

**MASTER AFFILIATE TRANSACTION AGREEMENT**  
**BY AND AMONG**  
**TDS TELECOMMUNICATIONS CORPORATION**  
**AND**  
**TELEPHONE AND DATA SYSTEMS, INC.**

June 1, 2002

This Master Affiliate Transaction Agreement (the "Agreement") is made and entered into as of the date stated above by and among TDS Telecommunications Corporation, a Delaware Corporation ("TDS Telecom") for itself and on behalf of each of its wholly and majority owned subsidiaries, and Telephone and Data Systems, Inc., a Delaware Corporation ("TDS") for itself and on behalf of each of its affiliates other than TDS Telecom and TDS Telecom's wholly and majority owned subsidiaries, for the provision of Transactions (as defined in Section 1.5 below), and providing reasonable compensation therefore, with and between various regulated and non-regulated subsidiaries and affiliates of TDS and TDS Telecom, including various local exchange telephone companies that are wholly and majority owned subsidiaries of TDS Telecom (the "TDS Telcos").

The following attachments are included herein by reference as integral parts of this Agreement:

- Attachment A – Cost Drivers for TDS
- Attachment B – Cost Drivers for TDS Telecom
- Attachment C – Consent and Acknowledgment

NOW, THEREFORE, for the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Mutual Understandings and Definitions:

- 1.1. TDS is a holding company with multiple subsidiaries and affiliates, including but not limited to TDS Telecom and the TDS Telcos.
- 1.2. TDS Telecom is a wholly owned subsidiary of TDS, created for the purposes of (a) serving as an entity to directly hold the stock of the various TDS Telcos; (b) segregating such TDS Telcos from the other direct and indirect subsidiaries of TDS, and (c) employing through its wholly and majority owned subsidiaries those employees whose primary work function is related to landline telephone activities.
- 1.3. Any person who performs services or sells or transfers assets under this Agreement, whether TDS, TDS Telecom, or a subsidiary or affiliate of either (including but not limited to the TDS Telcos), shall be referred to as a "Transaction Provider" and collectively as "Transaction Providers."
- 1.4. Any person who receives services or assets under this Agreement, whether TDS, TDS Telecom, or a subsidiary or affiliate of either (including but not limited to the TDS Telcos), shall be referred to as a "User" and collectively as "Users."

- 1.5. The term "Transactions" used in this Agreement shall refer to the items described in Section 3.1; provided, however, that at least one of the parties to the Transaction is, directly or indirectly, a TDS Telco.
  - 1.6. The purpose of this Master Affiliate Transaction Agreement is to define the terms under which (a) TDS and its subsidiaries and affiliates shall enter into various Transactions with Users, (b) TDS Telecom and its subsidiaries and affiliates shall enter into various Transactions with Users, including but not limited to network operations, acquisition of assets, regulatory affairs, customer services, sales and marketing, and financial accounting, and (c) various TDS Telcos shall enter into various Transactions with Users, including but not limited to a TDS Telco serving customers located in a particular state providing services or selling or transferring assets to another User also serving customers located in that same state.
  - 1.7. Some of the TDS Telcos are public utilities providing telecommunications services in states that have (a) statutes and regulations applicable to the affairs of telecommunications companies, including statutes and regulations applicable to services provided and assets sold or transferred by or to an affiliate of a telecommunications company, and (b) regulatory agencies overseeing certain of the activities of telecommunications companies. By entering into this Agreement, the parties recognize and agree that all Transactions to be provided under this Agreement by any Transaction Provider, or to any User, that is subject to such statutes, regulations, and/or oversight shall be consistent with and satisfy the requirements of all such statutes and regulations and the orders of such regulatory agencies.
  - 1.8. Some of the TDS Telcos are subject to loans and mortgages containing terms applicable to the Transactions to be provided under this Agreement. The parties recognize and agree that all Transactions to be provided under this Agreement to any User subject to such terms shall be consistent with and satisfy the requirements of all such terms.
2. General Scope of Agreement:
- 2.1. During the term of this Agreement, Transaction Providers shall perform Transactions for the Users, as necessary and requested by the Users, employing for this purpose officers, other employees, employees of affiliated companies and external resources whose salaries and costs shall be paid by Transaction Providers, and who shall be available to the Users and others, as required, to perform services and sell and transfer assets, including, but not necessarily limited to, the Transactions listed under Section 3.1.
  - 2.2. The Transaction Providers and the Users agree that nothing included in this Agreement shall be construed to release the officers and directors of the Users from the performance of their respective duties or limit the exercise of their powers as prescribed by law or otherwise.

