

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
October 1, 2020

NELNET, INC.
(Exact name of registrant as specified in its charter)

Nebraska	001-31924	84-0748903
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
121 South 13th Street, Suite 100 Lincoln, Nebraska		68508
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code **(402) 458-2370**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, Par Value \$0.01 per Share	NNI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Recapitalization and Additional Funding for Allo Communications

On October 1, 2020, Nelnet, Inc. (the “Company”), upon the approval of its Board of Directors on October 1, 2020, entered into a Master Agreement (the “Master Agreement”) with SDC Allo Holdings, LLC (“SDC”) and ALLO Communications LLC (“Allo”), a subsidiary of the Company, for various transactions contemplated by the parties in connection with a recapitalization and additional funding for Allo, and an associated Membership Unit Purchase Agreement (the “Membership Unit Purchase Agreement”) with SDC and Allo. The Master Agreement and the Membership Unit Purchase Agreement are collectively referred to herein as the “Agreements.”

The Master Agreement and various associated agreements provide for a series of initial interrelated transactions (the “Initial Transactions”) whereby (i) Allo will issue non-voting preferred interest membership units of Allo to SDC for an aggregate purchase price payment of \$197.0 million from SDC to Allo pursuant to the terms and conditions of the Membership Unit Purchase Agreement; (ii) subject to the completion of such purchase of membership units by SDC, Allo will redeem certain senior preferred return membership units of Allo held by the Company in exchange for an aggregate redemption price payment to the Company of \$160.0 million; (iii) Allo will use its reasonable best efforts to incur and undertake private debt financing from one or more unrelated third-party lender(s) in the aggregate approximate amount of \$100.0 million; and (iv) subject to the completion of such purchase of membership units by SDC and Allo obtaining such debt financing, Allo will redeem certain additional senior preferred return membership units of Allo held by the Company in exchange for an aggregate redemption price payment to the Company of approximately \$100.0 million (subject to the amount of gross proceeds actually received in the debt financing). Upon the receipt of required regulatory approvals from the Federal Communications Commission and other applicable regulatory authorities, the non-voting preferred interest membership units of Allo held by SDC will automatically convert into voting membership units of Allo. As a result of such conversion, SDC, the Company, and Allo management will each own approximately 48 percent, 45 percent and 7 percent of the outstanding voting membership interests of Allo, respectively, and the Company will deconsolidate Allo from the Company’s consolidated financial statements and account for its investments in Allo as equity investments.

The Master Agreement and various associated agreements also provide for secondary transactions (the “Secondary Transactions”) subsequent to the completion of the Initial Transactions, whereby (i) the Company, SDC, and Allo will use commercially reasonable efforts (which expressly excludes requiring Allo to raise any additional equity financing or sell any assets) to cause Allo to redeem, on or before the three and one-half year anniversary (subject to adjustment) of the completion of Allo’s redemptions from the Company in the Initial Transactions, the remaining senior preferred membership units of Allo held by the Company in exchange for an aggregate redemption price payment to the Company of approximately \$126 million, plus the amount of accrued and unpaid preferred return on such units and the amount of any contributions or other amounts funded by the Company to Allo subsequent to Allo’s redemptions from the Company in the Initial Transactions; and (ii) the Company will have a contingent payment obligation to pay SDC a contingent payment amount of \$25 million to \$35 million in the event the Company disposes of other membership units of Allo that it holds and realizes from such disposition certain targeted return levels relative to the implied value of its investment in such units upon the completion of the Membership Unit Purchase Agreement.

The Membership Unit Purchase Agreement is subject to closing conditions which the Company believes are customary for transactions of the type contemplated by the Membership Unit Purchase Agreement. It is currently expected that the Membership Unit Purchase Agreement will close on or about October 15, 2020. In addition, the automatic conversion of the non-voting preferred interest membership units of Allo to be acquired by SDC into voting membership units of Allo as discussed above will be subject to the receipt of regulatory approvals from the Federal Communications Commission and other applicable regulatory authorities. It is currently anticipated that such regulatory conditions will be satisfied by December 31, 2020.

The Agreements contain representations and warranties, covenants, indemnification provisions, and other rights, obligations and restrictions, in each case for the sole benefit of the parties to the Agreements, which the Company believes are customary for transactions of the type contemplated by the Agreements.

The foregoing summary of the Agreements does not purport to be a complete description of all of the provisions of the Agreements and is qualified in its entirety by reference to the full text of such Agreements, copies of which the Company will file as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.

