

Trustee and its successors in said trust, for the benefit of those who shall hold the Bonds and coupons, or any of them, as follows:

ARTICLE I

DEFINITIONS.

§101. The terms hereinbelow in this §101 mentioned shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document filed with the Trustee, have the meanings therein specified.

(a) the term "Company" shall mean and include not only The American Telephone Company, the party of the first part hereto, but also any successor corporation which shall become such in the manner hereinafter in Article 11 prescribed;

(b) the term "affiliate" shall mean a person controlling, or controlled by, or under common control with, another person. The terms "affiliated" and "affiliation" shall have meanings correlative to the foregoing;

(c) the term "control" shall mean the power to direct the management and policies of a person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract or otherwise. The terms "controlling" and "controlled" shall have meanings correlative to the foregoing;

(d) the term "person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or a political subdivision thereof;

(e) the term "Trustee" shall mean The City National Bank and Trust Company of Kansas City and shall include its successors and assigns;

(f) the term "resolution of the Board of Directors" shall mean a copy of a resolution or resolutions certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of

Directors of the Company, at a meeting thereof duly called and held and at which a quorum was present and acted thereon, and to be still in full force and effect;

(g) the terms "application of the Company", "written request of the Company", "written consent of the Company" and "certificate of the Company" shall mean, respectively, an application, request, consent or certificate signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company with corporate seal affixed;

(h) the term "opinion of counsel" shall mean a written opinion made by counsel selected by the Company and acceptable to the Trustee, who may be counsel for the Company, unless in any given case the Trustee shall expressly otherwise request in writing;

(i) the term "engineer" shall mean any engineer, appraiser or other expert who may be an individual, co-partnership or corporation believed by the Trustee in the exercise of reasonable care to be competent, selected and approved by the Board of Directors of the Company and paid by the Company and acceptable to the Trustee, and who may (except as otherwise herein provided) at the option of the Company, be an officer or employee of the Company unless in any given case the Trustee shall otherwise request in writing, and the term "independent" as applied to an "engineer" as above defined shall mean an engineer independent in fact who has no substantial interest, direct or indirect, in the Company, and who is neither an officer, director nor employee of the Company or of any other obligor upon the Bonds or of an affiliate of the Company or of any such other obligor;

(j) the terms "responsible officer" and "responsible officers" of the Trustee as used in §10.02, §10.21 and §16.03 shall mean and include the President, every Vice President, the Secretary, every Assistant Secretary, every Trust Officer, every Assistant Trust Officer and every other officer and assistant officer of the Trustee customarily performing functions similar to those performed by the foregoing individuals or to

whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject;

(k) the words "Bond", "Bondholder" or "bondholders" and "holder" shall include the plural as well as the singular number, and the words "Bondholder" or "Bondholders" and "holder" shall be deemed to include both the bearer of a bearer Bond not registered as to principal and the registered owner of a bearer Bond registered as to principal;

(l) the terms "herein", "hereby", "hereunder", "hereof", "hereto", "hereinafter", "hereinbefore", "hereinafter" and words of similar import shall be held and construed to refer to this Indenture and not a particular Article, section or other portion thereof;

(m) the term "public utility property" shall mean any property now owned or hereafter acquired by the Company which is used or useful to it in its business as a telephone and communication service company; or any other business which is incidental thereto or connected therewith, including (without limiting the generality of the foregoing) all properties necessary or appropriate for manufacturing, utilizing, transmitting, supplying, distributing and/or disposing of all or any part of the foregoing; provided that such property shall be situated in the State of Kansas or in States contiguous to the State of Kansas;

(n) the term "additional property" shall mean all public utility property, located in the State of Kansas or in States contiguous to the State of Kansas, owned by the Company as hereinafter provided and subject (except in case of paving, grading and other improvements to public highways, streets and alleys) to the lien of this Indenture, acquired, made or constructed by the Company after September 1, 1946, susceptible of economical management and operation in conjunction with the other public utility property of the Company, property chargeable to its fixed property accounts, and so charged after September 1, 1946.

Public utility property acquired by the Company after September 1, 1946 subject to any prior lien or

prior liens shall not be deemed to be additional property unless and until such prior lien or prior liens are established in compliance with §3.03 as a refundable lien or liens, or are paid or otherwise satisfied and discharged.

Without in any way limiting the generality of the foregoing, it is expressly provided that additional property

(1) shall include, but shall not be limited to, accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon the plants, systems and properties now owned by the Company and described in the granting clauses hereof;

(2) may include other plants, systems and properties, located in the State of Kansas or in States contiguous to the State of Kansas, hereafter acquired by purchase, merger, consolidation or otherwise, together with the accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon such other plants, systems or properties, whereever situated;

(3) need not consist of a specific or completed accession, addition, improvement, betterments, development, extension or enlargement or of a complete new property, but may include construction work, interest and taxes during construction, other overhead charges or any work such as is carried in fixed property accounts by companies carrying on a business similar to that carried on by the Company, whether capable of specific description and identification or not; and

(4) may include renewals, replacements, alterations and substitutions, provided that no expenditures for maintenance or repairs, or other expenses which, in the ordinary practice of companies carrying on any business similar to that carried on by the Company, are charged to operating expenses, shall be deemed additional property.

Further, it is expressly provided that additional property shall not include (1) any leasehold interest or any property constructed or maintained on lease.