3. Transactions and Compensation:

3.1. Transactions Furnished by Transaction Providers: Transaction Providers agree to provide services and sell and transfer assets to Users (collectively the "Transactions") as follows:

3.1.1. Technical Assistance and Network Operations: Transaction Providers agree to provide Users with technical assistance and network resources in the areas of network and engineering practices, traffic studies, development of network standards and performances, and to recommend methods, systems and procedures to implement and improve network operations; provide switching and transport services and network connectivity; provide whatever other services that may be required to supply quality voice and data transmissions; assist in the construction, re-construction, repair and maintenance of all facilities, be available at all times to respond to calls of emergency; aid in the development and administration of safety and training programs, and in the establishment and standardizing of accounting methods and procedures; supervise and assist in the preparation of the annual construction budget; assist in the preparation of drawings and detailed specifications covering equipment, materials, and construction which Users propose to install; assist in preparing inquiries to responsible bidders, analyzing bids received, and preparing estimates of the costs of such installation and construction; assist in the preparation of contracts for the purchase of equipment and materials and contracts for construction; contract supervision and administration; and general administration.

3.1.2. Sale, Transfer, Purchase, and Leasing: Transaction Providers agree to negotiate purchases and leases for Users, to sell or transfer assets to Users, to lease equipment to Users, and to monitor all purchases, sales, transfers, and leases of assets (including equipment and materials) and services. Transaction Providers shall try to consolidate purchases and leases of the Users where such joint or bulk orders may result in more favorable prices or terms or may achieve greater efficiency through close coordination with suppliers. This may be in the form of a formal agreement or contract or it may be specifically negotiated prices made available to all Users. The main emphasis for all purchases, sales, transfers, and leases is to obtain a quality asset, product or service at the lowest cost. The Transaction Providers further agree to serve as a resource in locating vendors and solving vendor related problems and to review and recommend new products to Users for improving customer service.

3.1.3. Accounting and Financial Reporting: Transaction Providers agree to provide Users with accounting and financial reporting assistance for general accounting services, preparation of corporate tax returns and internal audits; preparation of operating statements, financial statements, and balance sheets; treasury functions such as cash management including but not limited to depositing funds, disbursing funds, reconciling cash and bank accounts, financial reporting, budgeting and financial planning; and perform special

studies and financial analysis as needed.

- 3.1.4. Information Systems and Billing: Transaction Providers agree to provide Users with assistance in systems development, maintenance and support for applications such as the CABS, toll message, and end user billing systems, as well as other office automation systems and applications. Transactions provided may include bill production and mailing services, quality control, problem resolution, enhancement implementation, management reporting, recording service, edit and assembly, message rating service, message billing processing service, data retention and others.
- 3.1.5. State and Federal Regulatory Affairs; Tariff Services: Transaction Providers agree to provide assistance in all aspects of federal and state regulatory affairs such as: developing, coordinating, monitoring and implementing overall company regulatory policies; developing and maintaining commission relations; monitoring regulatory and legislative issues and dockets to determine impacts on the operations of the Users; participating in regulatory proceedings; preparing and filing rate change requests; developing and implementing company policy on state and federal regulatory and legislative service issues; providing NECA reporting and tariff filings; preparing and reviewing cost separations studies; providing pricing services; developing tariff structures and tariff administration; and performing special studies and financial analyses as needed.
- 3.1.6. Securities and Finances: Transaction Providers agree to provide assistance to the Users in financial matters, including but not limited to the issue and sale of Users' stocks, bonds, notes, and other securities, and in cash management, including but not limited to the furnishing of advice from time to time as to securities, market conditions and the form and timing of financing; direct and supervise the preparation, printing and clearance with all interested parties of mortgage indentures, registration statements and prospectuses, bonds and stock certificates and any other necessary documents or instruments required in the issue and sale of securities and notes; advise and assist with regard to the registration and qualifications of securities under federal and state laws and the listing of securities on national stock exchanges; advise and assist in the servicing of outstanding securities and notes; and advise and administer the management of accumulated cash (including but not limited to centrally managed investment programs that include short-term investment funds or investment portfolios). Transaction Providers shall also assist the Users with financing requirements, including, but not limited to, long-term and short-term debt from the Rural Utilities Service ("RUS") and its successors and other sources.
- 3.1.7. Customer Services and Sales: Transaction Providers shall provide assistance in the areas of strategic planning, marketing research, product development, customer education and services, sales promotion, and direct selling of products and services, and promoting rural economic

