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Of Counsel:
Robert D. Hofer

December 17, 2007

Ms. Patricia Van Gerpen
SD Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

Re: Interconnection and Reciprocal Compensation Agreement by
and between Interstate Telecommunications Cooperative, Inc.
and Rural Cellular Corporation

Dear Patty:

Enclosed is original and one copy of a negotiated Interconnection and Reciprocal Compensation Agreement between Interstate Telecommunications Cooperative, Inc. and Rural Cellular Corporation. Please docket and schedule the same for approval by the Commission.

If you have any questions about this matter, please contact me.

Thank you in advance for the Commission's consideration of this request.

Sincerely yours,

RITER, ROGERS, WATTIER, BROWN &
NORTHRUP, LLP

By:


Margo D. Northrup

MDN-wb
Enclosures
Cc: Jerry Heiberger
Philip R. Schenkenberg

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**INTERCONNECTION AND RECIPROCAL
COMPENSATION AGREEMENT**

By and Between

INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.

And

RURAL CELLULAR CORPORATION

For the State of

South Dakota

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT

This Interconnection and Reciprocal Compensation Agreement ("Agreement"), is entered into by and between Interstate Telecommunications Cooperative ("Carrier"), and Rural Cellular Corporation ("CMRS") (each, a "Party" and collectively, "the Parties"), effective as provided Below.

WHEREAS, CMRS is licensed by the Federal Communications Commission ("FCC") as a Commercial Mobile Radio Services provider.

WHEREAS, Carrier is a rural telephone company holding a certificate of authority to provide local exchange telecommunication services in certain exchanges in the State of South Dakota.

WHEREAS, Carrier and CMRS currently extend and desire to establish arrangements for indirect interconnection and the exchange of wireline to wireless and wireless to wireline Traffic between their respective networks for the benefit of the Parties.

WHEREAS, the Parties wish to put in place an arrangement for the mutual exchange and reciprocal compensation of Traffic in accordance with the Act, and which is intended to supersede any previous arrangements between the Parties relating to such Traffic.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CMRS and Carrier hereby agree that the following terms shall apply to the exchange of wireless and wireline Traffic between CMRS and Carrier.

1. Definitions. As used in this Agreement, the following terms shall have the meanings specified in this Section. When not inconsistent with the context, words in the singular number include the plural number, and words in the plural number include the singular number. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory. Terms, phrases and words not defined herein will be as defined in the Act or FCC regulations or construed in accordance with their customary usage in the telecommunications industry.
 - 1.1 "Act" means the Communications Act of 1934 (47 U.S.C. 151 et seq.), as amended, including the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized orders and regulations of the FCC.
 - 1.2 "Central Office Switch" means a switching facility from which telecommunications services are provided, including, but not limited to:
 - 1.2.1 An "End-Office Switch," "End-Office" or "Host Switch" is used, among other things, to terminate telecommunications Traffic to End User Customers.

- 1.2.2 A "Tandem Switch" is used to interconnect trunk circuits between and among End-Office Switches, aggregation points, points of termination, or points of presence.
- 1.2.3 A "Mobile Switching Center" or "MSC" is the functional equivalent of a Tandem Switch and an End-Office Switch.
- 1.2.4 A "Host Remote Switching Arrangement" is an arrangement in which the Carrier has deployed remote switches to serve Carrier exchanges. Host switches are End Office Switches which process calls to/from remote switches. In a Host Remote Switching Arrangement, interconnection will occur at the Carrier's Host Switch to exchange Traffic with Carrier End User Customers served by remote switches.
- 1.3 "CMRS" or "Commercial Mobile Radio Service" is as defined in the Act.
- 1.4 "Commission" means the South Dakota Public Utilities Commission.
- 1.5 "End User" or "End User Customer" means a calling or called party which originates or terminates Traffic from either Party's network, including Traffic which is routed via a third-party Tandem Switch. Also included in End Users are CMRS customers which receive calls from Carrier's End Users while roaming outside CMRS' service area, and other wireless service providers' End User Customers which use CMRS' network to terminate Traffic to Carrier's End User Customers.
- 1.6 [LEFT BLANK]
- 1.7 "InterMTA Traffic" means the completion of wireless to wireline and wireline to wireless calls which originate and terminate in different major trading areas based on the location of the cell site serving the wireless subscriber and the End Office serving the wireline subscriber.
- 1.8 "Land-to-Mobile Traffic Factor" is a billing factor, which represents the ratio of Carrier's wireline-to-wireless to CMRS' wireless-to-wireline traffic, and is shown on Exhibit A and as further described in Section 5.2 below.
- 1.9 "Local Exchange Routing Guide" or "LERG" means the Telcordia Technologies reference customarily used to identify NPA-NXX routing and homing information.
- 1.10 "Major Trading Area" or "MTA" means a geographic area established in Rand McNally's Commercial Atlas and Marketing Guide and used by the FCC in defining CMRS license boundaries for CMRS providers for purposes of Sections 251 and 252 of the Act.
- 1.11 "Minutes Of Use" or "MOU" means utilization of either Party's network expressed in conversation minutes.

