

EXHIBIT A

AGREEMENT AND PLAN OF REORGANIZATION

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION (the "Plan") is made and entered into as of this 27th day of January, 2011, by and among Alliance Communications Cooperative Inc., Inc., a South Dakota cooperative corporation ("Alliance"), Hills Telephone Company, Inc., a Minnesota corporation ("Hills"), and Splitrock Properties, Inc., a South Dakota corporation ("Splitrock").

RECITALS:

WHEREAS, Alliance owns one hundred percent (100%) of the outstanding common stock of Hills (the "Hills Stock");

WHEREAS, Alliance owns one hundred percent (100%) of the outstanding common stock of Splitrock (the "Splitrock Stock");

WHEREAS, it is the desire of each of Alliance, Hills, and Splitrock, to merge Alliance's wholly-owned subsidiaries, Hills and Splitrock, with and into Alliance, and to consolidate the respective telecommunications businesses of Hills and Splitrock with the existing telecommunications businesses of Alliance (the "Reorganization");

WHEREAS, the parties intend that upon completion of the Reorganization the separate corporate existence of each of Hills and Splitrock shall cease, and Alliance shall be the sole owner and operator of the telecommunications businesses and assets of each of Hills and Splitrock;

WHEREAS, the parties further intend that in conjunction with the approval and consummation of the Reorganization as contemplated herein, the bylaws of Alliance will be amended whereby, among other things, the parties presently receiving certain telecommunications services from each of Hills and Splitrock may qualify for, and be admitted as members of Alliance; and

WHEREAS, the parties intend that the transactions described herein will constitute a tax-free corporate separation and reorganization under Sections 355 and 368 of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows:

1. Hills Merger into Alliance. On the Effective Date, Hills shall merge with and into Alliance, with Alliance being the surviving entity of such merger (the "Hills Merger"). The form and substance of this merger shall be carried out pursuant to the terms and conditions of the Agreement and Plan Merger of Hills and Alliance as set out in Exhibit A, a copy of which is attached hereto and incorporated herein by this reference (the "Hills Plan of Merger").

2. Splitrock Merger into Alliance. On the Effective Date, and concurrent with the Hills Merger, Splitrock shall merge with and into Alliance, with Alliance being the surviving entity of such merger (the "Splitrock Merger"). The form and substance of this merger shall be carried out pursuant to the terms and conditions of the Agreement and Plan Merger of Splitrock and Alliance as set out in Exhibit B, a copy of which is attached hereto and incorporated herein by this reference ("Splitrock Plan of Merger").

3. Bylaws. Contemporaneously with the completion of the Reorganization, the bylaws of Alliance (the "Alliance Bylaws") shall be amended in the manner set forth in Exhibit C attached hereto and incorporated herein by this reference, which amendments provide for, among other things, the admission of the New Members (as hereinafter defined) and the creation of a new director district ("District Five"), which District Five shall be represented by one additional director to serve on the Board of Directors of Alliance in accordance with Alliance Bylaws, as amended.

4. Customers of Hills. Contemporaneously with the completion of the Reorganization and the amendment of Alliance Bylaws, the authority to operate as a local exchange carrier in the areas in which Hills is presently so authorized shall be assigned to Alliance and the persons and entities then receiving certain telecommunications services, as specified in Alliance Bylaws, from Hills and that otherwise meet the requirements for membership under Alliance Bylaws, as amended, shall become members of Alliance in accordance with Alliance Bylaws (the "Hills Members").

5. Customers of Splitrock. Contemporaneously with the completion of the Reorganization and the amendment of Alliance Bylaws, the authority to operate as a local exchange carrier in the areas in which Splitrock is presently so authorized shall be assigned to Alliance and the persons and entities then receiving certain telecommunications services, as specified in Alliance Bylaws, from Splitrock and that otherwise meet the requirements for membership under Alliance Bylaws, as amended, shall become members of Alliance in accordance with Alliance Bylaws (the "Splitrock Members" and in conjunction with the Hills Members, collectively referred to as the "New Members"). The New Members shall not be entitled to any allocation of Alliance's operating and non-operating margins for any periods prior to the Effective Date.

