

subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustees or either of them

(a) to retain for their, its or his own account (i) payments made on account of any such claim by any person (other than the Company) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by the Trustees, or either of them, to a third person, and (iii) distributions made in cash, securities, or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law;

(b) to realize for their, its or his own account, upon any property held by them, it or him 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 their, its or his own account, but only to the extent of the claim hereinafter mentioned, upon any property held by them, it or him 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 the Trustees, or either of them, as the case may be, shall sustain the burden of proving that at the time such property was so received the Trustees, or either of them, as the case may be, had no reasonable cause to believe that a default as defined in the last paragraph of this subdivision (A) would occur within four months; or

(d) to receive payment on any claim referred to in clause (b) or clause (c) above, against the release of any property held as security for such claim as provided in clause (b) or clause (c) above, as the case may be, to the extent of the fair value of such property.

For the purposes of clauses (b), (c), and (d) above, property substituted after the beginning of such four months' period for property held as security 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 clauses is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of a Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustees or either of them shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustees, or either of them, as the case may be, the Bondholders and the holders of other indenture securities in such manner that the Trustees, or either of them, as the case may be, the Bondholders, and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in

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