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such bankruptcy, receivership, or proceeding for reorganization is pending shall have jurisdiction (i) to apportion between the Trustee or the Individual Trustee, as the case may be, and the indenture security holders in accordance with the provisions of this subdivision (c), 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 subdivision (c) due consideration, in determining the fairness of the distributions to be made to the Trustee or the Individual Trustee, as the case may be, and the indenture security holders 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 subdivision (c) as a mathematical formula.

(4) In case the Trustee or the Individual Trustee, as the case may be, shall have resigned or been removed after the beginning of such four months' period, it or he shall nevertheless be subject to the provisions of this Section 1209 as though such resignation or removal had not occurred. If the Trustee or the Individual Trustee, as the case may be, shall have resigned or been removed prior to the beginning of such four months' period, it or he shall nevertheless be subject to the provisions of this Section 1209, if and only if the receipt of property or reduction of claim which would have given rise to the obligation to account, if the Trustee or the Individual Trustee, as the case may be, had continued in office. Trustee or Individual Trustee, occurred after the beginning of such four months' period and within four months after such resignation or removal.

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(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;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in this Section 1209;

(5) the ownership of stock or of the other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company, or of any other obligor upon the bonds issued under this Indenture; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations, which fall within the classification of self-liquidating paper, as defined in this Section 1209.

As used in this Section 1209, the term "security" or "securities" shall have the meaning assigned to the said term in the Securities Act of 1933, as in effect on the date of this Indenture; the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; and the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by an obligor upon the bonds for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods,

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(c) As used in this Section 1209, the term "default" means any failure to make payment in full of principal or interest, when and as the same become due and payable, upon the bonds outstanding under any indenture which has been qualified under the Trust Indenture Act of 1939, and under which the Trustee or the Individual Trustee is a trustee and the Company is obligor, and the term "indenture security holders" means all holders of securities outstanding under any such indenture under which a default exists.

In the event that any person shall at any time become an obligor upon any of the indenture securities, so long as such person shall continue to be such obligor the provisions of this Section 1209, in addition to being applicable to the Trustee, the Individual Trustee and the Company, shall be applicable to the Trustee, the Individual Trustee and such obligor with the same effect as if the name of such obligor were substituted for the Company in this Section 1209.

(f) Neither the Trustee nor the Individual Trustee shall be required to account, as provided in this Section 1209, if the creditor relationship arises from:

(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 the Trustee or the Individual Trustee, as the case may be;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture for the purpose of preserving the property subject to the lien hereof 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 bondholders as provided in subdivisions (a), (b) and (c) of Section 1210 hereof with respect to advances by the Trustee as such;

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wares or merchandise previously constituting the security, provided the security is received by the Trustee or the Individual Trustee simultaneously with the creation of the creditor relationship with such obligor arising from the making, drawing, negotiating or incurrence of the draft, bill of exchange, acceptance or obligation.

SECTION 1210. (a) The Trustee shall transmit to the bondholders as hereinafter provided, within sixty days after May 15 of each year, a brief report as of such May 15 with respect to:

(1) the eligibility of the Trustee under Section 1205 hereof and their qualification under Section 1204 hereof, or in lieu thereof, if to the best of their knowledge they have continued to be eligible and qualified under such sections, a written statement to such effect;

(2) the character and amount of any advances (and if they elect so to state, the circumstances surrounding the making thereof) made by them respectively as Trustees hereunder which remain unpaid on the date of such report, and for the reimbursement of which they or either of them claim or may claim a lien or charge, prior to that of the bonds, on the trust estate or on property or funds held or collected by them respectively, as Trustees, if such advances so remaining unpaid aggregate more than one-half of one per cent (½ of 1%) of the principal amount of the bonds outstanding on such date;

(3) the amount, interest rate and maturity date of all other indebtedness owing to them, respectively, in their individual capacities, on the date of such report, by the Company and by any other obligor upon the bonds, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in paragraph (2), (3), (4) or (6) of subdivision (f) of Section 1209 hereof;