

**Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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In the Matter of

Casey Mutual Telephone Company

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AU Docket No. 17-182

WC Docket No. 10-90

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**PETITION FOR WAIVER OF DEADLINE FOR FILING A  
LETTER OF CREDIT COMMITMENT LETTER  
AS AN ATTACHMENT TO FCC FORM 683**

Pursuant to Section 1.3 of the rules of the Federal Communications Commission (“FCC” or “Commission”),<sup>1</sup> Casey Mutual Telephone Company (“Casey Mutual” or “Petitioner”) hereby requests a waiver of the filing deadline for winning bidders in the Connect America Fund Phase II auction (“Auction 903”) to submit a letter of credit commitment letter as an attachment to FCC Form 683, Application for Connect America Fund Phase II Auction Support (“Form 683”).<sup>2</sup> Attached hereto as Attachment A is a Declaration Under Penalty of Perjury attesting to the facts stated herein and signed by John Breining, General Manager of Casey Mutual Telephone Company. Attached hereto as Attachment B is a letter of credit commitment letter and short form irrevocable standby letter of credit (“LOC”) issued by a qualifying bank.

**I. INTRODUCTION AND BACKGROUND**

In the *USF/ICC Transformation Order*, the Commission comprehensively reformed and modernized the high-cost program within the universal service fund to focus support on networks

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<sup>1</sup> 47 C.F.R. § 1.3.

<sup>2</sup> 47 C.F.R. § 54.315(b)(3).

capable of providing voice and broadband services.<sup>3</sup> Among other actions, the Commission created the Connect America Fund and established mechanisms by which support in price cap areas would be provided through “a combination of competitive bidding and a new forward-looking model of the cost of constructing modern multi-purpose networks.”<sup>4</sup> The Commission first offered model-derived support to incumbent price cap carriers in exchange for state-level commitments to serve qualifying locations. In those areas where incumbent price cap carriers declined model-derived support, the Commission decided to award support for qualifying locations via a competitive bidding process.

As contemplated by the *USF/ICC Transformation Order*, the Commission developed specific details and procedures for its competitive bidding process, including requirements designed to ensure that bidders would be financially and technically qualified to fulfill their Phase II public interest obligations.<sup>5</sup> The final procedures for Auction 903 were initially announced in February 2018.<sup>6</sup> These final procedures included a requirement that winning bidders submit a letter of credit commitment letter from a qualifying bank, committing to issue an irrevocable stand-

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<sup>3</sup> See *Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking*, 26 FCC Rcd 17663 (2011) (“*USF/ICC Transformation Order*”), *aff’d sub nom. In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

<sup>4</sup> *Id.* at 17725, para. 156.

<sup>5</sup> See, e.g., *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 29 FCC Rcd 7051 (2014) (“*Connect America Order*”); *Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking*, 31 FCC Rcd 5949 (2016) (“*Phase II Auction Order*”); *Comment Sought on Competitive Bidding Procedures and Certain Program Requirements for the Connect America Fund Phase II Auction (Auction 903)*, Public Notice, 32 FCC Rcd 6238 (2017) (“*Phase II Auction Comment Public Notice*”).

<sup>6</sup> See *Connect America Fund Phase II Auction Scheduled for July 24, 2018; Notice and Filing Requirements and Other Procedures for Auction 903*, Public Notice, 33 FCC Rcd 1428 (2018) (“*Auction 903 Procedures Public Notice*”).

by letter of credit in the Commission's required form.<sup>7</sup> The deadline for submitting the letter of credit commitment letter was 6:00 p.m. ET on November 5, 2018.<sup>8</sup>

Casey Mutual participated in Auction 903 and was the winning bidder of a 10-year Phase II competitive support award totaling \$244,923.20 and covering 107 assigned locations in the state of Iowa.<sup>9</sup> For reasons explained herein, Casey Mutual did not submit a letter of credit commitment letter as an attachment to its FCC Form 683 prior to the required submission deadline. Casey Mutual hereby seeks a waiver of the Commission's established filing deadline so that (1) the Commission may accept as complete the company's Form 683 as submitted, including a late-filed letter of credit commitment letter issued by qualifying bank and (2) Casey Mutual will not be subject to a financial forfeiture for failure to meet the submission deadline for a letter of credit commitment letter.

