June 6, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW B204
Washington, DC 20554

RE: CC Docket No. 01-73—Supplemental Description of Transactions in WTB File Nos. 0000352422, 0000352426, 0000334628, and 0000352428

Dear Ms. Salas:

On June 5, 2001, Chorus Communications Group, Ltd. ("Chorus") and Telephone and Data Systems, Inc. ("TDS") filed via the Universal Licensing System amendments to the above-referenced wireless applications that incorporate a Supplemental Description of Transaction ("Supplemental Description"). The Supplemental Description (copy attached) describes Chorus's efforts to divest interests held by Chorus's subsidiary, Mid-Plains, Inc. ("Mid-Plains"), in two wireless licenses that implicate concerns under F Block eligibility criteria and the cellular cross-interest rule, respectively.

In their initial applications, the parties stated that prior to closing the proposed merger between Chorus and TDS, Mid-Plains would divest its 75 percent membership interest in PCS Wisconsin, LLC ("the PCS Wisconsin Interest"), the F Block licensee for the Madison BTA, and its 18.132 percent limited partnership interest in Madison SMSA Limited Partnership (the "Madison SMSA Interest"), which holds cellular licenses in and around the Madison area and the general partner of which is Ameritech/Cingular.

Chorus has made the necessary provisions to divest the PCS Wisconsin Interest prior to or concurrently with the closing of the proposed merger. Despite their considerable efforts, however, the parties have been unable to secure a third-party purchaser for the Madison SMSA Interest. Accordingly, as more fully discussed in the Supplemental Description, the parties have requested that the Commission allow them to consummate the proposed merger so long as Mid-Plains divests the Madison SMSA Interest either (i) to a third party or (ii) to a divestiture trust subject to an agreement approved by the Commission.

In addition, Chorus's shareholders overwhelmingly approved the proposed merger at their special meeting held in Madison yesterday. A copy of the
press release is also attached to this letter. The only remaining actions necessary for
the parties to consummate the proposed merger are the Commission approvals for
which the parties have applied.

Although we are not required by the Commission's rules to do so (see
our May 16, 2001 letter filed in this docket), in order to allow an orderly distribution
of this letter, we are filing the original and two copies with the Secretary as provided
for in 47 C.F.R. § 1.206(b)(1) with respect to written presentations for which
disclosure is required.

Very truly yours,

[Signature]
Arthur W. Bresnahan
Skadden, Arps, Slate, Meagher & Flom
(Illinois), counsel for Chorus

[Signature]
Alan Y. Naftalin
Peter Connolly
Holland & Knight LLP, counsel for TDS

cc: James Bird (OGC)
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PRESS RELEASE

Chorus Communications Group Shareholders Overwhelmingly Approve Plan to Merge with Telephone and Data Systems

MADISON, Wis., June 6, 2001 - Chorus Communications Group, Ltd. of Madison, Wis. [OTC Bulletin Board: CCGL] said that at a special meeting held here yesterday its shareholders overwhelmingly approved a plan to merge with Telephone and Data Systems, Inc. [AMEX:TDS].

The proposed transaction remains subject to approval by the Federal Communications Commission of the transfer of Chorus' licenses and the disposition of certain of Chorus' wireless properties. Chorus expects to complete the proposed transaction late in the third quarter of this year.

Chorus Communications Group, Ltd. is a telecommunications company serving approximately 45,000 business and residential access lines and 30,000 Internet customers primarily in Wisconsin. Its assets include the local exchange carriers Mid-Plains, Inc., Dickeyville Telephone and Farmers Telephone Company. The Company's other operations, including Chorus Networks, sell, install and service business telephone and videoconferencing systems, data networks, Internet access and long distance. Chorus also has recently entered the CLEC business in Wisconsin and Minnesota. In addition, through its local exchange carriers, Chorus has interests in certain wireless partnerships in Wisconsin.

TDS is a diversified telecommunications corporation founded in 1969. Through its strategic business units, U.S. Cellular and TDS Telecom, TDS operates primarily by providing cellular and local telephone service. The company currently employs 9,000 people and serves nearly 4 million customers in 34 states. Founded in 1969, TDS Telecom serves more than 900 rural and suburban communities in 28 states. The company has achieved steady growth and is America's ninth largest non-Bell telephone company, with more than 600,000 access lines and revenues of $610 million in 2000.
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Supplemental Description of Transaction

This Supplemental Description of Transaction ("Supplemental Description") amends and updates the Descriptions of Transaction filed in WTB File Nos. 0000352422, 000352426, 0000334628, and 0000352428, each of which seeks Commission consent to the transfer of control over wireless licenses from Chorus Communications Group, Ltd. ("Chorus") to Telephone and Data Systems, Inc. ("TDS") that will occur by virtue of the merger being considered in CC Docket No. 01-73. This Supplemental Description updates the record with respect to Chorus's efforts to divest the two interests held by Chorus's subsidiary, Mid-Plains, Inc. ("Mid-Plains"), in wireless licensees that would implicate concerns under F Block ownership eligibility criteria and the cellular cross-interest rule, respectively. The parties also hereby request that the Commission permit Mid-Plains to divest its interest in a cellular carrier to a divestiture trust in order to facilitate the closing of the proposed merger (following the requisite Commission approval) consistent with the Commission's rules.

Introduction and Update

In their initial Descriptions of Transaction, the parties informed the Commission that TDS is precluded (i) by Section 24.839(a)(2) of the Commission's rules from obtaining control over the 75 percent membership interest in PCS Wisconsin, LLC (the "PCS Wisconsin Interest")\(^1\) held by Mid-Plains and (ii) by Section 22.942 of the Commission's rules from obtaining control over Mid-Plains' 18.132 percent limited partnership interest in Madison SMSA Limited Partnership (the "Madison SMSA

\(^1\) PCS Wisconsin, LLC is the F Block PCS Licensee for the Madison BTA (KNLG200). TDS does not qualify as a designated entity.
Interest"), the general partner of which is Ameritech/Cingular.² The parties stated that Chorus would divest the PCS Wisconsin Interest and the Madison SMSA Interest before closing the proposed merger.