development, and shall keep Users advised of internal and external developments within these fields. Transaction Providers shall also monitor and provide standardized business office procedures, customer support including but not limited to extended customer service hours, service quality statistics and reports, and individual case basis customer solutions.

- 3.1.8. Human Resources: Transaction Providers agree to provide Users with human resource services, such as job evaluation, recruiting and employment, training and development, safety programs, regulatory reporting and compliance, performance appraisal, and management-employee relations.
  - 3.1.9. Employee Pensions and Benefits: Transaction Providers agree to review and recommend to Users appropriate employee pension and benefit plans, and to assist in the drafting or revising of such plans, or the administration and management of such plans, as required. Transaction Providers further agree to consolidate such plans with similar plans required by other Users, where such consolidation may result in savings and satisfies the requirements of the Users and legal/state/federal requirements.
  - 3.1.10. Insurance: The Transaction Providers agree to review and recommend appropriate insurance coverage for the properties, personnel, and operations of the Users. Transaction Providers further agree to consolidate insurance coverages required by the Users with similar insurance coverages required by other Users where consolidation of such coverages may result in savings of premiums, or manage and administer self-insurance funds if appropriate, while satisfying the requirements of any mortgage executed by the Users.
  - 3.1.11. Corporate Services: Transaction Providers shall provide Users with executive, legal, investor relations, connecting company liaison, archives, records and files, and other services.
  - 3.1.12. Taxes: Users shall be responsible for all taxes attributable or allocable to the individual User's business operations when User's business operations are included in any consolidated tax filings or payments.
  - 3.1.13. Other: Transaction Providers shall provide Users with other miscellaneous assistance that may be requested or necessary or useful, including but not limited to new or different services not currently provided and new and different assets not currently sold or transferred, whether provided by Transaction Providers' personnel or outside consultants, not specifically provided for herein.
- 3.2. Compensation: Charges under this Agreement shall be as follows:
- 3.2.1. All Transactions provided by Transaction Providers for the account of or benefit of the Users shall be charged directly to the Users or other entities in accordance with Part 32.27 of the FCC Rules.
  - 3.2.2. Expense vouchers shall describe the expenditures in reasonable detail.
  - 3.2.3. Invoices or documentary evidence shall describe the particular Transaction

or Transactions in reasonable detail.

- 3.2.4. Employees of Transaction Providers shall maintain records to permit a fair allocation of their work performed consistent with this Agreement.
- 3.2.5. Assignment and Allocation of charges:
- a. Charges shall be directly assigned wherever possible.
  - b. All charges that cannot be directly assigned shall be allocated based on applicable cost drivers.
    - i. Such charges shall be allocated among all Users, including Users that are not TDS Telcos, to ensure that each User bears its full and fair share of the charge involved.
    - ii. The factors identified on Attachment A include some, but not all, of the cost drivers for the costs incurred by TDS that are to be allocated between broad categories of Users, including US Cellular (and its wholly and majority owned subsidiaries) and TDS Telecom (and its wholly and majority owned subsidiaries).
    - iii. Costs that are to be allocated to Users who are wholly or majority owned subsidiaries of TDS Telecom shall be allocated using appropriate cost drivers, including but not limited to those cost drivers identified on Attachment B, based on the type of Transaction and group of Users involved for each such cost. These costs include, but are not limited to, (1) costs incurred by TDS and each of its affiliates (other than TDS Telecom and TDS Telecom's wholly and majority owned subsidiaries) that are allocated to TDS Telecom and its wholly and majority owned subsidiaries in accordance with the preceding paragraph, and (2) costs incurred by TDS Telecom and its wholly and majority owned subsidiaries.
    - iv. The allocation methodology for any cost or Transaction not covered by the above shall use a cost driver that fairly allocates costs based upon the cost causative nature of the Transaction involved.
- 3.2.6. Transaction Providers and Users agree that on at least a quarterly basis the Transaction Providers shall review and update the data as necessary for the cost drivers shown on Attachments A and B. Such updates shall be effective for the subsequent period. In addition, TDS and TDS Telecom shall periodically review and update the cost drivers used to allocate charges that cannot be directly assigned, including but not limited to those summarized on Attachments A and B, to address new Transactions added that require a different basis of allocation or to reflect a change in the generally accepted manner in which the charges for any Transaction should be allocated so as to provide cost allocations that are fair and reasonable.