## **II. STANDARD FOR WAIVER**

The Commission has authority to waive its rules for good cause shown.<sup>10</sup> The Commission may exercise its discretion to waive a rule where particular facts would make strict compliance with the rule inconsistent with the public interest.<sup>11</sup> The Commission may take into account, on an individual basis, considerations involving equity, hardship, or more effective implementation of overall policy.<sup>12</sup> "Waiver of the Commission's rules is therefore appropriate if special

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<sup>7</sup> *Phase II Auction Order*, 31 FCC Rcd at 5989-99, paras. 119-40.

<sup>8</sup> See *Connect America Fund Phase II Auction Closes, Winning Bidders Announced*, FCC Form 683 Due October 15, 2018, Public Notice, DA 18-887 (Aug. 28, 2018) at 6, para. 16 ("*Auction 903 Winning Bidders Public Notice*").

<sup>9</sup> See *Id.* See also, Winning Bids Summary tab, available at <https://docs.fcc.gov/public/attachments/DOC-354843A1.xlsx>.

<sup>10</sup> 47 C.F.R. § 1.3.

<sup>11</sup> See *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*") (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1157-59 (D.C. Cir. 1969), *cert. denied*, 93 S. Ct. 461 (1972) ("*WAIT Radio*").

<sup>12</sup> See, e.g., *BellSouth Telecommunications, Inc., Petition to Establish New Rate Elements for Direct Access Directory Assistance Service*, Memorandum Opinion and Order, DA 95-1676, 11 FCC Rcd 1229 (CCB 1995) (citing *WAIT Radio*, 418 F.2d at 1158).

circumstances warrant a deviation from the general rule and such deviation will serve the public interest.”<sup>13</sup>

### **III. DISCUSSION**

#### **A. Special Circumstances Warrant a Waiver of the General Rule.**

Casey Mutual is a rate-of-return cost incumbent local exchange carrier (“ILEC”) that owns and operates approximately 205 ILEC access lines in a single, very rural Iowa exchange area, Study Area Code 351119. Casey Mutual is designated as an Eligible Telecommunications Carriers (“ETC”) and has a long history and proven track record of investing in next generation networks capable of providing voice and broadband services. As described in its Form 683, Casey Mutual intends to leverage CAF Phase II competitive support to extend its existing fiber-based network to unserved locations in an adjacent price cap exchange area.

As a very small, rural ILEC, Casey Mutual has a limited staff, consisting of 3 full time, 1 part-time and 6 seasonal construction employees. The employee with primary responsibility for completion of Casey Mutual’s Form 683 was General Manager, John Breining. During the filing window for submission of the company’s Form 683, Mr. Breining was also working in the field to complete — prior to close of the construction season — a 68-mile fiber to the home (“FTTH”) project throughout its ILEC study area. As a working General Manager with significant plant and construction responsibilities, Mr. Breining committed more than 900 work hours to this FTTH project alone in 2018. While Mr. Breining also devoted significant time to reviewing and assisting with the completion of paperwork associated with the company’s Form 683, he did not understand a letter of credit commitment letter to be required for bidders who did not intend to borrow funds

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<sup>13</sup> *Temporary Waiver of Section 25.281(b) Transmitter Identification Requirements for Video Uplink Transmissions*, IB Docket No. 12-267, Order, DA 16-222 (IB, Mar. 4, 2016), at para. 6 (citing *NetworkIP, LLC v. FCC*, 548 F.3d 116, 127 (D.C. Cir. 2008); *Northeast Cellular*, 897 F.2d at 1166).

to finance their construction obligations. Upon learning of his mistake, Mr. Breining worked with due speed to identify a qualifying lender willing to issue a letter of credit consistent with the Commission's requirements. As reflected in Attachment B, Casey Mutual has received the required letter of credit commitment letter and a short form letter of credit. Both reflect the issuing bank's commitment to timely issue a long form letter of credit in substantially the same form as shown in Appendix B of the Auction 903 Procedures Order.