Chorus entered into an agreement to sell the PCS Wisconsin Interest and on March 23 filed an application (File No. 0000398367) seeking Commission approval of a sale to Metcalf Partners, L.P. ("Metcalf").³ Pending receipt of Commission approval, Chorus has made the necessary provisions to divest the PCS Wisconsin Interest to a third party prior to or concurrently with the closing of the proposed merger.

With respect to the Madison SMSA Interest, the parties have been unable to find a third-party buyer despite their reasonable efforts to do so. The parties remain committed to divesting the Madison SMSA Interest, preferably to a third-party purchaser. However, the parties face the possibility that they will not be able to sell the Interest to a third party prior to September 29, 2001, which is the date on which the parties' respective commitments to consummate the transaction terminates. While the parties will continue to try to find a third-party buyer (and will notify the Commission immediately should

² Madison SMSA Limited Partnership is the wireline cellular licensee for the Madison MSA (KNKA414), the Janesville-Beloit MSA (KNKA498) and the Wisconsin RSA 9–Columbia (B2) (KNKN325) all located in and around the Madison area. TDS's controlled affiliate, Madison Cellular Telephone Company, holds the nonwireline cellular license for the Madison MSA (KNKA612), and TDS's controlled affiliate United States Cellular Operating Company holds nonwireline licenses in the Janesville-Beloit MSA and the Wisconsin RSA 9 (KNKA721 and KNKN274, respectively). The cellular cross-interest rule therefore prohibits TDS from owning more than 5 percent of Madison SMSA Limited Partnership. See 47 C.F.R. § 24.942 (2000). We note that the initial Description of Transactions inadvertently did not indicate that the overlap was in three license areas, and the parties apologize for the omission.

³ This transaction is subject to the right of first refusal held by Mount Horeb Telephone Company ("Mt. Horeb"), holder of the remaining 25 percent membership interest in PCS Wisconsin, LLC. Chorus is obligated to sell to either Metcalf or Mt. Horeb
they do so), the parties are readying completion of the transaction for which the initial filings for approval were made on February 8, 2001 and request that the Commission grant the relief covered by this Supplemental Description promptly.

**Divestiture Trust**

As a result of the possibility that the parties will not have secured a third-party buyer for the Madison SMSA Interest prior to the fulfillment of the other conditions to the merger, the parties hereby request that the Commission approve the use of a divestiture trust to allow them to consummate the proposed merger without violating the Commission's rules. Pursuant to this proposal, the merger could occur if Mid-Plains, in accordance with the Commission's rules, divests the Madison SMSA Interest either (i) to an eligible third party or (ii) to a divestiture trust subject to a divestiture trust agreement approved by the Commission pursuant to this request. The form of divestiture trust agreement proposed by the parties is attached hereto as Exhibit A.

I. **The Commission, and the Wireless Telecommunications Bureau ("WTB," or the "Bureau") in Particular, Have Granted Similar Relief in Numerous Other Cases.**

   A. *Grant of the requested relief is consistent with the relief granted to Verizon and Vodafone in the Verizon Trust Order.*

   In *GTE Corp., 15 FCC Rcd. 11608 (WTB 2000) ("Verizon Trust Order"),* the Bureau approved the creation of a divestiture trust to "facilitate the closing of the merger between GTE and Bell Atlantic consistent with the [Commission's order approving the merger], the cellular cross-interest and spectrum aggregation rules and with

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dependning on whether a transaction with Mt. Horeb can be consummated within the time provided for under its right of first refusal.
The \textit{Verizon Trust Order} permitted the applicants in that case to resolve six cellular-cellular overlaps and eight PCS-cellular overlaps that would otherwise have been impermissible by placing them in the divestiture trust.\footnote{Verizon Trust Order, 15 FCC Rcd. at 11609. The proposed divestiture trust agreement in this case is very similar to the form approved in and attached to the \textit{Verizon Trust Order}.} Each of these overlaps involved controlling interests held by one of the applicants.\footnote{Id. at 11609-10.}

The \textit{Verizon Trust Order} involved substantially more wireless systems covering much larger and more populous geographic areas than the Madison SMSA Interest. Moreover, all but one of the overlaps considered in the \textit{Verizon Trust Order} were of systems controlled by both parties to the transaction. In this case, Mid-Plains holds a small, passive limited partnership interest in a Cingular-controlled cellular system that provides service in three license areas in southern Wisconsin. No one, including the Commission, questioned that the use of a divestiture trust in the \textit{Verizon Trust Order} would fully address the competitive concerns embodied in the cellular cross-interest rule. Those concerns are of lesser significance in this case and will be easily resolved by the divestiture proposed herein.

\textit{B. Grant of the requested relief is consistent with relief granted in other mergers and similar transactions involving the spectrum cap.}

In addition to the \textit{Verizon Trust Order}, which dealt with the use of a divestiture trust to cure both cellular cross-interest and CMRS spectrum cap concerns, the Commission frequently allows parties to consummate transactions that would otherwise...
implicate spectrum cap issues either through the use of divestiture trusts or by simply granting a temporary waiver of the spectrum cap rule without requiring the relevant licenses to be placed in trust. In Vanguard Cellular Systems, Inc., 14 FCC Rcd. 3844 (WTB 1999), the Bureau conditioned its approval of the merger of Vanguard and Winston (an AT&T Wireless subsidiary) on the transfer of the interest in the required amount of spectrum to a divestiture trust.\(^7\) Last year, the Commission granted two temporary waivers of the spectrum cap rule, without requiring the use of divestiture trusts, to VoiceStream in order to facilitate its acquisitions of Omnipoint\(^8\) and Aerial Communications.\(^9\) Likewise, in Tele-Communications, Inc., 14 FCC Rcd. 3160 (1999), the Commission permitted the use of a divestiture trust to cure the spectrum cap issues that would have otherwise resulted when AT&T acquired control over TCI due to TCI's control over 23.8 percent of the equity and 2.38 percent of the vote represented by Sprint PCS tracking stock.\(^10\)

\(^7\) Vanguard Cellular Sys., Inc., 14 FCC Rcd. at 3848. AT&T Wireless partitioned or disaggregated enough spectrum in each market to comply with the spectrum cap to a wholly owned subsidiary and proposed to transfer control of that subsidiary to a divestiture trust. Id.


