

EXHIBIT B

Bond No.

\$22,658,000

MID-CAROLINA TELEPHONE COMPANY

Series 1981-B FFB First Mortgage Bond

1. For value received, Mid-Carolina Telephone Company (the "Borrower"), a Corporation organized and existing under the laws of the State of North Carolina, promises to pay to the Federal Financing Bank ("FFB"), at the times, in the manner, and with interest at the rate, hereinafter provided, such sums as may be advanced from time to time under this Bond, not to exceed Twenty-two Million Six Hundred Fifty-eight Thousand (\$22,658,000) Dollars, pursuant to an agreement ("Loan Commitment Agreement") between FFB and the Administrator of the Rural Electrification Administration ("REA"), dated as of August 14, 1974, as amended and supplemented, with interest payable from the date of each advance ("Advance") on the unpaid principal balance until paid.

2. As to each Advance, the Borrower shall designate in writing at the time of the request therefor, in accordance with the Loan Commitment Agreement, the date (the "Maturity Date") for repayment of such Advance. The Maturity Date of each Advance shall be subject to approval in writing by REA and shall be not less than Two (2) years nor more than Seven (7) years after the date of the Advance; provided, however, that if the Borrower desires a long term maturity, it may designate a Maturity Date of Thirty-four (34) years after the end of the calendar year in which such Advance was made.

The Maturity Date of each Advance shall, at the option of the Borrower by written notice given to FFB not less than 15 days prior to the Maturity Date, be extended to such new Maturity Date as the Borrower, with REA approval, may designate; provided that the period of such extension shall be not less than Two (2) years, but the extended Maturity Date of any Advance shall not be later than Seven (7) years after the date of the Advance, except that the Borrower may designate an extended Maturity Date of Thirty-four (34) years after the end of the calendar year in which the Advance was made.

3. The interest rate applicable to each Advance shall be the respective rate established by FFB at the time of the Advance on the basis of the determination of the Secretary of the Treasury pursuant to Section 6(b) of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285(b)), except that in the event of extension in accordance with

0.490

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