

by any new Trustee for more fully and certainly vesting and confirming in it the said estates, properties, rights, powers, trusts and duties, then any and all such deeds, conveyances and instruments shall, on request of such new Trustee, be made, executed, acknowledged, and delivered to it by the ELECTRIC COMPANY.

ARTICLE VII.

Section 1. The ELECTRIC COMPANY may, at any time after July first, 1913, and prior to the date of the maturity of the bonds issued under this indenture, pay and redeem all or any of said bonds by payment of the face value thereof and accrued interest, with a bonus or premium of fifty dollars (\$50.) per bond, upon any semi-annual interest day. The numbers of the bonds to be called for such redemption (if less than the whole) shall be determined by the casting or drawing of lots, by the President of the ELECTRIC COMPANY at its office in San Francisco, in the presence of any bondholders who may attend, after notice of such drawing shall have been given by publication by the Secretary of the ELECTRIC COMPANY in a daily newspaper printed and published in San Francisco, California, said publication to be made for at least one week immediately preceding the date appointed for the drawing. And, upon the drawing of lots, notice of such redemption, giving the numbers of the bonds called, shall be given by the ELECTRIC COMPANY, by notice published in a daily newspaper printed and published in San Francisco, California, said publication to be made for at least sixty (60) days prior to the said semi-annual interest day fixed for such redemption; and, at the date fixed in such notice for redemption, the interest on the bonds called for shall cease, unless payment of said bond or bonds and the interest due thereon with said premium shall be refused by the ELECTRIC COMPANY after presentation pursuant to said notice.

Any bonds called for prior payment under the provisions of this Article may be paid at the request of the ELECTRIC COMPANY out of the sinking fund hereinafter mentioned, if the moneys in said sinking fund are not required for the purposes specified in Article VIII, hereof, and upon said request the TRUSTEE is hereby authorized to pay the same.

Section 2. It is expressly understood and agreed that if after any bond has been called for prior payment, in accordance with the foregoing provisions, the same shall not be presented to the TRUSTEE for redemption at the date fixed therefor in the published notice, the ELECTRIC COMPANY may deposit with the TRUSTEE to the credit of such bond, designated by the number thereof, a sum of money in such gold coin equal to the amount payable for the redemption of said bond, as hereinabove provided, which deposit shall be in full payment of the bond and coupons belonging thereto, as between the ELECTRIC COMPANY and the holder thereof. Thereupon and thereafter such bond and the coupons thereunto belonging shall be excluded from participation in the lien and security afforded by these presents, and the holder shall look for the payment of the bond and accrued interest only to the sum so deposited in the hands of the TRUSTEE and in no event to the ELECTRIC COMPANY; but said sum so deposited shall be held by the TRUSTEE to the credit and payment of said bond, and shall be paid without interest by the TRUSTEE, to the holder of said bond, upon the presentation and delivery to it of such bond, together with all the outstanding coupons thereunto belonging.

Section 3. Upon the presentation to the TRUSTEE, cancelled, of all of said authorized issue of bonds and coupons, which at the time shall have been issued and outstanding, or upon the presentation of a portion thereof, cancelled, (all of said bonds having been duly called for payment) and the deposit by the ELECTRIC COMPANY of a sum of money in such gold coin sufficient to pay, at the rate aforesaid, all of said bonds and interest that are not presented to the TRUSTEE in accordance with the call thereof, the TRUSTEE shall cancel and discharge this mortgage as fully and to the same effect as if the total issue