- 1.12 "NPA-NXX" means the central office code or thousand block assigned by the North American Numbering Plan Administrator.
- 1.13 "Rate Center" means a specific geographical point from which mileage measurement is determined for the application of message telephone end user charges.
- 1.14 "POI" or "Point of Interconnection" means the mutually agreed upon demarcation point or any technically feasible point at which the Parties' networks are physically interconnected for the exchange of Traffic. In either case, the POI shall be located within the Carrier's network unless otherwise mutually agreed.
- 1.15 "Reciprocal Compensation" means a compensation arrangement between two carriers in which each of the two carriers receives compensation from the other carrier for the Transport and Termination on each carrier's network facilities of Subject Traffic (47 C.F.R. § 51.701(e)).
- 1.16 "Reciprocal Compensation Credit" means a monetary credit for wireline to wireless Subject Traffic.
- 1.17 "Subject Traffic" means the completion of wireless to wireline and wireline to wireless calls which originate and terminate in the same major trading area based on the location of the cell site serving the wireless subscriber and the End Office serving the wireline subscriber.
- 1.18 "Termination" means the switching of Traffic at the terminating carrier's End-Office Switch, or functionally equivalent facility, and the delivery of such Traffic to the called party.
- 1.19 "Traffic" means all InterMTA Traffic and Subject Traffic.
- 1.20 "Transit Service" means Carrier-provided Tandem Switching and transport facilities used in the provision of Transit Traffic.
- 1.21 "Transit Traffic" means traffic exchanged between the CMRS network and a third party carrier subtending the Carrier's Tandem Switch.
- 1.22 "Transport" means the transmission by a Party of Traffic from the point of interconnection to the terminating Party's End-Office Switch or MSC that directly serves the called End User Customer.

2. Interpretation and Construction. The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, regulations or guidelines that subsequently may be prescribed by any federal or state government authority. To the extent required by any such subsequently prescribed law, rule, regulation or guideline, the Parties agree to negotiate in good faith toward an agreement to modify, in writing, any affected term and condition of this Agreement to bring them into compliance with such law, rule, regulation or guideline. The headings of the Sections of this Agreement are inserted for convenience

of reference only and are not intended to be a part of or to affect the meaning of the Agreement.

2.1 The Parties enter into this Agreement without prejudice to any position they may take with respect to similar future agreements between the Parties or with respect to positions they may have taken previously, or may take in the future in any legislative, regulatory or other public forum addressing any matters, including matters related to the rates to be charged for Transport and Termination of Subject Traffic or the types of arrangements prescribed by this Agreement.

3. Scope.

3.1 This Agreement sets forth the terms, conditions, and rates under which the Parties agree to interconnect the network of CMRS and the network of Carrier for purposes of exchanging traffic, provided that the service provided by CMRS to its customer is CMRS.

3.2 The Parties have not addressed the proper basis for intercarrier compensation relating to enhanced services and Internet traffic. The Parties agree that such traffic between them, if any, is presently de minimus. If a Party has reason to believe that enhanced service and Internet traffic is not de minimus, that Party may reopen negotiations to determine an appropriate method for identifying, transporting, and determining the compensation for such traffic. If the Parties are unable to reach agreement, the matter shall be resolved using the arbitration procedures under the Act.

4. Transmission and Routing of Traffic.

4.1 Indirect traffic. To the extent that CMRS has entered into contractual arrangements with tandem providers for delivery of CMRS traffic to Carrier for termination to Carrier's customers, Carrier will accept such traffic subject to the compensation arrangement as outlined in Section 5 of this Agreement.

