.

(b.) The Board shall pay to the Corporation interest upon the moneys payable by the Board under subparagraph (a) of paragraph 2 of this agreement or on so much thereof as shall for the time being be owing by the Board at the average rate of interest payable by the Corporation on the loans raised ~~by~~ (and for the payment of which the Corporation is liable) under the Local Bodies' Loans Act 1913 for the supply or furnishing of electric current for lighting and power and the reticulation of the same and the making of advances to owners or occupiers of premises as provided by the Municipal Corporations Act 1920 such interest to be payable half-yearly on the first days of June and December in each year.

(c.) Such average rate of interest shall be determined by the Town Clerk of the Corporation and the Secretary of the Board.

(d.) The Corporation shall,—

(i.) Apply all interest received by the Corporation in terms of subparagraph (b) of this paragraph in or towards payment of the interest payable by the Corporation on the loans ~~raised by the Corporation and referred to in the said subparagraph (b)~~ :

(ii.) Pay or apply all moneys received by the Corporation in terms of subparagraph (a) of this paragraph as and by way of sinking fund in or towards payment of the loans mentioned in subparagraph (b) of this paragraph at the maturity thereof.

(e.) The Board shall on or before the first day of December 1931 pay to the Corporation the moneys payable by the Board under subparagraph (b) of paragraph 2 of this agreement.

(f.) The Board shall pay to the Corporation interest upon the moneys payable by the Board under subparagraph (b) of paragraph 2 of this agreement or on so much as shall for the time being remain unpaid at the rate of six pounds per centum per annum payable half-yearly on the first day of June and the first day of December in each year.



5. In the event of the Board desiring to pay the balance or any part of the balance of the purchase-money payable under subparagraph (a) of paragraph 2 of this agreement prior to the first day of December 1931 the Corporation will accept the same on the terms that in addition to the moneys payable by way of purchase-money as set out in subparagraph (a) of paragraph 2 hereof the Board shall pay such further sum as the Corporation may itself be called upon to pay to redeem its various loans referred to in subparagraph (b) of paragraph 4 hereof or such part thereof as it may be proposed to redeem and the Corporation hereby authorizes and empowers the Board to negotiate on its behalf with its debenture-holders with a view to obtaining satisfactory terms upon which such loans or any part thereof may be redeemed.

6. All questions relating to what has been agreed to be bought and sold under paragraph 1 of this agreement and to the removal and rehousing of tramway gear appliances and apparatus belonging to the Corporation from the power-house whether such gear appliances and apparatus shall be removed at all and if so by whom and in what proportions the cost of such removal and rehousing shall be borne shall be determined by the Engineers of the Corporation and the Board and an Engineer to be appointed by the Minister of Public Works and such decision shall be final and binding on the Corporation and the Board.

7. The following provisions as to supply of power by the Board to the Corporation shall apply and be binding upon the Board and Corporation:—

(a.) When the Mangahao supply is available the Board shall supply the Corporation for tramway purposes with power at the following alternative prices and on the following conditions:—

(i.) £10 per K.V.A. up to 200 and £8 per K.V.A. for additional current supplied to be measured on 3,300 volt side and loss of 2 per cent. to be allowed by the Board for transformer losses. Or on a unit basis of 1d. per unit measured at 3,300 volt side and core losses only in B.O.T. units to be allowed to the Corporation based on the transformer makers' test sheet supplied with the transformer. The Board to receive the benefit of all power factor correction that the rotary converters can provide. The Corporation shall provide attendance for converters and in consideration of the attendants operating the Board's switchboards during the time the trams are running the Board shall provide accommodation for converters and switchboard for the Corporation's requirements.

(ii.) For lighting municipal services excluding dwellings the rate shall be 3d. a unit. Each installation to be metered separately.

(iii.) Power for municipal purposes to be provided at the maximum charge of 1½d. a unit. The Corporation to have the right to accept any charge for services in accordance with the Board's scale of charges for power.

(iv.) All power required for tramway shops and D.C. supplied for lifts to be included in the supply to be provided at the rate for tramways.