\(^10\) Tele-Communications, Inc., 14 FCC Rcd. at 3213. The divestiture trust in this case was permitted to sell the Sprint PCS tracking stock over a period of five years as a result of Sprint's concerns regarding the effects a divestiture over a shorter time period would have on its Sprint PCS tracking stock price and other special circumstances. Id. at 3211-13.
Again, all of the spectrum cap decisions discussed above involved (i) substantially larger and/or more populous geographic areas than the Madison SMSA Interest and/or (ii) systems controlled by both parties to a transaction. In most cases they involved both, and in some cases the Commission allowed the transactions to go forward without the additional protection of a short-lived divestiture trust, as proposed by Chorus and TDS. The spectrum cap decisions support grant of the requested relief in this case.\textsuperscript{11}

C. \textit{Grant of the requested relief would be consistent with the waiver of the cellular cross-interest rule the Bureau granted in connection with the investment by AT&T Wireless in Dobson.}

With respect to the cellular cross-interest rule, the Bureau granted a temporary waiver without requiring transfer to a divestiture trust in \textit{Dobson Communications Corp.,} 14 FCC Rcd. 18405 (WTB 1999), pending the outcome of the Commission's decision in its 1998 biennial review of spectrum aggregation limits. The Bureau permitted AT&T Wireless to acquire a 4.9 percent passive interest in Dobson, despite AT&T Wireless's control over cellular systems overlapping two Dobson cellular systems.\textsuperscript{12} When that case was decided, an entity with a controlling interest in one cellular licensee was prohibited from having \textit{any} interest in the other cellular licensee for that market.\textsuperscript{13} The Bureau noted that the Commission was considering modifying or


\textsuperscript{12}\textit{Dobson Communications Corp.,} 14 FCC Rcd. at 18407.

\textsuperscript{13}\textit{Id.} at 18406.
repealing the cellular cross-interest rule in its biennial review and allowed the transactions subject to AT&T Wireless's commitment to comply with the results of the biennial review within ninety days after its completion.

Although the Commission is currently considering modifying or eliminating the cellular cross-interest rule in its pending 2000 biennial review, Chorus and TDS are not seeking an indefinite temporary waiver of the rules as was allowed in Dobson. However, Dobson illustrates that the Commission should grant the limited nature of the parties' request in this case with the safeguards created through the use of the divestiture trust proposed herein.

II. Grant of the Requested Relief Is Consistent with Commission Policies.

The cases discussed above are indicative of the Commission's policy of permitting transactions to proceed despite cellular-cross ownership and spectrum cap implications by allowing divestiture of the relevant interests or systems to a trust (or through the grant of a temporary waiver designed to allow a party time to divest the interest or system itself). This policy is most clearly stated in the 1998 Biennial Review Order:

In conjunction with our changes to the [spectrum cap] attribution rules regarding the use of trusts, we clarify that a licensee may use a trust for divestiture purposes if the trust is of limited duration (six months or less) and the terms of the trust are approved by the Commission prior to the transfer of the assets to the trust. The applicant must not have any interest in or control of the trustee. The trust agreement must clearly state that there will be no communications with the trustee regarding the management or

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14 Id. at 18406-07.
15 Id. at 18407.
operation of the subject facilities, and must give the trustee authority to dispose of the license as the trustee sees fit.\textsuperscript{17}

Following adoption of the \textit{1998 Biennial Review Order}, the Commission reiterated its policy of allowing parties to use trusts for divestiture purposes, including with respect to the cellular cross-interest rule.\textsuperscript{18}

\textbf{III. Grant of the Requested Relief Is in the Public Interest.}

The purpose of the cellular cross-interest rule is to prevent consolidation of cellular licenses from eroding competition in the mobile telephony market.\textsuperscript{19} The requested relief does not provide any entity with an incentive to compete less vigorously in this market. Mid-Plains holds a small limited partnership interest where there is another unaffiliated entity that controls Madison SMSA Limited Partnership. Mid-Plains is barred by the partnership agreement from involvement in the day-to-day operations of the licensee and does not today have the ability to influence the licensee on a regular basis.\textsuperscript{20} Cingular will not change its behavior to benefit Mid-Plains.

Likewise, the small size of the Madison SMSA Interest relative to TDS's controlling position in the overlapping licensees, coupled with the short duration of the trust, eliminates any possibility that TDS would alter the operations of its controlled


\textsuperscript{18}\textit{See United States Cellular Operating Co.}, 15 FCC Rcd. at 4379, n. 35 (WTB 2000) (noting that, although the use of a trust to comply with the cellular cross-interest rule in that case (not for divestiture purposes) was not allowed, "the Commission allows use of a trust for divestiture").


\textsuperscript{20}The Agreement of Limited Partnership of Madison SMSA Limited Partnership, dated as of February 24, 1986, states that the general partner (an entity controlled by Cingular) has the exclusive right to manage the partnership (§ 6.1(a)) and that the limited partners shall not participate in the business of the partnership (§ 6.9).
affiliates to benefit Cingular and the Madison SMSA Limited Partnership. The losses TDS would suffer in both the short term and the long term by failing to permit its controlled affiliates to continue to compete vigorously with Cingular in this area easily outweigh any economic returns it could expect to achieve from its receipts of the proceeds of a sale from the trust. This is especially true when competition from PCS licensees is significantly eroding the market shares of cellular carriers.