The Form 683 and supporting documentation submitted by Casey Mutual demonstrates that Casey Mutual is reasonably capable of meeting the relevant Phase II public interest obligations in the specific areas where it has been selected as a winning bidder. As reflected in its application materials, Casey Mutual has demonstrated the ability to build and maintain a network in high-cost, rural areas. Casey Mutual has been operating for more than 100 years and has been providing voice and broadband services for more than 18 years. Casey Mutual has filed all required FCC Form 477s and has otherwise complied with all reporting and recordkeeping requirements applicable to its operations during that time period. As reflected in the company's audited financial statements, Casey Mutual's winning bid of \$244,923.20 is relatively small, including in relation to Casey Mutual's liquid assets. Casey Mutual has commenced its preliminary planning for buildout to the CAF II locations, and has already invested nearly \$300,000 in engineering services and materials, including handholes, fiber, duct, closures and making posts for completing the approximately 50 miles of fiber buildout to support its targeted CAF II project.

**B. The Requested Waiver Will Serve the Public Interest.**

Good cause for waiver exists because the underlying purposes of the rule would not be served or would be frustrated by its strict application to the instant case. The requested waiver would allow Casey Mutual to proceed as a winning bidder in Auction 903 and to advance the

policy objectives of Phase II competitive support, including to deploy broadband services to homes, businesses, and community anchor institutions in very rural areas where there otherwise is no business case for deployment.<sup>14</sup> As discussed above, Casey Mutual will be leveraging its existing network to extend its next generation, fiber-based service to the locations covered by its winning bid. Therefore, Casey Mutual is uniquely positioned to deliver on the Commission's stated objective of rapid distribution of funding and similarly rapid deployment of modern, multi-purpose networks.<sup>15</sup> Consumers, businesses, and community anchor institutions in areas covered by Casey Mutual's winning bid will benefit from the waiver, because it will allow Casey Mutual to deploy high speed broadband service much faster than would occur if the company's award is forfeited and funds are directed to another bidder.

The core purpose of the letter of credit commitment letter is to ensure that winning bidders are able to timely obtain the required form of letter of credit from a bank meeting the Commission's requirements for financial security. In turn, the purpose of the letter of credit is to protect ratepayers' contributions to the universal service fund by (1) permitting the Commission to immediately reclaim support that has been provided in the event the recipient is not furthering the objectives of universal service by complying with the Commission's rules or requirements and (2) minimizing the possibility that the support becomes property of a recipient's bankruptcy estate for an extended period of time, thereby preventing the funds from being used promptly to accomplish the Commission's universal service goals.<sup>16</sup> Because Casey Mutual has obtained the required letter of credit commitment letter and will obtain the required letter of credit, grant of the requested waiver will not frustrate the core purpose of the rules.

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<sup>14</sup> *USF/ICC Transformation Order* 26 FCC Rcd at 17669-71, paras. 20-25.

<sup>15</sup> *Phase II Auction Order*, 31 FCC Rcd at 5967, para 50.

<sup>16</sup> *Phase II Auction Order*, 31 FCC Rcd at 5990, para. 120.

Strict application of the Commission's filing deadline in this instance would be punitive, counter-productive and otherwise contrary to the public interest. In contrast, grant of the waiver would provide for a more effective implementation of the Commission's universal service policies under the circumstances presented here, including the following:

1. Casey Mutual is a very small, rural telephone company, and its failure to submit a letter of credit commitment letter is the result of a misunderstanding of the requirement and the company's dedication of very limited human resources to the completion of a FTTH project in progress at the same time as the company was participating in Auction 903.

2. Casey Mutual's winning bid of \$244,923.20 is relatively small, including in relation to Casey Mutual's liquid assets, which are far in excess of the first-year-of-support amount secured by the letter of credit.

