

LEEWARD INVESTMENTS, LLC

February 18, 2013

Shareholder Proposal
North State Telecommunications Corporation

Dear Sir or Madam:

We are writing to you as a fellow shareholder of North State. As you know from prior letters, Leeward Capital is a shareholder of non-voting B shares. One of the investors in Leeward, the Von der Porten Revocable Living Trust, owns a small number of voting shares in North State's Class A voting shares.

The Trust recently proposed, and North State accepted for inclusion on the agenda, the following proposal to be voted upon by shareholders entitled to vote during the upcoming Annual Meeting of Shareholders of North State:

RESOLVED, that the shareholders of this Corporation hereby request and urge the Board of Directors of this Corporation, with the assistance of independent and experienced financial and legal advisors, to undertake immediately the process of exploring the sale of this Corporation.

In light of the Company's continuing financial decline and the unfavorable long term prospects for North State as an independent company, we wrote in early November 2012 to Mr. J. Patrick Harman, Chairman and CEO of North State, to ask that North State explore a sale of the Company. Mr. Harman did not respond to our request.

The proposal provides an important opportunity for shareholders of North State to demonstrate directly to the company their agreement with us that the time for action is now. As a fellow shareholder, we urge you to seriously consider the financial condition and prospects for North State and vote in favor of the proposal.

Sincerely,



Kent Rowett
Manager, Leeward Investments, LLC,
General Partner of Leeward Capital