

(ii) invalid in whole or in part under applicable state law or (iii) subject in priority to another security interest or lien to which the Trustees' security interest or lien is not so subject with respect to the remainder of the Secured Debt, then if such avoidance, invalidity or prior security interest or lien (A) results in a reduction in the aggregate amount of proceeds of such item available for distribution to the Holders of the Secured Debt, the distributions under this Agreement to the Holders of the Affected Portion from such proceeds shall be reduced to the extent of such reduction, provided, however, for purposes of determining subsequent distributions under Section 3.4, the amount of such reduction shall be deemed to have been paid to the Holders of the Affected Portion, or (B) does not result in a reduction in the aggregate amount of such proceeds available for distribution to the Holders of Secured Debt, such proceeds shall be distributed to the Holders in proportion to the respective amounts by which their respective claims under the Bankruptcy Code were paid down as a result of the receipt of such proceeds by the Trustees.

SECTION 4

AGREEMENTS WITH TRUSTEES

4.1 Delivery of Debt Instruments. Within 10 days after the Closing Date, the Company will deliver to the Trus-