The added safeguard of divesting the Madison SMSA Interest to an independent trustee for purposes of divestiture further protects the public interest. In addition to the Commission's decisions approving the use of trusts, the Department of Justice has used divestiture trusts in order to eliminate the possibility of anticompetitive effects in actions taken with respect to wireless carriers, including the formation of Cingular and the SBC-Ameritech merger.\textsuperscript{21}

Grant of the requested relief will permit the parties to consummate the proposed merger. As the parties have discussed in the other filings in this docket, that transaction is clearly in the public interest. In order for the merger to proceed, the Commission will have found that the transaction is in the public interest. The requested relief is required to ensure that the public interest benefits of the merger are realized.

IV. \textbf{The Proposed Trust Agreement Meets the Commission's Requirements for Divestiture Trusts.}

As discussed above, the Commission requires that divestiture trusts meet certain criteria. These criteria are that (i) the trust be of limited duration (six months or less), (ii) the applicant not have any interest in or control of the trustee, (iii) the trust

clearly state there will be no communications between the applicants and the trustee regarding the management or operation of the subject facilities, (iv) the trustee have authority to dispose of the license as the trustee sees fit, and (v) the terms of the trust be approved by the Commission prior to the transfer of the assets to the trust.\textsuperscript{22}

The proposed trust agreement conforms to each of these requirements. Section 1.9 of the proposed trust agreement provides that the trust terminates following the disposition of the Madison SMSA Interest (which is required pursuant to Section 1.7 to occur within 180 days from the closing of the merger unless the Commission allows an extension). Section 2.3 specifies that the trustee will be independent from Mid-Plains and its affiliates (which will include TDS following the merger). Section 1.4 prohibits communications between Mid-Plains and the Trustee that would violate the Communications Act (including the Commission’s rules, policies, and orders). Finally, Section 1.6 specifically provides for the trustee to have the sole authority with respect to dispositions of the trust assets.

The proposed trust agreement satisfies the specific requirements outlined above. Moreover, the parties have attempted to be close to the form of trust agreement approved by the Bureau in the \textit{Verizon Trust Order} and believe that the proposed trust agreement will meet with the Commission’s approval on all points. However, if the Commission requires any changes in the trust agreement, the parties will abide by and implement them.

V. \textbf{Procedural Matters and Conclusion}.

The parties are requesting that the Commission take whatever action is necessary on its behalf to permit the proposed merger to occur if Mid-Plains divests the Madison SMSA either to (i) a third party in accordance with the Commission's rules or (ii) a divestiture trust governed by the proposed trust agreement (with any changes required or agreed to by the Commission). The Verizon Trust Order permitted the use of a divestiture trust in order to address cellular cross-interest concerns as well as spectrum cap issues without requiring a specific waiver of the cellular cross-interest rule. The Commission stated in United States Cellular Operating Co. that the use of a divestiture trust resolves cellular cross-interest, as well as spectrum cap, concerns.

Transfer of the Madison SMSA Interest to an approved divestiture trust prior to or simultaneously with the closing of the merger will allow the merger to proceed in a manner consistent with the Commission's precedent. If the Commission determines that a waiver is necessary, however, we ask that it treat this Supplemental Description as a request for a temporary waiver of Section 22.942 conditioned upon the transfer of the Madison SMSA Interest to a divestiture trust governed by the proposed trust agreement at or prior to closing of the merger.

As demonstrated in this Supplemental Description, the parties are entitled to such a waiver under either prong of Section 1.925, which provides the specific criteria for grant of a waiver with respect to the Wireless Radio Services. As discussed above, the purpose of Section 22.942, preventing consolidation of cellular licenses from eroding competition in the mobile telephony market, would not be served by applying it in this case. Indeed, the more general goal of promoting competition in the telecommunications industry would be frustrated by its application here, as the proposed merger which will be
facilitated by the grant of the requested relief will enhance competition in numerous markets as demonstrated in the parties' other filings in this docket.

In addition, the unique facts of this case make strict enforcement of Section 22.942 inequitable, unduly burdensome, and contrary to the public interest at a time when the parties have no reasonable alternative. The parties have undertaken considerable efforts to sell the Madison SMSA Interest to a third-party buyer. Indeed, the parties have every incentive to continue to try to conclude such a transaction rather than transfer the Madison SMSA Interest to a trust as requested herein. In addition, it would be unreasonably burdensome and contrary to the public interest to require the parties to delay and potentially abandon the merger solely due to their inability to find a third-party buyer.

The Commission has not denied any requests for similar relief necessary to permit the prompt closing of a proposed transaction following Commission approval. For the reasons set forth above, the Commission should approve the parties' request in this case as well.
EXHIBIT A

Form of Divestiture Trust Agreement

Divestiture Trust Agreement

This Divestiture Trust Agreement ("Trust Agreement") is by and between MID-PLAINS, INC., a Wisconsin corporation ("Grantor"), and LAKE FOREST BANK & TRUST COMPANY, an Illinois bank (the "Trustee"), as of the __ day of __________, 2001 [the closing date of the Merger].

