

RURAL INDEPENDENT COMPETITIVE ALLIANCE

BYLAWS

ARTICLE I **Purpose of RICA**

The Rural Independent Competitive Alliance is organized for the purpose of promoting the common interests of independent entities providing competitive telecommunications in rural areas through advocacy and education.

ARTICLE II

Members and Membership

Section 1 - Qualifications. All corporations, partnerships and individuals who have an interest in Independent providers of competitive telecommunications in rural and small metropolitan areas of the United States of America or who are considering entering the competitive telecommunications business may become members of the Rural Independent Competitive Alliance, hereinafter called "RICA." There shall be three types of membership available – (1) Voting Members ("Members"), (2) Affiliate Members, and (3) Associate Members.

(A) Voting Members. In order to qualify as a member, the entity must meet the following qualifications:

- (1)** At least 50.01% of the ownership of the Member must be owned and/or controlled by Independent LECs having fewer than 100,000 access lines at the time membership is granted; however, provided that the Board may approve membership where less than controlling interest is held by an Independent Local Exchange Carrier ("LEC").
- (2)** The Member must pay membership dues as hereinafter provided;
- (3)** The Member must agree to comply with and be bound by the Articles of Incorporation of RICA and these Bylaws and amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors.

(B) Affiliate Members. This classification shall be comprised of those members who either individually, or as a partnership or a corporation other than those owned or controlled by governmental entities, have an ownership interest in a provider of competitive telecommunications services that, to the satisfaction of the Board, are focused on providing service to small and rural areas, do not meet the membership criteria for members under Article II, Section 1(A) and 1(C) of these Bylaws, and, if LEC owned, the LEC does not have more than 100,000 access lines.

(C) Associate Members. This classification shall be comprised of consultants, law firms, engineering firms, suppliers and those entities not having an ownership interest in a LEC and not otherwise qualifying as a voting member or affiliate member.

Affiliate and associate members shall be entitled to all privileges enjoyed by Members except that they shall not have a vote and shall not hold an elected office in RICA; and

No such corporation, partnership or individual shall become a Member, affiliate member or an associate member of RICA unless and until it has been accepted for membership by the Board of Directors.

ARTICLE III **Meetings of Members**

Section 1 - Annual Meetings. An annual meeting of the members shall be held each year at such time and at such place as may be selected by the Board of Directors and which shall be designated in the Notice of the Meeting, for the purpose of electing Board Members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility for the Board to make adequate plans and preparations for the Annual Meeting. Failure to hold the Annual meeting at the designated time shall not work a forfeiture of dissolution for RICA.

Section 2 - Special Meetings. Special Meetings of the members may be called by the Board of Directors, by the Chairman, by any three (3) directors, or by at least ten percent (10%) of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereafter provided. Special Meetings of the members may be held at any place in the U.S.

Section 3 - Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and in the case of a Special Meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member not less than ten (10) days nor more than forty (40) days before the date of the meeting, either personally, by regular or electronic mail, by or at the direction of the Secretary or the person calling the meeting. Such notice shall be deemed to be delivered when deposited in the United States mail or delivered to an overnight mail carrier in a sealed envelope, addressed to the member at its address as it appears on the records of RICA, with postage thereon prepaid, or via facsimile or electronic transmission. The failure of any member to receive notice of an Annual or Special Meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4 - Quorum. The presence of individual members and representatives of corporate and partnership members, selected as provided in Section 5 of this Article III, representing at least ten percent (10%), in person or by proxy, of the total number of the members of RICA, shall constitute a quorum for the transaction of business. If a quorum is present when a duly called or held meeting is convened, the members present at such meeting may continue to transact business until adjournment, even though the withdrawal of one or more members originally present leaves less than the proportion or number otherwise required for a quorum. In the event a quorum is not attained for a meeting, those members present in person or by proxy shall have the power to adjourn the meeting from time to time, to such day or date and time and place as they shall, by majority vote, agree upon, and a notice of such adjournment specifying the date and time and place at which such meeting shall be reconvened shall be given to all members entitled to vote at least ten (10) days before such reconvened meeting. Any business may be transacted at such reconvened meeting which might have been transacted at the meeting which was adjourned. If a quorum is present in person or by proxy when a duly called or held meeting is convened, the meeting may be adjourned from time to time without notice, other than announcement at the meeting.

Section 5 - Voting. Each member in good standing shall be entitled to one vote through its authorized representative and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by vote of the majority of the members represented except as otherwise provided by law, the Articles of Incorporation of RICA, or these Bylaws. No individual person shall be the delegate of, or cast the vote of, another member unless the individual has been authorized to act on behalf of a member as evidenced by a proxy designating the individual to act on behalf of the member which has been signed by the authorized representative of the member and delivered to an officer of RICA.