For calls not subject to local dialing parity requirements, Carrier shall continue to route calls originating from its exchanges to Interexchange Carriers.

4.2 Type 2-B Interconnection:

The Parties will establish a Type 2-B Interconnection at the following locations:

The Parties will establish a Type 2-B Interconnection at the POI located at the Clear Lake and Webster Central Offices. These trunk groups will be provisioned in connection with CMRS NPA/NXX codes to be rated as local to the Clear Lake and Webster rate centers respectively. The Parties will share the recurring and non-recurring facilities costs from CMRS cellular tower location within the Clear Lake rate center located at 183rd St. and Hwy 15 to the POI located at the Clear Lake Central Office and from the CMRS tower located within the Webster rate center to the POI located at the Webster

Central Office on a proportional percentage billing factor basis as specified in Exhibit A.

4.2.1 Landline to Wireless:

Traffic originated by Carrier's customers to CMRS's customers with locally-rated numbers shall be routed from the Carrier's End Office Switch and any subtending Remote End Office Switches to CMRS at the POI.

4.2.2 Wireless to Landline:

Traffic originated by CMRS's customers, or customers of another CMRS provider that has entered into a roaming arrangement with CMRS, while roaming on CMRS's network, to Carrier's customers that can be reached through Carrier's End Office Switch may be routed from CMRS's network via the two-way direct trunk group to Carrier's End Office Switch for termination by Carrier to its customers, as appropriate.

5. Rates and Charges.

5.1 The Parties agree to the rates referenced in Exhibit A for the services to be provided pursuant to this Agreement. The Parties agree the rates set forth in Exhibit A shall become effective as provided in Section 11 below.

5.1.1 Subject Traffic: CMRS and Carrier shall reciprocally and symmetrically compensate one another for Subject Traffic at the rates set forth in Exhibit A.

5.1.2 Transit Service: CMRS shall compensate Carrier for CMRS-originated Transit Service at the rate set forth in Exhibit A for Transit Traffic.

5.1.3 InterMTA Traffic: The Parties contemplate that they may exchange InterMTA Traffic under this Agreement. For administrative convenience, CMRS shall use the location of the initial cell site when a call begins as the determinant of the geographical location of the CMRS customer. CMRS represents that as of the Effective Date its switch serving the Minneapolis MTA is not connected to any cell sites located in other MTAs, and receives no interMTA traffic destined to Carrier via intermachine trunks. At any time after six months from the Effective Date (but no more than once in any six month period), Carrier may request in writing that CMRS provide a certification as to whether the above network routing continues to be true. If the network and or routing has changed such that interMTA traffic is delivered to Carrier pursuant to this Agreement, the Parties will negotiate in good faith to implement revised InterMTA traffic factors, which will be effective as of the date of Carrier's written request. CMRS shall compensate Carrier for wireless to wireline InterMTA Traffic at Carrier's interstate and intrastate switched access

tariff rates, as provided in Exhibit A. When Traffic is routed to an IXC, each Party will provide its own access services to the IXC. Each Party will to the extent applicable bill its own access service rates to the IXC and InterMTA Traffic shall not be subject to compensation under this Agreement.

5.2 Each Party shall be responsible for measuring the Traffic, measured by MOU, terminating into its network by the other Party. Unless CMRS is billing actual MOU as of the date of the Agreement, Carrier and CMRS agree to initially use the Land to Mobile Traffic Factor identified on Exhibit A, in lieu of actual measurement by CMRS of Carrier's Traffic terminating to CMRS' network. It is agreed that the Subject Traffic originated on Carrier's network and terminated into CMRS' network is represented by the Land to Mobile Traffic Factor set forth on Exhibit A. The Land to Mobile Traffic Factor represents a reasonable estimate of the ratio of Traffic originated and terminated by the Parties, considering the anticipated mix of Traffic routed between the parties. Either Party may, at its option, request modification of the Land to Mobile Traffic Factor, on a going forward basis, based on the results of a traffic study conducted for Traffic originated by or terminating to the Carrier's End Users. The Land to Mobile Factor may be modified, but no more than once every six months. If the Parties are unable to reach agreement for modification of the Land to Mobile Factor, either Party may request resolution of the dispute pursuant to the Dispute Resolution Process of this Agreement in Section 14.