WHEREAS, Grantor holds an 18.132 percent limited partnership interest (the "Subject Interest") in Madison SMSA Limited Partnership (the "Subject Entity"); and

WHEREAS, the Subject Entity holds Federal Communications Commission ("FCC") authorizations to operate the cellular systems having call signs KNKA498, KNKA414, and KNKN325;

WHEREAS, it may be necessary for Grantor to eliminate attribution of the Subject Interest in order to comply with 47 C.F.R. § 22.942 in order to consummate the pending merger (the "Merger") of Singer Acquisition Corp., a wholly owned subsidiary of Telephone and Data Systems, Inc. ("TDS"), with and into Grantor's parent corporation, Chorus Communications Group, Ltd.;

WHEREAS, Grantor wants to create a trust for the purpose of allowing the Merger to be completed in compliance with the Communications Act of 1934, as amended, and the rules, regulations, orders, and published policies of the FCC, as they may be in effect from time to time (collectively the "Communications Act"); and

WHEREAS, the Trustee wants to act as trustee of such a trust in accordance with the terms and conditions of this Trust Agreement;

NOW, THEREFORE, Grantor and the Trustee hereby agree as follows:

ARTICLE I

DISPOSITION OF TRUST ASSETS

1.1 Transfer of Trust Assets. Grantor hereby transfers to the Trustee the Subject Interest which shall constitute the initial principal of the trust created hereby (the "Trust") to be held in trust for the exclusive benefit of Grantor as sole beneficiary of Trust income and principal. The Trustee shall administer and dispose of the Subject Interest at any time or from time to time in accordance with the provisions of this Trust Agreement.

1.2 Trustee's General Responsibilities. The Trustee will be responsible for accomplishing a divestiture through the sale, transfer, or other disposition of all or a
portion of the Subject Interest until all or a portion of the Subject Interest is divested to
one or more purchasers or returned to Grantor in accordance with the provisions of
Section 1.10 of this Trust Agreement. The Trustee shall not be required to obtain any
bond, surety, or security in connection with his or her administration of this Trust.

1.3 Disposition of Trust Assets. Subject to the provisions of Section
1.9(b), the Trustee shall sell, transfer, or otherwise dispose of all or a portion of the
Subject Interest pursuant to terms and conditions customary for the transfer of such
interests, in accordance with the Communications Act and the other provisions of this
Trust Agreement and at the most favorable price and upon the most favorable terms then
obtainable by reasonable effort. In connection with any such disposition of all or a part
of the Subject Interest, the Trustee may engage such investment bankers, attorneys,
appraisers, accountants, and other agents and professionals as the Trustee determines are
reasonably necessary, and the costs of such sale, transfer, or other disposition, including
the fees of all such agents and professionals retained by the Trustee hereunder shall be
borne by Grantor pursuant to customary retention agreements or arrangements. Any such
agent and professional shall be accountable solely to the Trustee.

1.4 Communications Between Trustee and Grantor. Grantor shall
designate a representative knowledgeable with the negotiations for the sale, transfer, or
other disposition of the Subject Interest, if any, that are ongoing at the time this Trust is
established. To the extent not prohibited by the Communications Act, the Trustee is
authorized to initiate communications with the designated representative of Grantor with
respect to negotiations for the sale, transfer, or disposition of the Subject Interest that
began before the time this Trust is established. Except as otherwise specifically provided
in this Trust Agreement (including but not limited to Section 1.7 hereof) or otherwise not
prohibited by the Communications Act, Grantor shall not initiate communications with
the Trustee regarding the Subject Entity, and the Trustee shall not provide any
information to Grantor concerning the operation or management of the Subject Entity.
Nothing in this agreement shall prohibit written communications between the Trustee and
Grantor with respect to the fiduciary obligations owed by the Trustee to Grantor. If any
dispute arises as to whether a communication is prohibited by this Trust Agreement, the
matter shall be referred by either the Trustee or Grantor to the FCC or, in the event the
FCC is unwilling or unable to make a determination within 15 days of submission, to an
independent counsel reasonably acceptable to the Trustee and Grantor, and the
determination of the FCC or the independent counsel as to whether the communication is
prohibited shall govern. If the question is referred to an independent counsel, all fees and
costs (including without limitation the legal fees and expenses of the Trustee and
Grantor) associated with obtaining such advice from independent counsel shall be borne
by Grantor.

1.5 Period for Divestiture. The Trustee shall accomplish the
divestiture of the Subject Interest no later than one hundred eighty calendar days after the
Subject Interest is transferred to the Trustee, or such later date that the FCC may approve.
If the Trustee has not accomplished the divestiture of all of the Subject Interest within the
time specified above, the Trustee thereupon shall file promptly with the FCC a report of
such failure and any statements the Trustee feels appropriate regarding the circumstances
of such failure and the prospect of pending sales. Compliance with the Communications Act (such as by complying with any later divestiture deadline the FCC may specify) shall constitute compliance with the provisions of this Section 1.5.

1.6 Trustee to Have Sole Disposition Authority. Until the completion of divestiture of the Subject Interest to a purchaser or purchasers in accordance with the Communications Act and the provisions of this Trust Agreement, the Trustee shall have sole and complete authority to transfer all or a portion of the Subject Interest and over all other matters concerning the Subject Interest and shall not be subject to any direction or control by Grantor concerning the Subject Interest.

1.7 Grantor Obligations. Subject to the provisions of Sections 1.6 and 2.4 of this Trust Agreement and to the extent not prohibited by the Communications Act, Grantor shall use its best efforts to assist the Trustee in accomplishing the divestiture of the Subject Interest as contemplated hereby, including its best efforts to provide information in its possession as required by the Trustee to obtain any necessary regulatory approvals. The Trustee and any consultants, accountants, attorneys, and other persons retained by the Trustee shall have full and complete access to books, records, and other documents and information in Grantor's or its affiliates' possession with respect to the Subject Interest customarily provided in a due diligence process as the Trustee may reasonably request, subject to customary confidentiality assurances. Grantor and its affiliates shall permit prospective purchasers of the Subject Interest to have reasonable access to any and all financial, operational, or other documents and information in Grantor's possession as may be relevant to the divestiture, subject to customary confidentiality assurances.

1.8 Receipts of Proceeds upon Divestiture. Upon a divestiture of any or all of the Subject Interest (whether by sale, exchange, or otherwise), the Trustee shall collect the proceeds of such divestiture and, after the payment to the Trustee of any and all amounts due to the Trustee in accordance with this Trust Agreement, shall distribute any remaining proceeds, including any income earned, to Grantor. Grantor shall have the right, at any time, by written notice to the Trustee, to name additional beneficiaries of the Trust to receive proceeds or other assets from the Trustee in the manner provided by Grantor upon the naming of such beneficiaries.