Section 6 - Order of Business. The order of business at the Annual Meeting of the members, and insofar as possible at all other meetings of the members, shall be essentially as follows: ascertaining that a quorum is present; reading of the unapproved minutes from the previous meeting and the taking of any necessary action thereon; presentation and consideration of, and acting upon, reports of officers, directors, and committees; election of directors; unfinished business; new business and adjournment.

Section 7 - Action by a Conference Call or Other Electronic Means. When practical, the Board may authorize member participation; by use of electronic mail or similar communications equipment whereby all persons participating in the meeting can interact with each other, and participation by such means shall constitute presence in person at such meeting. When such a meeting is conducted by means of a conference telephone, electronic mail or similar communications equipment, a written record shall be made of the action taken at such meeting.

ARTICLE IV **Directors**

Section 1 - Number and General Powers. The business and affairs of RICA shall be managed by a Board of Directors numbering no less than three (3) and no more than fourteen (14) which shall exercise all of the powers of RICA, except such as are by law, or by the Articles of Incorporation, or by these Bylaws, conferred upon or reserved to the members.

Section 2 - Qualifications. No person shall be eligible to be a Director who is not a member or a duly authorized representative of a partnership or corporation member. If any Director shall cease to meet this qualification requirement or fail to make the required number of meetings set by the initial Board of Directors, such person shall immediately cease to be a member of the Board of Directors of RICA and the vacancy shall be filled in the manner and for the term provided for in Section 5 of this Article IV. Nothing in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

Section 3 - Tenure. Tenure of the Directors shall be three years except that at the first annual meeting of the members, one-third of the directors shall be elected for one year, one-third of the directors shall be elected for two years and one-third of the directors shall be elected for three years. Directors shall serve until their respective successors have been elected or appointed.

Section 4 - Nomination and Election of Directors. Nominees for position of Director must be a voting representative of the member. The method of electing Directors shall be as follows: at least sixty (60) days prior to the annual meeting of the members, the Chairman shall appoint a nominating committee of three (3) members. Such committee shall be furnished by the Chairman with a list of the Directors whose terms expire. The committee, forty (40) days prior to such meeting, shall

prepare and submit to the Chairman a list of one or more candidates for nomination for each Board position to be filled by election. The names of all nominees shall be set forth in the notice of the annual member's meeting as set forth in Article III Section 3 of these Bylaws. The Chairman of the annual member's meeting shall call for additional nominations from the floor and nominations shall not be closed until at least one minute has passed during which no additional nomination has been made. All candidates for nomination shall have first been consulted by the member or nominating committee and expressed a willingness to serve before being nominated. A majority vote is required for election.

Section 5 - Vacancies. Subject to the provisions of Section 6 of this Article IV, any vacancy occurring in the Board of Directors, whether by death, removal, resignation, or disqualification of a Director, or by increase in the number of Directors, or otherwise, shall be filled by a majority vote of the Board of Directors of RICA, and any Director thus elected shall serve until the next Annual Meeting of the members, or until his successor has been elected or appointed.

Section 6 - Removal of Directors by RICA. Any member may bring charges against an officer or Director for violating or refusing to comply with any of the provisions of the Articles of Incorporation of RICA or these Bylaws, or any resolutions or regulations adopted from time to time by the Board of Directors, or whose acts and conduct are found to be inimical to the purpose of RICA by filing them in writing with the Secretary, together with a petition signed by at least ten percent (10%) of the members, requesting the removal of the officer or the director in questions. The removal shall be voted upon at the next regular or special meeting of the members at such meeting. The Director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by chosen representative and persons bringing the charges against him shall have the same opportunity.

Section 7 - Compensation of Directors. By resolution of the Board of Directors, the expenses of attendance, if any, may be allowed the Directors for attendance at each meeting of the Board of Directors. No loans shall be made to Directors or officers.

Section 8 - Rules and Regulations. The Board of Directors shall have the power to make and adopt such rules and regulations not inconsistent with law, Articles of Incorporation of RICA, or these Bylaws, as it may deem advisable for the management, administration, and regulation of the business and affairs of RICA.

Section 9 - Accounting System and Reports. The Board of Directors shall cause to be established and maintained, a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to generally acceptable accounting principles. All accounts of RICA shall be examined by a committee of the Board of Directors which shall render reports as directed by the Board, but not less often than annually. The Board of Directors shall also, at the close of each fiscal year, cause to be made a fully complete audit of the accounts, books, and financial condition of RICA, as of the end of each fiscal year. Such audit or report shall be submitted to the Board of Directors. A report showing the financial condition of RICA shall be submitted to the members at the annual meeting of each year.

Section 10 - Indemnification of Directors, Officers, Agents and Employees.

