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January 2, 2007

Illona Jeffcoat-Sacco
Executive Secretary
Public Service Commission
600 East Boulevard
Bismarck, ND 58505-0480

Re: Midcontinent Communications - Halstad Telephone Company
EAS Traffic Exchange Agreement

Dear Ms. Jeffcoat-Sacco:

Enclosed for filing is an original and one copy of the WIRELINE EXTENDED AREA SERVICE (EAS) TRAFFIC EXCHANGE AGREEMENT between and Midcontinent Communications and Halstad Telephone Company. We will also file an electronic copy of this letter and the Agreement.

If you have any questions please feel free to contact me. Thank you for your consideration of this matter.

Sincerely,

PEARCE & DURICK


PATRICK W. DURICK

PWD/jf
Enclosures.

cc: Mary Lohnes (w/enc- via email)
Mr. Bill Brudvik (w/enc- via email)

WIRELINE EXTENDED AREA SERVICE (EAS) TRAFFIC EXCHANGE AGREEMENT

This Wireline EAS Traffic Exchange Agreement (“Agreement”) is effective as provided herein by and between Midcontinent Communications (“Midco”) and Halstad Telephone Company (“Halstad”).

Whereas, Midco has obtained authority from the North Dakota Public Utilities Commission (“Commission”) to provide wireline local exchange service in Grand Forks, ND that currently has Extended Area Service (“EAS”) with wireline local service areas served by Halstad; and

Whereas, the Commission has adopted rules that require competing local exchange carriers to provide at least one calling option that matches the current calling option of the incumbent local exchange carrier (“ILEC”); and

In consideration of the mutual obligations set forth below, the parties agree to the following terms and conditions:

1. Midco and Halstad agree to exchange EAS traffic pursuant to this Agreement. The exchange of EAS traffic will utilize the existing EAS route and its associated meet point provided by Halstad and Qwest Communications (QWEST). For this Agreement, EAS traffic is defined as local traffic, which originates in the local serving areas that have EAS (or the equivalent service approved by the Commission) with the local serving areas where the traffic terminates. The specific exchanges subject to this Agreement are identified in Attachment A. Midco acknowledges that it bears the responsibility to inform QWEST of this use of the existing EAS arrangement and to obtain the NPA-NXX and CLLI code for its Grand Forks, ND exchange.
2. Midco and Halstad agree to terminate EAS traffic on a bill and keep basis. Bill and keep shall mean that the originating party has no obligation to pay terminating charges to the terminating party, regardless of any charges the originating party may assess its end users.
3. Midco and Halstad agree to load each other’s NXX codes for the exchanges identified in Appendix A, which may change from time to time, into their respective switch translation databases in a reasonable and timely manner, in accordance with standard industry practices.
4. Each party will maintain and keep current its own customer information in currently available databases used in the provision of inter-company operator services (e.g. local assistance, directory assistance, directory assistance call completion, busy line verification/interrupt), and will ensure that the other party’s access to such information is not restricted.

5. This Agreement shall commence when fully executed and have an initial term of one year. This Agreement will automatically renew for successive one-year periods, unless either party requests renegotiation or gives notice of termination at least sixty (60) days prior to the expiration of the initial or any renewal term. Either party may terminate this Agreement upon sixty (60) days notice if the Commission issues an Order changing the current EAS compensation arrangement between Midco and another incumbent LEC or Midco notifies Halstad that it has obtained (through negotiation or Commission decision) transit services from another incumbent LEC obviating the need for this Agreement. In the event the parties undertake renegotiation or termination pursuant to the preceding sentence, and such renegotiation does not conclude prior to expiration, this Agreement shall continue in full force and effect until replaced by a superseding agreement.
6. Except for a party's willful or intentional misconduct, or gross negligence, neither party shall be liable to the other for any lost profits or revenues or for any indirect, incidental, special or consequential damages arising out of or related to this Agreement or the provision of service hereunder. A repeated breach of a material obligation under this Agreement may be offered as evidence of willful or intentional misconduct, or gross negligence. A party's liability shall not be limited with respect to its indemnification obligations under this Agreement.
7. (a) Each party (the "Indemnifying Party") will indemnify and hold harmless the other party ("Indemnified Party") from and against any loss, cost, claim, liability, damage expense (including reasonable attorney's fees) to third parties, relating to or arising out of the libel, slander, invasion of privacy, misappropriation of a name or likeness, negligence or willful misconduct by the Indemnifying Party, its employees, agents, or contractors in the performance of this Agreement or the failure of the Indemnifying Party to perform its obligations under this Agreement. In addition, the Indemnifying Party will, to the extent of its obligations to indemnify hereunder, defend any action or suit brought by a Third Party against the Indemnified Party.

