

Pullman provided for in paragraph (b) of Sub-Section (A) of this Section, such excess shall be divided equally between Pullman and the Railroad.

(C). If, for any contract year, the total gross earnings of all sleeping cars operated under the terms of this contract shall be less than the total amount of Pullman's "Expenses of Operation" of such cars plus the interest rental applicable to railroad-owned lightweight cars represented in amounts referred to in clauses (ii) and (iii) of paragraph (b) of Sub-Section (A) of this Section, the Railroad shall pay to Pullman the amount of the deficiency.

SECTION 2. The number of cars of each type described in Section I of Article I hereof operated during each contract year shall be determined as follows:

The aggregate number of days of actual service (which shall include actual time consumed on loaded movements, regular scheduled layover between trips and empty movements to and from service) of cars of each type and ownership shall be divided by the number of days in the contract year and the quotient shall be taken to be the average number of cars of such type continuously in service during the year.

SECTION 3. Except as herein otherwise provided, the term "Expenses of Operation" as used in this contract shall include all of Pullman's expenses of conducting its sleeping car business and commissary services, except the cost of maintaining and operating air conditioning apparatus, but including all taxes except income taxes, and also including but not limited to the various items elsewhere herein expressly provided to be included in "Expenses of Operation"; and that such expenses shall be ascertained separately for each of the four types of cars in accordance with the practice of Pullman in so ascertaining same at the time this contract is made, subject to such changes as may be agreed upon or as may be now or hereafter provided for in the classification of sleeping car accounts prescribed by the Interstate Commerce Commission; and the total of the expenses so ascertained separately for each type of car shall be divided by the number of all cars of such type operated by Pullman on all railroads (ascertained as provided in Section 2 of this Article). The result so obtained, indicating average expense per car of each type shall be multiplied by the number of cars of such type (ascertained as provided in Section 2 of this Article) operated under the terms of this contract and the product shall be the total

"Expenses of Operation" of the cars of such type operated under this contract. "Expenses of Operation" shall also include the amount reflecting depreciation included in rental, and taxes paid in respect to leased cars, but not interest rental paid in respect thereof, as provided in Section 2 of Article I of this contract.

For the purpose of the above computation all expenses of Pullman in connection with the operation of present-type standard sleeping cars, new-type lightweight sleeping cars, tourist sleeping cars and troop sleeping cars operated by Pullman shall be considered common to all four types of cars except depreciation, shop maintenance, and such other items of the expense as can be readily apportioned to the different types of cars (which in the case of depreciation of new-type lightweight cars leased shall be ascertained and assigned specifically to the cars of the owner railroad), and to ascertain average common expenses of operation of each type of car operated by Pullman, for purposes of contract settlement with all railroad companies, the above mentioned excepted items of expenses shall be eliminated from the total expenses of Pullman for all of the four types of cars operated during the contract year, and the total of the remaining expenses shall be divided by the total number of present-type standard sleeping cars, new-type lightweight sleeping cars, tourist sleeping cars and troop sleeping cars operated during such contract year to arrive at the average of the common expenses of all types of cars and to such average shall then be added the average of the above excepted expenses separately for each of the four types of cars, ascertained as herein provided, and the total of the average of common expenses and excepted expenses for each type of car shall be multiplied by the number of cars of such type (ascertained as provided in Section 2 of this Article) to ascertain the "Expenses of Operation" for the contract year of all cars of each type operated on the lines of the Railroad.

SECTION 4. A statement showing the gross earnings of cars operated hereunder, and a statement of "Expenses of Operation" shall be furnished by Pullman to the Railroad as soon as practicable after the end of each contract year, and the Railroad shall have the right to verify such statements by examination of the books and accounts of Pullman.

All amounts due either party in the annual settlement of accounts hereunder, shall be paid within 30 days after statements have been furnished the Railroad at the close of each contract year.