Amendment to \$455.0 Million Unsecured Line of Credit

On October 1, 2020, the Company entered into Amendment No. 1 (the "Amendment") to the Second Amended and Restated Credit Agreement dated as of December 16, 2019 (the "Credit Agreement") for the Company's \$455.0 million unsecured line of credit with U.S. Bank National Association, as agent for the lenders, and the lender parties thereto. The most recent prior amendment to the Credit Agreement was previously reported in a Current Report on Form 8-K filed by the Company on December 16, 2019.

The following provisions of the Credit Agreement were modified under the terms of the Amendment:

- The provisions for allowable recourse indebtedness, liens, dispositions of assets, and investments, as well as for subsidiary guarantors, were amended to permit the disposition by the Company of its equity interests in Allo in connection with the recapitalization and additional funding for Allo (as discussed under Item 1.01 above), and release Allo as a subsidiary guarantor for the Company under the Credit Agreement.
- The provisions for allowable liens and investments were amended to permit the Company to make certain additional investments in and accommodations to the Company's chartered bank subsidiary (Nelnet Bank) in connection with requirements that Nelnet Bank maintain regulatory capital levels and otherwise comply with Federal Deposit Insurance Corporation ("FDIC") requirements, including a required \$40.0 million pledged deposit by the Company with Nelnet Bank pursuant to the previously reported Capital and Liquidity Maintenance Agreement with the FDIC.

The line of credit size of \$455.0 million and the cost of funds did not change as part of the Amendment. As of October 1, 2020, no amounts were outstanding under the unsecured line of credit and \$455.0 million was available for future use.

The foregoing summary of the Amendment does not purport to be a complete description of all of the provisions of the Amendment, and is qualified in its entirety by the full text of the Amendment, a copy of which is filed with this report as Exhibit 10.1.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information with respect to the amendment to the \$455.0 million unsecured line of credit discussed under Item 1.01 above is hereby incorporated by reference into this Item 2.03.

Item 7.01 Regulation FD Disclosure.

On October 2, 2020, the Company issued a press release entitled "Nelnet Partners with SDC Capital Partners to Propel ALLO's Growth." A copy of the press release is furnished as Exhibit 99.1 to this report.

The above information and Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), nor shall such information and Exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed or furnished as part of this report:

Exhibit No.	Description
10.1*	Amendment No. 1 to Second Amended and Restated Credit Agreement dated as of October 1, 2020 among Nelnet, Inc., the various Lenders signatory thereto, and U.S. Bank National Association, as administrative agent for the Lenders.
99.1**	Press Release dated October 2, 2020 – “Nelnet Partners with SDC Capital Partners to Propel ALLO’s Growth.”
104**	Cover Page Interactive Data File (formatted as Inline XBRL and included as Exhibit 101).

* Filed herewith

** Furnished herewith

Forward-looking and cautionary statements

This report contains forward-looking statements within the meaning of federal securities laws. The words “anticipate,” “expect,” “intend,” “may,” “potential,” “will,” and similar expressions, as well as statements in future tense, are intended to identify forward-looking statements. These statements are based on management’s current expectations as of the date of this report and are subject to known and unknown risks and uncertainties that may cause actual results or performance to differ materially from those expressed or implied by the forward-looking statements. Such risks include, but are not limited to: risks related to the ability to complete any or all of the various transactions contemplated by the reported recapitalization and additional funding for Allo in the expected time frame or at all; risks related to the expected benefits to the Company and to Allo from such transactions, including risks and uncertainties as whether the Company and/or Allo will be able to realize such expected benefits; risks that the conditions to the previously reported approval of federal deposit insurance and an industrial bank charter for Nelnet Bank may not be satisfied within a reasonable timeframe or at all, thus delaying or preventing Nelnet Bank from commencing operations, and the uncertain nature of the expected benefits from obtaining an industrial bank charter, including the ability to successfully launch banking operations and achieve expected market penetration; risks related to the severity, magnitude, and duration of the COVID-19 pandemic, including changes in the macroeconomic environment and consumer behavior, restrictions on business, educational, individual, or travel activities intended to slow the spread of the pandemic, and volatility in market conditions resulting from the pandemic; cybersecurity risks, including potential disruptions to systems, disclosure of confidential information, and/or damage to reputation resulting from cyber-breaches; and other risks and uncertainties set forth in the “Risk Factors” sections of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020. All forward-looking statements contained in this report are qualified by these cautionary statements and are made only as of the date of this report. Although the Company may from time to time voluntarily update or revise its prior forward-looking statements to reflect actual results or changes in the Company’s expectations, the Company disclaims any commitment to do so except as required by securities laws.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NELNET, INC.