- (A) Every director, officer, agent and employee of RICA shall be indemnified by RICA against all judgments, penalties, fines, liabilities, amounts paid in settlement and reasonable expenses, including counsel fees actually incurred by or imposed upon him or her in connection with any proceeding to which he or she was, is or is threatened to be made a party, or in which he or she may become

involved, by reason, in whole or in part, of being or having been a director, officer, agent or employee of RICA, whether or not he or she is a director, officer, agent or employee at the time such expenses are incurred, to the maximum extent consistent with the provisions of the District of Columbia Non-Profit Corporation Act, provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and Reimbursement as being in the best interest of RICA. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer, agent or employees may be entitled.

- (B) RICA shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, agent or employee of RICA, or is or was serving at the request of RICA as a director, officer, agent or employee of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not RICA would have the power to indemnify him or her against such liability under the provision of this Article.
- (C) The provisions of this Article are for the benefit of, and may be enforced by, each director, officer, agent or employee of RICA as a contract for valuable consideration and constitute a continuing offer to all present and future directors, officers, agents and employees of RICA. RICA, by the adoption of this Article agrees that each present and future director, officer, agent and employee of RICA has relied upon and will continue to rely upon the provisions of this Article in accepting, serving or continuing to serve as a director, agent or employee.
- (D) No amendment, modification or repeal of this Article IV, Section 10, or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future director, officer, agent or employee of RICA to be indemnified by RICA, not the obligation of RICA to indemnify any such director, officer, agent or employee, under and in accordance with the provisions of the Article as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

ARTICLE V **Meeting of Directors**

Section 1 - Regular Meetings. A regular meeting of the Board of Directors shall be held without notice other than by this Bylaw, immediately after, and at the same place as, the Annual Meeting of the members. Regular meetings of the Board of Directors shall also be held at such time and place as the Board of Directors may provide by resolution. A meeting of the Board of Directors may be held by conference telephone call, via electronic mail or similar communications equipment by means of which all persons participating in the meeting can interact with each other.

Section 2 - Special Meetings. Special meetings of the Board of Directors may be called by the Chairman or any three (3) Directors. The person or persons authorized to call special meetings of

the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them. A meeting of the Board of Directors may be held by conference telephone call, via electronic mail or similar communications equipment by means of which all persons participating in the meeting can interact with each other.

Section 3 - Presence of Persons other than Directors. At any regular or special meeting of the Board of Directors, any member (including a duly authorized representative of a corporate or partnership member) shall be entitled to be present; provided, however, that only the Directors of RICA shall be entitled to vote. Nothing herein shall preclude the Board of Directors from holding a closed Executive Session.

Section 4 - Notice. Notice of the time, place, and purpose of any special meeting of the Board of Directors shall be given at least five (5) days prior thereto, by written notice, delivered personally or mailed (regular or electronic), to each director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereof prepaid or when sent through electronic mail. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 5 - Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of Directors are present at said meeting, a majority of the Directors present may adjourn the meeting.

Section 6 - Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE VI **Officers**

Section 1 - Number. The officers of RICA shall be a president, vice president, secretary and treasurer. The president of the RICA shall be called "Chairman" and the vice president shall be called "Vice Chair." The offices of secretary and treasurer will be held by the same person.

Section 2 - Election and Term of Office. The officers shall be elected annually by and from the Board of Directors at the first meeting of the Board of Directors held after each Annual Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding Annual Meeting of the members or until his successor shall have been duly elected.

Section 3 - Removal. Any officer, employee or other entity elected or appointed by the Board of Directors may be removed from their appointed position by the Board of Directors whenever, in its judgment, the best interests of RICA would be served thereby, subject to the terms of any written contracts made by and through its Chairman with the approval of the Board of Directors.

Section 4 - Vacancies. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5 - Chairman. The Chairman:

(A) shall be the principal executive of RICA and shall preside at all meetings of the members and of the Board of Directors;

(B) shall sign with the secretary, certificates of membership, the issue of which may be authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of RICA, or shall be required by law to be otherwise signed or executed; and

(C) in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors, from time to time.

Section 6 - Vice Chair. The Vice Chair:

(A) In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chair shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman, and

(B) shall perform such other duties as from time to time may be assigned by the Board of Directors.

Section 7 - Secretary/Treasurer The Secretary/Treasurer:

(A) shall keep the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;

(B) shall see that all notices are duly given in accordance with these Bylaws or as required by law;

(C) shall be custodian of the corporate records and of the seal of RICA and see that the seal of RICA is affixed to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of RICA under its seal is duly authorized in accordance with the provisions of these Bylaws;

(D) shall keep a register of the post office and street address of each member which shall be furnished to each individual member and to the secretary of each corporate and partnership member;

(E) shall sign, with the Chairman, certificates of membership, in the event the Board of Directors authorizes issue of such;

(F) shall have general charge of the books of RICA in which a record of the minutes is kept;

(G) shall keep on file at all times a complete copy of the Bylaws of RICA containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of RICA, forward a copy of the Bylaws and all amendments thereto to each member; and

(H) shall in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the Board of Directors.