(v.) The Board shall maintain and supply all street-lighting within the Corporation upon the basis of charges in accordance with the following schedule:—

	All-night Service.	Midnight Service.
	£ s. d.	£ s. d.
60 C.P. per annum .. ..	3 15 0	3 12 6
100 C.P. per annum .. ..	4 0 0	3 17 6
250 C.P. per annum .. ..	4 15 0	4 10 6

Suspension lamps extra, 5s.

(vi.) The Board shall install any ordinary additional lights as may be required from time to time by the Corporation in such positions as are desired by the Corporation without restriction.

(b.) Until the Mangahao supply is available the Board shall supply the Corporation for the purposes mentioned in subparagraph (a) of this paragraph at the actual cost of generation plus interest on capital and fair depreciation.

8. The Board's Engineer shall be consulted as to the method of the construction of any new lines to which any unexpended portion of the Corporation's loans referred to in subparagraph (b) of paragraph 4 of this agreement are to be applied before such construction is proceeded with.

9. The Corporation shall lease and the Board take on lease from the Corporation for the term of twenty-one years commencing from the date of the execution of these presents at the yearly rental of one pound payable half-yearly the lands upon which the said power-house plant is erected being part of Section Number 36 on the plan of the Town Belt of the Borough City of Wanganui together with the right to the use in common with any other tenants of the Corporation of the right-of-way over other part of such section having a frontage of 46.97 links to Taupo Quay by a depth of 454.6 links and together with the right to use the railway-siding reserved by the Corporation in connection with the said lands. Such lease shall contain all such covenants and conditions as are usually inserted in leases granted by the Corporation of lands situate in the Town Belt of the Borough City of Wanganui except as herein provided and in particular shall contain the following covenant :—

“ And it is hereby declared and agreed that the lessee faithfully observing and performing all the covenants conditions and agreements on the lessee's part herein contained or implied shall on the expiration by effluxion of time of the term hereby granted if the lessee shall so desire have a right to the renewal of this lease for a further period of twenty-one years on giving six months' prior notice in writing of such desire to the lessor before the expiration of the term hereby granted at a rent to be fixed by valuation in manner prescribed by the Municipal Corporations Act 1920 or any Act amending the same or passed in substitution therefor as the then fair annual ground-rent of the land and premises hereby demised only without taking into consideration any buildings or improvements. And if such further lease be granted as aforesaid then at the expiration of the second period of twenty-one years and at the expiration of every subsequent period of twenty-one years thereafter the lessee (provided always that the lessee shall in each and every case have faithfully observed all the covenants conditions and agreements on the lessee's part herein or in any such extended lease contained or implied) shall on giving such notice as aforesaid in a similar manner be entitled to a further extended lease for a period of twenty-one years at a rent to be fixed by valuation in manner prescribed by the Municipal Corporations Act 1920 or any Act amending the same or passed in substitution therefor at the time of such further extension of lease being granted in manner herein provided. And further that each such extended lease shall be subject to and contain similar covenants conditions and restrictions in all respects to those herein contained or implied save and except in respect of the annual rent to become payable in respect of each such extended lease. And each such extended lease and a counterpart thereof shall be prepared by the solicitors for the time being to the lessor and all expenses of preparation execution stamping and registration of each such extended lease and the counterpart thereof shall be borne by the lessee. And it is hereby further agreed and declared that on the termination of this lease or of any extension or extensions thereof by effluxion of time or otherwise the lessor shall not be called upon or liable to pay any compensation for any improvements or buildings effected or erected by the lessee on the land and premises hereby demised.”

No covenant as to insurance shall be expressed or implied in such lease and the lessee shall be entitled to remove at any time and from time to time all or any buildings erections or other improvements now or at any time being upon the said lands and the covenant to repair and keep in repair shall be limited to an obligation to keep such buildings and improvements as may for the time being be on the said lands in such a state of repair that they will not become a nuisance or annoyance to the neighbourhood and that the lessee shall not so long as the said lands are being used by it for electrical purposes be liable to pay any municipal rates thereon.

In witness whereof the common seals of the Mayor, Councillors, and Burgesses of the Borough of Wanganui and the Wanganui-Rangitikei Electric-power Board have been hereunto affixed.

*New.*

#### SECOND SCHEDULE.

ALL that area of land, part of the City of Wanganui, the boundaries whereof are particularly described in the *New Zealand Gazette* of the 19th day of December, 1912, No. 92, at page 3618.