(b) The Indemnified Party will (i) notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand by third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section and (ii) tender the defense of such claim, lawsuit or demand to the Indemnifying Party. The Indemnified Party also will cooperate in every reasonable manner with the defense or settlement of such claim, demand, or lawsuit. The Indemnifying Party shall keep the Indemnified Party reasonably and timely apprised of the status of the claim, demand or lawsuit. The Indemnified Party shall have the right to retain its own counsel, at its expense, and participate in but not direct the defense, provided, however, that if there are reasonable defenses in addition to those asserted by the Indemnifying Party, the Indemnified Party and its counsel may direct such defenses, which shall be at the expense of the Indemnifying Party.

(c) The Indemnifying Party will not be liable under this Section for settlements or compromises by the Indemnified Party of any claim, demand, or lawsuit unless the Indemnifying Party has approved the settlement or compromise in advance or unless the

defense of the claim, demand, or lawsuit has been tendered to the Indemnifying Party in writing and the Indemnifying Party has failed to promptly undertake the defense.

8. Neither party shall be held 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, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, or unusually severe weather. In the event of any such excused delay in the performance of a party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay. In the event of such delay, the delaying party shall perform its obligations at a performance level no less than that which it uses for its own operations.
9. Nothing contained herein shall constitute the parties as joint venturers, partners, employees or agents of one another, and neither party shall have the right or power to bind or obligate the other.
10. All notices or other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person or deposited in the United States mail, certified mail, postage prepaid, return receipt requested and addressed as follows:

To: Midcontinent Communications, Inc.
5001 West 41st Street
Sioux Falls, SD 57106

To: Halstad Telephone Company
PO Box 55
Halstad, MN 56548-0055

If personal delivery is selected to give notice, a receipt of such delivery shall be obtained. The address to which notices or communications may be given to either party may be changed by written notice given by such party to the other pursuant to this Section.

11. If any part of this Agreement is held to be invalid for any reason, such invalidity will affect only the portion of the Agreement, which is invalid. In all other respects this Agreement will stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect.
12. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Any assignment by either party of any right, obligation, or duty, in whole or in part, or of any interest, to a non-affiliated entity without the written consent of the other party shall be void. A party assigning or delegating this Agreement or any right, obligation, duty or other interest hereunder to an affiliate shall provide written notice to the other party.

- 13. This Agreement constitutes the entire matter hereof and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof.
- 14. This Agreement may be executed in counterparts and such counterparts shall together constitute one and the same instrument.

Midco and Halstad hereby authorize and execute this Agreement.

Midcontinent Communications
By: Midcontinent Communications
Investor, LLC , Managing Partner

Nancy Vogel
Signature

Nancy Vogel

Director of Revenue Assurance
Title

12/18/06
Date

Halstad Telephone Company

Ronald Laqua
Signature

Ronald Laqua

General Manager
Title

12/29/06
Date

ATTACHMENT A

Midcontinent Communications exchange(s) Grand Forks, ND 701-757 CLII GDFRNDHWGT0

Halstad Telephone Company exchange(s) Bygland, MN 218-893 CLLI BYLDMNXB89G
Fisher, MN 218-891 CLLI FSHRMNXFRS8