to the particular provision or provisions of the Mortgage upon which the application is based, and enumerating the resolutions, certificates, opinions, securities, cash, instruments of transfer and other papers and documents or property delivered or to be delivered to the Corporate Trustee with or in connection with such application.

"Available Net Income" for any calendar year shall mean the consolidated income after fixed charges of the Company and its Wholly Owned Railroad Subsidiaries for such year, subject to the following:

(a) Such consolidated income shall be determined, in accordance with the Uniform System of Accounts applicable to such year, from the books of the Company and its Wholly Owned Railroad Subsidiaries without adjustment, except that:

(1) There shall be added to such consolidated income such amounts as shall have been charged to operating expenses during such year representing the service value (i.e. the ledger value less the value of salvage, if any) of any non-depreciable road property retired and not replaced; and

(2) In determining such consolidated income, any adjustment necessary to correct the income account for any prior year shall be made by appropriate entries either in the accounts of the current year (unless in violation of the applicable orders, instructions and regulations) or, in the discretion of the Board of Directors and subject to any requisite approval of the Interstate Commerce Commission or other public regulatory body having jurisdiction in the premises, in whole or in part in the accounts of any subsequent year or years; and in determining Available Net Income for any year any such entries made in the accounts of that year to adjust the income accounts of prior years, whether cleared through income or profit and loss accounts, shall be treated as items affecting the income accounts for the year in which they are entered on the books, *provided, however*, that in determining Available Net Income for any year no adjustments necessary to correct the income account of any prior year need be taken into account except to the extent that cash shall have been received or paid or set aside for payment in respect thereof in such year, or prior to March 15 in the next succeeding year, and *provided, further*, that if prior to March 15 in any year the Board of Directors shall determine that a substantial liability exists which would have reduced the Available Net Income for the preceding calendar year or years if such liability had been accrued in such year or years, then all or such portion of such liability as the Board of Directors shall determine may be deducted in arriving at the Available Net Income for the preceding calendar year, in which case such amount so deducted shall not again be deducted in arriving at the Available Net Income for any subsequent year or years.

(b) All computations of Available Net Income shall be made on a calendar year basis and each calendar year shall constitute an income period.

"Board of Directors" shall mean the Board of Directors of the Company as from time to time constituted or, except when the vote of a specified percentage or number of the whole Board of Directors is required, any executive committee or other committee of the Board of Directors which shall be authorized by resolution of the Board of Directors or by the by-laws of the Company to act in place of the Board of Directors during any period or for any purpose germane to the Mortgage.

"Bonded," when used with reference to Bonds, Additions and Betterments or Purchased Property shall mean that such Bonds, Additions and Betterments or Purchased Property have been made the basis by the Company for (a) the authentication and delivery of any Bonds, (b) the release of any property from the lien of the Mortgage or of any Prior Lien, (c) the withdrawal, payment or application of

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