

ARTICLE XIII

CONDUCT OF THE TRUSTEES

SECTION 1. The Trustees accept the trusts hereby created upon the Mortgage and the Bonds and agree to execute all of which the Company and the holders of the Bonds are entitled to at any time outstanding, by their acceptance thereof, agree. §

Whenever and so long as an Event of Default has occurred and is continuing, the Trustees shall exercise such of the powers vested in them by the Mortgage, or take such other action with respect to such default as in their judgment is necessary for the protection of the interests of the holders of Bonds issued hereunder.

No provision of the Mortgage shall be construed to relieve the Trustees of their duty to exercise their powers in their own negligent action, or their own negligent failure to act, or their own willful misconduct, provided, however, that:

(a) Prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, the duties and obligations of the Trustees shall be the same as if no Event of Default had occurred in the Mortgage, and the Trustees shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Mortgage.

(b) No judgment or action of the Trustees shall be construed into the Mortgage against the Trustees.

(c) In the absence of bad faith on the part of the Trustees, the Trustees may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed by them, upon the statements, reports, certificates, or opinions furnished to the Corporate Trustee; but in the case of any such certificates, 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 facts of the Mortgage.

(d) The Trustees shall be liable for any error of judgment made in good faith by a majority of the Corporate Trustee, if such officer shall have been acting in accordance with the exercise of due care, and the Trustees were not negligent in ascertaining the pertinent facts.

(e) 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 of the principal amount of the Bonds covered by the Mortgage for a particular action of the Trustees, if such action was taken in good faith and in the absence of conducting any proceeding for any remedy conferred upon the Trustees under the Mortgage.

(f) In the case of any action to be taken or suffered by the Trustees, the Trustees shall be conclusively deemed to have acted in good faith and in the absence of an Event of Default, the Trustees may rely on certificates of the Corporate Trustee, and the Corporate Trustee shall be under the same duty to conform to the requirements of the Mortgage as if the Corporate Trustee were the trustee of the Mortgage, and the Corporate Trustee shall not be liable for any action taken or suffered by the Trustees, or exercising any trust or power conferred upon the Trustees under the Mortgage.

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

(h) 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