- 3.2.7. All costs charged to Users by Transaction Providers shall be recorded by Users in the appropriate account prescribed by the Uniform System of Accounts, if applicable, based upon the functions as reported by Transaction Providers.
- 3.2.8. The costs of each Transaction performed under this Agreement include without limitation, to the extent of actual costs incurred therefor:
- a. Salaries, wages, fees and other compensation of personnel or outside consultants performing the Transaction, including all travel and other expenses of such personnel and such consultants.
  - b. Cost of each asset purchased for the transaction or otherwise sold or transferred as a part of the transaction. Such cost shall be determined by one of the following, as appropriate under Part 32.27 of the FCC rules: acquisition cost, fair market value, prevailing price, or net book value.
  - c. Costs of house services (telephone, rent, heat, light, electric service, etc.).
  - d. Depreciation, amortization and/or rental on all office equipment and other assets used in the performance of Transactions.
  - e. All reasonable maintenance charges on office furniture, fixtures, business machines, postage meters and other specialized equipment used in the performance of Transactions.
  - f. All postage charges and all costs of forms, envelopes, stationery or other office supplies used in performing the Transactions.
  - g. Insurance, including but not limited to public liability and property damage, costs of meeting workers' compensation requirements, and other risk management costs.
  - h. A reasonable return on invested capital required to provide the Transactions.
  - i. All payroll taxes levied by federal, state, local or other taxing authorities applicable to said Transactions and equipment.
  - j. Other necessary and prudent costs not specifically provided for herein.
- 3.3. Supplemental Agreements: In connection with the provision of any Transaction contemplated by this Agreement, any two (2) or more of TDS, TDS Telecom, any Transaction Provider, or any User may enter into one or more additional or supplemental agreements (a "Supplemental Agreement"), consistent with this Agreement, that address specific contractual issues important to the parties involved, including, for example, specific duties to be performed and applicable definitions; provided, however, that all pricing and cost allocations shall be exclusively pursuant to this Agreement (except as otherwise approved by appropriate governmental agencies) and any provision (not approved by appropriate

governmental agencies) in any such Supplemental Agreement inconsistent with the terms of this Agreement shall be null and void. Any existing agreement between any User and any Transaction Provider that is not terminated by the parties in accordance with Paragraph 6.4, below, shall be a Supplemental Agreement.

4. Method of Charging and Payment: Transaction Providers and Users agree that Transaction Providers shall render the charges for the Transactions described herein in a manner which reasonably details the nature and cost of each of the Transactions performed by Transaction Providers for the Users. Charges shall be due and shall be paid electronically on the 10<sup>th</sup> calendar day of the month following performance of the service or completion of the transaction.
5. Binding, Effectiveness and Term:
  - 5.1. This Agreement shall become binding:
    - 5.1.1. Upon TDS and its subsidiaries and affiliates (excluding TDS Telecom and its subsidiaries and further excluding any Transaction Provider or User requiring either Agency approval or Mortgagee consent) only on the approval thereof in writing by TDS.
    - 5.1.2. Upon TDS Telecom and its subsidiaries (excluding any Transaction Provider or User requiring either Agency approval or Mortgagee consent) only on the approval thereof in writing by TDS Telecom.
    - 5.1.3. If this Agreement requires the approval of any agency of any state (an "Agency") or the consent of any lender holding a mortgage, including the Administrator of the Rural Utilities Service or its successors ("Administrator") on the property of any Transaction Provider or User (a "Mortgagee") before it can become effective with respect to any individual Transaction Provider/User (an "Approval Company"), then for each such Approval Company this Agreement shall become binding only when both of the following have occurred:
      - a. The Approval Company has received all necessary Agency approvals and Mortgagee consents including the Administrator; and
      - b. Such "Consent and Acknowledgment" attached to this Agreement as Attachment C has been executed by such Approval Company.
  - 5.2. TDS and TDS Telecom each agree that the other is authorized to execute and deliver the "Consent and Acknowledgment" on behalf of the other party, such that each such "Consent and Acknowledgment" shall be binding and effective with respect to both TDS and TDS Telecom, and the affiliates and subsidiaries of each, when it has been signed by either one of TDS or TDS Telecom.
  - 5.3. This Agreement shall become effective:
    - 5.3.1. With respect to TDS, TDS Telecom, and each subsidiary and affiliate of either (excluding, however, any Approval Company), when it has been executed by both TDS and TDS Telecom.



