

## 8. Beneficial Ownership

RuralCom Corporation (the "**Corporation**") is incorporated under the *Canada Business Corporations Act* (the "**CBCA**"). The authorized capital of the Corporation consists of an unlimited number of common shares. No other equity securities are authorized for issuance under Corporation's articles. The Corporation's registered office and its head office are located in Vancouver, British Columbia.

### *Ownership of the Corporation*

1,250,000 common shares have been issued and are outstanding. The ownership of the Corporation's common shares is as follows:

Shareholder Name	Number of Common Shares	Percentage
Robert L. Hillman	862,300	68.98%
Kai Commercial Trust	250,000	20.00%
Craig Lacy	60,000	4.80%
Charles Roe	47,700	3.82%
Jaime B. Colley	10,000	0.80%
George R. Olexa	20,000	1.60%
Total	1,250,000	100.00%

Mr. Hillman (68.98% ownership) is the president of the Corporation and is a Canadian citizen within the meaning of subsection 2(1) of the *Citizenship Act* (Canada) who is ordinarily resident in Canada.

Kai Commercial Trust (20.00% ownership) ("**KCT**") is a commercial trust formed under the laws of Alberta. All of the equity of KCT is owned by Kai Investment Trust, a private mutual fund trust formed under the laws of Alberta. The trustee of Kai Commercial Trust is Kai Investment Corp., an Alberta corporation which is wholly owned by Kai Investment Trust. Over 99% of the beneficial ownership of Kai Investment Trust is owned, by M. Bruce Chernoff, a Canadian citizen within the meaning of subsection 2(1) of the *Citizenship Act* (Canada) who is ordinarily resident in Canada.

Messrs Lacy, Roe, Colley and Olexa (together 11.02% ownership) are not Canadians for the purposes of the Canadian Telecommunications Common Carrier Ownership and Control Regulations (the "**Regulations**").