

EXHIBIT 2

DESCRIPTION OF TRANSACTIONS BETWEEN COMPANY AND AFFILIATES

The following are transactions between Whidbey Telephone Company (“Company”) and the Company affiliates that are shown in Exhibit 1, as well as officers and directors, that are recorded on the books of the Company:

Ownership and the Company

- Certain shareholders holding, directly or indirectly, five percent or more of the stock of the Company are also employees of the Company and receive from the Company employment compensation and employment-associated benefits in accordance with benefit plans that are in place.
- Shareholders of the Company receive distributions from the Company that the Company records as Distributions to Ownership.
- Certain shareholders, who are also officers and directors of the Company, have loans from the Company. The Company records Interest Revenue and Receivables on those loans. As loans are repaid, the Company reduces the appropriate Notes Receivable upon receipt of funds.
- The Company creates work orders for services performed for certain shareholders, who are also officers and directors of the Company. These work orders are reimbursed to the Company and result in a decrease in the Company’s recorded capital items and operating expenses.

The Company and Western Long Distance, Inc.

- The Company provides billing and collection services on behalf of Western Long Distance, Inc. (WLD). These services are billed to WLD, and are treated as Carrier Billing and Collection Revenue by the Company. To the extent that these services are jurisdictionally intrastate, they are priced at rates equal to the billing and collection rates specified in the Company’s Tariff WN U-5; to the extent that these services are jurisdictionally interstate, they are charged (to the extent applicable) at the same rate charged to other IXC(s) to whom the Company provides Billing and Collection services.
- WLD provides long distance carrier service to the Company. This service is billed to the Company at WLD’s price list rates. The Company records General and Administrative Expenses for this service.

The Company and American Alarm Services, Inc.

- The Company provides American Alarm Services, Inc. (AAS) with local telephone service at rates and charges set forth in the Company's Tariff WN U-5.
- AAS provides alarm and monitoring services for the Company. The Company records Regulated Land & Building Expense subject to Part 64 allocations.

The Company and Watercrest, Inc.

- There are loans from the Company to Watercrest, Inc. The Company records Interest Income on the loans. As the loans are repaid, the Company reduces the appropriate Notes Receivable.

The Company and WiFire, Inc.

- Retail transactions for food and beverages furnished by WiFire, Inc. to the Company are recorded by the Company as Operating Expenses.

The Company and FiberCloud, Inc.

- The Company sold all assets of FiberCloud, Inc. on 3/31/2015 to non-affiliated concern. Until the date of the transaction the following affiliate transactions were conducted:
 - The Company obtains from FiberCloud, Inc. co-location space, dark fiber, and transport and bandwidth services at commercial rates from FiberCloud, Inc. With respect to these transactions, the Company records Regulated and Non-Regulated Operating Expenses determined in accordance with the Company's FCC Part 64 procedures.
 - There is a loan between the Company and FiberCloud, Inc. The Company records Interest Income on the loan. As the loan is repaid, the Company reduces the appropriate Notes Receivable upon receipt of funds.
 - The Company allows FiberCloud, Inc. to use tower space on a Company tower. The Company records Rental Revenue at an appropriate rate and FiberCloud, Inc. records Rental Expense.
 - The Company provides transport services to FiberCloud, Inc. at rates set forth in the Company's Tariff WN U-5 and/or NECA Tariff FCC No. 5, depending upon the jurisdiction of the transport service furnished. The Company records Special Access Revenue for these services. If the transport services are jurisdictionally interstate, the revenues and corresponding costs are reported to NECA.

- The Company provides administrative services to FiberCloud, Inc. on a cost allocation basis. This allocation reduces Administrative Expenses to the Company.
- Upon the sale of the assets of FiberCloud, Inc., the Company recorded appropriate losses relating to the sale of assets, the retirement of debt, and all other appropriate financial transactions. Results of these transactions are noted the annual audit under Discontinued Operations.
- Certain obligations of FiberCloud, Inc., remain in force, primarily relating to lease obligations, until the conclusion of those agreements. Proceeds from the sale of the assets will be used to fund those obligations.