

and the Trustee shall not be affected by any notice to the contrary.

SECTION 9. The Trustee shall in no event be held responsible for the disposition of the bonds after they are delivered as herein provided, nor for the application of the proceeds thereof, and the Trustee shall in no event be held responsible or liable for any matter or thing arising in connection with the authentication and delivery of bonds save for its own fraud.

#### ARTICLE 11.

##### PARTICULAR COVENANTS OF THE COMPANY.

SECTION 1. The Company covenants and agrees that it will duly and punctually pay the principal and interest of the bonds hereby secured at the time and in the manner specified in the bonds and the coupons thereto annexed, without deduction for any tax or taxes (except succession and inheritance taxes and any Federal Income Taxes in excess of 2% per annum), which the Company or the Trustee may be required or permitted to pay thereon or to retain therefrom under or by reason of any present or future law of the United States of America or of any State, county, municipality, or other taxing authority therein; and the Company hereby covenants and agrees to pay such tax or taxes and to indemnify and save harmless the Trustee in respect of any such tax or taxes, for which the Trustee may become liable.

SECTION 2. The company covenants and agrees that at all times, until the payment of the principal of all of the bonds, it will maintain an office or agency in the City of Baltimore, State of Maryland, where the bonds and coupons may be presented for payment, and where notices and demands in respect of the bonds and coupons and of this First Mortgage may be served, and will designate by written notice to the Trustee, such office or agency. In default of any such office or agency or of such designation thereof, presentation and demand may be made and notices served at the office of the Trustee.

SECTION 3. The Company covenants and agrees that when and as the coupons annexed to the bonds secured hereby are paid by it, such coupons shall be cancelled and no purchase or sale of such coupons or advances or loans on the same, made on behalf of or at the request of or with the privity of the Company, and no redemption of said coupons or any of them by any guarantor of the payment thereof, shall be taken or operate as keeping said coupons alive or in force as a lien upon the trust estate as against the holders of the bonds or of the coupons appertaining thereto, and in no event will the Company directly or indirectly extend or assent to the extension of the time of payment of any coupon or claim for interest secured hereby and the Company will not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding such coupon or claim for interest, or in any other manner.

SECTION 4. The company covenants and agrees that it will not, so long as any Ten-Year First Mortgage 7% Gold Bonds or any Ten Year 8% Mortgage Gold Bonds or any other funded debt is outstanding, declare or pay any cash dividend upon its capital stock or make any distribution of its capital, surplus or earnings to any of its stockholders, or purchase or redeem any of its capital stock, if at such time, or by such action, the net quick assets of the Company, including the net quick assets of each and every subsidiary company, to the extent stated below in this Section 4, are or would be reduced by such action to less than 100% of the principal amount of all such bonds and or other funded debt then outstanding.

The term "net quick assets" whenever used herein means the excess of current assets over current liabilities, except that in the case of a subsidiary company it shall be understood to mean only that proportion of the net quick assets of such subsidiary which the amount of voting capital stock of such subsidiary owned by the Company bears to the entire outstanding voting capital stock of such subsidiary.