6. District Five Director. On or prior to the Effective Date, the Board of Directors may elect to proceed, in its discretion, with one of the following options:

- (a) On or prior to the Effective Date, the Board of Directors may appoint an interim director to fill the vacant seat on the Board of Directors for the newly formed District Five. Said interim director shall serve as the director for District Five commencing on the Effective Date until the next regularly scheduled annual meeting of the members of Alliance held in accordance with the Alliance Bylaws, as amended; or

- (b) The seat on the Board of Directors for the newly formed District Five shall remain vacant until the next regularly scheduled annual meeting of the members of Alliance held in accordance with Alliance Bylaws, as amended.

7. Effective Date. The transactions contemplated in this Plan shall become effective upon the satisfaction of all of the conditions precedent set forth in Section 8 hereof, but in no event shall the effective date of such transactions be prior to 12:01 a.m. on January 1, 2012 (the "Effective Date").

8. Conditions Precedent. The obligations of the parties herein are conditioned upon the completion or receipt of the following conditions precedent to the satisfaction of the parties in their discretion:

(a) The designation of Alliance by the South Dakota Public Utilities Commission (the "SDPUC") as a local exchange carrier authorized to provide local exchange telecommunications service in all areas in the State of South Dakota in which Hills and Splitrock are presently so authorized by the SDPUC;

(b) The designation of Alliance by the Iowa Utilities Board (the "IUB") as a local exchange carrier authorized to provide local exchange telecommunications service in all areas in the State of Iowa in which Hills is presently so authorized by the IUB;

(c) The designation of Alliance by the Minnesota Public Utilities Commission (the "MNPUC") as a local exchange carrier authorized to provide local exchange telecommunications service in all areas in the State of Minnesota in which Hills is presently so authorized;

(d) Receipt by the parties hereto of all consents and authorizations which are necessary or advisable to consummate the transactions contemplated herein and for Alliance to own and operate the telecommunications businesses presently operated by each of Hills and Splitrock from (1) the SDPUC, the IUB, the MNPUC, the Federal Communications Commission, and any other federal, state or local governmental entity or regulatory agency having jurisdiction over Alliance, Hills, or Splitrock; (2) the United States Department of Agriculture, Rural Utilities Service, and CoBank, ACB; and (3) any other necessary third party;

(e) The consummation of the transactions contemplated in the Plan will not result in the dissolution, loss, or consolidation of any or all of NECA Study Area Nos. 391657, 391642, 391657, 351405, 361405, and 391405;

(f) There shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement;

(g) There shall be no action, suit, investigation, regulation, legislation or proceeding shall be pending, instituted, proposed or threatened that would prohibit or prevent the consummation of the transactions contemplated by this Agreement;

(h) There shall not have occurred any event which has had a material adverse effect on the operations, assets, or financial condition of the parties hereto or their respective businesses that are applicable to the economy or the telecommunications industry on a national, regional, state or local level;

(i) Approval of the members of Alliance and the shareholders of each of Hills and Splitrock; and

(j) The satisfaction of each of the conditions precedent to the effectiveness of each of the Hills Plan of Merger and the Splitrock Plan of Merger.

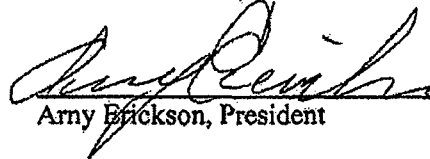
8. Miscellaneous. This Plan and all documents referenced herein or executed pursuant to this Plan constitute the entire agreement and understanding between the parties regarding the transactions discussed herein and supersedes all prior agreements and understandings related hereto. This Plan shall be governed by the laws of the State of South Dakota, without regard to its conflicts of laws principals.

9. Further Assurances. Each of the parties to this Plan hereby covenants and agrees to take all such actions and execute and deliver such ancillary and related documents, instruments, certificates, agreements, and other writings, as are reasonably necessary or advisable to carry out the purposes of this Plan and to consummate the transactions contemplated herein.

