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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RESALE AGREEMENT

Between

SANTEL COMMUNICATIONS COOPERATIVE, INC.

AND

MIDCONTINENT COMMUNICATIONS

IN THE STATE OF

SOUTH DAKOTA

August 2006

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Section 1.0 - GENERAL TERMS

- 1.1 This Agreement must be filed with the SOUTH DAKOTA Public Utilities Commission (Commission). This Agreement will be effective when approved by the Commission or absent Commission action within 90 days of the filing, the Agreement will be deemed approved. The Agreement is between Santel Communications Cooperative, Inc. (Santel), a SOUTH DAKOTA corporation and Midcontinent Communications (Midcontinent) a South Dakota General Partnership.
- 1.2 This Agreement sets forth the terms, conditions and pricing under which Santel will offer and provide to Midcontinent telecommunications services available for resale within the Wolsey, South Dakota exchange in which both Parties are providing local exchange service at that time, and for which Santel is an incumbent local exchange carrier within the State of South Dakota for purposes of providing local Telecommunications Services. This Agreement is available for the term set forth herein.

Section 2.0 - TERMS AND CONDITIONS

2.1 General Provisions

2.1.1 Each Party is solely responsible for the services it provides to its end users and to other telecommunications carriers. This provision does not limit the liability of either Party for its failure to perform under this agreement.

2.1.2 To the extent that either Party is liable to any toll provider for fraud and to the extent that either Party could not have reasonably prevented such fraud, the causing Party must indemnify the other for any fraud due to compromise of its network (e.g., clip-on, missing information digits, missing toll restriction, etc)

2.2 Term of Agreement

2.2.1 This Agreement shall become effective in accordance with the time frame set by SOUTH DAKOTA Statute and federal law. This Agreement shall be binding upon the Parties for a term of one (1) year unless terminated earlier pursuant to Section 2.2.3. It shall remain effective following the initial term on a month-to-month basis until the Parties enter into a successor agreement or the Agreement is terminated pursuant to Section 2.2.3.

2.2.2 Any Party may request negotiation for a successor Agreement by written notice to the other Party no earlier than one hundred sixty (160) Days prior to the expiration of the initial term and at any time thereafter.

2.2.3 This Agreement shall terminate:

2.2.3.1 Following the expiration of the initial term upon one hundred sixty (160) days prior notice from one Party to the other, provided that the Agreement shall continue in effect until a successor agreement becomes effective.

2.2.3.2 Pursuant to the terms of Section 2.4.2 hereof.

2.2.3.3 Except as otherwise provided in this Agreement, upon fifteen (15) days written notice from one Party, if that Party previously notified the other Party in writing that the other Party was in breach of a material provision of this Agreements, and the other Party, within thirty (30) days from receipt of written notice, failed to correct the breach and to notify the first Party in writing

that the breach has been corrected. If a Party fails to exercise its right to terminate the agreement pursuant to this Section 2.2.3.3 within sixty (60) days of a notice of breach, it shall be required to provide a new notice of breach in accordance with this section 2.2.3.3 before it can terminate the Agreement.

2.3 Proof of Authorization (POA)

2.3.1 Each Party shall be responsible for obtaining and maintaining Proof of Authorization (POA) regarding customer's request for service as required by applicable federal and state law, as amended from time to time.

2.4 Performance

2.4.1 Amounts payable under this Agreement are due and payable within thirty (30) calendar days after the bill date. If the payment due date is not a business day, the payment shall be due the next business day.

2.4.2 Except for amounts disputed pursuant to Section 2.4.5 herein, the following shall apply:

2.4.2.1 If payment is not received forty-five (45) days from the bill date, Santel may provide written notice to Midcontinent that additional applications for service will be refused, and that any pending orders for service will not be completed if payment is not received by the fifteenth (15th) day following the date of the notice. If Santel does not refuse additional applications for service on the date specified in the notice, and Midcontinent's noncompliance continues, nothing contained herein shall preclude Santel's right to refuse additional applications for service without further notice.

2.4.2.2 If Midcontinent fails to make any payment following the notice under Section 2.4.2.1, Santel may, on thirty (30) days written notice to Midcontinent's designated representative, discontinue the provision of existing services to Midcontinent at any time thereafter. Such notice will be sent by certified mail, return receipt requested. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If Santel does not discontinue the provision of the services involved on the date specified in the thirty (30) days notice, and Midcontinent's noncompliance continues, nothing contained herein shall preclude Santel's right to discontinue the provision of the services to Midcontinent without further notice.

2.4.2.3 If payment is not received within sixty (60) days of the notice under Section 2.4.2.1, Santel may terminate this Agreement.

