

agency of the Company in San Francisco, California, or at the office or agency of the Company in Chicago, Illinois, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Fifteenth through Twenty-first Series, upon surrender thereof, for cancellation, at any of said offices or agencies, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Fifteenth through Twenty-first Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, or, at the option of the holder or owner, either at the office or agency of the Company in San Francisco, California, or at the office or agency of the Company in Chicago, Illinois, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at any of said offices or agencies by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Fifteenth through Twenty-first Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at any of said offices or agencies.