1.9 Termination of Trust.

(a) Upon (i) the sale, transfer, or disposition of all or part of the Subject Interest and receipt of proceeds from such divestiture and (ii) payment to the Trustee of all amounts due to the Trustee in accordance with this Trust Agreement, the Trustee shall distribute any remaining proceeds and any and all other Trust Assets to Grantor, and the Trust shall terminate.

(b) If the Communications Act is amended to permit Grantor to hold all or part of the Subject Interest consistent with 47 C.F.R. § 22.942 (after the consummation of the Merger), then the Trustee shall consult with Grantor regarding any pending sale, and if no sale is pending, the Trustee shall cease all activities aimed at the
disposition of the Subject Interest unless instructed otherwise by Grantor's designated representative. In such event, upon payment to the Trustee of all amounts due to the Trustee in accordance with this Trust Agreement, the Trustee shall transfer all of the Trust Assets and any and all other trust property remaining in the Trust to an entity designated by Grantor, and the Trust shall terminate.

ARTICLE II

NATURE OF TRUST AND TRUST AGREEMENT

2.1 **Grantor Trust.** The Trust is intended to be a "grantor trust," the United States federal income taxation of which is governed by Subpart E of Subchapter J of the Code. The Trustee shall be responsible for (i) timely filing all Trust tax returns and any other filings required by the Code on a basis that is consistent with the characterization of the Trust as such a grantor trust and (ii) providing such information, books, and records of the Trust as Grantor requests for the purpose of preparing tax returns or otherwise dealing with tax authorities.

2.2 **Trust Agreement Irrevocable.** This Trust Agreement is irrevocable and, except as otherwise specifically provided herein, may not be altered or amended.

2.3 **Independence of Trustee.** The Trustee represents and warrants that, during the period of service as Trustee, he or she is not, and shall not become, an affiliate, officer, employee, director, or shareholder of Grantor or its affiliates. The Trustee further represents and warrants that he or she does not have (nor will have during the period of service as Trustee) any direct or indirect (i) familial relationship with Grantor, (ii) business interest or relationship with Grantor or any of its affiliates representing payments or receipts of $50,000 or more, in the aggregate, annually, or (iii) interest representing 1 percent or more of the outstanding capital stock of any publicly traded affiliates of Grantor. The Trustee may serve as Trustee for other trusts created for purposes of compliance with the Communications Act on behalf of Grantor and/or TDS and their affiliates, and Grantor hereby waives any conflict of interest which may arise in connection with the Trustee serving as trustee for such other trusts.

2.4 **Additional Restrictions on Grantor.** Grantor and its affiliates shall not be involved (directly or otherwise) with the Subject Entity or seek to influence the sale, transfer, or other disposition of all or part of the Subject Interest, provided, however, that communications required and permitted in Section 1.4 and 1.9(b) of this Trust Agreement and the obligations of Grantor set forth in Section 1.7 of this Trust Agreement shall not be considered a violation of this Section 2.4.

2.5 **Trustee as a United States Person.** The Trustee represents and warrants that he is, and during the period of service as Trustee shall remain, a United States Person within the meaning of Section 7701(a)(30)(A) of the Code.
ARTICLE III

TRUSTEE POWERS

3.1 General Trustee Powers. In addition to the powers now or hereafter conferred by applicable law, and subject to the requirements of Article I of this agreement and the FCC Rules, the Trustee may:

(a) make payments or distributions of income or principal in kind or in money, or partly of each, in shares of differing composition;

(b) hold, manage, insure, reinsure, improve, repair, and control all trust property, real or personal;

(c) sell for cash or credit, or on installment at public or private sales, grant options to purchase and convey or exchange any and all of the trust property for such price, including property of equivalent value, and upon such terms, as the Trustee determines;

(d) lease or license the use of any tangible or intangible personal property at any time forming a part of the trust property upon such terms as the Trustee determines;

(e) borrow money from any source (including from himself or herself) or extend or renew any existing indebtedness; mortgage or pledge any trust property;

(f) release, assign, settle, compromise, contest, participate in mediation, agree to arbitrate and be bound thereby, extend the time for payment of, or abandon claims or demands in favor of or against the Trust or any part thereof;

(g) determine whether and to what extent receipts and expenditures should be allocated to or charged against income or principal and establish out of income and credit to principal reasonable reserves for the depreciation or depletion of tangible personal properties;

(h) employ and pay reasonable compensation to such employees, agents, brokers, advisors, trustees, custodians, depositaries, title holders, escrowees, accountants, attorneys, investment counsel, appraisers, insurers, and others (who may be the Trustee himself or herself in such other capacity or any firm or corporation with which the Trustee is associated), and execute any general or limited direction or power of attorney for any such employment or agency relationship; and such expenses shall not be charged against the compensation of the Trustee;

(i) vote, or refrain from voting, any corporate stock, equity, or any other ownership interest in any corporation or other entity, including the Subject Interest, either in person or by general or limited proxy, for any purpose, including
(without limitation) the election of any trustee or beneficiary as a director of any such entity; exercise or sell any conversion privilege, warrant, option, or subscription right with respect to any security; consent to take any action in connection with, and receive and retain any securities resulting from, any reorganization, consolidation, merger, readjustment of the financial structure, sale, lease, or other disposition of the assets of any corporation or other entity, the securities of which may at any time form a part of the trust property; deposit any securities with or under the direction of a committee formed to protect such securities and consent to or participate in any action taken or recommended by such committee; pay all assessments, subscriptions, and other sums of money that may seem expedient for the protection of the interest of the Trust as the holder of such stocks, bonds, or other securities; enter into an agreement making the Trust liable for a pro rata share of the liabilities of any corporation that is being dissolved and in which stock is held when, in the opinion of the Trustee, such action is necessary or otherwise advisable to the plan of liquidation and dissolution of any such corporation; join in and vote for participation in or modification or cancellation of any restrictive purchase or retirement agreement relating to any partnership interest, corporate stock, or any other interest in any type of entity held as a part of the trust property; join in the formation, amendment, extension, or cancellation of any voting trust, voting agreement, or any type of shareholder agreement;

