

EXHIBIT 2

AFFILIATED TRANSACTIONS

Affiliated Transactions

Oregon Telephone Corporation is the managing company for Skyline Telecom Inc. The business office is located in MT Vernon, OR. All billing, customer support, technical support and financial reporting is performed by the staff of Oregon Telephone Corporation. All labor expenses are direct coded to Skyline. A management agreement is in place which identifies how expenses are allocated between companies. Skyline currently has two part time employees on staff which are paid directly by the Company in addition to the labor charged through the management agreement. Skyline also has a contract employee paid directly by the company for locates, trouble reports and installs.

At times it is necessary for the combo tech employed by either Oregon Telephone Corporation or North-State Telephone to assist with construction projects or cover for absences. This employee also directly codes labor and expenses to Skyline Telecom.