

indenture, any legal or equitable right, remedy, or claim under or in respect of this indenture, or under any covenant, condition or provision herein contained; all its covenants, conditions and provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and of the holders of the bonds secured hereby.

Section 3. All bonds to be issued and secured hereunder, together with the interest coupons to be attached thereto, and the TRUSTEE'S certificate to be endorsed thereon, shall be of the tenor and purport above recited.

Section 4. The ELECTRIC COMPANY covenants and agrees that it will keep at the office of the TRUSTEE in the City and County of San Francisco, a sufficient register or registers of bonds issued hereunder, which shall at all reasonable times be open for inspection by the TRUSTEE or any bondholder, and that upon presentation for that purpose the ELECTRIC COMPANY will register therein, under such reasonable regulations as it may prescribe, any bonds secured by this mortgage. The holder of any such bond may have the ownership thereof registered on said books, and such registry noted on the bond, after which no transfer shall be valid unless made on the said books by the registered owner in person or by his attorney duly authorized, and such transfer similarly noted on the bond; but the same may be discharged from registry by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored, but such bond may again, and from time to time, be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to pass by delivery and to be payable to bearer. The registered holder of any bond so registered shall be regarded for all purposes as the owner thereof, and neither the ELECTRIC COMPANY nor the TRUSTEE shall be affected by any notice to the contrary, nor by any trust or equity claimed by any other person in respect thereto.

Section 5. Immediately following the filing of this instrument for record with auditors or proper recording officers of the counties wherein the properties covered by this mortgage are located said TRUSTEE shall forthwith certify and deliver to the said ELECTRIC COMPANY bonds numbered from one (1) to five thousand (5000), both inclusive, amounting in the aggregate to the face value of five million dollars (\$5,000,000.) The remaining five thousand (5000) bonds of the face or par value of five million dollars (\$5,000,000.) and numbered from five thousand and one (5001) to ten thousand (10,000), both inclusive, shall from time to time be delivered to the TRUSTEE for certification, and, after certification thereof, shall, by said TRUSTEE, be delivered to the ELECTRIC COMPANY upon receipt of a certified copy of resolution or resolutions passed by the Board of Trustees of the ELECTRIC COMPANY authorizing and requesting such certification and delivery thereof, or of so many of said bonds as shall be specified in such several resolutions; provided that said certified copy of each of said resolutions shall have annexed thereto a certificate signed by the President of the ELECTRIC COMPANY, declaring that said ELECTRIC COMPANY has actually expended in the purchase or construction of additional property or equipment, in extension of the plant or system, and in addition to the property, machinery or equipment owned or possessed or contracted for by said ELECTRIC COMPANY on the first day of July, 1912, and exclusive of any property, equipment or addition mentioned in any previous certificate for which bonds shall have been so required and issued, a sum equal to at least the face value of the bonds called for such resolution.

#### 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