

and the Treasurer or an Assistant Treasurer of the Company, to the effect that (i) the Company is not making such redemption for the purpose of refunding the bonds to be redeemed by the application or utilization, directly or indirectly, of borrowed funds, or the proceeds of the sale of any debt security, having an interest cost to the Company (computed in accordance with accepted financial practice) of less than $4\frac{5}{8}\%$ per annum, and (ii) the Company does not contemplate replacing the funds applied to the redemption of the Bonds so to be redeemed by other borrowed funds, or the proceeds of the sale of any debt security, having an interest cost to the Company (computed in accordance with accepted financial practice) of less than $4\frac{5}{8}\%$ per annum.

SECTION 5. Notice of intention to redeem (including in case a part only of the bonds of the series are to be redeemed, the numbers of such bonds) shall, in the case of the bonds of the $4\frac{5}{8}\%$ Series due 1995, be given, by or on behalf of the Company, by publication, which notice shall be sufficiently given if it shall have been published four times in one newspaper of general circulation published at San Francisco, California, with intervals of not less than five days between said publications, and the first publication shall have been made not less than thirty days prior to the date fixed for such redemption; provided, however, that in case all of the bonds of the $4\frac{5}{8}\%$ Series due 1995 at the time outstanding shall be registered bonds without coupons or coupon bonds registered as to principal, such notice shall be given by mailing, which notice shall be sufficiently given if it shall have been mailed, first-class postpaid, by or on behalf of the Company, not less than thirty days before the redemption date, to the holders of such bonds at their last addresses appearing upon the registry books. If notice is given by publication as aforesaid, a copy of the notice of redemption shall also be mailed by or on behalf of the Company, not less than thirty days before the redemption date, to the holders of any bonds of the $4\frac{5}{8}\%$ Series due 1995 which are registered bonds without coupons or coupon bonds registered as to principal, at their last addresses appearing upon the registry books, but such mailing shall not be a condition precedent to such redemption, and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of such bonds.