5.2.1 The Land to Mobile Factor will be applied to determine a Reciprocal Compensation Credit by Carrier against the charges it would otherwise invoice to CMRS under Section 5.1.1 of this Agreement for terminating Subject Traffic.

5.2.2 If CMRS elects to bill Carrier for actual recorded MOUs of Subject Traffic originating on Carrier's network and terminating on CMRS' network, then CMRS will provide not less than sixty (60) days prior written notice to Carrier. In such event, CMRS will be then responsible for measuring the monthly Subject Traffic, measured by minutes of use, terminating into its network from Carrier's network and shall bill Carrier on a going forward basis using the rates set forth in Exhibit A, and the Land to Mobile Traffic Factor shall not be applied.

5.2.3 Each Party will only charge the other Party for actual MOUs, except that CMRS will be relieved of this obligation so long as the Reciprocal Compensation Credit method of billing is used. Minutes of use and/or fractions thereof will be aggregated at the end of the billing cycle and rounded to the nearest whole minute.

5.2.4 The Party collecting revenue shall be responsible for collecting, reporting and remitting all appropriate taxes associated therewith. Carrier is responsible for taxes on Carrier revenues and CMRS is responsible for

taxes on CMRS revenues whether or not shown as a credit on the Carrier invoice to CMRS.

6. Billing and Payment.

6.1 The Parties shall bill each other on a monthly or quarterly basis for the services provided under this Agreement in accordance with the rates and charges set forth in Exhibit A, and/or (if applicable) filed tariffs.

6.2 Each Party shall include sufficient detail of MOUs on its invoices to enable the other Party to reasonably verify the accuracy of the usage, charges, and credits.

6.3 The Parties shall pay invoiced amounts within forty-five (45) days of receipt of the invoice. For invoices not paid when due, late payment charges will be assessed on the past due balance, until paid, at a rate equal to 18% per annum, except as provided in Section 7.

6.4 [LEFT BLANK].

6.5 CMRS may elect to use a Reciprocal Compensation Credit in lieu of submitting invoices to Carrier for Reciprocal Compensation on wireline to wireless Subject Traffic, as described in Section 5.2 above.

6.5.1 CMRS shall provide Carrier not less than sixty (60) days prior written notice when changing its election to use actual recorded MOU to bill Carrier as provided in Section 5.2.2, rather than receive the Reciprocal Compensation Credit as provided in Section 5.2.1.

6.5.2 The Reciprocal Compensation Credit amount shall be determined by Carrier monthly (or quarterly if Carrier bills CMRS quarterly), and reflected on the Carrier invoice to CMRS as a credit against the amounts due and payable from CMRS to Carrier.

6.5.3 The Reciprocal Compensation Credit shall be determined by using the Land-to-Mobile Traffic Factor to calculate the number of assumed land to-mobile minutes. For example, if CMRS terminates 10,000 mobile-to-land minutes, a 15% Land-to-Mobile Traffic Factor would generate 1,764 land-to-mobile minutes. Carrier would then bill as follows: $[10,000] - [1,764] = [8236 \text{ net minutes}] \times \text{Reciprocal Compensation Rate shown on Exhibit A} = \text{net amount billed}$.

7. Disputed Amounts. If any portion of an amount due to a billing Party under this Agreement is subject to a dispute between the Parties, the billed Party shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the billing Party of the invoiced amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Parties agree that they will each make a good faith effort to resolve any Disputed Amounts in accordance with Section 14. The billed Party shall pay when due all undisputed amounts to the

billing Party. A Party may by notice include a prospective notice of Disputed Amounts applicable to future invoices. If the Disputed Amount is resolved in favor of the billing Party, the billed Party shall pay any unpaid Disputed Amount with late charges at the rate of eight percent (8%) per annum calculated from the date the Disputed Amount was originally due upon final determination of such dispute.

8. Impairment of Service. The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities or create hazards to the employees of either Party or to the public (each hereinafter referred to as an "Impairment of Service").

8.1 Resolution. If either Party causes an Impairment of Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment.

9. Trouble Reporting. In order to facilitate trouble reporting and to coordinate the repair of any interconnection arrangements provided by the Parties under this Agreement, each Party has established a single point of contact available 24 hours per day, seven days per week, at telephone numbers to be provided by the Parties. Each Party shall call the other at these respective telephone numbers to report trouble with such interconnection arrangements, to inquire as to the status of trouble ticket numbers in progress, and to escalate trouble resolution.

