executed and acknowledged by such bond holders and filed with the Trustee; and

WHEREAS, the execution and delivery by the Company of this Supplemental Indenture have been duly authorized by the Board of Directors of the Company; and the Company has requested, and hereby requests, the Trustee to enter into and join with the Company in the execution and delivery of this Supplemental Indenture.

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar ($1.00) duly paid by the Trustee to the Company, and of other good and valuable considerations, the receipt whereof is hereby acknowledged, and in order to modify and amend the Indenture in the particulars and to the extent hereinafter in this Supplemental Indenture specifically provided, the Company hereby covenants and agrees with the Trustee as follows:

SECTION 1. The terms and provisions of the Indenture are hereby amended, modified and supplemented as hereinafter provided.

§ 5.18 of the Indenture of Mortgage dated September 1, 1946, is amended by inserting on page 102, following the last paragraph on said page, an additional paragraph reading as follows:

> The amount of additional property used to satisfy the requirements of Subdivision (b) of this § 5.18 shall be considered as funded to the extent that such amount exceeds retirements. For the purposes of this computation the "amount of additional property used" shall be the sum of such amounts used in each annual certificate required to have been filed under the provisions of this § 5.18 commencing with the certificate for the calendar year 1947; and the "retirements" shall be the aggregate retirements commencing January 1, 1947 and ending on the last day of the calendar year for which the last annual certificate was required under the provisions of this § 5.18.

Paragraph (x) of § 1.01 of the Indenture of Mortgage dated September 1, 1946, is amended by changing item (4) commencing in line 14 of said paragraph on page 43, so that same shall read as follows:

> (4) a credit or the basis for the withdrawal of cash under § 5.18 hereof to the extent that such amount of additional property is considered as funded, or

SECTION 2. The provisions of this Supplemental Indenture shall be effective as of September 1, 1946; and the Indenture dated September 1, 1946, as heretofore and hereby modified and amended, shall remain in full force and effect.

SECTION 3. All the covenants, provisions, stipulations and agreements in this Supplemental Indenture contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders and registered owners from time to time of the bonds and of the coupons issued and outstanding from time to time under and secured by the Indenture.

This Supplemental Indenture may be simultaneously executed in any number of counterparts and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, THE AMERICAN TELEPHONE COMPANY, has caused this Second Supplemental Indenture to be signed in its corporate name and behalf by its President or one of its Vice-Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries; and The City National Bank and Trust Company of Kansas City, for the purpose of entering into and joining with the Company in the execution of this Second Supplemental Indenture, has caused this instrument to be signed in its corporate name and behalf by its President or one of its Vice-Presidents and its corporate seal