2.4.3 After disconnect procedures have begun, Santel shall not accept service orders from Midcontinent until all unpaid charges are paid in full in immediately available funds. Santel shall have the right to require a deposit equal to two month's charges (based on the highest previous month of service from Santel) prior to resuming service to Midcontinent after disconnect for nonpayment has occurred.

2.4.4 In the event Santel properly terminates the provisioning of any resold services to Midcontinent, and subject to the requirements of the State Commission and the FCC, Midcontinent shall be responsible for providing any and all necessary notice to its end users of the termination. Santel shall not be responsible for providing such notice to Midcontinent's end users unless required by the Commission or the FCC.

2.4.5 Disputes: Midcontinent shall, in writing, advise Santel of any disputes with respect to billing within forty-five (45) calendar days of the receipt of the invoice and include the specific amount (the

“Disputed Amount”), details and reasons for disputing each item. If Midcontinent provides written notice of such dispute within thirty (30) days of receipt of an invoice, it shall not be required to pay the Disputed Amount and the provisions of Sections 2.4.2 shall not apply to the Disputed Amount during the pendency of this dispute. The Parties agree to expedite the investigation of any Disputed Amount in an effort to resolve and settle the dispute prior to initiating any other rights or remedies. Should the dispute be resolved in favor of Santel, Midcontinent shall thereafter pay to Santel any unpaid Disputed Amount plus interest at the rate of 1.5 percent per month or the maximum amount allowed by law, whichever is less, upon final resolution of such dispute. Should the dispute be resolved in favor of Midcontinent, Santel shall pay to Midcontinent any paid Disputed Amount plus interest at the rate of 1.5 percent per month or the maximum amount allowed by law, whichever is less, upon final resolution of such dispute, and shall remove any unpaid Disputed Amount resolved in favor of Midcontinent from Midcontinent’s invoices. If a Disputed Amount remains unpaid thirty (30) days after final resolution of such dispute, Santel may disconnect service to Midcontinent upon providing ten (10) days’ written notice.

2.5 Taxes

2.5.1 Any federal, state or local taxes including but not limited to sales, use, excise, franchise, gross receipts, transaction or similar taxes, fees or surcharges resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under Applicable Law, even if the obligation to collect and remit such taxes is placed upon the other Party. However, where the selling Party is permitted by law to collect such taxes, fees or surcharges, from the purchasing Party, such taxes, fees or surcharges shall be borne by the Party purchasing the services. Each Party is responsible for any tax on its corporate existence, status or income. Whenever required by law, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to qualify for resale tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Until such time as a resale tax exemption certificate is provided, no exemptions will be applied. If either Party (the Contesting Party) contests the application of any tax collected by the other Party (the Collecting Party), the Collecting Party shall reasonably cooperate in good faith with the Contesting Party's challenge, provided that the Contesting Party pays any costs incurred by the Collecting Party. The Contesting Party is entitled to the benefit of any refund or recovery resulting from the contest, provided that the Contesting Party is liable for and has paid the tax contested.

2.6 Insurance

2.6.1 Each Party shall at all times during the term of this Agreement, at its own cost and expense, carry and maintain all insurance required by law and Commercial General Liability insurance covering claims for bodily injury, death, personal injury or property damage and contractual liability with respect to the liability assumed by that Party hereunder. The limits of insurance shall not be less than \$2,000,000 each occurrence and \$5,000,000 general aggregate limit. Each Party will provide a certificate of insurance evidencing coverage within 90 days of execution of this Agreement and every year thereafter that this Agreement is in effect.

2.7 Force Majeure

2.7.1 Neither party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, power blackouts, volcanic action, other major environmental disturbances, or unusually severe weather conditions (collectively, a Force Majeure Event). Inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers shall be considered Force Majeure Events to the extent any delay or failure in performance caused by these circumstances is

beyond the Party's control and without the Party's fault or negligence. If affected by a Force Majeure Event, a Party shall give prompt notice to the other Party, and shall be excused from performance of its obligations hereunder on a Day to Day basis to the extent those obligations are prevented by the Force Majeure Event, and shall use reasonable efforts to remove or mitigate the Force Majeure Event. In the event of a labor dispute or strike the affected Party agrees to provide service to the other Party at a level equivalent to the level the affected Party provides itself.

2.8 Limitation of Liability

2.8.1 Each Party's liability to the other Party for any loss relating to or arising out of any act or omission in its performance under this Agreement, whether in contract, warranty, strict liability, or tort, including (without limitation) negligence of any kind, shall be limited to the total amount that is or would have been charged to the other Party by such breaching Party for the service(s) or function(s) not performed or improperly performed. Each Party's liability to the other Party for any other losses shall be limited to the total amounts charged to the other Party under this Agreement during the contract year in which the cause accrues or arises.