24 Hour Network Management Contact:

Carrier:

NOC Contact Number: 605-874-2181

Facsimile Number: 605-874-2014

CMRS:

Contact Number:

320-808-2570 (24 x 7)

Facsimile Number: 320-808-2220

Before either Party reports a trouble condition, it must first use its reasonable efforts to isolate the trouble to the other Party's facilities, services, or arrangements. Each Party will

advise the other of any critical nature of the inoperative facilities, service, and arrangements and any need for expedited clearance of trouble. In cases where a Party has indicated the essential or critical need for restoration of the facilities, services or arrangements, the other Party shall use its best efforts to expedite the clearance of trouble.

10. Commission Approval. This Agreement is subject to approval by the Commission. CMRS and Carrier shall work cooperatively and take all steps necessary and proper to expeditiously prosecute a joint application before the Commission seeking approval of this Agreement. Each Party shall be responsible for their own costs and expenses incurred in obtaining approval of this Agreement from the Commission. All terms and conditions of this Agreement are subject to modification and true-up as needed to comply with the Commission Order approving this Agreement. Any modifications to this Agreement as a result of the process of review and approval by the Commission will be deemed to be effective as of the Effective Date identified in Section 11 below.
11. Term. Subject to Commission approval as provided in Section 10, this Agreement is effective commencing October 1, 2007, and shall remain in effect until September 31, 2008. After the initial term of this Agreement, the Agreement shall automatically renew for additional six (6) month terms, unless either Party gives the other Party notice of intent to terminate or renegotiate at least ninety (90) days prior to the expiration date. Notwithstanding a notice of termination or renegotiation, this Agreement shall remain in effect until (a) replaced by another agreement negotiated or arbitrated between the Parties pursuant to applicable law, including a reciprocal compensation arrangement for indirect Traffic exchanged via a third-party Tandem Switch; or (b) subject to the prior approval of the Commission, the Parties disconnect any connecting facilities or terminate service arrangements.
12. Termination Upon Default. Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party, provided, however, that (a) the nondefaulting Party notifies the defaulting Party and the Commission in writing of the alleged default and the defaulting Party does not cure the alleged default within sixty (60) calendar days of receipt of the written notice thereof; and (b) neither Party may disconnect service or terminate service arrangements to the other Party without first obtaining the approval of the Commission. The Parties agree to cooperate with each other in any transition resulting from any such discontinuation of connecting facilities or service arrangements in order to minimize the impact to customers which may result from such discontinuance.
13. Liability Upon Termination. Termination of the Agreement for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect for any act or omission occurring prior to the termination relating to an obligation which is expressly stated in this Agreement. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination of this Agreement.
14. Dispute Resolution

- 14.1 Finality of Disputes - No claims shall be brought for disputes arising from this Agreement (a) more than twenty-four (24) months from the date the Party claiming a dispute should reasonably have discovered the occurrence of the event which gives rise to the dispute, or (b) beyond the applicable statute of limitations, whichever is shorter.
- 14.2 Alternative Dispute Resolution - The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit or complaint to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedure as the remedy with respect to any controversy or claim of \$5,000 or less arising out of or relating to this Agreement or its breach.

Neither Party shall institute a proceeding in any court or administrative agency to resolve a dispute between the Parties with respect to a controversy or claim of \$5,000 or less before seeking to resolve the dispute through the process described in this paragraph. A Party shall initially seek direct negotiation with the other Party to resolve any disputes. If the Parties fail to resolve the dispute within sixty (60) days after a request for direct negotiation, the Parties shall attempt to resolve the dispute through mediation. If the Parties do not promptly agree on a mediator, either Party may request the American Arbitration Association to appoint a mediator. If the Parties fail to settle within a reasonable time, as determined by the mediator, the mediator shall issue written statement to the Parties to that effect. The Parties may then seek relief through a court or administrative agency of competent jurisdiction.

- 14.3 Except as provided in Section 14.2, a Party may seek relief to resolve disputes arising out of this Agreement through a court or administrative agency of competent jurisdiction.
- 14.4 Costs - Each Party shall bear its own costs and attorneys' fees for these procedures. The Parties shall equally split the fees of the mediation and the mediator. A Party-seeking discovery shall reimburse the responding Party for the costs of production of documents (including search time and reproduction costs).

