

cases, statements, reports or opinions which by any provision hereof are specifically required to be furnished to the Corporate Trustee, the Corporate Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Mortgage.

(b) The Trustees shall not be liable for any error of judgment made in good faith by a responsible officer of the Corporate Trustee, if such officer shall have been selected and continued in office in the exercise of due care, unless it shall be proved that the Trustees were negligent in ascertaining the pertinent facts.

(c) The Trustees shall not be liable with respect to any action taken or omitted to be taken by them in good faith in accordance with the direction of the holders of not less than a majority in principal amount (or such other percentage of the principal amount specifically prescribed by the Mortgage for a particular action) of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred upon the Trustees under the Mortgage.

(d) In the case of any action to be taken or suffered by the Trustees, wherein the Mortgage specifically authorizes such action notwithstanding the continuance of an Event of Default, the Trustees may rely on certificates and opinions furnished to the Corporate Trustee, but shall be under the same duty to examine the same to determine whether or not they conform to the requirements of the Mortgage as though an Event of Default had not occurred and been continuing.

The Trustees may rely and shall be protected in acting upon any Certified Resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, direction, bond, coupon or other paper or document delivered to the Corporate Trustee pursuant to any provision of the Mortgage and

gage; and during such period of time as the Mortgage shall contemplate that the corporate trustee of the First Mortgage shall hold, apply or otherwise deal with any such cash or property, or exercise authority or discretion with respect thereto, pursuant to the First Mortgage, the Corporate Trustee shall have no responsibility for any act or thing done or omitted, or any authority or discretion exercised, with respect to any such property or cash by the corporate trustee under the First Mortgage; and the Corporate Trustee shall be entitled to give full credit to, and rely on, a statement of the corporate trustee of the First Mortgage certifying to any of the foregoing matters.

SECTION 2. None of the provisions contained in the Mortgage shall require the Trustees to expend or risk their own funds or otherwise incur personal financial liability in the performance of any of their duties or in the exercise of any of their rights or powers; but the Corporate Trustee, in its sole discretion and in order to preserve the mortgaged property, may advance moneys for the purpose of paying taxes, rentals or otherwise, and for such advances, together with interest thereon at the rate of 4% per annum, the Corporate Trustee shall have a lien on the mortgaged property prior to any claim of the Bondholders, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

SECTION 3. Should any taxes or other governmental charges be imposed upon the Trustees, or either of them, in their capacity as Trustees hereunder, which they may be required to pay under any present or future law of the United States of America or of any other authority therein having jurisdiction, the Trustees shall be reimbursed and indemnified therefor by the Company, and any liability incurred or amounts paid by the Trustees in respect of any such taxes or

believed by it to be genuine and to have been signed or presented by the proper party or parties.

Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Company by the President or a Vice President and the Secretary or an Assistant Secretary, unless other evidence in respect thereof be hereinafter specifically prescribed.

The Trustees 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 them, or either of them, hereunder in good faith and in accordance with the opinion of such counsel.

The Trustees shall be under no obligation to exercise any of the trusts or powers hereof at the request, order or direction of any of the Bondholders, pursuant to the provisions of the Mortgage, unless such Bondholders shall have offered to the Trustees reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

The Trustees shall not be personally liable in case of entry by them upon the mortgaged property for debts contracted or liability or damages incurred in the management or operation of said property.

The Trustees shall not be liable for any action taken by them in good faith and believed by them, in the exercise of due care, to be authorized or within the discretion or power conferred upon them by the Mortgage.

The Corporate Trustee shall be under no duty or responsibility with respect to any property or cash pledged and deposited with, or delivered or paid to, the corporate trustee of the First Mortgage pursuant to any provision of the Mort-

other governmental charges, until paid, shall constitute a lien upon the mortgaged property prior to any claim of the holders of Bonds, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

SECTION 4. Except as herein otherwise provided, any notice or demand which by any provision of the Mortgage is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes by being deposited, postage prepaid, in a United States Post Office letter box or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such new address) as follows: Chicago, Rock Island and Pacific Railroad Company, Chicago, Illinois. Any notice, request or demand by any Bondholder to or upon the Trustees, or either of them, shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the principal office of the Corporate Trustee.

SECTION 5. The Trustees shall not be bound to recognize any person as the holder of a Bond outstanding hereunder unless and until the Bond is submitted to the Corporate Trustee for inspection if required, and the title thereto established to the satisfaction of the Corporate Trustee.

Except as provided in Section 7 of Article X, the Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of the Mortgage, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

Any action at any time taken by the Trustees, or either of them, pursuant to or with respect to the Mortgage at the