

EXHIBIT 2

AFFILIATED TRANSACTIONS

Pend Oreille Telephone Company and its parent, Rural Telephone Company, have a service agreement in which Rural Telephone provides management and operational service to Pend Oreille Telephone Company. These services are direct assigned to Pend Oreille as the expenses are incurred. Rural provided \$ 244,935 and \$223,320 of such services in 2013 and 2012, respectively.

Pend Oreille leased vehicles and equipment from an affiliate, Little Valley Elk Ranch, in the amount of \$ 14,526 in both 2013 and 2012.