2.8.2 Neither Party shall be liable to the other for indirect, incidental, consequential, or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by the other Party regardless of the form of action, whether in contract, warranty, strict liability, tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result.

2.8.3 Nothing contained in this Section shall limit either Party's liability to the other for (i) willful or intentional misconduct or (ii) damage to tangible real or personal property proximately caused solely by such Party's negligent act or omission or that of a Party's respective agents, subcontractors, or employees.

2.8.4 Nothing contained in this Section shall limit either Party's indemnification obligations pursuant to Section 2.9 of this Agreement, nor shall this Section limit a Party's liability for failing to make any payment due under this Agreement.

2.9 Indemnity

2.9.1 Each Party (the Indemnifying Party) agrees to release, indemnify, defend and hold harmless the other Party (the Indemnified Party) and each of its officers, directors, employees and agents (each an Indemnitee) from and against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated including, but not limited to, reasonable costs and expenses (including attorneys' fees), whether suffered, made, instituted, or asserted by any person or entity, for invasion of privacy, bodily injury or death of any person or persons, or for loss, damage to, or destruction of tangible property, whether or not owned by others, resulting from the Indemnifying Party's breach of or failure to perform under this Agreement, regardless of the form of action, whether in contract, warranty, strict liability, or tort including (without limitation) negligence of any kind.

2.9.2 The Indemnified Party shall promptly notify the Indemnifying Party of any action taken against the Indemnified Party relating to the indemnification. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim.

2.9.3 If the Indemnifying Party wishes to defend against such action, it shall give written notice to the Indemnified Party of acceptance of the defense of such action. In such event, the Indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the Indemnified Party may engage separate legal counsel only at its sole cost and expense. In the event that

the Indemnifying Party does not accept the defense of the action, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party. Each Party agrees to cooperate with the other Party in the defense of any such action and the relevant records of each Party shall be available to the other Party with respect to any such defense.

2.9.4 In no event shall the Indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the Indemnified Party.

2.10 Warranties

SANTEL HEREBY STATES AND MIDCONTINENT HEREBY ACKNOWLEDGES THERE DOES NOT EXIST ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND THAT ALL PRODUCTS AND SERVICES PROVIDED HEREUNDER ARE PROVIDED "AS IS," WITH ALL FAULTS.

2.11 Assignment

Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other party, except that either Party may assign or transfer this agreement in connection with the acquisition of all or substantially all of the Party by another entity with sixty (60) days written notice to the other Party. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

2.12 Disclaimer of Agency

Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute designation of either Party as a legal representative or agent of the other Party, nor shall either Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted in writing by other Party. Except as otherwise expressly provided in this Agreement, neither Party undertakes to perform any obligation of the other Party, whether regulatory or contractual.

2.13 Severability

In the event that any one or more of the provisions contained herein shall for any reason be held to be unenforceable or invalid in any respect under law or regulation, the Parties will negotiate in good faith for replacement language as set forth herein. If any part of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability will affect only the portion of this Agreement which is invalid or unenforceable. In all other respects, this Agreement will stand as if such invalid or unenforceable provision had not been a part hereof, and the remainder of this Agreement shall remain in full force and effect.

2.14 Nondisclosure

2.14.1 All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with business or marketing plans end user customer specific, facility specific, or usage specific information, other than end user customer information communicated for the purpose of providing Directory Assistance or publication of directory database, or (ii) in written, graphic, electromagnetic, or

other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated and declared to the other Party at the time of delivery, or by written within ten (10) calendar Days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Confidential Information"), shall remain the property of disclosing Party.

2.14.2 Upon termination of this agreement or any time during this Agreement upon request by the disclosing Party, the other Party shall return all tangible copies of Confidential Information, whether written graphic or otherwise.

2.14.3 The receiving Party shall keep the disclosing Party's Confidential Information confidential. In no case shall retail marketing, sales personnel, or strategic planning have access to such Confidential Information. Each Party shall use the other Party's Confidential Information only in connection with this Agreement.

2.14.4 Each Party agrees that the other Party could be irreparably injured by a breach of the confidentiality obligations of this Agreement and that a disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance in the event of any breach of the confidentiality provisions of this Agreement. Such remedies shall not be deemed to be the exclusive remedies for a breach of the confidentiality provisions of this Agreement, but shall be in addition to all other remedies available at law or in equity.

2.14.5 Each Party acknowledges the existence and importance of SD SB81 and CFR47.64 Subpart U, on CPNI and agrees to keep confidential the information as required under those laws and regulations.

2.15 Survival

Any liabilities or obligations by a Party for acts or omissions prior to the termination of this Agreement, and any obligation of a Party under the provisions regarding indemnification, Confidential Information, limitations of liability, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or to be performed after) termination of this Agreement, shall survive cancellation or termination hereof.

