

§ 16.03. No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(a) prior to default hereunder and after the curing of all defaults which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee, but the duties and obligations of the Trustee, prior to default and after the curing of all defaults which may have occurred, shall be determined solely by the express provisions of this Indenture; and

(b) prior to default hereunder and after the curing of all defaults which may have occurred, and in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions conforming to the requirements of this Indenture; and

(c) the Trustee shall not be personally liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee (as defined in § 1.01(j) hereof) unless it shall be proved that such Trustee was negligent in ascertaining the pertinent facts; and

(d) the Trustee shall not be personally liable with respect to any action taken or omitted to be taken by it, in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture.

§ 16.04. The recitals of facts contained herein and in the Bonds shall be taken as the statements of the Company and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations

as to the value of the mortgaged and pledged property or any part thereof, or as to the title of the Company thereto, or as to the validity or adequacy of the security afforded thereby and hereby, or as to the validity of this Indenture or of the Bonds or coupons issued hereunder.

§ 16.05. The Trustee shall not be personally liable in case of entry by it upon the mortgaged and pledged property for debts contracted or liability or damages incurred in the management or operation of said property.

§ 16.06. To the extent permitted by § 16.02 and § 16.03:

(1) The Trustee may rely and shall be protected in acting upon any resolution, certificate, opinion, notice, request, consent, order, appraisal, report, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; and

(2) The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

§ 16.07. The Trustee shall not be under any responsibility for the approval of any engineer, accountant or other expert for any of the purposes expressed in this Indenture, except that nothing in this Section contained shall relieve the Trustee of its obligation to exercise reasonable care with respect to the approval of independent experts who may furnish opinions or certificates to the Trustee pursuant to any provision of this Indenture.

Nothing contained in this Section shall be deemed to modify the obligation of the Trustee to exercise after default the rights and powers vested in it by this Indenture with the degree of care and skill specified in § 16.02.

§ 16.08. Subject to the provisions of § 16.14 and § 16.15, the Trustee may buy, hold, sell or deal in the Bonds and

coupons, and other securities of the Company, and may engaged or be interested in any financial or other transaction with the Company, and may act as, and the Trustee may permit any of its officers or directors to act as, a member of, or may act as depository, trustee or agent for, any committee formed to protect the rights of the bondholders or the holders of other obligations, whether or not issued hereunder, or to effect or aid in any reorganization growing out of the enforcement of the Bonds of this Indenture or other obligations, whether or not any such committee represents the holders of the majority in principal amount of the Bonds outstanding hereunder, all as freely as if it were not Trustee hereunder.

§ 16.09. Subject to the provisions of § 5.01, all moneys received by the Trustee, whether as Trustee or paying agent, shall, until used or applied as herein provided, be held in trust for the purposes for which they were paid. The Trustee may allow and credit to the Company interest on any moneys received by it hereunder at such rate, if any, as may be agreed upon with the Company from time to time and as may be permitted by law.

§ 16.10. The Company 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 Company 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 reasonable compensation and the expenses and disbursements of its

counsel and of all persons not regularly in its employ). The Company also covenants to indemnify the Trustee for, and to hold 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 Company further covenants and agrees to pay interest at the rate of six per centum (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 Company 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.

§ 16.11. In order further to assure the Trustee that it will be compensated, reimbursed and indemnified as provided in § 16.10 and that the prior lien provided for in § 16.10 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 Company as a bankrupt by any court of competent jurisdiction,

(2) the filing of any petition seeking the reorganization of the Company under the Federal Bankruptcy Laws or any other applicable law or statute of the United States of America or of any State thereof,

(3) the appointment of one or more trustees or receivers of all or substantially all of the property of the Company,