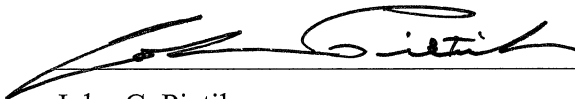
3. Casey Mutual has demonstrated that prejudice will not result from a grant of the requested waiver, because (a) Casey Mutual is financially and technically qualified to fulfill its Phase II public interest obligations to the locations covered by its winning bid and (b) Casey Mutual's obligations will be secured by timely filed letter of credit from a qualifying bank and otherwise meeting all of the Commission's requirements.

#### **IV. CONCLUSION**

Casey Mutual has shown good cause for a waiver of the Commission's rules, including that the public interest will be best served by the requested waiver. Granting a waiver in these circumstances is the best way for the Commission to ensure that a modern, multi-purpose network will be deployed rapidly and efficiently to homes, businesses, and community anchor institutions in areas covered by Casey Mutual's winning bid. If the waiver is granted, the public interest will be served by Casey Mutual's rapid deployment of fiber technologies with speeds far in excess of

the Commission's minimum standards for CAF recipients. In the absence of the requested waiver, deployment to these locations will be delayed, may be completed with less robust technologies, or may not occur at all.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John C. Pietila", written over a horizontal line.

John C. Pietila  
Davis Brown Law Firm  
4201 Westown Parkway, Ste 300  
West Des Moines, Iowa 50266  
Telephone: (515) 288-2500  
Facsimile: (515) 243-0654  
Email: [JohnPietila@davisbrownlaw.com](mailto:JohnPietila@davisbrownlaw.com)

*Attorneys for Casey Mutual  
Telephone Company*



**ATTACHMENT A**

Declaration of John Breining

*[See attached]*

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Casey Mutual Telephone Company

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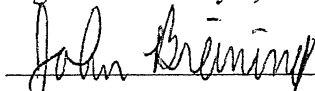
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**DECLARATION UNDER PENALTY OF PERJURY**

I, John Breining, hereby declare under penalty of perjury as follows:

1. I am the General Manager of Casey Mutual Telephone Company.
2. This Declaration is submitted in support of the Petition for Waiver of Section 54.315(b)(3) of the Commission's Rules, to be filed with the Commission by Casey Mutual Telephone Company on January 4, 2019.
3. I declare under penalty of perjury, pursuant to Sections 502 and 503(b) of the Communications Act of 1934 and Section 1001 of Title 18, United States Code, that I have reviewed the foregoing Petition, I am familiar with the facts and information stated therein, and that the facts and information stated therein are true and correct to the best of my knowledge.

Signed on January 4, 2019.



John Breining, General Manager

Casey Mutual Telephone Company

**ATTACHMENT B**

Letter of Credit Commitment Letter

*[See attached]*



December 20, 2018

Casey Mutual Telephone Company  
PO Box 207  
Casey, IA 50048

RE: Casey Mutual Telephone Company. – ***COMMITMENT TO ISSUE IRREVOCABLE LETTER OF CREDIT***

To Whom It May Concern:

Live Oak Bank ("Live Oak") is pleased to issue an irrevocable letter of credit ("Letter of Credit") to Universal Service Administrative Company ("Beneficiary") for the account of Casey Mutual Telephone Company ("Borrower"), in the amount of \$24,492.30 as credit support for Borrower's participation in the Connect America Fund ("CAF") program. Issuance of the Letter of Credit is subject to the terms and conditions contained herein, and approval by Live Oak hereafter.

**Purpose of Letter of Credit:** To secure Borrower's obligations to Beneficiary with respect to auction support awarded as required under the Report and Order, adopted on May 25, 2016, issued by the Federal Communications Commission ("FCC") in the matter of Connect America Fund, WC Docket 10-90 (the "Order").

**Borrower:** Casey Mutual Telephone Company

**Commitment Fee:** Borrower will pay to Live Oak a nonrefundable commitment fee of \$1,225, to be applied to the Letter of Credit Fee upon issuance of the Letter of Credit by Live Oak. The Commitment Fee is payable to Live Oak even if a letter of credit is provided to Borrower by a third-party lender. However, the Commitment Fee is not payable to Live Oak if Borrower does not participate in CAF program.