2.16 Controlling Law

This Agreement is made in accordance with applicable federal law and the state law of SOUTH DAKOTA. It shall be interpreted solely in accordance with applicable federal law and the state law of SOUTH DAKOTA.

2.17 Notices

Any notices required by or concerning this Agreement shall be in writing sent by certified mail, return receipt requested to Santel and Midcontinent at the addresses shown below:

Gene Kroell, General Manager
Santel Communications Cooperative, Inc.
308 S. Dumont Ave.
Woonsocket, SD 57385
Phone: 605-796-4411
Fax: 605-796-4419

And to Midcontinent at the address shown below:

Midcontinent Communications

Mary Lohnes, Regulatory Affairs Manager
5001 W 41st Street
Sioux Falls, SD 57106
Phone (605) 357-5459
Fax (605) 339-4419

Each Party shall inform the other of any change in the above contact person and/or address using the method of notice called for in this Section.

2.18 Responsibility of Each Party

Each Party is an independent contractor with respect to the other party, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it or its contractors or agents bring to, create or assume control over at Work Locations, and (ii) Waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the Work Locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party shall be responsible for (i) its own acts and performance of all obligations imposed by Applicable Law in connection with its activities, legal status and property, real or personal, and (ii) the acts of its own Affiliates, employees, agents and contractors during the performance of that Party's obligations hereunder.

2.19 No Third Party Beneficiaries

The provisions of this Agreement are for the benefit of the Parties and not for any other person. This Agreement will not provide any person not a Party to this Agreement with any remedy, claim, liability, reimbursement, claim of action, or other right in excess of those existing by reference in this Agreement.

2.20 Publicity

Neither Party shall publish or use any publicity materials with respect to the execution and delivery or existence of this Agreement without the prior written approval of the other Party. Neither Party may use the other Party's logo or any other symbol or language for which the other Party has trademark or copyright protection.

2.21 Executed in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute one and the same instrument.

2.22 Compliance

Each Party shall comply with all applicable federal, state, and local laws, rules and regulations applicable to its performance under this Agreement. Without limiting the foregoing, each Party agrees to keep and maintain in full force and in effect all permits, licenses, certificates, and other authorizations needed to perform obligations hereunder.

2.23 Compliance with the Communications Assistance Law Enforcement Act of 1994

Each Party represents and warrants that any equipment, facilities or services provided under this Agreement comply with the CALEA. Each Party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance.

2.24 Cooperation

The Parties agree that this Agreement involves the provision of Santel services in ways such services were not previously available and the introduction of new processes and procedures to provide and bill such services. Accordingly, the Parties agree to work jointly and cooperatively in testing and implementing processes for pre-ordering, ordering, maintenance, and provisioning.

2.25 Amendments

Either Party may request an amendment to this Agreement at any time by providing to the other Party in writing the desired amendment and proposed language changes. This Agreement can only be amended in writing, executed by duly authorized representatives of the Parties.

2.26 Entire Agreement

This Agreement constitutes the entire agreement between Santel and Midcontinent and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

2.27 Dispute Resolution

Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without, to the extent possible, litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following dispute resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

2.27.1 Informal Resolution of Disputes. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative, empowered to resolve such dispute, to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

2.27.2 Formal Dispute Resolution. If negotiations fail to produce an agreeable resolution within ninety (90) days, then either Party may proceed with any remedy available to it pursuant to law, equity or agency mechanisms; provided, that upon mutual agreement of the Parties such disputes may also be submitted to binding arbitration. In the case of an arbitration, each Party shall bear its own costs. The Parties shall equally split the fees of any mutually agreed upon arbitration procedure and the associated arbitrator.

2.27.3 Continuous Service. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure (other than a dispute related to payment for service), and

the Parties shall continue to perform their payment obligations including making payments in accordance with this Agreement.

Section 3.0 - RESALE

3.1 Description

3.1.1 Santel shall offer to Midcontinent for resale at wholesale rates all Telecommunications Services, including residential and business services and packages, tariffed with the Commission that it provides at retail to subscribers who are not telecommunications carriers, subject to the terms and conditions of this Agreement. Appendix A lists services which are available for resale under this Agreement and the applicable discounts, and is attached and incorporated herein by this reference.

3.2 General Provisions

3.2.1 Residential services and Lifeline/Link-up services are available only to the same class of end user eligible to purchase these services from Santel. Universal emergency number service is not available for resale.

3.2.2 Non-Telecommunications Services, including but not limited to inside wiring and maintenance, CPE, ADSL, video and directory listing charges are not available for resale under this Agreement unless Santel in its sole discretion decides to make the services available. If Santel at its sole discretion provides non-regulated services to Midcontinent for resale, said services shall be resold to Midcontinent according to terms and conditions established by Santel.

