

respect to the cars owned by Pullman and operated under this contract, or in respect to the ownership, use or operation thereof, or against that portion of the earnings of the said cars which Pullman is to retain as its property under the terms hereof; but the Railroad shall not pay taxes assessed against Pullman unless Pullman shall fail to pay the same when due, or shall request the Railroad to pay them.

ARTICLE II.

SECTION 1 (A). Pullman shall be responsible for all damages to all cars operated hereunder from causes originating inside of said cars, or from acts or omissions of its own employees on said cars, or from fire resulting from the heating or lighting arrangements thereof, except damages due to acts or omissions of employees of the Railroad. The Railroad shall be responsible for all damages to said cars due to accident or casualty originating outside of the cars, except damages due to failure of Pullman to maintain cars in accordance with the provisions of this contract or due to acts or omissions of employees of Pullman for which excepted damages Pullman shall be responsible.

(B). Pullman will perform as to all cars operated hereunder, to the extent it has facilities therefor, shop repairs, exterior yard maintenance including wheelage, running repairs and all maintenance of the interior finish, carpets, seat covers, etc., and will clean the inside of the cars and vestibules. The costs thereof shall be included in "Expenses of Operation."

(C). The cost of maintaining the cars leased by Pullman from the Railroad shall be borne by Pullman and included in "Expenses of Operation."

SECTION 2. The Railroad shall without request make such repairs as may be obviously necessary for the safe operation of all cars operated hereunder, but in no case shall the Railroad be required to exercise more than ordinary care with respect to the necessity for such repairs, and shall also, at the request of Pullman make any repairs for which Pullman facilities are not available and, except as provided in Section 1 of this Article, shall, at the end of each month, render to Pullman bills for such repairs, charging the actual cost of materials and payroll cost of labor (including vacation allowances) expended on such repairs with an additional fifteen (15) per cent for all overhead expenses, including dead shop

labor, handling, store department and general expenses plus an additional amount for payroll taxes.

Whenever under the provisions of Section 1 (A) of this Article, Pullman shall repair damage for which the Railroad is responsible, bills against the Railroad shall be rendered on the basis above stated.

SECTION 3. If any of the leased cars covered by this contract are removed from revenue service on the lines of the Railroad for more than thirty successive days, for any cause other than for necessary shopping or for use on other railroads with the consent of the Railroad, the payments to be made by Pullman to the Railroad as provided in Section 2 of Article I of this contract shall be adjusted for such out-of-service period.

SECTION 4. The Railroad shall haul and switch over the lines of railroad owned, controlled or operated by it as defined in Section 1 of Article I hereof, the cars operated under this contract to and from such points as may be necessary to meet its travel requirements and to and from repair points and repair shops, both Pullman and Railroad, without charge to Pullman, except that in cases where cars which shall have been in service on said lines of the Railroad, including the through or continuous lines mentioned in Section 1 of Article III hereof, less than thirty days, are required to be hauled and switched to and from repair shops for causes not due to the negligence of the Railroad or to accident to such cars while in the service of the Railroad, the Railroad may charge and Pullman will pay the usual tariff rates for such haul. Where deadhead haul over foreign lines or intermediate switching is necessary to get the cars into service of the Railroad, Pullman shall pay such charges and the Railroad shall reimburse them therefor.

SECTION 5. The Railroad shall furnish, free of charge, at convenient points, on the lines of the Railroad, rooms, space and other necessary facilities for airing and storing bedding, linen, supplies and other movables belonging to or designed for use on the cars operated under this contract, but Pullman shall pay the Railroad for compressed air, heat, light, water or other supplies furnished by the Railroad. The Railroad shall not be responsible for the loss or damage to Pullman materials or supplies by fire, theft or otherwise.

SECTION 6. The Railroad shall, at its own cost, furnish and apply to all cars operated under this contract all neces-