

ARTICLE I.

Section 1. The aggregate amount of the bonds issued and outstanding under this indenture shall never, at any one time, exceed the principal sum of ten million dollars (\$10,000,000), and only such bonds as shall bear thereon endorsed the aforesaid certificate of the said Trustee, by it duly executed, shall be secured by this indenture, or shall be entitled to any lien or benefit hereunder; and such certificate of the said TRUSTEE upon any bond executed on behalf of the ELECTRIC COMPANY shall be conclusive evidence that the bond so certified has been duly issued hereunder and that the holder is entitled to the benefit of the trust hereby created.

In case the officer signing or sealing any of said bonds shall cease to be such officer of the ELECTRIC COMPANY before the bonds so signed and sealed shall have been actually certified by the TRUSTEE or delivered, such bonds may nevertheless be adopted by the ELECTRIC COMPANY and be issued, certified and delivered, as though the persons signing and sealing the same had not ceased to be such officers. The coupons attached to said bonds shall be authenticated by the fac-simile signature of the present Treasurer of the ELECTRIC COMPANY, notwithstanding the fact that he may have ceased to be such Treasurer at the time when said bonds shall be actually certified and issued.

Before certifying and delivering any bond issued hereunder, the said Trustee shall cut off and cancel all coupons thereon then matured. In case any bonds issued hereunder, or the coupons thereto pertaining, shall become mutilated or be destroyed the ELECTRIC COMPANY, in its discretion, may issue, and thereupon the said TRUSTEE shall certify and deliver, a new bond of like tenor and date, bearing the same serial number, with similar unpaid coupons, in exchange and substitution for and upon cancellation of the mutilated bond and its coupons, or in lieu of and substitution for the destroyed bond and its coupons, upon receipt of evidence satisfactory to the ELECTRIC COMPANY of such destruction or mutilation, and upon receipt also of indemnity satisfactory to the ELECTRIC COMPANY and the TRUSTEE; and the ELECTRIC COMPANY may charge for the issue of such new bond an amount sufficient to reimburse said ELECTRIC COMPANY for the expense incurred by it in the issue of said new bond.

Section 2. Nothing in this article, or in any other article of this indenture, expressed or implied, is intended, or shall be construed to give any person or corporation, other than the parties hereto and the holders of bonds issued under and secured by this 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