

the said section have duly made and given their certificate in writing bearing date the       day of       , 188    , whereby it is shown that the total area to be granted to the company is 2,304,000 acres, and it has been agreed that the particulars of such valuation shall be set forth upon a map for the purposes and to be made available as hereinafter mentioned, without prejudice to the right of the Company (if any) to obtain other Crown lands that may then be available to meet the lawful claims of the Company :

Now this deed witnesseth that, in consideration of the premises and of the mutual covenants hereinafter on the part of the Queen and of the Company contained or implied, it is hereby covenanted and agreed by and between the Queen and the Company as follows :—

1. The valuation of the Crown lands of which grants may be made to the Company under the original contract and these presents shall be shown on a map similar to the map marked "B" attached to the original contract and referred to in the Third Schedule to "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act Amendment Act, 1886," and hereinafter throughout these presents such valuation is termed and referred to as "the certified valuation," and the whole of the lands comprised in the first-mentioned map is hereinafter throughout these presents termed and referred to as "the authorised area," outside which the Company shall not be entitled to make a selection or receive a grant of any land on any account or claim under the original contract or this contract, or any Act of the General Assembly relating thereto.

The map to be made under this clause shall be executed by the Queen and the Company, and shall be deposited in the office of the Minister for Public Works at Wellington, and such map and valuation are hereby confirmed, and shall be binding on the Queen and the Company.

2. Subject to the conditions herein contained, all lands within the limits of the authorised area shall be available for selection by the Company, with the following exceptions :—

- (a.) All lands which, at the date hereof, are subject to any rights of private ownership, tenancy, or other occupancy, not being a tenancy or occupancy under leases or licenses granted for pastoral purposes, and all lands which have, prior to the 1st day of January, 1887, been set apart, either permanently or temporarily, by or on behalf of the Queen, under any law, for any public purpose.
- (b.) All lands described in the Schedules to "The Westland and Nelson Coalfields Administration Act, 1877."
- (c.) All lands which from time to time, in the opinion of the Governor, are or may be required for *bona fide* mining for gold or silver, and the several purposes connected therewith or incidental or conducive thereto, and which land shall from time to time be set apart and defined by Proclamations to be issued on that behalf; but no more than 10,000 acres shall be so set apart or proclaimed in one block at any one time; and the land so set apart and proclaimed from time to time shall not in the aggregate exceed 750,000 acres.
- (d.) All lands which shall from time to time hereafter be reserved or set apart for purposes of public recreation or as endowments for charitable or educational purposes under any law for the time being in force: Provided that no such lands shall be so reserved or set apart unless the situation and extent thereof shall have previously been agreed upon between the Queen and the Company.

It shall be optional for the Company at any time to select lands within the authorised area which are held under lease or license for pastoral purposes, but in every such case such selection shall be subject to all existing rights affecting the same.

It shall be optional for the Company, with the consent of the Queen in every case, at any time to select the timber on any lands reserved or set apart as aforesaid under subsections (c) and (d), in lieu of land at the same value per acre as such lands shall be set down in the certified valuation, and such area of timber so selected shall be reckoned as if it were an equal area of land selected by the Company: Provided that such option shall not be exercisable so as to in any way interfere with *bona fide* mining purposes: Provided also that such option shall not be exercisable over lands the timber on which shall, in the opinion of the Governor, be or be likely to be required for saw-mills then in existence, or for holders of timber licenses or miners' rights.

Nothing herein contained shall affect the right of the Queen to resume any lands selected by the Company pursuant to "The Mines Act, 1886."

3. Within three months after the expiration of one year from the completion of the said railway an account shall be taken of all moneys theretofore received by and then owing to the Company as proceeds of the land granted to and sold by them, and as proceeds of their timber and coal, whether by way of purchase-money or royalty, and a valuation shall be made, either by agreement between the parties hereto, or by arbitration as hereinafter provided, of all the land, timber, and coal of the Company then unsold; and if the aggregate of the moneys so received and owing, together with the sum of such valuation, shall not amount to £1,250,000, the Company may, within six months thereafter, select further land out of the land then remaining unselected and described as available for selection under section 2 hereof to the extent of such land then remaining so available; but all such further land shall be valued either by agreement or arbitration as aforesaid, and the Company shall not select any such further land to a value greater than the difference (if any) between the aggregate of the moneys so received and owing, together with the sum of such valuation as aforesaid, and the said sum of £1,250,000.

4. That, subject to the provisions of clause 9 hereof, the Company shall be at liberty from time to time, and when and as it in its discretion shall think fit, to select and take from any part of the authorised area available for selection under section 2 hereof so much of the lands as it shall have earned or become entitled to in respect of any completed section or sections of the said railway,