Date: October 2, 2020

By: /s/ JAMES D. KRUGER

Name: James D. Kruger

Title: Chief Financial Officer

AMENDMENT NO. 1

TO

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 1 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of October 1, 2020, by and among NELNET, INC. (the "Borrower"), the Lenders (as defined in the Credit Agreement defined below) signatory hereto and U.S. BANK NATIONAL ASSOCIATION, as administrative agent for the Lenders (in such capacity, the "Agent"). Capitalized terms used herein but not now defined herein shall have the meaning given such terms in the Credit Agreement (as defined below).

W I T N E S S E T H

WHEREAS, the Borrower, the Lenders and the Agent are party to that certain Second Amended and Restated Credit Agreement, dated as of December 16, 2019 (as amended, restated, supplemented, or otherwise modified prior to the date hereof, the "Credit Agreement"); and

WHEREAS, the Borrower has notified the Administrative Agent that it intends to dispose of all or a material portion of its equity interests in its Subsidiary, ALLO Communications LLC ("ALLO"), pursuant to a process set forth in one or more documents contemplated to become effective on or about September 25, 2020 (the "Specified Disposition Documents"); and

WHEREAS, the Borrower has notified the Administrative Agent that the Borrower shall be required to make certain additional investments and accommodations to the Chartered Bank Subsidiary in connection with requirements that the Chartered Bank Subsidiary maintain regulatory capital levels and otherwise comply with Federal Deposit Insurance Corporation requirements; and

WHEREAS, in connection with the foregoing, the Borrower has requested that certain modifications be made to the Credit Agreement and that ALLO be released from the Guaranty (the "Release"); and

WHEREAS, the Lenders party hereto have agreed to amend the Credit Agreement and to permit the Release, in each case on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is amended to add or amend and restate the following definitions thereto in their appropriate alphabetical order therein:

“CALMA” means a Capital and Liquidity Maintenance Agreement or similar agreement between the Borrower and certain regulators of the Chartered Bank Subsidiary.”

“Chartered Bank Liquidity Investment” means any loan or similar capital provided by the Borrower to the Chartered Bank Subsidiary to maintain regulatory capital levels (x) pursuant to a CALMA or (y) in the form of a required deposit at the Chartered Bank Subsidiary pursuant to a CALMA committed deposit agreement or similar arrangement.”

“First Amendment” means that certain Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of October 1, 2020, by and among the Borrower, the Administrative Agent and the Lenders party thereto.”

“Guarantor” means each of the Material Subsidiaries that is a Domestic Subsidiary, and its successors and assigns; provided, that (x) in no event shall the Chartered Bank Subsidiary constitute a Guarantor for purposes of this Agreement or any other Loan Document and (y) following the date that ALLO Communications LLC is released from its obligations as a Guarantor pursuant to the terms of the First Amendment, in no event shall such entity constitute a Guarantor thereafter for purposes of this Agreement or any other Loan Document. Schedule 1.01B lists the Guarantors as of the Effective Date.

“Permitted Encumbrances” means:

- (a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;
- (b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;
- (c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;
- (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article 7;

(f) Liens granted by any Subsidiary in connection with a Qualified Receivables Transaction;

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary; and

(h) Liens arising solely by virtue of any statutory or common law provision relating to bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a creditor depository institution, only if (i) such account is not a dedicated cash collateral account and is not subject to restriction against access by the Borrower or a Subsidiary in excess of those set forth by regulations promulgated by the Board, and (ii) such account is not intended by the Borrower or any Subsidiary to provide collateral to the depository institution;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Recourse Indebtedness."

"Specified Disposition" means the disposition by the Borrower of all or a material portion of the Equity Interests of its Subsidiary, ALLO Communications LLC, which process will commence on or about September 25, 2020 and may transpire through a series of partial dispositions over a period of several years."

