

MORTGAGE RECORD 85

Section 10. Filing Proofs of Claim by Trustee.

In case of any receivership, insolvency, bankruptcy or other judicial proceedings affecting the Corporation, its creditors or its property, the Trustee shall be authorized and entitled to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the bondholders hereunder allowed in any such proceedings for the entire amount due and payable by the Corporation under this Indenture at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Corporation hereunder after such date, without prejudice, however, to the right of any bondholder to file a claim on his own behalf.

Section 11. Representations (with Certain Exceptions) Are by Corporation and Not by Trustee.

The recitals of fact contained in this Indenture and in the bonds issued hereunder, except in the certificate of authentication by the Trustee upon such bonds, shall be taken as statements by the Corporation and shall not be construed as having been made by the Trustee. The Trustee makes no representations as to the value of any of the property subject to the lien of this Indenture or any part thereof, or as to the title of the Corporation thereto, or as to the validity or adequacy of the security afforded thereby or by this Indenture, or as to the validity of this Indenture or of the bonds or coupons issued hereunder, except as contained in the within mentioned certificate of authentication in such bonds.

Section 12. Non-liability of Trustee for Certain Matters.

The Trustee shall not be personally liable for any debts contracted by it in its capacity as such Trustee or for damages to persons or property injured or for salaries or for non-fulfillment of contract or for any other torts, obligations or liabilities arising or incurred during any period when the Trustee manages the mortgaged and pledged property or any part thereof pursuant to any power given in this Indenture.

Section 13. Notice of Defaults to Be Given by Trustee.

The Trustee shall within ninety (90) days after the occurrence of any default known to the Trustee within such ninety (90) day period give to the bondholders, in the manner and to the extent provided by subdivision (C) of Section 8 of this Article XI, notice of any such default known to the Trustee, unless such default shall have been cured before the giving of such notice (the term "defaults" for the purpose of this Section 13 being hereby defined to mean the occurrence of the events specified in subparagraphs (a), (b), (c), (d), (e) and (f) of Section 1 of Article IX, but without the elapsing of any periods of time mentioned in said subsections); provided that, except in case of default in the payment of principal or of interest on any of the bonds or in the payment of any Sinking Fund or purchase fund installment, the Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the Executive Committee, or a Trust Committee of directors or responsible officers (or both), of the Trustee in good faith determine that the withholding of such notice is in the interests of the bondholders.

Section 14. Trustee Entitled to Investigate before taking Certain Actions.

Upon any application for the authentication and delivery of the bonds hereunder or for the payment of any moneys held by the Trustee under any provision of this Indenture, or for the execution of any release, or upon any other application to the Trustee hereunder, or at any other reasonably time, the Trustee shall be entitled to examine the books, records and accounts of the Corporation, either itself or by agent or attorney; and unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in any resolution, certificate, statement, opinion, report or order required by any of the provisions of this Indenture to be delivered to the Trustee as a condition precedent to the granting of any application, it shall be under no obligation to grant such application. The reasonable expense of every such examination shall be paid by the Corporation, or if paid by the Trustee shall be repaid by the Corporation upon demand, with interest at the rate of six per cent. (6%) per year, and until such repayment shall have the benefit of the lien hereby created, in priority to the indebtedness evidenced by the bonds and coupons issued hereunder.

Section 15. Method of Holding Funds.

Pending the application thereof, as herein provided, the Trustee, subject to the provisions of Section 4 of Article VI hereof, shall hold or deposit as a separate trust fund in its own banking department or in other banks, qualified by law to accept Federal funds for deposit, all moneys received by it hereunder.

The Trustee is authorized to deposit, in trust for the payment of the principal of and any premium and interest on any bonds issued under this Indenture, with any co-paying agent appointed in accordance with the provisions of this Indenture, - provided such co-paying agent shall be a bank or trust company having a capital and surplus of not less than One Million Dollars (\$1,000,000.00), - subject to recall by the Trustee, such part of such moneys as shall, in the opinion of the Trustee, be necessary or desirable to provide for the payment by any such co-paying agent of the principal of or the premium or the interest on any of the bonds issued hereunder, and the Trustee shall be relieved of responsibility for the safety and application of such moneys while in the possession of the co-paying agent. In the event that such moneys or any part thereof shall be recalled by the Trustee, the amount so recalled shall thereafter be held by the Trustee in trust as hereinbefore provided in this Section 15. The Trustee shall be chargeable with knowledge of any default in the payment of the principal of or any premium on or interest on any bond outstanding hereunder resulting from the failure of the Corporation or the Trustee to keep on deposit with such co-paying agent and in each place where such principal or premium or interest shall be payable, funds necessary for the payment thereof on the presentation for payment of any bond or coupon required hereunder to be surrendered in exchange for payment of such principal, premium or interest.

The Trustee shall allow or credit to the Corporation such interest (if any) upon the sums so held or deposited as may from time to time be agreed upon by the Trustee and the Corporation.

Section 16. Compensation of Trustee and Reimbursement for Expenses.

The Corporation covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the Corporation will reimburse the Trustee for all advances made by the Trustee in accordance with any of the provisions of this Indenture and will pay to the Trustee from time to time its expenses and disbursements (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ). The Corporation also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Corporation further covenants and agrees to pay interest at the rate of six per cent. (6%) per annum until paid, upon all amounts paid, advanced or disbursed by the Trustee, for which it is entitled to reimbursement or indemnity as herein provided. The obligations of the Corporation to the Trustee under this Section shall constitute additional indebtedness secured hereby. Such additional indebtedness shall be secured by a lien prior to that of the bonds upon the trust estate, including all property or funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular bonds or coupons.

In order further to assure the Trustee that it will be compensated, reimbursed and indemnified as provided in this Section and that the prior lien provided for in this Section upon the trust estate to secure the payment of such compensation, reimbursement and indemnity will be enforced for the benefit of the Trustee, all parties to this Indenture agree, and each holder or owner of any bond by his acceptance thereof shall be deemed to have agreed that in the event of

- (1) the adjudication of the Corporation as a bankrupt by any court of competent jurisdiction,
- (2) the filing of any petition seeking the reorganization of the Corporation under the Federal Bankruptcy Laws or any other applicable law of statute of the United States of America or of any State thereof,