3.2.3 Telecommunications Services provided directly to Midcontinent for its own use and not resold to end users must be identified by Midcontinent as such, and Midcontinent will pay Santel retail prices for such services.

3.2.4 Resold services are available only where adequate facilities currently exist that are capable of providing such services without construction of additional facilities or enhancement of existing facilities, except to the extent that Santel would provide such additional construction or enhancement had the end user chosen not to move service to Midcontinent and that Midcontinent pays Santel's standard charges for such construction or enhancement.

3.2.5 Current telephone numbers may normally be retained by the End User Customer and are assigned to the service furnished. However, neither Party nor the End User Customer has a property right to the telephone number or any other call number designation associated with services furnished by Santel, and no right to the continuance of service through any particular central office. Santel reserves the right to change telephone numbers, or the central office designation associated with such number, or both, if necessary as a result of regulatory requirements or safety concerns in a nondiscriminatory basis.

3.2.6 Discontinuance of end user service for cause.

3.2.6.1 The service is furnished subject to the condition it will not be used for an unlawful purpose. Service will not be furnished if any law enforcement agency, acting within its jurisdiction, advises that such service is being used or will be used in violation of law. If Santel receives other evidence giving reasonable cause to believe that such service is being used or will be so used, it will either discontinue or deny the service or refer the matter to the appropriate law enforcement agency.

3.2.6.2 Santel reserves the right to suspend or discontinue service to an end user in the event of prohibited, unlawful or improper use of facilities or service, abuse of facilities, or any other violation or noncompliance of the rules and regulations of the Santel Local Exchange Tariff.

If Santel discontinues, suspends or denies service pursuant to this Section 3.2.6, Santel will provide notice to Midcontinent of such discontinuance or denial.

3.2.7 Santel accepts no responsibility for any unlawful act committed by Midcontinent or its end users as part of providing service to Midcontinent for purposes of resale or otherwise.

3.2.8 Santel is authorized, but not required to cooperate with law enforcement agencies with respect to their investigation of any alleged unlawful activity of Midcontinent or its end users. Law enforcement agency subpoenas and court orders regarding the end users of Midcontinent will be directed to Midcontinent. Santel shall be entitled to bill Midcontinent for any cost associated with complying with any requests by law enforcement agencies regarding Midcontinent or Midcontinent's end users that Santel does not recover from law enforcement agencies. Santel will determine whom to bill for these costs. If Santel provides such assistance in response to a request from Midcontinent, it shall be entitled to bill Midcontinent for any cost associated with providing such assistance.

3.2.9 Santel will accept at no charge one primary listing for each main telephone number belonging to Midcontinent's end user customer based on end user information provided to Santel by Midcontinent. Santel will place Midcontinent's listings in the Santel directory and will make listings available to directory publishers and other third parties. Santel reserves the right to charge Midcontinent for subsequent changes to directory listing information at Santel's Tariffed rates.

3.2.10 Interexchange carried traffic (e.g. sent-paid, information services and alternate operator services messages) received by Santel with respect to Midcontinent end-user accounts will be returned to the IXC as unbillable, and will not be passed on to Midcontinent for billing. An unbillable code returned with those messages to the carrier will indicate that the messages originated from a resold account and will not be billed by Santel.

3.2.11 Santel shall continue to have the right to serve and market directly to any end user within Santel's service area, including but not limited to Midcontinent's end users, and in accordance with CPNI regulations. Santel shall have the right to continue to directly market its own telecommunications products and services, and in doing so may establish independent relationships with Midcontinent's end users.

3.2.12 The circuits, facilities or equipment provided by any person or entity other than Santel and use, operation, maintenance or installation thereof shall not:

3.2.12.1 interfere with or impair Santel's business operations including but not limited to providing service over Santel's facilities or those of Santel's affiliates, or connecting and concurring carriers;

3.2.12.2 cause damage to Santel's plant;

3.2.12.3 impair the privacy of any communications of Santel or its customers; or

3.2.12.4 create hazards to any Santel employees or the general public.

3.2.13 Facilities and/or equipment utilized by Santel to provide service to Midcontinent shall remain the property of Santel.

3.2.14 All costs incurred by Santel for providing services to Midcontinent that are not covered in the Santel tariffs or in this Agreement shall be recovered from Midcontinent. Santel shall attempt to provide advance written notice to Midcontinent if Santel expects costs to exceed \$500. Santel may not always be able to provide such notice in the event of unexpected expenses.

3.2.15 The rates applicable to Midcontinent for purchase of services from Santel for resale shall be the retail rate for the telecommunications services as provided in Santel's applicable Local Exchange Tariff less the wholesale discount listed in Appendix A.

