

## MORTGAGE RECORD 85

(2) All property received in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four months' period, or an amount equal to the proceeds of such property, if disposed of, subject, however, to the rights, if any, of the Corporation or such other obligor and its other creditors in such property or such proceeds. Nothing herein contained shall affect the right of any such trustee:

(A) To retain for its own account any or all of the following:

(i) Payments made on account of any such claim by any person (other than the Corporation or such other obligor) who is liable thereon; and

(ii) The proceeds of the bona fide sale of any such claim by such trustee to a third person; and

(iii) Distributions made in cash, securities or other property in respect of claims filed against the Corporation or such other obligor in bankruptcy or receivership or any proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law;

(B) To realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four months' period;

(C) To realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four months' period and such property was received as security therefor simultaneously with the creation thereof, and if such trustee shall sustain the burden of proving that at the time such property was received such trustee had no reasonable cause to believe that a default as defined in the last paragraph of this Section 5 would occur within four months; or

(D) To receive payment on any claim referred to in paragraph (B) or (C) above, against the release of any property held as security for such claim as provided in such paragraph (B) or (C), as the case may be, to the extent of the Fair Value of such property.

For the purposes of paragraphs (B), (C) and (D) above, property substituted after the beginning of such four months' period for property held at the time of such substitution shall, to the extent of the Fair Value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of such trustee as such creditor, such claim shall have the same status as such preexisting claim.

If such trustee shall be required to account, the funds and property held in such special account (referred to heretofore in this Section 5) and the proceeds thereof shall be apportioned between such trustee, the bondholders, and the holders of other indenture securities in such manner that such trustee and such holders and registered owners realize, as a result of payments from such special account and payments of dividends on claims filed against the Corporation or such other obligor in bankruptcy or receivership or any proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of such trustee anything on account of the receipt by it from the Corporation or such other obligor of the funds and property in such special account and before crediting to the respective claims of such trustee and such holders and registered owners of bonds dividends on claims filed against the Corporation or such other obligor in bankruptcy or receivership or any proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or any proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership, or proceeding for reorganization is pending shall have jurisdiction:

(i) To apportion between such trustee, the bondholders, and the holders of other indenture securities in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof; or

(ii) In lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to such trustee, the bondholders, and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Duty to Account in Case of Resignation of Trustee.

In the event that such trustee has resigned or been removed after the beginning of such four months' period, such trustee shall be subject to the provisions of this subsection (A) of Section 5 as though such resignation or removal had not occurred. In the event that such trustee has resigned or been removed prior to the beginning of such four months' period, such trustee shall be subject to the provisions of this subsection (A) of Section 5, if and only if the following conditions exist:

(i) The receipt of property or reduction of claim which would have given rise to the obligation to account (if such trustee had continued as trustee) occurred after the beginning of such four months' period; and

(ii) Such receipt of property or reduction of claim occurred within four months after such resignation or removal.

Definition of Term "Default" as Used in This Section.

As used in this Section, the term "default" means any failure to make payment in full of the principal of or interest upon the bonds or upon the other indenture securities when and as such principal or interest becomes due and payable; and the term "other indenture securities" means securities upon which an obligor upon the Bonds is an obligor outstanding under any other indenture (a) under which such trustee is also trustee, (b) which contains provisions substantially similar to the provisions of this subsection, and (c) under which a default exists at the time of the apportionment of the funds and property held in said special account.

Exclusions from Operation of This Section 5.

(B) There shall be excluded from the operation of this Section 5 of Article XI any and all creditor relationships arising from any of the following:

(1) The ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by such trustee;

(2) Advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by the Indenture, for the purpose of preserving the property subject to the lien of the Indenture or of discharging tax liens or other prior liens or encumbrances on the trust estate, if notice of such advance and of the circumstances surrounding the making thereof is given to the holders and registered owners of bonds outstanding under this Indenture, at the time and in the manner, in the annual report provided for in Section 8 of this Article XI rendered at the next regular period following the making of such advances (or, as to any advance made within thirty (30) days prior to the making of such annual report, then either in such report or in the annual report at the end of the next following year); or such notice may also have been given for the purpose of this paragraph (2) by any report in writing mailed by such trustee to such holders and registered owners of bonds on any date not later than thirteen (13) months after the making of such advances;

(3) Disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent, or depository, or other similar capacity;