

ARTICLE II.

Section 1. The ELECTRIC COMPANY covenants that it will duly and punctually pay or cause to be paid, the principal and interest of every bond issued hereunder and secured hereby, all in gold coin of the United States, of or equal to the present standard of weight and fineness, at the dates and places and in the manner mentioned in said bonds or in coupons thereunto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax or taxes imposed by the United States or the State of Washington, or by any city or county or municipality thereof, which said ELECTRIC COMPANY may be required or permitted to pay thereon, or to retain therefrom, under or by reason of any present or any future law. The interest on bonds shall be payable only on surrender for cancellation of the respective coupons annexed to said bonds, as such coupons respectively mature, and when paid all such coupons forthwith shall be cancelled.

Section 2. The ELECTRIC COMPANY covenants and agrees that, until payment of the principal of the bonds secured by this indenture, it will keep an office in the City and County of San Francisco, State of California, where bonds and coupons may be presented for payment, and where notices and demands in respect of such bonds and coupons may be served, and, from time to time, will give written notice to the TRUSTEE of the place of such office. In case the ELECTRIC COMPANY shall fail to do so, presentation and demand may be made and notices served at the office of said TRUSTEE in the City and County of San Francisco.

Section 3. Whenever required by the TRUSTEE, the ELECTRIC COMPANY, by way of mortgage to further secure said bonds, will grant, convey, confirm, assign, transfer and set over unto the TRUSTEE the estate, right, title and interest of the ELECTRIC COMPANY in and to all real and personal estate, corporate rights and franchises which, in any way or manner, it shall hereafter acquire; and also it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further act, transfers and assurances for the better assuring, conveying and confirming unto the TRUSTEE, by way of mortgage, all and singular the premises, estates and property hereby conveyed or intended so to be, or which the ELECTRIC COMPANY has herein covenanted or agreed to mortgage to the TRUSTEE as the TRUSTEE shall reasonably require, for better accomplishing the provisions and purposes of this indenture and for securing payment of the principal and interest of bonds secured and intended to be secured hereby.

Section 4. The ELECTRIC COMPANY COVENANTS that it will not voluntarily create or suffer to be created any lien or charge having priority to or preference over the lien of these presents on the mortgaged premises or property, or any part thereof, or the income thereof; and within three (3) months after the same shall accrue, it will pay or cause to be paid and discharged, or will make adequate provision for the satisfaction or discharge of all lawful claims or demands of mechanics, laborers, and otherw which, if unpaid, might by law be given precedence to this indenture as a lien or charge upon the mortgaged premises, or any part thereof, or the income thereof.

Section 5. Exclusively for the benefit of the TRUSTEE and of the holders of the bonds to be issued hereunder, the ELECTRIC COMPANY covenants and agrees that, from time to time it will duly pay and discharge all taxes, assessments and governmental charges lawfully imposed on any property hereby mortgaged, or upon any part thereof, or upon the interest therein created by this mortgage, or upon the income and profits thereof, the lien of which would be prior to the lien thereof, so that the priority of this indenture shall be fully preserved in respect of such properties, and also all taxes, assessments and governmental charges law-