

And whereas the Dominion Portland Cement Company (Limited), having its registered office in the City of Wellington, in the Provincial District of Wellington, and incorporated and registered under the Companies Act, 1908 (which company with its successors and assigns is hereinafter referred to as "the licensee"), has applied for a license under the said section to take and use water from the Wairua River in the Provincial District of Auckland (hereinafter referred to as "the said stream") for the purpose of generating electricity for the purposes aforesaid, and upon the terms and subject to the conditions hereinafter appearing, and it is expedient to issue such license accordingly:

Now, therefore, in pursuance and exercise of the powers conferred upon him as aforesaid, and of the powers conferred by section two of the Public Works Amendment Act, 1911, and of all other powers enabling him in that behalf, His Excellency the Governor of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, doth hereby grant to the licensee, subject to the terms and conditions hereinafter set forth, a license to take, divert, and use from the Wairua River aforesaid, for the purposes hereinafter set forth, as much water as is available in the said stream (hereinafter referred to as "the said water") as may at any time hereafter, during the term of this license, be required by the licensee for the purpose of generating electricity for transmission and distribution within the area of supply as described in the First Schedule hereto, and hereinafter called "the area of supply"; and also to erect and maintain electric lines for lighting and power purposes as hereinafter described, and 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.

TERMS AND CONDITIONS.

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

"Minister" means the Minister of Public Works.

"Public Works" means any public work as defined in the Public Works Act, 1908, and its amendments, and includes any work authorized, constructed, or maintained under Division 2 of the Post and Telegraph Act, 1908.

"Inspecting Engineer" means the Engineer or other officer appointed by the Minister for the purpose of inspecting works to be constructed or maintained by the licensee hereunder.

"Telegraph line" has the same meaning as in the Post and Telegraph Act, 1908.

"Pressure" means difference of electric potential.

"Low pressure" means pressures up to 600 volts.

"High pressure" means pressures up to 3,300 volts.

"Extra high pressure" means pressures over 3,300 volts.

"Earthed," as applied to any conductor, means that such conductor shall be so connected to the general mass of earth as to ensure at all times an immediate and safe discharge to earth of electrical energy.

"Street" includes road.

"Electric line" means any wire, wires, conductor, or other means used for conveying, transmitting, or distributing electricity for power, lighting, heating, or electro-chemical or manufacturing purposes, and includes any instrument, insulator, casing, tubing, pipe, covering, or post enclosing or supporting an electric line or anything connected therewith.

"Consumers' wire" means any electric line on the consumers' premises connected with the licensee's electric-supply lines.

2. The said water shall be used for the purpose of generating electricity or electrical energy for mining, power, lighting, heating, motive power, and electro-chemical or manufacturing purposes within the area of supply.

3. The said water shall be taken by the licensee from the point in the said stream marked "headworks," and shown on the plans marked P.W.D. 33676, deposited in the office of the Minister of Public Works at Wellington and hereinafter referred to as the said plans, and such water shall be conducted by a race or pipe over or along the route shown on the said plans to the generating-station to be erected on the bank of the said stream at the site marked "Power-house Site" on the said plans, and all water diverted from the said stream shall be returned by the licensee to the said stream at or near the power-house.

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 7d. per 1,000 kilowatt hours generated by the licensee

as ascertained by a wattmeter inserted in the circuit of each electric generator. Such rent shall be paid half-yearly on the 1st day of April and the 1st day of October in each year, commencing on the 1st day of April, 1915, and thereafter in the same manner half-yearly during the currency of this license; provided, however, that the minimum rent payable by the licensee hereunder shall be at the rate of £12 10s. per calendar month, whether current representing that amount shall have been generated or not.

5. The term for which this license is granted is a period of forty-two years, commencing as from the 1st day of April, 1915, unless such term is sooner revoked, determined, or surrendered in accordance with or in pursuance of the provisions hereinafter contained; and upon the expiry of the term of the license hereby granted or upon the sooner revocation, determination, or surrender of the same, all rights granted to the licensee shall thereupon absolutely cease and determine; and all works, structures, buildings, tunnels, and plant which the licensee may have constructed or erected within or upon the bed of the said stream, or upon Crown lands held or occupied by the licensee in pursuance of the powers granted by this license, shall thereupon become the property of and shall, excepting as hereinafter provided, vest in His Majesty the King; but such revocation, determination, or surrender shall not relieve the licensee of any burden, condition, or liability contracted under this license: Provided, however, that upon the expiry of this license His Majesty the King shall, unless he shall elect to take over the works on payment to the licensee of the amount of valuation as is hereinafter mentioned forthwith, offer by public auction a license on the same terms as these presents, on condition that the purchaser (other than the present licensee) shall forthwith pay to the licensee the then value of the works, structures, buildings, and plant used in connection with the exercise of the rights conferred by this license, and also the value of any land other than Crown land held or occupied by the licensee for the purpose of this license, such value to be ascertained in the manner hereinafter provided, and such payment as aforesaid shall be a condition precedent to the purchaser's right to a license as aforesaid. The term "the then value" in this clause shall mean the then value of the said structures, buildings, lands, and plant as they exist at that time in themselves, and not as part of a going concern; and the said term shall not be held to mean that anything for goodwill shall be included in such value.

The last-mentioned works, structures, buildings, tunnels, and plant (hereinafter called "the works") shall, in case the parties hereto cannot agree, be valued by two arbitrators, one to be appointed by each of the parties hereto, and a third arbitrator to be appointed by the two arbitrators; and such valuation shall, if practicable, be made within the six months preceding the expiry of the term of this license; and until the purchaser at auction shall enter into possession of the works the licensee shall, unless the license is determined, cancelled, or surrendered, have the right to continue the same as a going concern on the same terms as to payment of rent and otherwise as are herein contained and shall be applicable to such circumstances.

This agreement for reference to arbitration is a submission under the Arbitration Act, 1908.

Notwithstanding anything hereinbefore contained, His Majesty the King may, instead of submitting the property to auction, elect to take over the works, structures, buildings, land, and plant on payment by him to the licensee of the amount of valuation aforesaid, or in the event of no sale being effected at such auction His Majesty may grant to the licensee a renewal of this license for a further period of forty-two years on the same terms and conditions as are herein contained: Provided, however, that if the licensee shall neglect or refuse to accept such license, or if the present license shall have been surrendered or shall have been revoked or cancelled for breach of conditions as hereinafter set forth, then in any such case any dams, buildings, or structures which the licensee may have erected or which may have been erected for the purpose of the works authorized by this license on any Crown lands, whether leased to the licensee or otherwise, shall thereupon vest in His Majesty the King without payment of any compensation therefor to the licensee, and the licensee shall forthwith remove from any such dams, buildings, or structures any machinery or plant, and if the licensee shall fail to remove any such machinery or plant within the space of three months from the date when this license has been surrendered, revoked, or cancelled, then, in any such case, such machinery or plant shall thereupon vest in and become the property of His Majesty without payment of compensation to the licensee.

6. The licensee shall instal, construct, maintain, and use the following works for the purposes of this license:—

(a.) Headworks consisting of a diverting weir, and such dam or dams as may be required, and necessary intake.