

the application of proceeds of property sold to municipal or other governmental bodies at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all as more fully provided in said Indenture. If this bond is called for redemption and payment duly provided, this bond shall cease to be entitled to the lien of said Indenture from and after the date payment is so provided and shall cease to bear interest from and after the date fixed for redemption.

The bonds of Series A are entitled to the benefits of the sinking fund provided for in said Indenture.

To the extent permitted and as provided in said Indenture, modifications or alterations of said Indenture or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the bearers or registered owners of the bonds and coupons, may be made with the consent of the Company by an affirmative vote or the written consents of the bearers or registered owners of not less than seventy-five per centum (75%) in principal amount of the bonds outstanding, and by an affirmative vote or the written consents of the bearers or registered owners of not less than seventy-five per centum (75%) in principal amount of the bonds of any series outstanding affected by such modification or alteration in case one or more, but less than all, of the series of bonds then outstanding under said Indenture are so affected, in each instance such affirmative vote to be given at a meeting of bondholders called and held, or such written consents to be evidenced by the filing thereof, with the Trustee, as provided in said Indenture; provided, however, that no such modification or alteration shall be made which shall change or modify any of the rights, immunities or obligations of the Trustee without its written consent thereto and provided, further, that without the consent of the bearer or registered owner affected thereby, no such modification or alteration shall permit (a) the extension of the time of payment of the principal of any bond, or a reduction in the rate of interest thereon or in the amount of the principal thereof, or (b) the creation by the Company of any lien ranking prior to, or on a parity with, the lien

of said Indenture or of any indenture supplemental thereto, with respect to any of the property covered thereby.

This bond shall pass by delivery, except that it may be registered as to principal from time to time at the option of the bearer on registration books to be kept for the purpose at the principal office of the Trustee, such registration being noted hereon, and if so registered shall pass only by transfer upon such books by the registered owner or his duly authorized attorney, similarly noted hereon, unless such transfer shall have been made and registered to bearer and noted hereon, in which case it shall again pass by delivery until again registered. Such registration of this bond as to principal shall not affect the negotiability of its coupons, which shall remain payable to bearer, be treated as negotiable and pass by delivery, whether or not this bond is registered.

In case an event of default as defined in said Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in said Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and under the conditions provided in said Indenture, waive defaults thereunder and the consequences of such defaults.

It is a part of the contract herein contained that each bearer or registered owner hereof by the acceptance hereof waives all right of recourse to any personal liability of any incorporator, stockholder, officer or director, past, present or future, of the Company, as such, or of any predecessor or successor corporation, however arising, for the collection of any indebtedness hereunder; and as a part of the consideration for the issue hereof releases from all such liability each such incorporator, stockholder, officer or director, all as provided in said Indenture.

Neither this bond nor any of the coupons for interest hereon shall become or be valid or obligatory for any purpose until the certificate endorsed hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, THE AMERICAN TELEPHONE COMPANY has caused these presents to be executed in its name and behalf 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 has likewise caused the annexed coupons to be authenticated by a facsimile of the signature of its Treasurer, all as of the first day of September, 1946.

THE AMERICAN TELEPHONE COMPANY,

By _____
President.

Attest:

Secretary.

[FORM OF SERIES A INTEREST COUPON]

\$14.38 Series A
No.

On the first day of 19 The American Telephone Company, upon surrender hereof, will pay to the bearer at the principal office of The City National Bank and Trust Company of Kansas City, in the City of Kansas City, Missouri, or at the principal office of its successor in trust under the Indenture securing the bond hereinafter mentioned, Fourteen dollars and thirty-eight cents (\$14.38) in lawful money of the United States of America, being six months' interest then due on the First Mortgage 2 3/4% Twenty-five Year Bond, Series A No. _____, unless said bond shall have been duly called for previous redemption and payment duly provided therefor.

Treasurer.

(In all bond denominations where application of the interest rate results in an amount ending in a fraction of a cent for each semi-annual interest payment, such fraction shall be eliminated in the coupon amount by alternate additions and subtractions of one-half cent.)

[FORM OF AUTHENTICATED CERTIFICATE]

This bond is one of the bonds, of the series designated therein, referred to in the within-mentioned Indenture.

THE CITY NATIONAL BANK AND TRUST COMPANY
OF KANSAS CITY,

Trustee,

By _____
Authorized Officer.

; and

WHEREAS, all acts and proceedings required by law and by the charter and by-laws of the Company necessary to make the Bonds, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Company, and to constitute this Indenture a valid and binding mortgage and deed of trust for the security of the Bonds, in accordance with its and their terms, have been done and performed; and the execution and delivery of this Indenture and the issue of the Bonds as herein provided have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH that, in order to secure the payment of the principal of and interest on all Bonds at any time issued and outstanding under this Indenture according to their tenor, purport and effect, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are and are to be issued, secured and held, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders or registered owners thereof and of the sum of One Dollar lawful money of the United States of America duly paid to the Company by the Trustee at or before the