- 5.3.2. With respect to each Approval Company, when such Approval Company has (a) received all necessary Agency approvals, and (b) executed the "Consent and Acknowledgment."
- 5.3.3. With respect to each Approval Company requiring Mortgagee consent, when such Approval Company has (a) received all necessary Mortgagee consents including the Administrator, and (b) executed the "Consent and Acknowledgment."
- 5.4. Once effective, this Agreement shall continue in force with respect to each person covered by this Agreement until terminated by such person by sixty (60) days notice in writing to the other signatories to this Agreement. Any termination of this Agreement with respect to any party (a) shall not affect the rights or obligations of any party for the period prior to such termination, and (b) shall not affect the rights or obligations of the other parties under this Agreement and this Agreement shall remain in full force and effect with respect to the remaining parties hereto.
- 5.5. The parties hereto agree to terminate this Agreement with respect to any party subject to the jurisdiction of any governmental authority including the Administrator, when requested to do so by such governmental authority or Administrator.

6. Miscellaneous Provisions:

- 6.1. Records and Reports: Upon a User terminating this Agreement, each Transaction Provider shall turn over to the User any and all records and reports relating to User within thirty (30) days of a written request from such User. Said obligation shall not extend beyond the Transaction Provider's normal record retention period for applicable records and reports.
- 6.2. Access to Records: Each User shall at all times during reasonable business hours have access to and the right to inspect and make copies of any and all books, records and accounts, invoices, contracts, canceled checks, payrolls, and other documents and papers of every kind pertaining in any way to a User which may be under the control of Transaction Providers.
- 6.3. Reports Required by Governmental Agencies: Transaction Providers and Users agree that if required by a state agency or the administrator of any federal agency, including but not limited to the RUS Administrator ("Administrator") (and the administrator of any successor agency), reports of all Transactions provided by Transaction Providers for the account of or benefit of the Users shall be supplied to such agency or administrator.
- 6.4. Entire Agreement: This Agreement constitutes the entire agreement between the parties hereto for the matters covered herein. Except as otherwise provided herein, any existing agreement between any User and any Transaction Provider for the performance of any Transaction (an "Existing Transaction Agreement") is by mutual consent deemed null and void and of no further force or effect. Notwithstanding the foregoing, the parties to any Existing Transaction Agreement may elect to continue such Existing Transaction Agreement, in which event all

pricing and cost allocations shall be exclusively pursuant to this Agreement (except as otherwise approved by appropriate governmental agencies) and any provision (not approved by appropriate governmental agencies) in such Existing Transaction Agreement that is inconsistent with this Agreement is by mutual consent deemed null and void and of no further force or effect. In such event, the surviving provisions of any Existing Transaction Agreement shall be a Supplemental Agreement. Notwithstanding the preceding sentences, with respect to any Approval Company, this Agreement shall be effective as soon as all necessary approvals and consents are obtained and such Approval Company has executed the "Consent and Acknowledgment" and until then all Existing Transaction Agreements of such Approval Company shall remain in effect and shall not be modified in any manner by this Agreement.

