

expenses, if any, as are usually chargeable to maintenance and operation as distinct from Capital Account.

Percentages
for
supervision,
etc.

38. It is understood that in the cost of carrying out any work or the performance of any service whether on Capital Account or Maintenance and Operation Account, there shall be included in addition to the actual cost, a charge of ten per cent (10%) on labor for supervision and fifteen per cent (15%) on materials and supplies, other than coal, for handling, and that, when any materials or supplies, other than coal, are furnished by the Pacific to the National the charge therefor shall include, in addition to the actual cost, fifteen per cent (15%) for handling, which additional charges are agreed upon as reasonable for the purposes mentioned, but may be varied from time to time by joint action of the Accounting Officers of the parties hereto.

Payments
by National.

39. The National shall in addition to all other payments herein provided for, pay to the Pacific during the continuance of this Agreement on account of its half interest in the Joint Section the amounts hereinafter mentioned, in the manner and at the times hereinafter provided, that is to say:

- (a) One half of all sums paid by the Pacific by way of premiums on any insurance effected under the provisions of Paragraph 29 hereof, and a further sum equal to one-half the premiums at the same respective rates on all sums carried by the Pacific in its own insurance fund;
- (b) Such proportion of the expenses of maintenance and operation of the Joint Section or any part thereof, as defined in Paragraph 37 hereof (except the taxes specially provided for in section (c) of this Paragraph) as the number of miles run each month by engines and cars (both loaded and empty) of the National over the Joint Section shall bear to the total number of miles run over the Joint Section or any part thereof during the same month by the engines and cars (both loaded and empty) of both parties, an engine and tender being counted as two cars; provided, however, that the amount payable by the National each month under the provisions of this clause shall not be less than 20% nor more than 80% of the expenses of maintenance and operation for that month;
- (c) The full amount of all taxes, rates and assessments (if any) whether Governmental, Municipal or otherwise charged against, payable upon or in respect of the Joint Section or any portion thereof, liability for which shall or may arise or be occasioned by reason or as a result of the execution of this Agreement, or from the joint ownership, use and enjoyment by the National of the Joint Section or any portion thereof as by this Agreement contemplated.