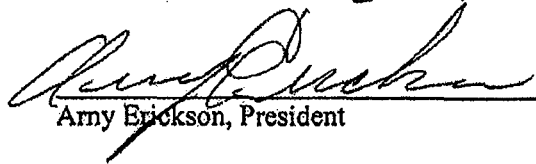
[Signatures to Follow on the Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Plan to be signed by their respective authorized signatories as of the date first written above.

ALLIANCE COMMUNICATIONS
COOPERATIVE, INC.


Army Erickson, President

HILLS TELEPHONE COMPANY, INC.


Army Erickson, President

SPLITROCK PROPERTIES, INC.

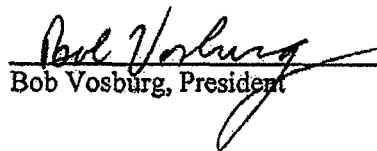

Bob Vosburg, President

Exhibit A

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is entered into as of the 27th day of January, 2011, by and between Alliance Communications Cooperative, Inc., a South Dakota corporation ("Alliance"), and Hills Telephone Company, Inc., a Minnesota corporation, ("Hills"). Alliance and Hills are sometimes herein referred to as the "Constituent Corporations."

R E C I T A L S:

WHEREAS, each of SDCL §47-1A *et seq.* and Minnesota Statute 302A *et seq.* provides that the board of directors of a corporation that is a party to a merger shall adopt a plan of merger for submission to the shareholders of the respective corporations for their approval;

WHEREAS, Alliance owns 100% of the outstanding shares of each class and series of shares of Hills;

WHEREAS, the Board of Directors of Alliance has approved the merger of Hills into Alliance (the "Merger") in accordance with the laws of the State of South Dakota and the provisions of this Agreement;

WHEREAS, the Board of Directors of Hills has approved the Merger in accordance with the laws of the States of South Dakota and Minnesota and the provisions of this Agreement; and

WHEREAS, the parties to this Agreement desire to set forth the terms and conditions of the Merger.

NOW, THEREFORE, in consideration of the premises and agreements hereinafter set forth, the parties hereto agree as follows:

1. Name of Target Corporation. The name of the target corporation is Hills Telephone Company, Inc.
2. Name of Surviving Corporation. The name of the surviving corporation is Alliance Communications Cooperative, Inc.
3. Merger. On the Effective Date (as defined below), the Constituent Corporations shall cause the Articles of Merger of Hills Telephone Company, Inc. and Alliance Communications Cooperative, Inc., a copy of which are attached hereto as Exhibit A and incorporated herein by this reference, to be filed in the Office of the Secretary of State of the State of South Dakota, whereupon Hills shall be merged with and into Alliance, the separate existence of Hills shall cease, and Alliance shall continue to exist as a corporation created under and governed by the laws of the State of South Dakota after the Merger.

4. Effective Date. The Merger shall be effective upon the satisfaction of each of the conditions precedent set forth in Section 11 of this Agreement, but in no event shall the merger be effective prior to 12:01 a.m. on January 1, 2012 (the "Effective Date").

5. Treatment of Shares. As of the Effective Date, by virtue of the Merger and without any action on the part of the holder thereof, the issued and outstanding capital stock of Hills that existed prior to the Effective Date shall be cancelled.

6. Articles of Incorporation. The Articles of Incorporation of Alliance as in effect immediately prior to the Effective Date shall remain in effect as the Articles of Incorporation of Alliance until the same shall thereafter be altered, amended or repealed.

7. Effect of the Merger.

(a) At the Effective Date, the Constituent Corporations shall become a single corporation and shall continue to exist as Alliance and shall thereupon and thereafter, pursuant to the South Dakota Codified Laws and the Minnesota Statutes, have all the rights, privileges, immunities, powers and franchises, and be subject to all the duties, liabilities, obligations and penalties, of each of Alliance and Hills, and all property, real, personal and mixed, and all debts due on whatever account and all other choices, and all and every other interest of, or belonging to or due to each of the Constituent Corporations shall be vested in Alliance without further act or deed, and Alliance shall be subject to all the liabilities, obligations and penalties of the respective Constituent Corporations, not pursuant to contract by operation of law, all in the manner and to the full extent provided by the South Dakota Codified Laws and the Minnesota Statutes. Whenever a conveyance, assignment, transfer, deed or other instrument or act is necessary to vest property or right in Alliance, the directors and officers of the respective Constituent Corporations shall execute, acknowledge and deliver such instruments and do such acts, for which purpose the separate existence of the Constituent Corporations and the authority of their respective directors and officers shall continue, notwithstanding the Merger.