15. Notice of Changes. If a Party makes a change in its network which it believes will materially affect the inter-operability of its network with the other Party, the Party making the change will provide at least ninety (90) days advance written notice of the nature of the changes and when the change will occur.

16. Warranty. NEITHER PARTY GUARANTEES NOR WARRANTS THE INSTALLATION OF ANY OF THE FACILITIES, OR THE PROVISION OF ERROR-FREE OR INTERRUPTION-FREE TELECOMMUNICATIONS SERVICE. THIS AGREEMENT EXCLUDES ALL WARRANTIES OF WHATEVER KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

ADDITIONALLY, NEITHER PARTY ASSUMES ANY RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY THE OTHER PARTY WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY. THIS PROVISION SHALL NOT SERVE TO ELIMINATE OR LIMIT ANY COMMISSION QUALITY OF SERVICE OBLIGATIONS IMPOSED ON CARRIER PURSUANT TO APPLICABLE STATE LAW.

17. Limitation of Liability. IN THE ABSENCE OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, LOSS OF USE, OR LOSS OF PROFITS) ARISING IN CONNECTION WITH THIS AGREEMENT. BOTH PARTIES' ONLY LIABILITY UNDER THIS AGREEMENT IS FOR DIRECT, ACTUAL DAMAGES RESULTING FROM THE CAUSING PARTY'S CONDUCT OR THE CONDUCT OF ITS AGENTS OR CONTRACTORS IN PERFORMING THE OBLIGATIONS CONTAINED IN THIS AGREEMENT. TO THE EXTENT CARRIER CAUSES CMRS SUCH DAMAGE, SUCH DIRECT, ACTUAL DAMAGES SHALL NOT EXCEED AN AMOUNT EQUAL TO THE ESTIMATED AMOUNTS CMRS WILL PAY OR CREDIT TO CARRIER DURING THE INITIAL TERM OF THIS AGREEMENT. TO THE EXTENT CMRS CAUSES CARRIER SUCH DAMAGE, SUCH DIRECT, ACTUAL DAMAGES SHALL NOT EXCEED AN AMOUNT EQUAL TO THE ESTIMATED AMOUNTS CARRIER WILL PAY OR CREDIT CMRS DURING THE INITIAL TERM OF THE AGREEMENT. EACH PARTY'S REMEDIES UNDER THIS AGREEMENT ARE EXCLUSIVE AND ARE LIMITED TO THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT.
18. Indemnification. Each Party shall indemnify and hold harmless the other Party with respect to any third-party claims, lawsuits, damages or court actions arising from service under this Agreement, to the extent that the Indemnifying Party is liable or responsible for said third-party claims, losses, damages, or court actions; provided, however, that neither Party shall be obligated to indemnify and hold harmless the other Party with respect to any claims, lawsuits or court actions for indirect, incidental, special, punitive or consequential damages (including but not limited to loss of business, loss of use or loss of profits) by the other Party's End-User Customers except in the case of gross negligence or willful misconduct by the Party. Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification shall promptly notify the other Party of the claim and, when known, the facts constituting the basis for such claim. In the event that one Party to this Agreement disputes the other Party's right to indemnification hereunder, the Party disputing indemnification shall promptly notify the other Party of the factual basis for disputing indemnification. Indemnification shall include but is not limited to costs and attorneys' fees.
- 18.1 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 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.

19. Survival. Termination of this Agreement for any cause shall not release either Party from any liability which, at the time of termination, had already accrued to the other Party or which thereafter accrues in any respect for an act or omission occurring prior to the termination or from an obligation expressly stated in this Agreement. The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive the termination or expiration of this Agreement.

