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SECTION 7.10. Direction of Remedies. The holders of a majority in aggregate principal amount of the Bonds then outstanding shall have the right by an instrument in writing delivered to the Trustee to direct the time, method and place of conducting any proceeding for any remedy open to the Trustee with respect to this Indenture or of exercising any power or trust conferred upon the Trustee hereunder, subject to the provisions of Section 8.1, with respect to the furnishing of indemnity; provided, however, that such determination shall not be otherwise than in accordance with law and the provisions of this Indenture, and the Trustee, subject to the provisions of Section 8.1, shall have the right to decline to follow any such direction if the Trustee in good faith shall, by the Chairman of the Board of Directors, the President or a Vice President of the Trustee, determine that the proceeding so directed would involve it in personal liability or would be unjustly prejudicial to the holders of Bonds not joining in such direction. If no such instrument has been received from the holders of the Bonds, the Trustee may take such action, if any, as it shall determine.

SECTION 7.11. Exercise of Rights and Remedies. Notwithstanding any other provision of this Article VII, the rights and remedies referred to in this Article VII shall be exercised only if and to the extent not prohibited by the laws of any state in which the Trust Estate or any part thereof is located.

SECTION 7.12. Notification of Default. The Trustee shall promptly notify the Company and Krystal of any Event of Default; provided, however, that failure to give such notification shall not affect the obligations of the Company or the rights of the Trustee and the holders of the Bonds hereunder.

#### ARTICLE VIII

##### The Trustee

SECTION 8.1. Rights and Obligations of Trustee.  
(a) The Trustee accepts the trusts hereby created and agrees to perform the duties herein required of it upon the terms and conditions hereof. The Trustee shall have the full and

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