(b) Contemporaneous with the completion of the Merger, the local exchange service territories presently assigned to Hills shall be transferred to Alliance and the persons and entities then receiving certain telecommunications services (as specified in the bylaws of Alliance, as amended from time to time) from Alliance within the service territory previously assigned to Hills that otherwise meet the requirements for membership under the bylaws of Alliance, as amended from time to time, shall become members of Alliance in accordance with such bylaws (the "New Members"). The New Members shall not be entitled to any allocation of Alliance's operating and non-operating margins for any periods prior to the Effective Date.

8. Tax Treatment. The Merger is intended to be treated as a tax-free reorganization for tax purposes pursuant to Internal Revenue Code § 368(a)(1)(A).

9. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of Hills, Alliance and their respective successors and assigns.

10. Officers and Directors. The officers and directors of Alliance at the Effective Date shall continue as officers and directors of Alliance until the election and qualification of their successors in accordance with the bylaws of Alliance, as amended from time to time.

11. Conditions Precedent. The obligations of the parties herein are conditioned upon the completion or receipt of the following conditions precedent to the satisfaction of the parties in their discretion:

(a) The designation of Alliance by the South Dakota Public Utilities Commission (the "SDPUC") as a local exchange carrier authorized to provide local exchange telecommunications service in all areas in the State of South Dakota in which Hills is presently so authorized by the SDPUC;

(b) The designation of Alliance by the Iowa Utilities Board (the "IUB") as a local exchange carrier authorized to provide local exchange telecommunications service in all areas in the State of Iowa in which Hills is presently so authorized by the IUB;

(c) The designation of Alliance by the Minnesota Public Utilities Commission (the "MNPUC") as a local exchange carrier authorized to provide local exchange telecommunications service in all areas in the State of Minnesota in which Hills is presently so authorized by the MNPUC;

(d) Receipt by the parties hereto of all consents and authorizations which are necessary or advisable to consummate the transactions contemplated herein and for Alliance to own and operate the telecommunications businesses presently operated by Hills from (1) the SDPUC, the IUB, the MNPUC, the Federal Communications Commission, and any other federal, state or local governmental entity or regulatory agency having jurisdiction over Alliance, or Hills; (2) the United States Department of Agriculture, Rural Utilities Service, and CoBank, ACB; and (3) any other necessary third party;

(e) The consummation of the transactions contemplated in this Agreement will not result in the dissolution, loss, or consolidation of any or all of NECA Study Area Nos. 391657, 391642, 391657, 351405, 361405, and 391405;

(f) There shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement;

(g) There shall be no action, suit, investigation, regulation, legislation or proceeding shall be pending, instituted, proposed or threatened that would prohibit or prevent the consummation of the transactions contemplated by this Agreement;

(h) There shall not have occurred any event which has had a material adverse effect on the operations, assets, or financial condition of the parties hereto or their respective businesses that are applicable to the economy or the telecommunications industry on a national, regional, state or local level;

(i) Approval by the shareholders of Hills and the members of Alliance of the Merger in accordance with the laws of the State of South Dakota and the State of Minnesota, the respective bylaws of such corporations, and the provisions of this Agreement.

(j) The satisfaction of all conditions precedent to the consummation of all transactions contemplated in the Plan of Reorganization, dated January 27, 2011, and entered into by and among Alliance, Hills, and Splitrock Properties, Inc.

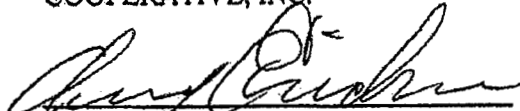
12. Miscellaneous. This Agreement and all documents referenced herein or executed pursuant to this Agreement constitute the entire agreement and understanding between the parties regarding the transactions discussed herein and supersedes all prior agreements and understandings related hereto. This Agreement shall be governed by the laws of the State of South Dakota, without regard to its conflicts of laws principals.

