

PROMISSORY NOTE

Missouri 556-G12 Goodman
Goodman, Missouri

THIS PROMISSORY NOTE (hereinafter the "Note,") dated as of May 2, 2005, is made by **GOODMAN TELEPHONE COMPANY, INC.** (hereinafter the "Borrower,") a corporation, duly organized and existing under the laws of the State of Missouri, and the **RURAL TELEPHONE BANK,** (hereinafter the "Bank.") For value received, the Borrower promises to pay to the order of the Bank, at the United States Treasury, Washington, D.C., One Hundred Ninety-One Thousand One Hundred dollars (\$191,100), with interest payable, from the date of each advance, on the amount advanced by the Bank (hereinafter the "Advance,") pursuant to a certain Loan Agreement Amendment, dated the same date as this Note (hereinafter the "Loan Agreement,") made by and among the Borrower, the Bank, and the United States of America (hereinafter the "Government," acting through the Rural Utilities Service), and remaining unpaid from time to time, in the time and manner herein provided:

1. *Interest Rate.*

- (a) Interest on each Advance shall be at the various rates determined for each Advance in accordance with Section 408(b)(3) of the Rural Electrification Act of 1936, as amended (7 U.S.C. 948(b)(3)) and the implementing regulations, as amended from time to time (7C.F.R. 1610.10).
- (b) *Interest Rate Change on an Advance.* Whenever, under the terms of this Note, a payment consists of principal and interest equal to every other payment on an Advance, the payment shall be determined as if the interest rate then in effect would continue to apply to such Advance until the Maturity Date, as hereinafter defined,; provided, however, that if the interest rate applying to such Advance is changed pursuant to paragraph (a) of this section, then the payments of principal and interest on such Advance, beginning with the payment due on the next Monthly Payment Date, as hereinafter defined, after such change, shall be redetermined using the new interest rate.

2. *Maturity Date.* On a date thirteen (13) years after the date hereof, the principal hereof advanced pursuant to the Loan Agreement and remaining unpaid, if any, and interest thereon, shall be due and payable (hereinafter the "Maturity Date.")

3. *Fund Advance Period.* Funds will be advanced pursuant to the Loan Agreement. The fund advance period for this Note begins on the date hereof and terminates five (5) years from the date of this Note (hereinafter the "Termination Date.") No funds will be advanced subsequent to the Termination Date unless the Governor of the Bank extends the fund advance period in accordance with the Loan Agreement.

4. *Payments on Advances.* Interest and principal payments on Advances shall be payable on the last day of each month (hereinafter the "Monthly Payment Date,") and shall be repaid in installments beginning with the Monthly Payment Date of the month following each Advance and ending on the Maturity Date. The first such payment on an Advance shall be increased by the amount of interest accruing between the date of the Advance and the first day of the next month. Thereafter, to and including the Maturity Date, the Borrower shall make a payment every Monthly Payment Date on each such Advance (i) substantially

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equal to every other monthly payment on such Advance, and (ii) in an amount that will pay all principal and interest of such Advance no later than the Maturity Date.

5. *Application of Payments.* Each payment made on this Note shall be applied as follows: First, to expenses, costs, and penalties; Second, to late charges; Third, to the payment of interest on principal; and Fourth, to principal.

6. *Prepayment.* All, or a portion of the outstanding balance, of any Advance may be prepaid on any payment date, as herein provided. However, so long as any of the principal advanced pursuant to the Loan Agreement shall remain unpaid, the Borrower shall be obligated to make the monthly payment on account of principal and interest, in the amount provided herein, unless the Borrower and the Bank shall otherwise agree, in writing.

7. *Late Payments.* A late charge shall be charged on any payment not made within five (5) days of the date the payment becomes due. The late charge rate shall be computed on the payment from the due date at a rate equal to the rate of the cost of funds to the Bank. In addition, the Borrower shall pay administrative costs and penalty charges assessed in accordance with applicable Government regulations. Acceptance by the Bank of a late payment shall not be deemed to be a waiver of any right or remedy of the Bank.

8. *Security.* This Note is secured by a security interest in collateral described in the Supplemental Mortgage and Security Agreement, dated as of February 6, 1974, made by and among the Borrower, the Bank, and the Government (such mortgage, as amended, supplemented, consolidated, or restated from time to time, hereinafter the "Mortgage.") Rights and obligations with respect to the collateral are stated in the Mortgage.

9. *Noteholder.* This Note evidences indebtedness created by a loan made under the Rural Electrification Act (7 U.S.C. § 901 *et seq.*). The Bank shall be and shall have all rights as holder of this Note.

10. *Default.* In an event of default, as provided in the Loan Agreement and/or Mortgage, all principal advanced pursuant to the Loan Agreement and remaining unpaid on this Note, and all interest thereon may be declared or may become due and payable in the manner and with the effect provided in the Loan Agreement and/or Mortgage.

11. *Costs.* The Borrower shall pay any and all costs and expenses incurred in connection with the exercise of rights or the enforcement of remedies, as set forth in the Loan Agreement and/or Mortgage.

12. *Waivers.* The Borrower waives demand, presentment for payment, notice of non-payment, notice of dishonor, protest, and notice of non-payment of this Note.

13. *Obligations.* The obligations of the Borrower hereunder are absolute and unconditional, irrespective of any defense or any right to set off, recoupment, or counterclaim it might otherwise have against the Bank.

IN WITNESS WHEREOF, the Borrower has caused this Note to be signed in its corporate or legal name and its corporate seal, if any, to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

GOODMAN TELEPHONE COMPANY, INC.

by _____

Name:

Title:

(SEAL)

Attested to by: _____
Secretary