(b) Section 6.01 of the Credit Agreement is amended to (i) delete the "and" from the end of clause (e) thereof, (ii) delete "." from the end of clause (f) thereof and substitute "; and" therefor, and (iii) add the following new clause (g) immediately following such clause (f):

"(g) Indebtedness representing loans made by certain third party lenders to ALLO Communications LLC in connection with and as part of the consummation in full of the Specified Disposition, in an aggregate amount not to exceed \$140,000,000 at any time outstanding, and only so long as such loans (x) are non-recourse to the Borrower or any other Subsidiary (other than ALLO Communications LLC) and (y) are not secured by any assets of the Borrower or any other Subsidiary (other than the assets of ALLO Communications LLC to the extent permitted hereunder)."

(c) Section 6.02 of the Credit Agreement is amended to (i) delete the "and" from the end of clause (e) thereof, (ii) delete "." from the end of clause (f) thereof and substitute "; and" therefor, (iii) restate clause (f) thereof as follows and (iv) add the following new clause (g) immediately following such clause (f):

“(f) (i) Liens granted by the Chartered Bank Subsidiary or one or more of its Subsidiaries to secure the Indebtedness described in Section 6.01(e) hereof; and (ii) Liens granted by the Borrower or any Subsidiary to the Chartered Bank Subsidiary pursuant to: (1) a CALMA committed deposit agreement (in form and substance substantially similar to that disclosed to the Administrative Agent on or prior to the date of the First Amendment or otherwise acceptable to the Administrative Agent in its reasonable discretion) in a deposit account at the Chartered Bank Subsidiary, to the extent of amounts on deposit in such deposit account not in excess of \$40,000,000 (plus accrued interest thereon) at any time, (2) additional deposit agreements (in form and substance substantially similar to those disclosed or described to the Administrative Agent on or prior to the date of the First Amendment or otherwise acceptable to the Administrative Agent in its reasonable discretion) for earmarked deposit accounts to cover (x) liabilities owed by the Borrower or such Subsidiary to the Chartered Bank Subsidiary and interest thereon or (y) payments on student loans (including interest thereon) owned by the Chartered Bank Subsidiary but serviced by a Subsidiary of the Borrower, or (3) any pledge arrangement securing amounts paid by the Chartered Bank Subsidiary to the Borrower or such Subsidiary in respect of student loans owned by the Borrower or such Subsidiary which are to be subsequently refinanced and purchased by the Chartered Bank Subsidiary; provided, however, that (I) in no event shall the total value of all deposits or other amounts subject to Liens permitted under the preceding clauses (2) and (3), including interest thereon, plus the interest accrued on the deposit account described in the preceding clause (1), exceed \$1,000,000 in the aggregate at any time, and (II) in no event shall the total value of all deposits or other amounts subject to Liens permitted under this clause (ii) in its entirety, including interest thereon, exceed \$41,000,000 in the aggregate at any time; and

(g) Liens granted by ALLO Communications LLC solely in its own assets to secure the Indebtedness described in Section 6.01(g) hereof.

(d) Section 6.04 of the Credit Agreement is amended to (i) delete the “and” from the end of clause (e) thereof, (ii) delete “.” from the end of clause (f) thereof and substitute “; and” therefor, and (iii) add the following new clause (g) immediately following such clause (f):

“(g) the Specified Disposition.”

(e) Section 6.06(e) of the Credit Agreement is amended to delete the reference to “\$15,000,000” therein and to substitute “\$40,000,000” therefor;

(f) Section 6.06 of the Credit Agreement is further amended to (i) delete the “and” from the end of clause (j) thereof, (ii) delete “.” from the end of clause (k) thereof and substitute “; and” therefor, and (iii) add the following new clause (l) immediately following such clause (k):

“(l) following all or any portion of the Specified Disposition, Investments in ALLO Communications LLC.”

SECTION 2. Release. Subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Agent and the Lenders party hereto hereby consent to the Release, notwithstanding the fact that ALLO may remain a Material Subsidiary for some period of time prior to or after the completion of the Specified Disposition, effective upon the effective date of the Specified Disposition Documents. Notwithstanding the effectiveness of the Release, ALLO will continue to be subject to all terms and conditions pertaining to (i) Material Subsidiaries set forth in the Loan Documents (other than the requirement that Material Subsidiaries be Guarantors) for as long as ALLO meets the definition of “Material Subsidiary” thereunder, including should ALLO meet the definition of “Material Subsidiary” at any point after having no longer met the definition of “Material Subsidiary” thereunder, and (ii) Subsidiaries set forth in the Loan Documents for as long as ALLO meets the definition of “Subsidiary” thereunder, including should ALLO meet the definition of “Subsidiary” at any point after having no longer met the definition of “Subsidiary” thereunder.