13. Further Assurances. Each of the Constituent Corporations hereby covenants and agrees to take all such actions and execute and deliver such ancillary and related documents, instruments, certificates, agreements, and other writings, as are reasonably necessary or advisable to carry out the purposes of this Agreement and to consummate the transactions contemplated herein.

[Signatures to Follow on the Next Page]


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective authorized signatories as of date first written above.

ALLIANCE COMMUNICATIONS
COOPERATIVE, INC.



Army Erickson, President

HILLS TELEPHONE COMPANY, INC.



Army Erickson, President

Exhibit B
AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is entered into as of the 27th day of January, 2011, by and among Alliance Communications Cooperative, Inc., a South Dakota cooperative corporation (the "Alliance"), and Splitrock Properties, Inc., a South Dakota corporation, ("Splitrock"). Alliance and Splitrock are sometimes herein referred to as the "Constituent Corporations."

RECITALS

WHEREAS, SDCL §47-1A *et seq.* provides the board of directors of domestic corporations that are a party to a merger shall adopt a plan of merger for submission to the members of Alliance and the shareholders of Splitrock for their approval;

WHEREAS, Alliance owns 100% of the outstanding shares of each class and series of shares of Splitrock;

WHEREAS, the Board of Directors of Alliance have approved the merger of Splitrock into Alliance (the "Merger") in accordance with the laws of the State of South Dakota and the provisions of this Agreement;

WHEREAS, the Board of Directors of Splitrock has approved the Merger in accordance with the laws of the State of South Dakota and the provisions of this Agreement; and

WHEREAS, the parties to this Agreement desire to set forth the terms and conditions of the Merger.

NOW, THEREFORE, in consideration of the premises and agreements hereinafter set forth, the parties hereto agree as follows:

1. Name of Target Corporation. The name of the target corporation is Splitrock Properties, Inc.
2. Name of Surviving Corporation. The name of the surviving corporation is Alliance Communications Cooperative, Inc.
3. Merger. On the Effective Date (as defined below), the Constituent Corporations shall cause the Articles of Merger of Splitrock Properties, Inc. and Alliance Communications Cooperative, Inc., a copy of which are attached hereto as Exhibit A and incorporated herein by this reference, to be filed in the Office of the Secretary of State of the State of South Dakota, whereupon Splitrock shall be merged with and into Alliance, the separate existence of Splitrock shall cease, and Alliance shall continue to exist as a corporation created under and governed by the laws of the State of South Dakota after the Merger.

4. Effective Date. The Merger shall be effective upon the satisfaction of each of the conditions precedent set forth in Section 11 of this Agreement, but in no event shall the merger be effective prior to 12:01 a.m. on January 1, 2012 (the "Effective Date").

5. Treatment of Shares. As of the Effective Date, by virtue of the Merger and without any action on the part of the holder thereof, the issued and outstanding capital stock of Splitrock that existed prior to the Effective Date shall be cancelled.

6. Articles of Incorporation. The Articles of Incorporation of Alliance as in effect immediately prior to the Effective Date shall remain in effect as the Articles of Incorporation of Alliance until the same shall thereafter be altered, amended or repealed.

7. Effect of the Merger.

(a) At the Effective Date, the Constituent Corporations shall become a single corporation and shall continue to exist as Alliance and shall thereupon and thereafter, pursuant to the South Dakota Codified Laws, have all the rights, privileges, immunities, powers and franchises, and be subject to all the duties, liabilities, obligations and penalties, of each of Alliance and Splitrock, and all property, real, personal and mixed, and all debts due on whatever account and all other choices, and all and every other interest of, or belonging to or due to each of the Constituent Corporations shall be vested in Alliance without further act or deed, and Alliance shall be subject to all the liabilities, obligations and penalties of the respective Constituent Corporations, not pursuant to contract by operation of law, all in the manner and to the full extent provided by the South Dakota Codified Laws. Whenever a conveyance, assignment, transfer, deed or other instrument or act is necessary to vest property or right in Alliance, the directors and officers of the respective Constituent Corporations shall execute, acknowledge and deliver such instruments and do such acts, for which purpose the separate existence of the Constituent Corporations and the authority of their respective directors and officers shall continue, notwithstanding the Merger.