20. Confidentiality. The Parties to this Agreement recognize they or their authorized representatives may come into possession of confidential and/or proprietary data about each other's business of networks as a result of this Agreement. Any information of one Party (a "Disclosing Party") that is furnished or made available or otherwise disclosed to the other Party, its employees, contractors or agents (a "Receiving Party") regardless of form pursuant to this Agreement shall be deemed the property of the Disclosing Party. If a Disclosing Party deems its information provided to the Receiving Party to be "Confidential Information" such information shall, if written, clearly and conspicuously marked "Confidential" or "Proprietary" or other similar notice, and if oral or visual, shall be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure; provided, that the following information shall be deemed Confidential Information, whether or not marked or identified as such: oral or written negotiation, order for services, usage information in any form and Customer Proprietary Network Information as that term is defined in the Act and rules and regulations of the FCC. Each Party agrees to treat all Confidential Information as strictly confidential and to use such data only for the purpose of performance under this Agreement. Each Party agrees not to disclose Confidential Information to any person without first securing the written consent of the other Party. If any Receiving Party is required by any governmental authority or by applicable law or subpoena to disclose any Confidential Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then seek appropriate protective relief. In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Confidential Information and other documents, work papers, and other material (including all copies thereof) obtained from the other Party in connection with this Agreement and shall use all reasonable efforts, including instructing its employees and others who have had access to such information to keep confidential and not use any such information, unless such information is now or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public. The obligations of this Agreement shall survive the termination of this Agreement for a period of three (3) years.

21. Disclaimer of Agency. Nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a 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 of or on behalf of the other Party unless otherwise expressly

permitted by such other Party. No Party undertakes to perform any obligation of the other Party whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

22. Business Records. Each Party shall keep accurate records of its operations and transactions under this Agreement and shall furnish to the other Party such information as reasonably required for the administration and performance of this Agreement. Each Party is responsible for the accuracy of its data as submitted to the other Party. Upon reasonable written notice, each Party or its authorized representative shall have the right to conduct a review of the relevant data possessed by the other Party to assure compliance with the provisions of this Agreement. The review will consist of any examination and verification of data involving records, systems, procedures and other information related to the services performed by either Party as it relates to charges or payments made in connection with this Agreement. Each Party's right to access information for a verification review purposes is limited to data not in excess of twelve (12) months in age. A Party's right to request a review is limited to once every twelve (12) months. The Party requesting a verification review shall fully bear its own costs associated with conducting a review. The Party being reviewed will provide reasonable access to necessary and applicable information at no charge to the reviewing Party during normal business hours at a location within the state of South Dakota.
23. Assignments, Successors and Assignees. A Party may not assign or transfer this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, a Party may assign this Agreement, or any portion thereof, without consent to any entity that controls, is controlled by or is under common control with the assigning Party. Any such assignment shall not in any way affect or limit the rights and obligations of the Parties under the terms of this Agreement. The Agreement shall be binding upon and inure to the benefit of the Parties hereto and their lawful successors and assigns. A Party assigning this Agreement to a third party shall give written notice to the Commission and the other Party not less than sixty (60) days in advance of the effective date of the assignment.
24. Independent Contractor Relationship. The persons implementing this Agreement on behalf of each Party shall be solely that Party's employees or contractors and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose whatsoever. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours or labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding. Each Party shall indemnify the other in accordance with Section 18 for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.

25. Force Majeure. Neither Party shall be liable for any delay or failure to perform in accordance with any part of this Agreement from any cause beyond its reasonable control, including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, other major environmental disturbances of unusually severe weather conditions (collectively, a "Force Majeure Event").
26. Notices. Notices given by one Party to the other Party under this Agreement shall be in writing to the addresses of the Parties set forth below and shall be (i) delivered personally; (ii) delivered by express delivery service; (iii) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested; or (iv) delivered by facsimile copy. Any such notice given under this Agreement shall be effective upon receipt of the Party.

CMRS

Contract Program Manager
P.O. 2000
3905 Dakota Street SW
Alexandria, MN 56308
320-808-2135 (voice)
320-808-2466 (fax)

With copy to:
Vice President of Legal Services
1100 Mountain View Drive
Colchester, VT 05446-1919

Carrier

Jerry Heiberger
General Manager
312 4th Street West
Clear Lake, SD
605-874-8308 (voice)
605-874-2014 (fax)

With Copy to:
Darla Pollman Rogers
Attorney at Law
Riter Rogers Wattier Brown
and Northrup, LLP
P.O. Box 280
Pierre, SD 57501-0280

Any Party may specify a different address by notifying the other Party in writing of such different address in the manner provided in this Section.