(j) cause any securities or other trust property to be issued, held, or registered in any Trustee's individual name or in the name of a nominee, with or without disclosure of any fiduciary capacity, or in a form such that title will pass by delivery;

(k) transfer the situs of the administration of any trust hereunder and/or the location of any trust property to another jurisdiction within the United States as often as the Trustee deems it advantageous; and the Trustee may take whatever actions necessary or desirable (including, without limitation, the commencement of an appropriate judicial proceeding) in order to effectuate such a transfer of Trust situs administration or of the location of trust property; and if necessary for the transfer of the situs of the administration of the Trust, the Trustee may designate a natural person or a bank or Trust company to assume office as a co-Trustee of the Trust, and thereafter may act as an advisor to such substitute Trustee and may receive reasonable compensation for so acting;

(l) open and maintain one or more savings accounts or checking accounts and rent safety deposit boxes or vaults, wherever located, within or without the United States, even if the bank or trust company at which the safety deposit box or vault is located is acting as Trustee of such Trust; deposit to the credit of such account or accounts all or any part of the trust property, irrespective of whether such property may earn interest; add to or remove some or all of the items placed in any safety deposit box or vault; withdraw a portion or all of such funds so deposited by check or other instrument signed by the Trustee, or by such other person or persons as the Trustee may authorize, and any such bank, company, or association may allow such person or persons access to such safety deposit box or vault and to pay such check or other instrument and also to receive the same for deposit to the credit of any holder thereof when so signed and
properly endorsed, without inquiry of any kind; and access when so allowed and payments when so made by such bank, company, or association shall not be subject to objection by any person concerned or interested in any way in the Trust;

(m) divide the trust property equally or unequally into two or more separate shares or Trusts for any purpose, each of which shall be administered and disposed of as a separate Trust having terms identical to those of the Trust from which it is created;

(n) make or refrain from making any tax election; provided, however, that no election may be made that would change the status of the Trust from a grantor trust for income tax purposes; and

(o) make any payment, receive any money, take any action, and make, execute, deliver, and receive any contract, deed, instrument, or document that the Trustee may deem necessary or advisable to exercise any of the Trustee's powers or to carry out any provisions contained herein; and, in addition to the powers enumerated hereinabove, do all other acts that in the judgment of the Trustee are necessary or desirable for the proper administration of the Trust.

3.2 Third Parties. No person dealing with the Trustee shall be obliged to inquire as to the powers of the Trustee, or to see to the application of money or property delivered to the Trustee, and the certificate of the Trustee that the Trustee is acting in compliance with this Trust Agreement shall fully protect all persons dealing with the Trustee.

3.3 Powers, Duties, Limitations, Immunities, and Liabilities of Successor Trustees. Wherever reference is made herein to the Trustee, such reference shall include any and all successor Trustees acting as the Trustee over the Trust Assets at any time before vestiture of the Trust Assets is completed. Each successor Trustee shall be vested with all powers, duties, limitations, and immunities as if originally named as Trustee. Successor Trustees shall not be liable or responsible in any way for the acts or defaults of any predecessor Trustee, nor for any loss or expense occasioned by any act by or omission of a predecessor Trustee, and shall be liable only for his or her own acts and omissions with respect to trust property, and a successor Trustee may accept the account rendered and the assets and property delivered to such successor Trustee by the predecessor Trustee and shall incur no liability by reason of so doing.

3.4 Merger of Corporate Fiduciary. If any corporate fiduciary is merged into or consolidated with or sells or transfers all or substantially all of its assets and business to another corporate fiduciary, or is in any manner reorganized or reincorporated, the surviving corporate fiduciary shall thereupon become the corporate fiduciary without any further act on the part of such corporate fiduciary.
ARTICLE IV

TRUSTEE COMPENSATION AND EXPENSES

Grantor agrees to pay the Trustee compensation for his or her services in accordance with Schedule A. Grantor further agrees to pay for all expenses customarily incurred by the Trustee, including, without limitation, the fees and expenses customarily charged for such matters by the legal, accounting, and other professional advisors and agents retained by the Trustee to advise the Trustee in connection with his or her duties, obligations, and other matters in connection with or arising out of this Trust Agreement or the Communications Act. In addition, Grantor shall pay for all expenses incurred by the Trust in connection with the divestiture, through sale, transfer, or other disposition, of all or a portion of the Subject Interest, including, without limitation, the fees and expenses customarily charged for such matters by the investment bankers, attorneys, appraisers, accountants, and other agents and professionals engaged by the Trustee in connection with such divestitures, including expenses relating to unconsummated efforts to divest as contemplated herein. Grantor hereby agrees to pay for all of the above expenses, including attorneys' and other advisers' fees, on a monthly basis upon presentation to Grantor of appropriate invoices, or to reimburse the Trustee for such expenses, to the extent any of the expenses were borne directly by the Trustee.

ARTICLE V

TRUSTEE LIABILITY AND INDEMNIFICATION

5.1 Liability of the Trustee. Notwithstanding any provision of law to the contrary:

(a) the Trustee shall not be liable for any depreciation in value or other loss, by reason of not diversifying the Subject Interest or occasioned by any divestiture made in accordance with the terms of this Trust Agreement, provided the Trustee acts in good faith in making such divestiture; and

(b) the Trustee shall not be liable for any loss or damage occurring to the Subject Interest as a result of the exercise of any discretion herein vested in the Trustee, except for such loss or damage as may result from the failure to abide by the terms of this Trust Agreement, bad faith, willful misconduct, or gross negligence in the exercise of the Trustee's discretion.