3.2.16 Directory assistance and operator handled service are available through a third party provider. Records will be sent to Midcontinent electronically for billing. These services are not directly provided by Santel and will not be discounted.

3.2.17 Prior to placing any orders for services under this Agreement, the Parties will jointly complete Santel's "New Customer Questionnaire."

3.2.18 Santel shall provide to Midcontinent, for Midcontinent's end users, E911/911 call routing to the appropriate public safety answering point (PSAP). Santel shall not be responsible for any failure of Midcontinent to provide accurate end user information for listings in any databases in which Santel is required to retain and/or maintain such information. Santel shall provide Midcontinent's end user information to the Automatic Location Identification/Database Management System (ALI/DMS).

3.2.19 In responding to repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit customers to market services. Either Party may respond with accurate information in answering customer questions.

3.3 Reseller Responsibilities

3.3.1 Midcontinent will be the customer of record for all services purchased hereunder from Santel. Santel will take service orders from, bill and collect payment from Midcontinent for all services purchased pursuant to this Agreement. Midcontinent alone, not Midcontinent's agents or third parties hired by Midcontinent will be Santel's single point of contact for all services purchased pursuant to this Agreement. Santel will accept a request from another local service provider for conversion of the end user's service from Midcontinent to the other local service provider in accordance with applicable requirements of the FCC and the Commission.

3.3.2 Midcontinent shall resell telecommunications services only to the same class of customers to which Santel sells the services; e.g. residential service may not be resold to business customers. Except where explicitly provided in the Santel Local Exchange Tariff or where Santel otherwise permits such use, Midcontinent shall not permit the sharing of a service by multiple end users or the aggregation of traffic from multiple end users onto a single line service.

3.3.3 Midcontinent shall not use resold local exchange telephone service to provide access services to interexchange carriers (IXCs), wireless carriers, competitive access providers (CAPs), or other telecommunication service providers.

3.3.4 All necessary information with respect to an end-user, including telephone number, requested service dates, and products and services desired will be provided to Santel by Midcontinent in accordance with the practices and procedures established by Santel.

3.3.5 Neither Party shall interfere with the right of any person or entity to obtain service directly from Santel—the other Party. Parties agree to the Terms and Conditions of this Agreement and shall not interfere with service provisioning.

3.3.6 If Santel determines that an unauthorized change in local service by a local service provider has occurred, Santel will reestablish service with the appropriate local service provider, and will assess against the local service provider an unauthorized change charge. Appropriate nonrecurring charges, as set forth in the Local Exchange Tariff as applicable, will also be assessed to the local service provider.

3.3.7 To the extent allowable by law, Midcontinent shall be responsible for primary interexchange carrier (PIC) change charges associated with such local exchange line and trunks. Midcontinent shall pay for PIC changes at the tariffed rate.

3.3.8 Midcontinent is solely responsible for the payment of charges for all services furnished under this Agreement.

3.3.9 Santel shall not be responsible for the manner in which the use of Telecommunications Services or the associated charges are billed to others by Midcontinent.

3.3.10 If Midcontinent does not wish to be responsible for toll, collect, third number billed, 900 calls, last call return, caller originated trace, directory assistance inquiries, operator assistance charges Midcontinent must order blocking services as outlined in the Santel Local Exchange Tariff and pay any applicable charges.

3.3.11 Midcontinent shall be responsible for providing to its end users, and to Santel a telephone number or numbers that Midcontinent end users can use to contact Midcontinent in the event of service or repair requests.

3.4 Establishment of Service

3.4.1 Midcontinent will provide Santel with the necessary documentation to enable Santel to establish a master account for Midcontinent.

3.4.2 Service orders will be submitted in the format designated by Santel. The format shall conform to the formats adopted by the Ordering and Billing Forum or shall require only the information necessary for Santel to process an order, including customer-identifying information, services requested and the date on which service is to commence, be changed or be discontinued.

3.4.3 When Santel receives a properly completed service order from Midcontinent that a customer is subscribing to Midcontinent's services, standard service order intervals for the appropriate class of service will apply.

3.4.4 Except as required by applicable laws or rules, Santel will not require end user confirmation prior to establishing service for Midcontinent's end user customers. Midcontinent must, however, be able to demonstrate lawful end user authorization upon request.

3.4.5 At Midcontinent's request, Santel will provide to Midcontinent's customers per customer, blocking of calls (e.g., toll, 900, international calls, and third party or collect calls) by line or trunk, to the extent that Santel provides such blocking capabilities to its customers and to the extent required by law. A nonrecurring charge will apply for any changes.

