

Proviso.

Queen to work certain portions of railway for five years on terms.

aforesaid, which in the opinion of the Engineer may be required for side-cuttings, ballast-pits, spoil-banks, and road-approaches and road-diversions, or for the protection in any way of the said railway, or for workshops, stations, or other buildings used in connection with the said railway: Provided that nothing herein contained shall be deemed to require the Queen to cause possession of any land to be so given which is then lawfully held or used for mining purposes, or which may be subject to the terms of any special Act of the General Assembly affecting the same.

12. The Queen will, at the request of the Company, for a period of not more than five years from the date hereof, at her cost, work the portions of the said railway hereinbefore required to be constructed from Springfield and Belgrove respectively as mentioned in clause 7 hereof, and the portions of the said railway to be constructed from Brunnerton eastward for a distance of about nine miles, and from Brunnerton to Ahaura a distance of about twelve miles, or any part or parts of any of such portions which is or are completed and fit for traffic, upon the following terms, that is to say,—

- (a.) The Queen shall be called upon to run only such number of trains as she may consider necessary for the requirements of traffic:
- (b.) The Queen shall maintain only the rails, sleepers, and ballast, and not the formation-works or bridges:
- (c.) The Company shall remove all large slips, and make good any damage which arises from floods or other accidents to the permanent-way or works:
- (d.) The Queen shall pay to the Company 40 per centum of the gross receipts derived from the working of the said portions of railway, and the remaining 60 per centum shall be retained by the Queen, and dealt with as part of the public revenues of the colony:
- (e.) If more rolling-stock than the Queen has at the date hereof on the Nelson and Greymouth Government lines be requisite to work the Company's sections at those places, the Company shall either provide the additional rolling-stock required at its own cost, the Queen keeping the same in repair, or shall pay to the Queen the interest on the cost of providing such additional rolling-stock as may be required.

Company may construct any section of railway which Queen agrees to work.

Company may construct other sections in such order as it thinks fit. If Queen desires to work any section, terms to be as in clause 12.

If, after five years, Queen desires to work any portion or section, terms of working to be settled as stated.

13. The Company shall construct any particular section of the said railway which the Queen may desire, if the Queen agrees to work the same when completed upon the terms mentioned in clause 12; otherwise the Company to be at liberty to construct all other sections at such times and in such order as it thinks fit, but within the time limited by these presents for the completion of the said railway.

In case the Queen desires to work any section during the said period of five years, such working shall be on the terms hereinbefore set forth in clause 12.

14. If, after the said period of five years shall have elapsed, the Queen desires, at the request of the Company, to work any such portion of the said railway or any section thereof, the terms of such working shall be settled between the parties hereto on the basis of similar arrangements made between the Queen and other railway companies in New Zealand.

At any time before the completion of the said railway the Company may decline to work any section; and, unless the Queen desires, before the expiration of the period of five years hereinbefore mentioned, to work the same on the terms set forth in clause 12 hereof, or, after that period, on the terms mentioned in this clause, such section may remain unworked.

The working or non-working of any section shall not affect the earning by the Company of grants of land in respect thereof.

AND THIS DEED FURTHER WITNESSETH that, in further consideration of the premises and of the mutual covenants herein on the part of the Queen and of the Company contained, it is hereby covenanted and agreed by and between the Queen and the Company as follows:—

15. The particulars of the certified valuation within the authorised area and the blocks of land which the Company shall from time to time be entitled to select

Particulars of valuation and blocks

Company may decline to work any section, and, unless Queen works same, it may remain unworked; but working or non-working not to affect Company's right to earn grants of land.