5.2 Indemnification. Grantor agrees to indemnify and hold harmless the Trustee (including within such term for purposes of this provision only any officers, directors, employees, advisers, and agents of the Trustee and, in the case of an individual trustee, his or her personal representatives) against any and all loss, claim, damage, or liability (or actions in respect thereof) incurred by the Trustee in connection with or arising out of the administration of this Trust and the performance of his or her duties hereunder, and will reimburse the Trustee for any reasonable legal or other expenses incurred by the Trustee in connection with investigating or defending any such loss,
claim, damage, liability, or action as such expenses are incurred, including reasonable legal or other expenses incurred by the Trustee in asserting its right to indemnification hereunder. The Trustee shall notify Grantor promptly in writing of any claim for which it may seek indemnity. Failure by the Trustee to so notify Grantor within a reasonable time shall not relieve Grantor of its obligations hereunder. Neither the Trustee nor any of its officers, directors, employees, advisors, or agents shall be indemnified against any loss, claim, damage, liability, or action resulting from such person's willful misconduct, gross negligence, or bad faith. Grantor's payment obligations pursuant to this provision are not limited to the assets in the Trust and shall survive the termination of the Trust. The obligations of Grantor under this provision shall be in addition to any liability which Grantor may otherwise have. The Trustee's rights to indemnification hereunder shall be in addition to any other legal or equitable remedies available to the Trustee.

ARTICLE VI

TRUSTEE RESIGNATION AND SUCCESSION

6.1 Resignation. The Trustee may resign at any time and for any reason by delivering a duly acknowledged notice to Grantor. Such resignation shall become effective upon the acceptance of the trusteeship by a successor Trustee selected by Grantor and approved by the FCC (if such approval is required under the Communications Act).

6.2 Trustee Succession. If the Trustee resigns or ceases to serve for any other reason, the successor Trustee shall be such natural person, bank, or trust company selected by Grantor and approved by the FCC (if such approval is required under the Communications Act). Such natural person, bank, or trust company shall accept the trusteeship by executing a counterpart of this Trust Agreement.

ARTICLE VII

MISCELLANEOUS

7.1 Governing Law. This Trust Agreement shall be construed and administered, and the validity of the Trust hereunder shall be determined, in accordance with the laws of the State of Illinois without giving effect to its conflicts-of-law principles that would require the application of the law of another jurisdiction. With the advance written consent of Grantor, the Trustee may amend this paragraph and take any other action in order to change the jurisdiction whose law shall govern the construction, administration, and validity of any Trust hereunder, and to amend any other provision of this Trust Agreement solely for such purposes. The jurisdiction whose law governs the construction, administration, and validity of the Trust may, but need not be, the same as the situs of the administration of the Trust.

7.2 Situs of Administration. The situs of the administration of the Trust shall be the State of Illinois, and the jurisdiction governing all disputes and/or litigation shall be the state and federal courts of the State of Illinois.
7.3 **Severability.** If any provision of this Trust Agreement or the application of any such provision to any person or circumstance is determined to be invalid, illegal, or unenforceable to any extent, the remainder of this Trust Agreement or the application of such provision to persons or circumstances other than those for which it is determined to be invalid, illegal, or unenforceable shall not be affected thereby and each other provision of this Trust Agreement shall be valid and shall be enforced to the fullest extent permitted by law. To the extent permitted by applicable law, the Trustee and Grantor waive all provisions of law that render any provision hereof invalid, illegal, or unenforceable in any respect.

7.4 **Amendments.** Except as expressly provided in Section 7.1 of this Trust Agreement, this Trust Agreement shall not be amended, altered, or modified except by an instrument in writing duly executed by each of the parties hereto. No amendment, alteration, or modification that affects the Trust's compliance with the Communications Act will be made without obtaining the prior approval of the FCC. In the event that the Communications Act is amended, supplemented, or modified, the corresponding terms and conditions of this Trust Agreement, if applicable, shall likewise be deemed amended so as to cause any such terms and conditions to be consistent with such amendment, supplement, or modification.

7.5 **Singular and Plural.** As used herein, the singular shall include the plural, and the plural shall include the singular, wherever the context and facts require such construction.

7.6 **Headings.** The headings, titles, and subtitles herein are for convenience of reference only and are to be ignored in any construction of the provisions hereof.

7.7 **Counterparts.** This Trust Agreement may be executed in two or more counterparts, each to be deemed an original for all purposes and all together to constitute one and the same Trust Agreement.

7.8 **Inconsistency.** In the event of any inconsistency between the terms of this Trust Agreement and the Communications Act, the Communications Act shall control.

**ARTICLE VIII**

**DEFINITIONS**

8.1 **Business Entity.** As used herein, the term "Business Entity" shall include a corporation, partnership (general or limited), limited liability company, joint venture, sole proprietorship, or other entity under the laws of any state or other jurisdiction.
8.2 **Code.** As used herein, the term "Code" shall mean the United States Internal Revenue Code of 1986, as amended, the regulations thereunder, or the corresponding provision of any subsequent federal tax law.

8.3 **Person.** As used herein, the term "person" shall mean and include a natural person, a trust, partnership, association, limited liability company, company, federal or regulatory agency, or corporation.

8.4 **Trust Property.** All references herein to "trust property" and "Trust Assets" shall include the net income and principal of the Trust, real and personal, which includes all the property received initially by the Trustee with respect to the Trust, all additions thereto received by the Trustee from any other source, all investments and reinvestments of such property or such additions thereto, and all accrued or unpaid income of the Trust.
IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement as of the date first written above.

MID-PLAINS, INC.

By: ____________________________
Name: __________________________
Title: __________________________

LAKE FOREST BANK & TRUST COMPANY

By: ____________________________
Name: __________________________
Title: __________________________