3.4.6 When ordering Telecommunications Services via a service order, Midcontinent may order from Santel separate InterLATA and IntraLATA service providers (i.e., two PICs) on a line or trunk basis. Santel will accept PIC change orders from Midcontinent for Midcontinent's end users. PIC change fees will not be discounted.

3.5 Maintenance of Service

3.5.1 Santel's facilities and equipment provided by Santel shall be maintained solely by Santel or its agent.

3.5.2 Midcontinent or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by Santel without the written consent of Santel.

3.5.3 Midcontinent shall promptly notify Santel of any situations that arise that may result in a service problem.

3.5.4 Midcontinent will be Santel's single point of contact for all repair calls on behalf of Midcontinent's end users with respect to Telecommunications Services.

3.5.5 Midcontinent will contact Santel's repair center in accordance with procedures established by Santel and Midcontinent will refer repair calls to Santel by telephone.

3.5.6 For all repair requests, Midcontinent shall adhere to Santel's prescreening guidelines mutually agreed upon prior to referring the trouble to Santel.

3.5.7 For purposes of this Section, Telecommunications Services is considered restored or a trouble resolved when the quality of Telecommunications Services is equal to that provided before the outage or the trouble occurred.

3.5.8 Santel will bill Midcontinent for handling troubles that are found not to be in Santel's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what Santel charges to its retail customers for the same services.

3.5.9 Santel Maintenance of Service Charges, when applicable, will be billed by Santel to Midcontinent, and not to Midcontinent's end-user customers.

3.5.10 Santel technicians will be dispatched to Midcontinent customer premises pursuant to a repair request being received from Midcontinent.

3.5.11 If trouble cannot be cleared without access to Midcontinent local customer's premises and the customer is not at home, the Santel technician will leave at the customer's premises a "no access" card requesting the customer to call "their local service provider" for rescheduling of repair.

3.5.12 Santel agrees to perform testing at Midcontinent's request (including trouble shooting to isolate any problems) of Telecommunications Services purchased by Midcontinent in order to identify any new circuit failure performance problems.

3.5.13 Santel reserves the right to contact Midcontinent's end users, if deemed necessary, for maintenance purposes and shall notify Midcontinent prior to such contact.

3.6 Discontinuance of Service

3.6.1 End User Disconnect Procedures

3.6.1.1 At the request of Midcontinent, Santel will disconnect a Midcontinent end user customer.

3.6.1.2 All requests by Midcontinent for denial or disconnection of an end user for nonpayment must be provided to Santel in writing in the manner and format prescribed by Santel.

3.6.1.3 Midcontinent will be solely responsible for notifying the end user of the proposed disconnection of service.

3.6.1.4 Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of Midcontinent.

3.6.1.5 Santel may report annoyance calls to Midcontinent when it is determined that annoyance calls are originated from one of Midcontinent's end user's locations. Santel shall be indemnified, defended and held harmless by Midcontinent against any claim, loss or damage arising from providing this information to Midcontinent. It is the responsibility of Midcontinent to take the corrective action necessary with its customers who make annoying calls. Failure to do so may result in Santel's disconnecting the end user's service. If either party disconnects a customer pursuant to this Section 3.6.1.5 (Midcontinent via instructions to Santel to disconnect service or Santel acting without instructions from Midcontinent), the other Party shall be indemnified, defended and held harmless by the disconnecting Party against any claim, loss or damage arising from a claim of wrongful disconnection.

3.7 Billing and Payments

3.7.1 Pursuant to this Agreement, Santel shall bill Midcontinent those charges, which Midcontinent incurs as a result of Midcontinent purchasing Telecommunications Services from Santel.

3.7.2 Santel shall provide Midcontinent a monthly bill including all charges incurred by and credits and/or adjustments due to Midcontinent for the Telecommunications Services ordered, established, utilized, discontinued or performed pursuant to this Agreement. Each bill provided by Santel to Midcontinent will include:

3.7.2.1 All non-usage sensitive charges which are billed in advance and usage sensitive charges which are billed in arrears;

3.7.2.2 Any previously unbilled non-usage and usage sensitive charges for prior periods; and

3.7.2.4 Santel will also bill to Midcontinent all other charges, including but not limited to subscriber line charges, local number portability charges and applicable taxes.

3.7.3 All end user common line (EUCL) charges, subscriber line charges (SLC), Local Number Portability (LNP) or other similar charges will continue to apply for each local exchange line resold under this Agreement. All applicable federal and state rules, tariffs and regulations associated with such charges shall be applicable, as may be amended from time to time.

3.7.4 Each Party will provide the other Party at no charge a contact person for the handling of any Resale Billing questions or problems.

3.7.5 Santel will render bills each month on established bill days

3.7.6 If Midcontinent requests an additional copy(ies) of a bill, Midcontinent will pay Santel a reasonable fee per additional bill copy, unless such copy(ies) was requested due to errors, omissions, or corrections, or the failure of the original transmission to comply with the specifications set forth in this Agreement.