(I) shall have charge and custody of, and be responsible for, all funds and securities of RICA;

(J) shall receive and give receipts for monies due and payable to RICA from any source whatsoever, and deposit all such monies in the name of RICA in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and

(K) shall in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the Board of Directors.

Section 9 - Executive Director. The Board of Directors may appoint an Executive Director who may be, but who shall not be required to be, a member of RICA. The Executive Director shall perform such duties as the Board of Directors may from time to time require, and shall have such authority as the Board of Directors may from time to time vest in the Executive Director. If employed, the employment of such Executive Director will be made by written contract, with such terms and conditions as the Board of Directors may provide, but shall, in no event, be for a longer period than five (5) years.

Section 10 - Additional Employees. The Board of Directors may hire additional employees as in their opinion, from time to time shall be necessary, who shall perform duties as the Board of Directors may from time to time require. The employment of such personnel may be made by written contract, with such terms and conditions as the Board of Directors may provide, but shall, in no event, be for a longer period than (5) years.

Section 11 - Administrative Services. The Board of Directors may, at its discretion, contract with an unaffiliated company to perform certain administrative services for RICA.

Section 12 - Bonds of Officers. The Board of Directors may, at its discretion, require the treasurer, or any other officer or employee of RICA charged with responsibility for the custody and expenditure of any of its funds or property to give bond in such amount and with such surety as the Board of Directors shall determine.

Section 13 - Reports. The officers of RICA shall submit at each Annual Meeting of the members reports covering the business of RICA for the previous fiscal year, and showing the condition of RICA at the close of such fiscal year.

ARTICLE VII **Contracts, Checks, and Deposits**

Section 1 - Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute and deliver any instrument in the name and on behalf of RICA, and such authority may be general or confined to specific instances.

Section 2 - Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes or other evidence of indebtedness issued in the name of RICA shall be signed by such officer or officers, agent or agents, or employee or employees of RICA and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3 - Deposits. All funds of RICA shall be deposited from time to time to the credit of RICA in such bank or banks or financial institutions as the Board of Directors may select.

ARTICLE VIII
Waiver of Notice

Any member, director, or officer may waive, in writing any notice of meetings required to be given by these Bylaws.

ARTICLE IX
Disposition of Property and Dissolution of RICA

Section 1 - Disposition of Property. RICA shall not sell, mortgage, lease or otherwise dispose of or encumber any of its property other than: property which in the judgment of the Board of Directors neither is nor will be necessary or useful in operating and maintaining RICA's equipment and facilities:

- (A) personal property acquired for resale; and

- (C) that which it is authorized at a meeting of the members by the affirmative vote of at least two-thirds of the members voting thereon at such meeting, and the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by the members, shall have full power and authority to borrow money, and in connection with such borrowing to authorize the making and issuance of bonds, notes, or other evidences of indebtedness and to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, on any or all of the property, assets, rights, privileges, license, franchises, and permits of RICA, or a deed or deeds of trust upon, whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the Board of Directors shall determine.

Section 2. Dissolution of RICA. Upon the dissolution of RICA, the Board of Directors shall, after payment of all debts and liabilities of RICA, dispose of all of the assets of RICA to another organization organized and operating for the same purposes for which RICA is organized and operating or to such organization or organizations which are exempt under Internal Revenue Code Section 501(c)(3), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of RICA is then located exclusively for such purposes or to such organization, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE X
Fiscal Year

The fiscal year of RICA shall begin on the first day of January of each year, and end on the thirty-first day of December of the same year.

ARTICLE XI
Seal

The Corporate Seal of RICA shall be in the form as determined by the Board of Directors and shall be inscribed with the name of RICA.

ARTICLE XII
Amendments

These Bylaws may be altered, amended, or repealed by a majority vote of the Board at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors if notice of such proposed action be contained in the notice of such special meeting. The members may overrule the amendments passed by the Board at its next annual meeting with a two-thirds vote of those present.

ARTICLE XIII
Committees

The Board of Directors may establish an executive committee and such other standing or special committees from time to time as it shall deem appropriate to conduct the activities of RICA and to advise the Board of Directors, and shall define the powers and responsibilities of such committees. The members and chairmen of all committees shall be elected by the Board of Directors for a one-year term or until their successors are duly elected, but shall be subject to removal at any time by vote of a majority of the Board of Directors then in office. No committee appointed by the Board of Directors shall consist of fewer than two (2) directors.