6.5. Amendments:

- 6.5.1. The parties hereto agree that they shall not enter into any amendment of this Agreement or of any provision thereof unless such amendment is in writing and executed by both TDS and TDS Telecom. The term "amendment" includes rescission, waiver, etc.
- 6.5.2. Upon execution by TDS and TDS Telecom, such amendment shall be effective with respect to TDS, TDS Telecom, and every subsidiary or affiliate of either that is not an Approval Company.
- 6.5.3. With respect to each Approval Company (the "Amending Approval Company"), such amendment shall be effective:
  - (a) For Transactions provided by or to TDS, TDS Telecom, and each subsidiary or affiliate of either that is not also an Approval Company, as soon as such Amending Approval Company obtains all necessary approvals and consents including the Administrator, and executes either the amendment or a new "Consent and Acknowledgment," and
  - (b) For Transactions provided by or to a TDS or TDS Telecom subsidiary or affiliate that is also an Approval Company (the "Other Approval Company"), as soon as both the Amending Approval Company and the Other Approval Company obtain all necessary approvals and consents including the Administrator, and both such Companies execute either the amendment or a new "Consent and Acknowledgment."

- 6.6. Additional Parties: Each additional company, including a Transaction Provider or User, who becomes an affiliate or subsidiary of TDS or TDS Telecom shall automatically become subject to this Agreement without any further action or consent when it becomes an affiliate or subsidiary of TDS or TDS Telecom; provided, however, that if such additional company is an Approval Company, then such Approval Company shall become subject to this Agreement when it has (a) received all necessary Agency approvals and Mortgagee consents, and (b) executed the "Consent and Acknowledgment" attached as Attachment C (and TDS or TDS

Telecom has executed such "Consent and Acknowledgment"). Once subject to this Agreement, the terms, obligations and conditions of the Agreement, including all amendments adopted as of that date, shall apply to such additional company as though it was an original party to the Agreement.

- 6.7. **Governing Law:** This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Delaware, except (a) for those provisions of any Supplemental Agreement which the parties agree shall be subject to the laws of another jurisdiction, or (b) where the laws or regulations of any state or the ruling or order of any Agency require that the rights of any Transaction Provider or User to this Agreement be governed, construed, and enforced in accordance with the laws of a particular state, in which case the laws of that state shall apply to the rights of such Transaction Provider/User in this Agreement and in each Supplemental Agreement.
- 6.8. **Binding Agreement:** This Agreement shall be binding upon the successors and assigns of each of the parties hereto.
- 6.9. **Headings:** Any headings or captions in this Agreement are for reference purposes only, and shall not expand, limit, change, or effect the meaning of any provision of this Agreement.
- 6.10. **No Partnership or Joint Venture:** Nothing in this Agreement is intended to, or shall be deemed to, constitute a partnership or joint venture between the parties.
- 6.11. **Severability:** If any provision of this Agreement shall be held to be invalid under any applicable laws, such invalidity shall not effect any other provision of this Agreement that can be given effect without the invalid provision, and to this end, the provisions hereof are severable.
- 6.12. **Confidentiality:** This Agreement shall be treated as confidential by the parties and information contained in this Agreement shall be disclosed only to agents, consultants or attorneys of the parties who have a legitimate business need to know of this Agreement and to mortgagees or governmental bodies who have legal authority over any of the parties.
- 6.13. **Third Party:** The parties mutually agree that no entity is intended to be a third party beneficiary under the terms and conditions of this Agreement. No cause of action, whether in contract, tort or otherwise, may be commenced in a court of competent jurisdiction based in whole or in part upon a breach of the terms and conditions of this Agreement except by one of the parties hereto.
- 6.14. **Counterparts:** This Agreement may be executed in counterparts, with such counterparts having the same legal effect as if executed in whole.
- 6.15. **Assignment:** The parties hereto recognize that one or more of the Users has obtained or may obtain loans (individually, "Loan", and collectively, "Loans") from the United States through the Rural Electrification Act of 1936, as amended, or another lending organization. A User may make an assignment of this Agreement, without the consent of the other parties hereto, to the United States of America or another lending organization for collateral purposes only to secure a Loan. Any other assignment of this Agreement by a User shall not be effective unless either

TDS or TDS Telecom consents in writing to such assignment, and if applicable, consent in writing to such assignment is received from the Administrator. TDS and TDS Telecom may, without obtaining the consent of any other party hereto, assign its obligations under this Agreement to any third party subject to receiving consent in writing to such assignment from the Administrator, if applicable.