**Letter of Credit Fee:** Borrower will pay to Live Oak a letter of credit fee at a per annum rate equal to 5% on the original face amount of the Letter of Credit for the period. The fee shall be delivered prior to the closing of the letter of credit.

**Non-Renewal Fee:** If at maturity of the letter of credit, Live Oak elects to extend a renewal letter of credit for the next year under the same structure and terms, and the borrower does not elect to renew with the lender, borrower will pay a termination fee to Live Oak in the amount of one percent (1%) of the letter of credit amount in the form of a non-renewal fee. This non-renewal fee would be \$245. In the event the FCC no longer requires a letter of credit upon renewal, a non-renewal fee shall not be charged to the borrower.

**Default Rate:** The Default Rate shall be equal to 5.0%.

**Closing Costs:** Borrower shall pay to Live Oak all costs associated with the transaction including UCC searches and filings, legal work in preparation of closing documents, and any other closing related expenses.

- Maturity Date:** The Letter of Credit will expire 1 year after the date of issuance subject to automatic renewal as set forth in the terms thereof.
- Form of Letter of Credit:** The Letter of Credit will be issued in substantially the form as Appendix B of the CAF II Auction Order, page 97.
- Credit Agreement:** Borrower shall enter into a Credit and Security Agreement ("Credit Agreement") with Live Oak to establish its obligations related to the Letter of Credit. The Credit Agreement will contain, among other things, conditions to issuance of the Letter of Credit, granting of security interests, representations and warranties, affirmative covenants, negative covenants, financial covenants, events of default, and Live Oak's rights and remedies.
- Security:** Live Oak Bank shall maintain a perfected security interest and control of cash collateral provided at closing from the Borrower. The Credit Agreement shall state Live Oak maintains control and the cash collateral is subject to a blocked account control agreement. Unless otherwise agreed pursuant to the terms of the Credit Agreement, there shall be no other security interests required by Borrower.
- CAF Commitment Letter:** In conjunction with Section 134 of the Order, Live Oak shall issue a "Letter of Credit Commitment Letter" substantially in the form shown on Exhibit A, which may be submitted by Borrower to the FCC. The CAF Commitment Letter shall be issued by Live Oak to provide proof of compliance with the Order and, in the event of a conflict between the provisions of this Commitment Letter and the CAF Commitment Letter, the provisions of this Commitment Letter shall govern and control.

**This proposal is a commitment to issue the Letter of Credit. Approval and issuance of the Letter of Credit will be subject to Live Oak's due diligence review of Borrower, which must be satisfactory to Live Oak in Live Oak's sole judgment, and satisfaction of the conditions to issuance set forth in the Credit Agreement.**

**Conditions to Issuance of Letter of Credit:** Usual and customary for transactions of this type, including, but not limited to:

- a) Execution and delivery of the Credit Agreement and other documentation, including a blocked account control agreement for cash collateral in favor of Live Oak as holder of first priority interest
- b) Receipt of satisfactory evidence that Live Oak shall have a valid and perfected lien and security interest in the collateral referred to under the section "Security" set forth above;
- c) Live Oak shall have received, in form and substance reasonably satisfactory to it, certificates of insurance for property and liability

25505.1-1056916 v1



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coverage reflecting Live Oak as a loss payee or additional insured, as applicable;

- d) All legal matters, including regulatory, shall be satisfactory to Live Oak;
- e) Live Oak's satisfactory diligence review of Borrower as well as review of construction and engineering plan.
- f) The absence of any action, suit, investigation or proceeding pending or, to the knowledge of Borrower, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to (x) have a material adverse effect on the business, assets, properties, liabilities (actual and contingent), operations or condition (financial or otherwise) of Borrower and its subsidiaries, taken as a whole, (y) adversely affect the ability of Borrower to perform its obligations under the Credit Agreement or (z) adversely affect the rights and remedies of the Live Oak under the Credit Agreement (collectively, a "Material Adverse Effect");
- g) All governmental, shareholder, corporate, and third-party consents shall have been obtained; and
- h) All representations and warranties are true and correct as of the issuance date, and no default or event of default shall have occurred and be continuing.

