

MORTGAGE RECORD 85

Thereafter, to and including March 31, 1964, at one hundred and 85/100 per cent. (100.85%) of the principal amount thereof;

Thereafter, to and including March 31, 1965, at one hundred and 57/100 per cent. (100.57%) of the principal amount thereof;

Thereafter until maturity at one hundred per cent. (100%) of the principal amount thereof; in each case together with interest accrued to the date fixed for redemption.

If the bonds of Series A are redeemed otherwise than by the application of moneys in the Sinking Fund or in the Maintenance Fund referred to in the preceding paragraph or moneys received in connection with any release of properties referred to in the preceding paragraph, then such bonds shall be redeemable at the following redemption prices:

To and including March 31, 1946, at one hundred eight and 3/4 per cent. (108 3/4%) of the principal amount thereof;

Thereafter, to and including March 31, 1949, at one hundred seven per cent. (107%) of the principal amount thereof;

Thereafter, to and including March 31, 1952, at one hundred six per cent. (106%) of the principal amount thereof;

Thereafter, to and including March 31, 1955, at one hundred five per cent. (105%) of the principal amount thereof;

Thereafter, to and including March 31, 1958, at one hundred four per cent. (104%) of the principal amount thereof;

Thereafter, to and including March 31, 1961, at one hundred three per cent. (103%) of the principal amount thereof;

Thereafter, to and including March 31, 1964, at one hundred two per cent. (102%) of the principal amount thereof;

Thereafter, to and including March 31, 1965, at one hundred one per cent. (101%) of the principal amount thereof;

Thereafter, to and including October 1, 1965, at one hundred 1/2 per cent. (100 1/2%) of the principal amount thereof;

Thereafter until maturity at one hundred per cent. (100%) of the principal amount thereof; in each case together with interest accrued to the date fixed for such redemption.

Any redemption of bonds of Series A shall be effected in accordance with the provisions of Article VI of this Indenture.

The owner of any registered bond or bonds of Series A without coupons may, at his option, surrender such bond or bonds in exchange for an equal aggregate principal amount of like registered bonds without coupons, in authorized denominations, or of coupons bonds of Series A, in authorized denominations, (to which shall be attached all coupons maturing after the last interest payment date to which interest has been paid upon the bond or bonds so surrendered), or for an equal aggregate principal amount of bonds of Series A in both registered and coupon forms above mentioned.

The holder or registered owner of any coupon bond or bonds of Series A may, at his option, surrender such bond or bonds with all unmaturing coupons attached, in exchange for a registered bond or registered bonds without coupons of Series A, of any authorized denomination and of equal aggregate principal amount, or for another coupon bond or other coupon bonds of Series A of the other authorized denomination (if another denomination be at the time authorized), with all unmaturing coupons attached, and of equal aggregate principal amount. Every such exchange of bonds shall be effected in accordance with the applicable provisions of Sections 6 and 12 of this Article I.

The context of the registered bonds without coupons and the coupon bonds of Series A and of the coupons appertaining to such coupon bonds and of the certificate of the Trustee upon all bonds of Series A shall be, respectively, substantially in the forms hereinafter stated:

(FORM OF REGISTERED BOND OF SERIES A WITHOUT COUPONS)
THE AMERICAN TELEPHONE COMPANY.

FIRST MORTGAGE BOND, SERIES 'A', 3 3/4%.

Due April 1, 1966.

No.

THE AMERICAN TELEPHONE COMPANY, a corporation of the State of Kansas (hereinafter called the "Corporation"), which term shall include any successor corporation as defined in the Indenture referred to below, for value received, hereby promises to pay to _____, or registered assigns, upon surrender hereof, at the principal office of Old Colony Trust Company (hereinafter called the "Trustee"), or its successor in trust, in the City of Boston, Massachusetts, on the First day of April, 1966, the sum of _____ Dollars (\$ _____) in coin or currency which at the time of payment is legal tender for public and private debts in the United States of America, and to pay interest thereon to the registered owner hereof at the above mentioned office or agency from the interest payment date next preceding the date of this bond (or if this bond is dated prior to October 1, 1941, then from April 1, 1941) at the rate of three and three-quarters per cent. (3 3/4%) each year until maturity, in like coin or currency, semi-annually on the first day of October and the first day of April in each year.

This bond is one of a duly authorized issue of First Mortgage Bonds unlimited as to aggregate principal amount except as provided in the Indenture hereinafter referred to, all issued and to be issued pursuant to and to be equally secured by an Indenture of Mortgage (herein called the "Indenture") dated as of April 1, 1941, duly executed and delivered by the Corporation to the Trustee. Reference is hereby made to the Indenture and to all indentures supplemental thereto for a description of the property mortgaged and pledged, and for a statement of the nature and extent of the security, the rights of the holders and registered owners of the bonds and of the Trustee in respect to such security, and the terms and conditions upon which the bonds may be issued under the Indenture. However, neither the foregoing reference to the Indenture nor any provision of this bond or of the Indenture or of any indenture supplemental thereto shall affect or impair the obligation of the Corporation (which obligation is absolute and unconditional) to pay at the stated or accelerated maturities provided herein or in the Indenture, the principal of this bond and any premium which may be due and payable on this bond and the interest hereon, as provided herein. The bonds are issuable in series, which different series may mature at different times (but no other series shall mature prior to the maturity of the bonds of Series A while such bonds of Series A are outstanding). The bonds of such different series may bear interest at different rates, may be redeemable at different rates and at different times (but no bonds of series other than Series A shall be redeemable prior to the redemption of the bonds of Series A except as provided in the Indenture). The bonds of different series may otherwise vary as provided in the Indenture.

This bond is one of the bonds described in the Indenture and designated therein as "First Mortgage Bonds, Series A, 3 3/4%" (which bonds are herein referred to as the "bonds of Series A").

The Corporation and the Trustee may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest thereon and for all other purposes, and shall not be affected by any notice to the contrary.

The bonds of Series A are subject to redemption prior to maturity, as a whole, or in part, at any time and from time to time either at the option of the Corporation or pursuant to certain requirements of the Indenture, upon notice published in one daily newspaper printed in the English language which is published in and is of general circulation in the City of Boston, Massachusetts (the first publication to be at least thirty (30) days before the redemption date), or, at the option of the Corporation (if all the bonds of Series A which are to be redeemed are registered bonds without coupons or are coupon bonds registered as to principal, or both), upon notice mailed by registered mail to the registered owners of all such bonds at least twenty-five (25) days before the redemption date; all such provisions as to redemption being on the conditions and in the manner provided in the Indenture.