Dated as of the date first stated above.

TELEPHONE AND DATA  
SYSTEMS, INC., FOR ITSELF AND ITS  
AFFILIATES OTHER THAN TDS  
TELECOMMUNICATIONS CORPORATION  
AND TDS TELECOMMUNICATIONS  
CORPORATION'S WHOLLY AND  
MAJORITY OWNED SUBSIDIARIES

By: Michael Jack

(name) Michael Jack

(title) Vice President and Controller

TDS TELECOMMUNICATIONS  
CORPORATION, FOR ITSELF AND ITS  
WHOLLY AND MAJORITY OWNED  
SUBSIDIARIES

By: David A. Wittwer

(name) David A. Wittwer

(title) Executive VP – Staff Operations and CFO

Attachments: A – Cost Drivers for TDS  
B – Cost Drivers for TDS Telecom  
C – Consent and Acknowledgment

Signature page to Master Affiliate Transaction Agreement By and Among TDS  
Telecommunications Corporation and Telephone and Data Systems, Inc.

Attachment A

to

Master Affiliate Transaction Agreement  
By and Among  
TDS Telecommunications Corporation  
and  
Telephone and Data Systems, Inc.

Dated June 1, 2002

**COST DRIVERS APPLICABLE TO TDS**

Nature of Transaction	Allocation Basis (if not directly assigned)
Financial Services/Accounting	1/2 Total Operating Expenses, 1/2 Total Assets
Treasury Services/Risk Management	Total Assets
Human Resources	Employees
Engineering Services	Plant Additions
Corporate Administration	1/3 Total Operating Expenses, 1/3 Total Assets, 1/3 Employees

If a revision, this revised Attachment A is effective \_\_\_\_\_ (Original) \_\_\_\_\_.

**Attachment B**

to

Master Affiliate Transaction Agreement  
By and Among  
TDS Telecommunications Corporation  
and  
Telephone and Data Systems, Inc.

Dated June 1, 2002

**COST DRIVERS APPLICABLE TO TDS TELECOM**

Nature of Transaction	Allocation Basis (if not directly assigned)
Accounting and Financial Reporting	Access Lines
Information Systems and Billing	CABS, MARS or RPAC volumes, wages or access lines
Human Resources	Wages, employees or access lines
Customer Service and Sales	Net customers, wages or access lines
State and Federal Regulatory Affairs	Wages or access lines
Network Operations	Employees or access lines
Corporate Services	Access lines

If a revision, this revised Attachment B is effective \_\_\_\_\_ (Original) \_\_\_\_\_.

Attachment C

**CONSENT AND ACKNOWLEDGMENT**

to

Master Affiliate Transaction Agreement  
By and Among  
TDS Telecommunications Corporation  
and  
Telephone and Data Systems, Inc.

The parties below hereby execute this Consent and Acknowledgment as of the date stated below in accordance with the terms of the Master Affiliate Transaction Agreement (the "Agreement") by and among TDS Telecom and TDS dated June 1, 2002, as that Agreement may have been amended prior to the date hereof. All terms not defined herein shall have the definition given to them in the Agreement.

The purpose of this Consent and Acknowledgment is to make the undersigned Transaction Provider/User a party to the Agreement and all amendments in accordance with paragraphs 5, 6.5, and 6.6 of the Agreement. By signing this Consent and Acknowledgment, the undersigned Transaction Provider/User agrees to be bound by all of the terms and conditions of such Agreement as if it had been a party from the beginning.

This Consent and Acknowledgment and the Agreement and all amendments shall become effective with respect to the undersigned Transaction Provider/User only when the Transaction Provider/User has received all necessary Agency approvals and Mortgagee consents including the Administrator.

Dated: February 14, 2003.