**Representations and Warranties:**

Usual and customary for transactions of this type (with exceptions and materiality standards to be agreed), to include without limitation: (i) corporate existence and status; (ii) corporate power and authority, enforceability; (iii) no violation of law, contracts or organizational documents; (iv) no material litigation; (v) accuracy and completeness of financial statements and no material adverse change; (vi) no required governmental or third party approvals or consents; (vii) tax matters; (viii) ownership of property and insurance matters; (ix) accuracy of disclosure; (x) compliance with laws; (xi) subsidiaries; (xii) no default; (xiii) perfected liens, security interests and charges; and (xiv) solvency.

**General Covenants (Affirmative/Negative):**

Usual and customary for transactions of this type, including without limitation compliance with technical system performance requirements established by the Federal Communications Commission and timely build out of systems.

**Financial Reporting:**

Usual and customary for transactions of this type, to include, without limitation:

- a) Audited consolidated financial statements prepared by a nationally recognized accounting firm.
- b) Any other information and reports as may be reasonably

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**LIVE OAK BANK**

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requested by Live Oak from time to time.

All reports and financial statements to be in form and scope reasonably acceptable to Live Oak.

*\*\*Please Note: Live Oak reserves the right to incorporate additional covenants upon completion of due diligence*

**Events of Default:**

Usual and customary in transactions of this type (with grace periods and materiality standards to be agreed), to include without limitation: (i) failure to reimburse Live Oak for draws on the Letter of Credit and nonpayment of fees, interest or other amounts; (ii) noncompliance with the requirements of the Connect America Fund program as set forth in the Order and any documents supplemental thereto, (iii) any representation or warranty proving to have been incorrect when made or confirmed; (iv) failure to perform or observe covenants set forth in the Credit Agreement and related documentation, within grace periods in the case of certain affirmative covenants, where customary and appropriate; (v) cross-default to other indebtedness in an amount to be agreed; (vi) bankruptcy and insolvency defaults (with grace period for involuntary proceedings); (vii) monetary judgment defaults in an amount to be agreed; (viii) actual or asserted invalidity of any loan documentation. Upon the occurrence of an Event of Default, Live Oak shall be entitled to exercise customary rights and remedies, including without limitation, application of the cash collateral to repayment of the auction support funds received pursuant to the Order.

**Costs and Expenses:**

Borrower shall reimburse Live Oak for all fees, costs and expenses incurred in connection with this transaction, including but not limited to reasonable legal fees, audits, appraisals, consulting fees, travel, meeting expenses and any other material expenses.

**Indemnification:**

Borrower will indemnify and hold harmless Live Oak and its affiliates and their officers, directors, employees, agents and advisors from and against all losses, liabilities, claims, damages or expenses arising out of or relating to the Letter of Credit or Borrower's participation in the Connect America Fund program, including, but not limited to, reasonable attorneys' fees and settlement costs. This indemnification shall survive and continue for the benefit of all such persons or entities.

**Governing Law:**

The Credit Agreement and related documentation shall be governed by the substantive laws of the State of North Carolina (without reference to conflict of law principles).

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**Upon receipt of the executed Acknowledgement and Authorization**, Live Oak will proceed with preparation of the Credit Agreement and related documents.

If you do not respond by December 19, 2018, no further consideration will be given to the approval.

Please note, all indicative and approximated fees and interest rates used in this letter are current as of the approximate date of this letter and are subject to change based on market conditions and movement in the any underlying index.

Pursuant to U. S. A. Patriot Act, you will be required to provide satisfactory evidence of your business identity before credit is extended.

Live Oak reserves the right to advertise the completion of issuance of the Letter of Credit.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Jason Lumpkin | General Manager - Emerging Markets  
Direct 910.796.1660  
Cell 443.834.8826  
Fax 866-655-6803



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### Proposed Borrower Acknowledgment and Authorization

The proposed terms and conditions contained in this letter have been reviewed and accepted by the undersigned.

