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

(l) 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.

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 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 9 of Article III, 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