

June 12, 2015

Northeast Rural Services, Inc.
Attn: Anthony Due, CEO/General Manager
P.O. Box 948
Vinita, Oklahoma 74301

Dear Mr. Due:

CoBank, ACB (“**CoBank**”) is pleased to issue its commitment (the “**Commitment**”) to provide Northeast Rural Services, Inc. (the “**Company**”) with an Irrevocable Stand-By Letter of Credit for each individual Rural Broadband Experiment Project Bid (identified as Project ID’s 2, 3, 5, 7, 9 and 11) for which the Company has been provisionally selected as the winning bidder in the aggregate support amount of \$741,506.20, and for the benefit of Universal Service Acceptance Company (the “**LOC**”). The LOC terms and conditions will be substantially in a form and substance consistent with those found in the Federal Communications Commission’s Model Letter of Credit, a form of which is attached hereto as **Exhibit A**, and will include such other terms and conditions as required by CoBank.

Additionally, the issuance of the LOC is subject to and contingent upon the execution by CoBank and the Company of all documentation required by and in form and content acceptable to CoBank (the “**LOC Documents**”), the payment of any and all associated fees or costs, and such other requirements as deemed necessary by CoBank.

The LOC Documents will be provided under separate cover. The LOC will not be issued until the LOC Documents have been executed by all parties and all terms and conditions detailed in the LOC Documents have been satisfied as determined in CoBank’s sole discretion. Nothing contained in this letter shall be construed as an agreement or a commitment on behalf of CoBank to provide additional letters of credit in the future.

If you have any questions, please contact me at 806-788-3706. We appreciate the opportunity to do business with you and look forward to serving your financial needs.

Yours truly,



Dean Church
Vice President

EXHIBIT
"A"

EXHIBIT A
Federal Communications Commission's Model Letter of Credit

[Subject to Issuing Bank Requirements]
No. _____

[Name and Address of Issuing Bank]

[Date of Issuance]
[AMOUNT]
[EXPIRATION DATE]

BENEFICIARY
[USAC]
[Address]

LETTER OF CREDIT PROVIDER
[Winning Bidder Name]
[Address]

Ladies and Gentlemen:

We hereby establish, at the request and for the account of [Winning Bidder], in your favor, as required under the [Report and Order, adopted on July 11, 2014 issued by the Federal Communications Commission ("FCC") in the matter of [Connect America Fund, WC Docket 10-90] (the "Order"), our Irrevocable Standby Letter of Credit No. _____, in the amount of [State amount of Letter of Credit in words and figures. NOTE: The amount of the Letter of Credit shall increase/additional letter(s) of credit shall be issued as additional funds are disbursed pursuant to the terms of the Order], expiring at the close of banking business at our office described in the following paragraph, on [the date which is ___ years from the date of issuance/ or the date which is one year from the date of issuance, provided the Issuing Bank includes an evergreen clause that provides for automatic renewal unless the Issuing Bank gives notice of non-renewal to USAC by a nationally recognized overnight delivery service, with a copy to the FCC, at least sixty days but not more than 90 days prior to the expiry thereof], or such earlier date as the Letter of Credit is terminated by [USAC] (the "Expiration Date"). Capitalized terms used herein but not defined herein shall have the meanings accorded such terms in the Order.

Funds under this Letter of Credit are available to you against your draft in the form attached hereto as Annex A, drawn on our office described below, and referring thereon to the number of this Letter of Credit, accompanied by your written and completed certificate signed by you substantially in the form of Annex B attached hereto. Such draft and certificates shall be dated the date of presentation or an earlier date, which presentation shall be made at our office located at [BANK ADDRESS] and shall be effected either by personal delivery or delivery by a nationally recognized overnight delivery service. We hereby commit and agree to accept such presentation at such office, and if such presentation of documents appears on its face to comply with the terms and conditions of this Letter of Credit, on or prior to the Expiration Date, we will honor the same not later than the first banking day after presentation thereof in accordance with your payment instructions. Payment under this Letter of Credit shall be made by [check/wire transfer of Federal Reserve Bank of New York funds] to the payee and for the account you designate, in accordance with the instructions set forth in a draft presented in connection with a draw under this Letter of Credit.

Partial drawings are not permitted under this Letter of Credit. This Letter of Credit is not transferable or assignable in whole or in part.

This Letter of Credit shall be canceled and terminated upon receipt by us of the [USAC's] certificate purportedly signed by two authorized representatives of [USAC] in the form attached as Annex C.

This Letter of Credit sets forth in full the undertaking of the Issuer, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the certificates and the drafts referred to herein and the ISP (as defined below); and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates and such drafts and the ISP.

This Letter of Credit shall be subject to, governed by, and construed in accordance with, the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP"), which is incorporated into the text of this Letter of Credit by this reference, and, to the extent not inconsistent therewith, the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York. Communications with respect to this Letter of Credit shall be addressed to us at our address set forth below, specifically referring to the number of this Letter of Credit.

[NAME OF BANK]

[BANK SIGNATURE]