27. No Third Party Beneficiaries. This Agreement does not provide any person not a party, assignee or successor to this Agreement and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege in excess of those existing without reference to this Agreement. Notwithstanding the foregoing, the Parties agree to give notice to the Commission of any lawsuits or other proceedings that involve or arise under the Agreement to ensure that the Commission has the opportunity to seek to intervene in the proceedings on behalf of the public interest.
28. 911/E911, 0 minus. Each Party shall be responsible for its own independent connections to the network and for handling 0 minus calls.
29. Governing Law. This Agreement shall be governed by and construed in accordance with the Act and the laws of the State of South Dakota and FCC rules and regulations, except

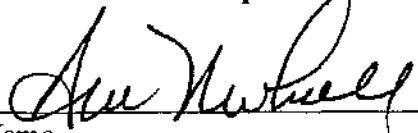
insofar as federal law may control any aspect of this Agreement, in which case federal law shall control.

- 29.1 Each Party shall remain in compliance with applicable law in the course of performing this Agreement.
- 29.2 Neither Party shall be liable for any delay or failure in performance by it that results from requirements of applicable law, or acts or failures to act of any governmental entity or official.
- 29.3 Each Party shall promptly notify the other Party in writing of any governmental action that limits, suspends, cancels, withdraws, or otherwise materially affects, the notifying Party's ability to perform its obligations under this Agreement.
- 29.4 If any provision of this Agreement shall be invalid or unenforceable under applicable law, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to applicable law.
- 29.5 If any legislative, regulatory, judicial or other governmental decision, order, determination or action, or any change in applicable law, materially affects any material provision of this Agreement, the rights or obligations of a Party hereunder, or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to applicable law.
- 29.6 Section 29.5 shall control notwithstanding any other provision of this Agreement to the contrary. Any rates, terms or conditions thus developed or modified shall be substituted in place of those previously in effect and shall be deemed prospectively effective upon execution by the Parties of an amendment to this Agreement. Should the Parties be unable to reach agreement with respect to the applicability of such decision, order, determination or action, or the resulting appropriate modifications to this Agreement, either Party may commence the dispute resolution process described in Section 14 of this Agreement, it being the intention of the Parties that this Agreement shall be brought into conformity with the then current obligations under applicable laws.

30. Entire Agreement. This Agreement, including the Service Attachment(s) and Exhibit A, shall constitute the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statement, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof
31. Amendments. This Agreement may not be modified or amended other than by a written instrument executed by both Parties. **No waiver of any provisions of this Agreement and no consent to any default under this Agreement will be effective unless the same is in writing and signed by or on behalf of the Party against whom such waiver or consent is claimed. Any waiver of default by the other Party shall not be deemed a waiver to any other default. No course of dealing or failure of either Party to strictly enforce any term, covenant or condition of this Agreement in any one or more instances will be construed as a waiver or relinquishment of any such terms, covenants or conditions, but the same shall be and remain in full force and effect.** Any amendment, modification, or supplement to this Agreement shall be filed with the Commission and approved by the Commission as may be required by applicable law.
32. Counterparts. The undersigned signatories represent they have the authority to execute this Agreement on behalf of their respective companies. This Agreement can be executed in separate parts which together will constitute a single, integrated Agreement.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first listed below.

Rural Cellular Corporation


 Name _____

12/10/07
 Date _____

**Interstate Telecommunications
 Cooperative, Inc.**


 Name _____

10-31-07
 Date _____

**RURAL CELLULAR CORPORATION
EXHIBIT A**

Reciprocal Compensation Rate

Subject Traffic Transport and Termination (including Tandem Switching) 0.011

InterMTA Traffic Rates

Interstate InterMTA traffic

Carrier's NECA Rate

Intrastate InterMTA traffic

Carrier's LECA Rate

Billing Factors

Land to Mobile Traffic Factor 15:85

InterMTA Traffic 1%

Interstate 100%

Intrastate 0%

The 1 percent of measured traffic (as measured by MOUs) originated by CMRS and delivered to Carrier shall initially be deemed to be InterMTA Traffic.

Facility Rate

To the extent CMRS requires facilities referenced in paragraph 4.2, such facilities will be made available and the price will be based upon the Carrier's intrastate rate published in the Carrier's tariff or pricing catalog.

Designated LATA Tandem/Provider

(Access Tandem)/SDN

OCNs covered by this Agreement;

CMRS OCN(s): 6024

Carrier OCN(s): 1651

Carrier Tandem

N/A

CMRS May Obtain Transit Service From Carrier to the following third-party carriers:

N/A

Other services

The parties may purchase services not specifically addressed in this Agreement pursuant to the other party's appropriate tariff or price list.