

ance with the accounting regulations of any commission or other governmental body having jurisdiction.

3. In the event that any road property of the character now included in Interstate Commerce Commission Account 701 is acquired in conjunction with the acquisition of other property the Corporate Trustee shall allocate the aggregate expenditures between such road property and the other property in accordance with a certificate to be furnished by the Company, unless such allocation is made by, or in accordance with the requirements of, any commission or governmental body having jurisdiction.

4. Bonds may be authenticated and delivered or deposited cash paid out, in lieu of the authentication and delivery of Bonds, pursuant to this Section and Section 2.04, only if thereafter, the aggregate of (a) the principal amount of Bonds then and theretofore authenticated and delivered pursuant to this Section and Section 2.04, (b) deposited cash then and theretofore paid out in lieu of the authentication and delivery of Bonds pursuant to this Section and Section 2.04, and (c) the principal amount of any bonded debt, other than that pledged hereunder, of the character described in Section 2.04 if the property securing the same has been subjected to the lien of this Indenture, shall not exceed  $66\frac{2}{3}\%$  of the increase since December 31, 1949 in the Company's net investment in road, subject to the lien of this Indenture (of the character now included in Interstate Commerce Commission Account 701). Net investment in road shall be calculated, after

(a) deduction of depreciation reserve accrued with respect to such property (now included in Interstate Commerce Commission Account 702 $\frac{1}{2}$ -C) and

(b) adjustment for debit or credit balances applicable to such property in acquisition adjustment account (now included in Interstate Commerce Commission Account 702 $\frac{1}{2}$ -A),

but without deduction,