

cept such devices or specialties as may be specified by the Railroad for use on such cars and the Railroad shall likewise indemnify and hold harmless Pullman against claims for infringement of patents on devices or specialties so specified by the Railroad, or for infringement of patent rights in the construction or use of any cars leased from the Railroad and their appliances.

(h) All claims and liabilities resulting from frozen cars due to the neglect of Pullman's employees.

In case suit shall at any time be brought against either company, party hereto, for the enforcement of any claim or liability against which the other company in this Section 9 shall save the company sued harmless, the indemnifying company shall, at its own cost and expense, and without any cost or expense whatever to the company sued, defend such suit or suits and indemnify and save harmless the company sued against all costs and expenses thereof, and promptly pay or cause to be paid or discharged any judgment recovered against the company sued, which said company may pay or be compelled to pay in any such suit or suits; provided, however, that the company sued shall promptly upon the bringing of any such suit against it give notice in writing to the indemnifying company.

ARTICLE III.

SECTION 1. The Railroad shall have the right to co-operate with other railroad companies in forming through or continuous lines of sleeping car service and Pullman upon request of the Railroad shall furnish hereunder, to the extent it has cars available, its pro rata of sleeping cars for service in such through or continuous lines based upon the mileage of the Railroad in said lines, and shall be entitled to receive all local fares for the use of seats and berths and other accommodations therein upon the lines of the Railroad, and its mileage proportion of through and intermediate fares.

SECTION 2. Each party hereto, in so far as it legally may, shall furnish free passes to the general officers, and to such other officers and employees of the other party as may be mutually agreed upon, for use on lines operated under this contract.

ARTICLE IV.

SECTION 1 (A). Pullman shall first retain from the gross earnings from the sale of seats, berths and other accommodations, and commissary operations (where conducted by Pullman) in all sleeping cars operated under the terms of this contract during each contract year an amount, so far as such gross earnings may be available, equal to the sum of the following items:

(a) The total of Pullman's "Expenses of Operation" of all cars operated on the lines of the Railroad for such contract year, with such "Expenses of Operation" determined as provided in Section 3 of this Article and with the number of cars operated determined as provided in Section 2 of this Article.

(b) An interest return on cars operated on the lines of the Railroad equivalent to (i) the Railroad's cars operated proportion of an amount equal to three (3) per cent per annum on the average depreciated value, as determined and used in computing price of Pullman stock as of December 31, 1945 (adjusted to reflect subsequent additions and betterments, retirements and depreciation accruals), for all present-type heavyweight standard sleeping cars, new-type lightweight sleeping cars, tourist sleeping cars and troop sleeping cars owned by Pullman, plus (ii) an amount equal to the Railroad's cars operated percentage (for the cars leased to Pullman) of the interest rental paid to the Railroad pursuant to Section 2 of Article I of this contract, and plus (iii) the Railroad's cars operated percentage of interest rental paid each other railroad for cars of its ownership operated on the lines of the Railroad; computed for each type of car separately, with the number of cars operated determined as provided in Section 2 of this Article. The average depreciated value of Pullman-owned cars shall be ascertained, for each type of car separately, by averaging the depreciated value at the beginning of each month in the year, determined as provided in this paragraph.

(B). If, for any contract year, the total gross earnings of all sleeping cars operated under the terms of this contract shall exceed the total amount of Pullman's "Expenses of Operation" for all cars operated, plus the interest return to