

RTB FIRST MORTGAGE EXCHANGE BOND, SERIES B

No. RTB -1
December 31, 1979

MID-CAROLINA TELEPHONE COMPANY (hereinafter called the "Corporation"), a corporation organized and existing under the laws of the State of North Carolina, for value received, promises to pay to the order of RURAL TELEPHONE BANK, at Washington, D. C., at the times and in the manner hereinafter provided, the sum of Nine Hundred Fourteen Thousand, Five Hundred Four Dollars and Eighty-Two Cents (\$914,504.82), with interest on the amount thereof advanced by Rural Telephone Bank, pursuant to a certain Telephone Loan Contract dated as of June 17, 1974 between the Rural Telephone Bank and the Corporation, as the same may have been amended from time to time by amendments, including a Telephone Loan Contract Amendment dated as of January 14, 1980, (said Consolidated Loan Agreement, as amended, being hereinafter called the "Loan Contract") and remaining unpaid from time to time, at the rate of seven per centum (7%) per annum.

From and after the date hereof the Corporation shall make a payment on the last day of March, June, September and December, of each year at the rate of \$20.04 per \$1,000 of the principal amount hereof. Each such payment shall be applied first to the payment of interest on principal and then on account of principal. On November 22, 2009, the principal hereof remaining unpaid, if any, and interest thereon, shall become due and payable.

The Corporation on any payment date, as hereinabove provided, may pay all or any part of the principal hereof then advanced pursuant to the Loan Contract and remaining unpaid, provided that (a) so long as any of the principal hereof advanced pursuant to the Loan Contract shall remain unpaid, the Corporation shall be obligated to make the quarterly payment on account of principal and interest, in the amount hereinabove provided, unless the Corporation and the holder of this RTB First Mortgage Exchange Bond, Series B, (hereinafter called "Bond") shall otherwise agree, and (b) if a prepayment of principal is made pursuant to this paragraph prior to nineteen (19) full years from the date hereof, it shall be accompanied by a simultaneous additional payment, as a premium. The amount of the premium shall be a base amount equal to seven per centum (7%) of the prepayment, less one nineteenth (1/19) of the base amount for each full year from the date hereof to the date of the prepayment.

This Bond is executed and delivered pursuant to and is secured by a certain Indenture of Mortgage and Deed of Trust dated as of May 31, 1974, between the Corporation and The Ohio National Bank of Columbus (now BancOhio National Bank) as the same has been amended or supplemented by a First Supplemental Indenture dated as of May 1, 1975, among the Corporation, The Ohio National Bank of Columbus and John C. Ruetty, Trustees, a Second Supplemental Indenture dated as of March 1, 1979 among the Corporation, The Ohio National Bank of Columbus and John C. Ruetty, Trustees and a Third Supplemental Indenture dated as of December 31, 1979 among the Corporation, Bank Ohio National Bank and P. Joseph Sesler, Trustees (said Indenture and Supplemental Indentures being