3.7.7 Payment of all charges will be the responsibility of Midcontinent. Santel is not responsible for payments not received by Midcontinent from Midcontinent's customer. Santel will not become involved

in billing disputes that arise between Midcontinent and its customer. Payments made to Santel, as payment on account, will be credited to an accounts receivable master account and not to an end user's account. Santel will not accept payments from Midcontinent's customers to apply on Midcontinent's account.

3.7.8 Midcontinent is responsible for collecting and remitting to the proper agency the Universal Service fee, the 911 and E911 fees, telecommunication relay service fees and applicable taxes.

3.8 Customer Billing Data

3.8.1 End user billing data will be provided according to Santel practices and procedures. Usage data with respect to end users who have subscribed to a local measured service will be provided by Santel to Midcontinent when the end user has been transferred to Midcontinent, and Midcontinent purchases Telecommunications Services from Santel.

3.8.2 Santel will bill and Midcontinent will pay the applicable charges for usage data set forth in this Agreement. Billing and payment will be in accordance with the applicable terms and conditions set forth in this Agreement.

Section 4.0 - DEFINITIONS

Definitions of the terms used in this Agreement are listed below. The Parties agree that certain terms maybe defined elsewhere in this Agreement, as well as terms not defined shall be construed in accordance with their customary meaning in the telecommunications industry as of the Effective Date of this Agreement.

"Agreement" refers to the resale agreement signed by both parties.

"Bill Date" means the date the bill is generated and noted on the bill submitted to Midcontinent

"Commission" means the SOUTH DAKOTA Public Utilities Commission.

"Confidential Information" has the meaning set forth in Section 2.14 of this Agreement.

"Parties" means Santel or Midcontinent collectively.

"Party" means either Santel or Midcontinent as applicable.

"Tariff" as used throughout this Agreement refers to the Santel SOUTH DAKOTA tariff filed with the Commission.

"Telecommunications Service(s)" means the offering of telecommunications for a fee directly to the public, or to such class of users as to be effectively available directly to the public, regardless of the facilities used. As used in this definition, "telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information sent and received.

"Work Locations" means any real estate that Santel or Midcontinent owns, leases or licenses or in which it holds easements or other rights to use, or does use, in connection with this Agreement.

Section 5.0 - SIGNATURE PAGE

By Signing below, and in consideration of the mutual promises set forth herein, and other good and valuable consideration, the Parties agree to abide by the terms and conditions set forth in this Resale Agreement.

Midcontinent Communications
Investor, LLC, Managing Partner of
Midcontinent Communications

Nancy A. Vogel
Signature

Nancy A. Vogel
Name Printed/Typed

Director of Revenue
Title Assurance

9/27/06
Date

Santel Communications Cooperative, Inc.

Kyle Thompson
Signature

Ryan Thompson
Name Printed/Typed

Assistant General Manager
Title

10/6/06
Date

APPENDIX A
SOUTH DAKOTA LOCAL EXCHANGE SERVICES RESALE OF SERVICES

The Parties agree the following charges apply to the Resale of Local Service.

1. Nonrecurring Charges

- a. The following nonrecurring charges apply when converting a current SANTEL account to a Reseller account or when changing an end user from one reseller to another:

Customer Transfer Charge (CTC):

Residential and Business Dial Tone, Each Line	\$15.00
Private Line/PBX Trunks, Each Circuit	\$35.26

- b. Usage Data Processing Fee, each instance \$ 50.00
- Collection and processing of billing records to be sent to Midcontinent for applicable resale accounts; examples: Operator Services, Directory Assistance, Unbillable Records
- c. Other account or service change orders, premise visits, or similar network and subscriber related charges will be billed at retail tariffed rates.
- d. All other applicable non-recurring charges are defined in SANTEL's tariff and will be billed at retail rates to Midcontinent, including:
- Operator Services
 - Directory Assistance
- e. Exceptions; products not available to reseller:
- a. Optional Extended Area Service or any optional local calling plans
 - b. Any product, vertical or custom calling feature bundle or package retail discounts

2. Recurring Charges

SANTEL shall offer to Midcontinent for resale at wholesale rates from the tariffed pricing Telecommunications Services tariffed with the Commission that SANTEL provides at retail to subscribers who are not telecommunications carriers, subject to the terms and conditions of this Agreement. Unless otherwise qualified, SANTEL telecommunications services shall be available for resale at a 14.0% discount from the tariffed retail prices.

The following wholesale local exchange services are available on a resale basis:

- Residential and business telecommunications dial tone and trunks
- All switch based calling and CLASS features