

Notes (hereinafter called the "REA Notes") in the original principal amount of \$7,653,000, of which \$5,089,146.77 was outstanding at December 31, 1979; and

WHEREAS, Old Town at the time of its merger with and into the Company had outstanding an 8% First Mortgage Rural Telephone Bank Note (hereinafter called the "8% RTB Note") in the original principal amount of \$1,548,750, of which \$1,486,555.08 was outstanding at December 31, 1979; and

WHEREAS, Old Town at the time of its merger with and into the Company had outstanding a 7% First Mortgage Rural Telephone Bank Note (hereinafter called the "7% RTB Note") in the original principal amount of \$2,990,400, of which \$914,504.82 was outstanding and \$2,056,818 was unadvanced at December 31, 1979; and

WHEREAS, the REA Notes are secured by an Indenture of Deed of Trust dated July 9, 1952 between Old Town and Security National Bank of Greensboro, as trustee, as supplemented and amended by two supplemental indentures dated November 30, 1953 and May 2, 1956, respectively, and as further supplemented and amended by four supplemental indentures dated October 6, 1960, December 12, 1963, December 5, 1968 and February 2, 1971, respectively, between Old Town and North Carolina National Bank, as trustee; and

WHEREAS, the 8% RTB Note is secured by a mortgage dated June 21, 1972, made by and among Old Town, the United States of America and Rural Telephone Bank; and the 7% RTB Note is secured by a mortgage dated November 22, 1974, made by and among Old Town, the United States of America and Rural Telephone Bank; and