Proposed Borrower hereby directs Live Oak to proceed with evaluation and due diligence to be undertaken in the letter of credit approval process. Proposed Borrower authorizes Live Oak to conduct such investigations and inquiries as may be necessary or desirable (in the sole and absolute discretion of Live Oak) in connection with the consideration of its application. In addition, the undersigned authorizes Live Oak to share any and all information relating to this application with potential financial partners of Live Oak.

Applicant: CASEY Mutual Telephone Company

Signature: John C. Breining

Title: General Manager

Date: 12/20/2018

25505.1-1056916 v1



**LIVE OAK BANK**

### CONSENT FOR MARKETING

This document concerns the disclosure of information related to the letter of credit or other financing (the "Credit") that you applied for from Live Oak Banking Company ("Live Oak Bank"). Following the closing of the Credit, you acknowledge and agree that Live Oak Bank may, at its own option and expense, disseminate announcements, website disclosure, advertisements and/or other marketing materials (including "tombstone" announcements) describing Live Oak Bank's services in connection with the Credit or such other products or services as may be provided from time to time by Live Oak Bank to you. Such announcements, disclosure and advertisements may include, without limitation: your logo and/or other identifying marks, the scope and/or cost of the wireless internet service provider system being built out by you and the face amount of the Credit.

Please sign below indicating your consent and agreeing to the disclosures described above.

Name of Credit Applicant/Business Entity: Casey Mutual Telephone Company

By: John C. Breining

Name: John C. Breining  
Title: General Manager  
Date: 12/20/2018

Acknowledged and Agreed:

LIVE OAK BANKING COMPANY

By: Pierce Verchick

Name: Pierce Verchick  
Title: Business Analyst  
Date: 12/21/18

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CAF Commitment Letter

December 14, 2018

Casey Mutual Telephone Company  
PO Box 207  
Casey, IA 50048

RE: Casey Mutual Telephone Company – ***COMMITMENT TO ISSUE IRREVOCABLE LETTER OF CREDIT***

Dear Casey Mutual Telephone Company,

Live Oak Banking Company ("Live Oak") is pleased to issue an irrevocable letter of credit ("Letter of Credit") to Universal Service Administrative Company ("Beneficiary") for the account of Casey Mutual Telephone Company ("Borrower"), in the amount of \$24,492.30 as credit support for Borrower's participation in the Connect America Fund ("CAF") program. This commitment letter is issued in accordance with Section 134 of the Order (defined herein), "Letter of Credit Commitment Letter." Issuance of the Letter of Credit is subject to certain terms and conditions. Live Oak represents that, as of the date hereof, it is insured by the Federal Deposit Insurance Corporation and has a Weiss bank safety rating of B- or higher.

Purpose of Letter of Credit:

To secure Borrower's obligations to Beneficiary with respect to auction support awarded as required under the Report and Order, adopted on May 25, 2016, issued by the Federal Communications Commission ("FCC") in the matter of Connect America Fund, WC Docket 10-90 (the "Order"). This Letter of Credit covers Borrower's bids for the State of Iowa in accordance with Section 122 of the Order. The Letter of Credit to be issued by Live Oak will be in substantially the same form as the letter of credit shown in Appendix B of the Order.

Maturity Date:

The Letter of Credit will expire 1 year after the date of issuance subject to automatic renewal as set forth in the terms thereof.

Authorization to Provide this Commitment:

Borrower is expressly authorized to provide copies of this Commitment to both Beneficiary and the FCC.

Security:

Perfected Interest in Cash Collateral

Other Terms and Conditions:

Issuance of the Letter of Credit is subject to Borrower's satisfaction of the terms and conditions set forth in our Commitment to Lend of even date herewith between Live Oak and Borrower.

This Commitment is subject to your executing and returning a copy of this Commitment on or before December 14, 2018.

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LIVE OAK BANK

LIVE OAK BANKING COMPANY

By:

*Pierre Verschick*

Name: *Pierre Verschick*

Title: *Business Analyst*

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