SECTION 3. Conditions of Effectiveness. This Amendment shall become effective as of the date hereof (the “Amendment Effective Date”) when, and only when, the Agent shall have received:

- (a) an executed counterpart of this Amendment from the Borrower, the Required Lenders and the Agent;
- (b) a fully executed copy of the Consent and Reaffirmation, dated as of the date hereof, by each Guarantor in the form of Exhibit A attached hereto; and
- (c) payment by the Borrower of all fees and other amounts due and payable on or prior to the Amendment Effective Date.

SECTION 4. Representations and Warranties. The Borrower hereby represents and warrants as follows:

(a) This Amendment and the Credit Agreement, as amended by this Amendment, constitute legal, valid and binding obligations of such party enforceable against such party in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and

(b) As of the date hereof, and giving effect to the terms of this Amendment, there exists no Default or Event of Default and no Event of Fraud, and the representations and warranties contained in Article III of the Credit Agreement, as amended hereby, are (x) with respect to any representations or warranties that contain a materiality qualifier, true and correct in all respects, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all respects on and as of such earlier date and (y) with respect to any representations or warranties that do not contain a materiality qualifier, true and correct in all material respects, except to the extent any such representation or warranty is stated to relate solely to an earlier

date, in which case such representation or warranty shall have been true and correct in all material respects on and as of such earlier date.

SECTION 5. Reference to and the Effect on the Credit Agreement.

(a) On and after the Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement and each reference to the Credit Agreement in any certificate delivered in connection therewith, shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Each of the parties hereto hereby agrees that, except as specifically amended above, the Credit Agreement is hereby ratified and confirmed and shall continue to be in full force and effect and enforceable, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors’ rights generally and general equitable principles.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments or agreements executed and/or delivered in connection therewith.

(d) This Amendment shall constitute a Loan Document under the terms of the Credit Agreement.

SECTION 6. Headings. Section headings in this Amendment are included herein for convenience only and shall not constitute a part of this Amendment for any other purpose.

SECTION 7. Execution in Counterparts; Electronic Signatures. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart to this Amendment by facsimile, electronic mail, portable document format (PDF) or similar means shall be effective as delivery of an original executed counterpart of this Amendment. If the Agent agrees, in its sole discretion, to accept any electronic signatures of this Amendment or any other document required to be delivered under the Loan Documents, the words “execution,” “signed,” and “signature,” and words of like import, in or referring to any document so signed will be deemed to include electronic signatures and/or the keeping of records in electronic form, which will be of the same legal effect, validity and enforceability as a manually executed signature and/or the use of a paper-based recordkeeping system, to the extent and as provided for in any applicable law, including the Uniform Electronic Transactions Act, the Federal Electronic Signatures in Global and National Commerce Act, or any other state laws based on, or similar in effect to, such acts. The Agent and each Lender may rely on any such electronic signatures without further inquiry.

SECTION 8. Expenses. The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Agent (including, without limitation, the reasonable fees, charges and disbursements of counsel to the Agent) incurred in connection with the preparation, negotiation and execution of this Amendment and any other document required to be furnished herewith.

SECTION 9. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10. Successors. The provisions of this Amendment shall be binding upon and inure to the benefit of the Borrower, the Agent and the Lenders and their respective successors and assigns.

SECTION 11. Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial. The provisions set forth in Sections 9.09 and 9.10 of the Credit Agreement are hereby incorporated, *mutatis mutandis*.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories as of the date and year first above written.

NELNET, INC.

By: /s/ James D Kruger

Name: James D. Kruger

Title: Treasurer

Signature Page to
Amendment No. 1 to
Nelnet, Inc.
Second Amended and Restated Credit Agreement

U.S. BANK NATIONAL ASSOCIATION, as Agent and a Lender

By: /s/ Daniel S Black

Name: Daniel S. Black

Title: Relationship Manager

Signature Page to
Amendment No. 1 to
Nelnet, Inc.
Second Amended and Restated Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Bill Weber

Name: Bill Weber

Title: Vice President

Signature Page to
Amendment No. 1 to
Nelnet, Inc.
Second Amended and Restated Credit Agreement

ROYAL BANK OF CANADA,
as a Lender

By: /s/ Tim Stephens

Name: Tim Stephens
Title: Authorized Signatory

Signature Page to
Amendment No. 1 to
Nelnet, Inc.
Second Amended and Restated Credit Agreement