(b) Contemporaneous with the completion of the Merger, the local exchange service territories presently assigned to Splitrock shall be transferred to Alliance and the persons and entities then receiving certain telecommunications services (as specified in the bylaws of Alliance, as amended from time to time) from Alliance within the service territory previously assigned to Splitrock that otherwise meet the requirements for membership under the bylaws of Alliance, as amended from time to time, shall become members of Alliance in accordance with such bylaws (the "New Members"). The New Members shall not be entitled to any allocation of Alliance's operating and non-operating margins for any periods prior to the Effective Date.

8. Tax Treatment. The Merger is intended to be treated as a tax-free reorganization for tax purposes pursuant to Internal Revenue Code § 368(a)(1)(A).

9. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of Splitrock, Alliance and their respective successors and assigns.

10. Officers and Directors. The officers and directors of Alliance at the Effective Date shall continue as officers and directors of Alliance until the election and qualification of their successors in accordance with the bylaws of Alliance, as amended from time to time.

11. Conditions Precedent. The obligations of the parties herein are conditioned upon the completion or receipt of the following conditions precedent to the satisfaction of the parties in their discretion:

(a) The designation of Alliance by the South Dakota Public Utilities Commission (the "SDPUC") as a local exchange carrier authorized to provide local exchange telecommunications service in all areas in the State of South Dakota in which Splitrock is presently so authorized by the SDPUC;

(b) Receipt by the parties hereto of all consents and authorizations which are necessary or advisable to consummate the transactions contemplated herein and for Alliance to own and operate the telecommunications businesses presently operated by Splitrock from (1) the SDPUC, the Federal Communications Commission, and any other federal, state or local governmental entity or regulatory agency having jurisdiction over Alliance or Splitrock; (2) the United States Department of Agriculture, Rural Utilities Service, and CoBank, ACB; and (3) any other necessary third party;

(f) The consummation of the transactions contemplated in this Agreement will not result in the dissolution, loss, or consolidation of any or all of NECA Study Area Nos. 391657, 391642, 391657, 351405, 361405, and 391405;

(f) There shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement;

(g) There shall be no action, suit, investigation, regulation, legislation or proceeding shall be pending, instituted, proposed or threatened that would prohibit or prevent the consummation of the transactions contemplated by this Agreement;

(h) There shall not have occurred any event which has had a material adverse effect on the operations, assets, or financial condition of the parties hereto or their respective businesses that are applicable to the economy or the telecommunications industry on a national, regional, state or local level;

(i) Approval by the shareholders of Splitrock and the members of Alliance of the Merger in accordance with the laws of the State of South Dakota, the respective bylaws of such corporations, and the provisions of this Agreement.

(j) The satisfaction of all conditions precedent to the consummation of all transactions contemplated in the Plan of Reorganization, dated January 27, 2011, and entered into by and among Alliance, Splitrock, and Hills Telephone Company, Inc.

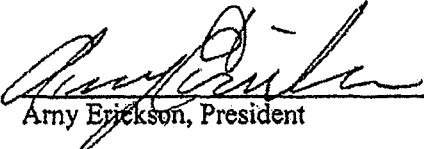
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13. Further Assurances. Each of the Constituent Corporations hereby covenants and agrees to take all such actions and execute and deliver such ancillary and related documents, instruments, certificates, agreements, and other writings, as are reasonably necessary or advisable to carry out the purposes of this Agreement and to consummate the transactions contemplated herein.

[Signatures begin on next page]

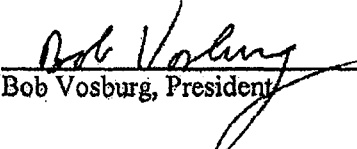
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective authorized signatories as of date first written above.

ALLIANCE COMMUNICATIONS
COOPERATIVE, INC.



Amy Erickson, President

SPLITROCK PROPERTIES, INC.



Bob Vosburg, President