TELEPHONE AND DATA SYSTEMS, INC.

and

TDS TELECOMMUNICATIONS  
CORPORATION

By: TDS/TDS TELECOM (circle which)

By: 

(name) David A. Wittwer

(title) Executive VP - Staff Operations and CFO

See attached initial list of RUS Borrowers  
(name of Transaction Provider /User)

By: Michael A. Pandow

(name) Michael A. Pandow

(title) President

By: 

(name) Everett Perry

(title) Assistant Secretary

## **TDS Master Affiliate Transaction Agreement**

Initial List of Transaction Providers/Users which are RUS Borrower Companies and executing Attachment C – Consent and Acknowledgment on February 14, 2003

### **Eastern Area:**

AL 534 – Butler including  
AL 526 – Goshen  
(merged into AL 534) and  
AL 561 - Grove Hill  
(merged into AL 534)  
AL 542 - Oakman  
AL 501 – Peoples  
FL 506 – Quincy  
GA 553 - Camden  
GA 559 - Blue Ridge  
GA 517 - Nelson-Ball Ground  
IN 543 – Camden  
IN 563 - Comm. Corp. of  
Indiana  
IN 568 - Comm. Corp. of So.  
Ind.  
IN 561 - Home - Pittsboro  
IN 560 - Home – Waldron  
IN 562 - Merchants & Farmers  
IN 552 - S & W  
IN 541 - Tri-County  
KY 540 - Leslie County  
KY 542 - Lewisport  
KY 541 - Salem  
ME 525 - Cobbosseecontee  
ME 528 - Hampden  
ME 518 - Hartland St.  
Albans  
ME 524 - Somerset  
ME 532 - The Island  
ME 529 - Warren  
ME 526 - West Penobscot  
MI 512 - Chatham  
MI 569 - Comm. Corp. of  
Mich.  
MI 568 - Island  
MI 528 - Shiawassee  
MI 555 - Wolverine  
MS 504 - Calhoun City  
MS 536 - Southeast  
Mississippi  
NC 543 - Barnardsville  
NC 546 - Saluda Mountain  
NC 534 – Service  
NH 504 – Kearsarge  
including  
NH 510 – Chichester  
(merged into NH 504) and  
NH 507 – Meriden  
(merged into NH 504)

NY 540 - Edwards  
NY 552 - Oriskany Falls  
NY 528 - Port Byron  
NY 506 - Township  
OH 524 - Arcadia  
OH 504 - Continental  
OH 530 - Little Miami  
Comm. Corp.  
OH 512 - Oakwood  
PA 559 - Mahanoy &  
Mahantango  
PA 545 - Sugar Valley  
SC 535 - McClellanville  
SC 525 - St. Stephen  
SC 508 – Williston  
TN 525 - Concord  
TN 562 - Humphreys County  
TN 528 - Tellico  
TN 510 - Tennessee  
VA 526 – Amelia  
VA 529 - New Castle  
VA 530 – Virginia  
VT 507 - Ludlow  
VT 505 - Northfield  
VT 504 - Perkinsville  
WI 571 - Badger  
WI 583 - Black Earth  
WI 608 – Bonduel  
WI 549 – Burlington,  
Brighton & Wheatland  
WI 582 - Central State  
WI 567 - Dickeyville  
WI 579 - EastCoast  
WI 581 - Farmers  
WI 569 - Grantland  
WI 610 - Midway  
WI 588 - Mt. Vernon  
WI 578 - Riverside  
WI 584 - Scandinavia  
WI 609 - Stockbridge &  
Sherwood  
WI 532 - Tenney  
WI 576 - UTELCO  
WI 586 – Waunakee

MN 600 - Mid-State  
MO 605 - New London  
MO 606 - Orchard Farm  
MO 591 - Stoutland  
OR 540 - Home  
WA 539 - Asotin  
WA 503 - Lewis River  
WA 545 - McDaniel

### **Southwest Area:**

AR 546 - Cleveland County  
AR 526 - Decatur  
AZ 508 – Arizona  
AZ 514 - Southwestern  
CA 539 - Happy Valley  
CA 543 - Hornitos  
CA 544 - Winterhaven  
CO 510 - Delta County  
CO 528 - Strasburg  
OK 561 - Mid-America  
OK 563 - Oklahoma Comm.  
Corp

### **Northwest Area:**

ID 517 - Potlatch including  
ID 511 – Troy  
(merged into ID 517)  
MN 542 - Arvig  
MN 611 - Bridge Water