CITIBANK, N.A.
as a Lender

By: /s/ Marina Donskaya

Name: Marina Donskaya
Title: Vice President

Signature Page to
Amendment No. 1 to
Nelnet, Inc.
Second Amended and Restated Credit Agreement

FIRST NATIONAL BANK OF OMAHA, as a Lender

By: /s/ Josh Tresemer

Name: Josh Tresemer

Title: Sr. Director

Signature Page to
Amendment No. 1 to
Nelnet, Inc.
Second Amended and Restated Credit Agreement

BANK OF MONTREAL,
as a Lender

By:

Name: Karen Louie
Title: Director

Signature Page to
Amendment No. 1 to
Nelnet, Inc.
Second Amended and Restated Credit Agreement

Exhibit A

CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of that certain Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of October 1, 2020 (the "Amendment") by and among Nelnet, Inc. (the "Borrower"), the Lenders party thereto and U.S. Bank National Association, in its individual capacity as a Lender and in its capacity as the Administrative Agent (the "Agent"), which amends that certain Second Amended and Restated Credit Agreement, dated as of December 16, 2019 (as amended, restated, supplemented, or otherwise modified prior to the date hereof, the "Credit Agreement") by and among the Borrower, the Lenders and the Agent. Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Amendment or, if not defined therein, in the Credit Agreement. Without in any way establishing a course of dealing by the Agent or any Lender, each of the undersigned consents to the Amendment and reaffirms the terms and conditions of the Guaranty executed by it and acknowledges and agrees that such agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed; provided, for the avoidance of doubt, that this reaffirmation shall not apply to ALLO Communications LLC following the date of the Release (as defined in the Amendment).

All references to the Credit Agreement contained in the above-referenced documents shall be a reference to the Credit Agreement as so modified by the Amendment and as each of the same may from time to time hereafter be amended, modified or restated.

Dated: October 1, 2020

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GUARANTORS:

NATIONAL EDUCATION LOAN NETWORK, INC.

By: /s/ James D Kruger

Name: James D. Kruger

Title: Treasurer

NELNET BUSINESS SOLUTIONS, INC.

By: /s/ James D Kruger

Name: James D. Kruger

Title: Treasurer

NELNET DIVERSIFIED SOLUTIONS, LLC

By: /s/ James D Kruger

Name: James D. Kruger

Title: Treasurer

GREAT LAKES EDUCATIONAL LOAN SERVICES, INC.

By: /s/ Philip Morgan

Name: Philip Morgan

Title: Treasurer

ALLO COMMUNICATIONS LLC

By: /s/ James D Kruger

Name: James D. Kruger

Title: Treasurer

Nelnet Partners with SDC Capital Partners to Propel ALLO's Growth

LINCOLN, Neb., October 2, 2020 – Nelnet (NYSE: NNI) announced today it has entered into agreements to partner with SDC Capital Partners, LLC (“SDC”) in which funds managed by SDC will make a \$197 million equity investment in ALLO Communications, LLC (“ALLO”) for an approximately 48% ownership stake in ALLO. The collaboration will provide ALLO with capital to continue expanding its all-fiber-optic network and superior service offerings into additional communities in the Midwest. The investment by SDC is expected to close in October 2020, subject to certain closing conditions.

“Exceptional communications solutions for business, government, and residential customers have become even more important during the pandemic,” said Brad Moline, President of ALLO. “Communities across the Midwest are clamoring for better connectivity. We are excited to continue to deliver to all of our customers the exceptional local service that ALLO has provided for more than 15 years. With SDC, Nelnet, and our proven team of 500+ associates, we can transform how even more communities work, learn, and play.”

Since 2004, ALLO has been overbuilding communities with modern fiber networks, creating GIG communities. As of June 30, 2020, ALLO's team served more than 53,000 residential subscribers and thousands of businesses as well as governmental entities across 12 communities.

“ALLO has established itself as a leading provider of fiber-to-the-premise services in Nebraska and Colorado and we are thrilled to support its growth alongside Nelnet,” said Clinton Karcher, Principal at SDC. “We are firm believers that serving customers with high-quality, state-of-the-art network infrastructure and white glove customer service will result in long-term success, and ALLO embodies both of these characteristics.”

