

provided, however, that this bond may not in any event be redeemed prior to May 1, 1965, directly or indirectly (except for Sinking Fund purposes) as a part of any refunding, or anticipated refunding operation, by the application of money borrowed for that purpose at a rate of interest less than $5\frac{3}{8}\%$ per annum.

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 transferable by delivery. Such registration shall not affect the negotiability of the coupons, which shall always be payable to bearer and transferable by delivery.

As provided in the Indenture, coupon bonds at any time outstanding, when surrendered with all unmatured coupons attached, and upon payment of the charges provided in the Indenture, may be exchanged for an equal aggregate principal amount of registered bonds without coupons.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the certificate of Bank of America National Trust and Savings Association, one of the Trustees under the Indenture, or its successor in said trust, endorsed hereon.

IN WITNESS WHEREOF, the West Coast Telephone Company has caused this bond to be signed in its name by its President, or a Vice-President, and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and the interest