

series shall mature on December 1, 1996, and shall be issued in the form of registered bonds, which shall be numbered consecutively from P-1 upwards and shall be of the denominations of \$1,000 or any multiples of \$1,000.

The Bonds of Series P shall bear interest at the rate of six per centum (6%) per annum, payable semi-annually on June 1 and December 1 in each year; both the principal of and the interest on said bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, at the office or agency of the Company in the City of San Francisco, State of California.

Interest on each Bond of Series P shall accrue from the date thereof, unless such date is an interest payment date and the Company shall default in the interest due on such date, in which case such interest shall accrue from the first day of June or the first day of December next preceding the date thereof. The Bonds of Series P shall be dated as of the last interest payment date preceding the date of authentication to which interest has been paid on such Bonds, except that (i) if any such Bond shall be authenticated on any interest payment date to which interest has been paid, it shall be dated as of the date of such authentication, (ii) if any such Bond shall be authenticated prior to the close of business on the record date (as hereinafter in this Section defined) with respect to the first interest payment date for the Bonds of Series P, such Bond shall be dated as of December 1, 1966, and (iii) if any such Bond shall be authenticated after the close of business on the record date with respect to any interest payment date and prior to such interest payment date and there is no existing default in the payment of interest on the Bonds of Series P, such Bond shall be dated as of such interest payment date.

The person in whose name any Bond of Series P is registered at the close of business on any record date (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to the record date and prior to such interest payment date (unless there is an existing default in the payment of interest on the Bonds of Series P at the time of such cancellation), except if and to the extent the Company shall default in the payment of the interest due on