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§ 8.02. The Trustee may do whatever may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any corporation, stock of which shall be pledged hereunder, and for such purposes may from time to time sell, assign, transfer and deliver so many shares of the stock of the several corporations as may be necessary to qualify persons to act as directors of or in any other official relation to such corporation. Whenever the Company, not being in default under this Indenture to the knowledge of the Trustee, shall in writing so request, the Trustee shall assign and transfer to the persons designated by the Company a sufficient number of shares of the stock of any corporation, which shall then be held hereunder, to qualify such persons to act as directors of, or in any official relation to such corporation; provided, that in every case the Trustee shall make such arrangements as it shall deem expedient for the protection of the trust hereunder in respect of the shares of stock so assigned and transferred.

§ 8.03. Unless the Company shall be in default in the payment of interest on any of the Bonds then outstanding, or an event of default exists, the Company shall be entitled to receive all dividends paid in cash on all shares of stock which shall be pledged under this Indenture, except as hereinafter provided, and to receive all interest paid in cash upon bonds or other securities pledged under this Indenture; and from time to time upon the receipt of a written request of the Company, the Trustee shall deliver to the Company suitable orders in favor of the Company, or its nominee or nominees, for the payment of such dividends and interest, in order that the Company may receive payment thereof for its own use, and the Company may collect such dividends and interest by legal proceedings in any manner which shall not be in violation of the pro-

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time to time while the Company is so entitled to vote and consent, upon the written request of the Company, the Trustee shall forthwith execute and deliver or shall cause to be executed and delivered to the Company, or to its nominee or nominees, suitable powers of attorney or proxies to vote upon any of the shares of such stock which shall have been transferred into the name of the Trustee, or its nominee or nominees. The Trustee shall be protected in the giving of any proxy or proxies or powers of attorney to the Company hereunder, if upon the face thereof such proxy or proxies or powers of attorney shall contain a statement that they shall not be used inconsistently with the provisions or purposes of this Indenture.

§ 8.06. All prior lien debt pledged under this Indenture shall be held by the Trustee upon the following terms:

(a) All such prior lien debt (except such as may have previously been cancelled) shall be held by the Trustee for the protection and further security of all Bonds, until authorized to be surrendered or cancelled as hereinafter in this § 8.06 provided, and shall be stamped with a legend substantially as follows:

"Held upon and subject to the trusts declared in the Indenture of The American Telephone Company, dated as of September 1, 1946 to The City National Bank and Trust Company of Kansas City, Trustee."

Unless the Company is in default either in the payment of the interest on any Bond then outstanding hereunder or an event of default exists, no payment by way of interest or otherwise on any of the prior lien debt held subject to the lien of this Indenture shall be made or demanded and any coupons thereto appertaining as they mature shall be cancelled by the Trustee and delivered so cancelled to the Company upon receipt of a certificate of the Company (which shall contain the statements required by § 8.14) to the effect

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visions of this Indenture or prejudicial to the interest of the bondholders.

All sums which shall be paid or distributed upon or in the course of the dissolution, liquidation, or winding up of any corporation, on any shares of the capital stock of which are pledged hereunder, or which shall be in any way paid out of the capital of any such corporation, or which shall be paid or distributed on account of the principal of any bonds or other obligations pledged hereunder (except as otherwise provided in § 8.06 with regard to moneys received on account of the principal of prior lien debt pledged hereunder), shall be paid and delivered to and received by the Trustee and shall be treated as Funds in Escrow and paid over to the Company or applied pursuant to § 7.02.

§ 8.04. In case a stock dividend is declared by any corporation, any stock of which is pledged hereunder, any additional stock to which the holders of the stock pledged hereunder would then be entitled shall be delivered to and received by the Trustee, and by it held as part of the trust estate. Any rights or subscription privileges accruing to holders of stock pledged hereunder may be exercised by the Company, provided that any additional stock purchased on account of such rights or subscription privileges shall be thereupon immediately pledged hereunder.

§ 8.05. Unless the Company shall be in default in the payment of the interest on any of the Bonds then outstanding or an event of default exists, the Company shall have the right to vote upon or consent in respect of all shares of stock at the time pledged under this Indenture for all purposes not contrary to the covenants herein contained or otherwise inconsistent with the provisions or purposes of this Indenture, with the same force and effect as though such shares were not subject to this Indenture; and from

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that no default has been made in the payment of interest or principal of any of the prior lien debt unsundered to the Trustee secured by the same prior lien and then outstanding; provided, however, if default be made in the payment of interest or principal of any of the prior lien debt secured by such lien unsundered to the Trustee and outstanding, the Trustee may demand and enforce payment of all sums then due or which shall be thereafter due, whether for interest on or principal of any of the prior lien debt of the issue secured by the prior lien in or under which such default shall have occurred then held by it subject to the lien of this Indenture, or may take such other action as shall, in its judgment, be desirable or necessary to avail itself of the security created for such prior lien debt by the lien securing the same. In all respects such deposited prior lien debt shall stand and be enforceable upon absolute pro rata equality with all other like prior lien debt not so held.

(b) Whenever the trustee under any prior lien shall have cash available in any sinking fund of such prior lien (except release and/or insurance moneys which by the terms of such prior lien may be applied as part of a sinking fund) for the retirement of any prior lien debt pledged hereunder, the Trustee hereunder shall, on receipt of a written request of the Company, offer for such sinking fund any or all such prior lien debt deposited hereunder at any price stated in such request. As and when, pursuant to the above provision, any of such prior lien debt shall be sold to the trustee under any such prior lien, or whenever any of such prior lien debt shall be called for redemption or is to be paid out of any such sinking fund, the Trustee shall, upon payment to the Trustee of the amount due, surrender such prior lien debt to the trustee under such prior lien, upon receipt of a certificate of such trustee or other evidence satisfactory to the Trustee that such prior lien debt will be cancelled or will be held by such trustee on such terms and conditions that the same will not be outstanding as defined in § 1.01 (y). Cash received by the Trustee in payment of any pledged prior lien debt so surrendered shall be paid over by the Trustee to the Company upon receipt of