

At the option of the Company, in the manner, upon the notice, and upon the conditions specified in the Indenture, this bond may be redeemed at any time on or after May 1, 1957, upon payment of the principal amount hereof and accrued interest to the date of redemption and a premium, if any, as follows:

Premium	If Redeemed	
	On or After	And Prior to
4.00%	May 1, 1957	May 1, 1958
3.82%	May 1, 1958	May 1, 1959
3.64%	May 1, 1959	May 1, 1960
3.46%	May 1, 1960	May 1, 1961
3.28%	May 1, 1961	May 1, 1962
3.10%	May 1, 1962	May 1, 1963
2.92%	May 1, 1963	May 1, 1964
2.74%	May 1, 1964	May 1, 1965
2.56%	May 1, 1965	May 1, 1966
2.38%	May 1, 1966	May 1, 1967
2.20%	May 1, 1967	May 1, 1968
2.02%	May 1, 1968	May 1, 1969
1.84%	May 1, 1969	May 1, 1970
1.66%	May 1, 1970	May 1, 1971
1.48%	May 1, 1971	May 1, 1972
1.30%	May 1, 1972	May 1, 1973
1.12%	May 1, 1973	May 1, 1974
0.94%	May 1, 1974	May 1, 1975
0.76%	May 1, 1975	May 1, 1976
0.57%	May 1, 1976	May 1, 1977
0.38%	May 1, 1977	May 1, 1978
0.19%	May 1, 1978	May 1, 1979
0.00%	May 1, 1979	

If this bond is redeemed from funds in the Depreciation Fund provided for in Article III of said Indenture or from funds in the Sinking Fund, then and notwithstanding anything else herein contained, no premium shall be paid upon the redemption of this bond.

If default shall be made in the payment of any installment of interest on this bond, or in the performance of any of the covenants and agreements of the Indenture, then the principal of this bond may be declared and become due and payable, on the conditions, in the manner, and at the time, provided in the Indenture.

Unless registered as herein provided, this bond shall pass by delivery. This bond may be registered as to principal in the owner's name upon the books of the Company at the office of Bank of America National Trust and Savings Association, at 300 Montgomery Street, in San Francisco, California, or its successor in said trust, such registration being noted hereon after which no valid transfer hereof can be made except on said books, the new registration being similarly noted hereon, until after registered transfer to bearer, but after such registered transfer to bearer, this bond shall be again