“We are excited to partner with SDC to accelerate ALLO's growth,” said Terry Heimes, Chief Operating Officer of Nelnet. “SDC's investment will provide the necessary capital to build out fiber networks primarily in Nebraska and Colorado and help communities and businesses meet the increasing demand for high-speed, reliable broadband with the best and latest technologies. SDC's deep sector experience and relationship network make it the ideal long-term partner for ALLO. Over the last five years, we have seen firsthand the value ALLO's technology and service bring to a community. We look forward to supporting their long-term success alongside SDC.”

The proceeds to be obtained by ALLO from the transaction, together with new third-party debt financing expected to be obtained by ALLO, will be used to fund ALLO's expansion and partially redeem outstanding senior preferred interests held by Nelnet. Additional information about Nelnet's agreements with SDC and ALLO will be provided in a Current Report on Form 8-K to be filed by Nelnet with the Securities and Exchange Commission on the date of this press release.

Nelnet acquired 92.5 percent of the outstanding equity and membership interests of ALLO on December 31, 2015. Since that transaction, Nelnet has invested significant additional capital in ALLO to build networks in Lincoln, Hastings, Imperial, and Norfolk, Nebraska and Fort Morgan and Breckenridge, Colorado.

Goldman Sachs & Co. LLC acted as financial advisor to Nelnet in connection with the transaction.

About SDC Capital Partners

SDC Capital Partners, LLC is a global digital infrastructure investment firm. SDC invests in data centers, fiber networks, wireless infrastructure and associated businesses, with a focus on opportunities to leverage its deep operational expertise in partnership with exceptional teams to create value. For more information, please visit www.sdccapitalpartners.com.

About ALLO

Founded in Imperial, Neb. in 2003, ALLO, a Nelnet company (NYSE: NNI), specializes in providing world-class communications services by creating gigabit communities. In 2004, ALLO began building its first fiber communities, and today provides ubiquitous fiber networks in 12 communities supported by more than 500 associates. ALLO provides broadband, telephone, and video solutions to businesses, residents, and governmental entities over fiber networks. ALLO currently has operations in Lincoln, Hastings, North Platte, Ogallala, Imperial, Bridgeport, Scottsbluff, Gering, Alliance, and Norfolk, Neb., and Fort Morgan, and Breckenridge Colo. For more information, visit AlloCommunications.com.

About Nelnet

Nelnet (NYSE: NNI) is a diversified and innovative company focused on offering educational services, technology solutions, telecommunications, and asset management. Nelnet helps students and families plan and pay for their education and makes the administrative processes for schools more efficient with student loan servicing, tuition payment processing, and school administration software. Through its subsidiary, ALLO Communications, Nelnet offers fiber optic services directly to homes and businesses for ultra-fast internet and superior telephone and television services. The company also makes investments in real estate and early-stage and emerging growth companies. For more information, visit NelnetInc.com.

Forward-Looking and Cautionary Statements

This press release contains forward-looking statements within the meaning of federal securities laws. The words “anticipate,” “continue,” “expect,” “intend,” “may,” “opportunity,” “potential,” “will,” and similar expressions, as well as statements in future tense, are intended to identify forward-looking statements. These statements are based on management’s current expectations as of the date of this release and are subject to known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results or performance to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to: risks related to the ability to complete any or all of the various transactions contemplated by the reported recapitalization and additional funding for ALLO in the expected time frame or at all; risks and uncertainties related to the expected benefits to the company and to ALLO from such transactions, including risks and uncertainties as whether the company and/or ALLO will be able to realize such expected benefits; risks and uncertainties related to the ability of ALLO to successfully expand its fiber network and market share in existing service areas and additional communities and manage related construction risks, risks and uncertainties related to the severity, magnitude, and duration of the COVID-19 pandemic, including changes in the macroeconomic environment and consumer behavior, restrictions on business, educational, individual, or travel activities intended to slow the spread of the pandemic, and volatility in market conditions resulting from the pandemic; and cybersecurity risks, including potential

disruptions to systems, disclosure of confidential information, and/or damage to reputation resulting from cyber-breaches.

For more information, see the “Risk Factors” sections and other cautionary discussions of risks and uncertainties included in documents filed or furnished by the company with the Securities and Exchange Commission. All forward-looking statements in this release are qualified by these cautionary statements and are made only as of the date of this release. Although the company may voluntarily update or revise its forward-looking statements from time to time to reflect actual results or changes in the company’s expectations, the company disclaims any commitment to do so except as required by securities laws.