

**ORIGINAL** **NEW APPLICATION**  
KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP



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RECEIVED  
2007 JUN -1 P 3:44  
AZ CORP COMMISSION  
DOCKET CONTROL

May 30, 2007

**VIA EXPRESS MAIL**

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007-2996

T-20534A-07-0346

Re: Unite Private Networks, L.L.C.'s Application and Petition for Certificate of Convenience and Necessity to Provide Telecommunications Services

Dear Sir or Madam:

Enclosed please find the original and fourteen copies of *Unite Private Networks, L.L.C.'s Application and Petition for Certificate of Convenience and Necessity to Provide Telecommunications Services*.

For my records, please return a date-stamped copy in the enclosed, stamped envelope. If you have any questions, please contact me at (312) 857-2617. Thank you for your attention in this matter.

Sincerely,

Julie M. Musselman  
Telecommunications Policy Analyst

Enc.

Arizona Corporation Commission  
**DOCKETED**

JUN 01 2007

DOCKETED BY	<i>ML</i>
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ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide Intradate Telecommunications Services

Mail original plus 13 copies of completed application to: For Docket Control Only: (Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
X Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
X Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
Alternative Operator Services Telecommunications Services (Answer Sections A, B)
Other \_\_\_\_\_ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Unite Private Networks, LLC
950 W. 92 Hwy, Suite 203
Kearney, MO 64060

Telephone: 816-903-9400

Toll free: 1-866-963-4237

Fax: 816-903-9401

www.uniteprivatenetworks.com

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Kevin Anderson  
CEO  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

Telephone: 816-216-1868  
Fax: 816-903-9401

[Kevin.anderson@upnllc.com](mailto:Kevin.anderson@upnllc.com)

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Henry T. Kelly  
Kelley Drye & Warren LLP  
333 West Wacker Drive, 26<sup>th</sup> Floor  
Chicago, IL 60606  
Telephone: 312-857-7070  
Fax: 312-857-7095

[hkelly@kelleydrye.com](mailto:hkelly@kelleydrye.com)

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

Kevin Anderson  
CEO  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

Telephone: 816-216-1868  
Fax: 816-903-9401

[Kevin.anderson@upnllc.com](mailto:Kevin.anderson@upnllc.com)

(A-7) What type of legal entity is the Applicant?

Sole proprietorship

Partnership: \_\_\_\_\_ Limited, \_\_\_\_\_ General, \_\_\_\_\_ Arizona, \_\_\_\_\_ Foreign

Limited Liability Company: \_\_\_\_\_ Arizona,  Foreign

Corporation: \_\_\_\_\_ "S", \_\_\_\_\_ "C", \_\_\_\_\_ Non-profit

Other, specify: \_\_\_\_\_

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).

**Pages 15.**

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

**Pages 15.**

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

**Pages 9-11.**

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

**Unite will not seek deposits, advances and/or prepayments.**

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

**Not applicable.**

(A-10) Indicate the geographic market to be served:

**Statewide.** (Applicant adopts statewide map of Arizona provided with this application).

Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

**Not applicable**

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

**Not applicable**

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No  No – not applicable

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No  No – not applicable

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

**Unite will not seek deposits, advances and/or prepayments, therefore, a bond would not be applicable.**

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). **For Facilities-Based Service Providers**, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

Yes  X No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

State	Status
Nebraska	Approved
Illinois	Approved
Colorado	Approved
Missouri	Approved
Kansas	Approved

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

**Please see the response to question A-18. Unite is actively providing service in each of the approved states.**

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

**Not applicable.**

**B. FINANCIAL INFORMATION**

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

**Yes**

**No**

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

**Not applicable.**

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

**\$50,000**

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

**\$20,000**

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

4. If the projected value of all assets is zero, please specifically state this in your response.

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

**\$185,000**

**C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes  No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

**Not applicable**

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes  No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

**Unite will provide services after it is certified.**

(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance**
- Decision # 64178 Facilities Based LEC**

**E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

- X Yes**  No

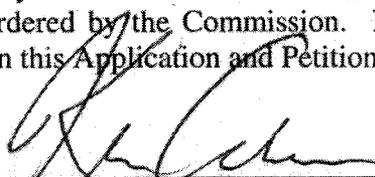
(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

- X Yes**  No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

- X Yes**  No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



\_\_\_\_\_  
(Signature of Authorized Representative)

5/30/07

\_\_\_\_\_  
(Date)

Kevin Anderson

\_\_\_\_\_  
(Print Name of Authorized Representative)

CEO

\_\_\_\_\_  
(Title)

SUBSCRIBED AND SWORN to before me this 30<sup>th</sup> day of May, 2007

Christine E. Christensen

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires April 11, 2009



## ATTACHMENT A

A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.

A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).

Indicate percentages of ownership of each person listed in A-8.2.

The officers and directors of Unite are the following:

Kevin Anderson  
Chairman and CEO  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060  
Telephone: 816-903-9400  
Fax: 816-903-9401  
[kevin.anderson@upnllc.com](mailto:kevin.anderson@upnllc.com)  
Percent ownership: 25%

Ron Reckrodt  
President and COO  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060  
Telephone: 816-903-9400  
Fax: 816-903-9401  
[ron.reckrodt@upnllc.com](mailto:ron.reckrodt@upnllc.com)  
Percent ownership: 25%

Dennis Devoy  
CFO  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060  
Telephone: 816-903-9400  
Fax: 816-903-9401  
[dennis.devoy@upnllc.com](mailto:dennis.devoy@upnllc.com)  
Percent ownership: 25%

Jeff Ingram  
Senior Vice President  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060  
Telephone: 816-903-9400  
Fax: 816-903-9401  
[jeff.ingram@upnllc.com](mailto:jeff.ingram@upnllc.com)  
Percent ownership: 25%

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**  
**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*UNITE PRIVATE NETWORKS, L.L.C.\*\*\***

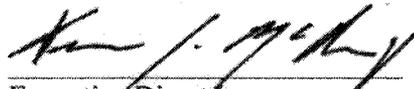
a foreign limited liability company organized under the laws of the jurisdiction of Missouri did obtain a Certificate of Registration in Arizona on the 26th day of February 2007.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 27th Day of May, 2007, A. D.

  
Executive Director

Order Number: 146697

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**ATTACHMENT B: DRAFT TARIFF**

**TELECOMMUNICATIONS TARIFF**  
**OF**  
**UNITE PRIVATE NETWORKS, L.L.C.**  
**950 W. 92 Hwy, Suite 203**  
**Kearney, MO 64060**  
**866-963-4237**

This Tariff contains the rates, terms and conditions applicable to the provision of Telecommunications Services in the State of Arizona by **UNITE PRIVATE NETWORKS, L.L.C.**, with principal offices at 950 W. 92 Hwy, Suite 203, Kearney, MO 64060. This Tariff is on file with the Arizona Corporation Commission and copies may be inspected during normal business hours at the Company's principal place of business.

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Issued Date: May 15, 2007

Effective Date: July 1, 2007

Kevin Anderson  
Chief Executive Officer  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

CHECK LIST

Tariff sheets are effective as of the date shown. Revised sheets as named below contain all changes from the original tariff that are in effect on the date thereof.

SHEET	REVISION	
1	Original	*
2	Original	*
3	Original	*
4	Original	*
5	Original	*
6	Original	*
7	Original	*
8	Original	*
9	Original	*
10	Original	*
11	Original	*
12	Original	*
13	Original	*
14	Original	*
15	Original	*
16	Original	*
17	Original	*

**\* signifies new tariff sheets or where sheets have been amended**

Issued Date: May 15, 2007

Effective Date: July 1, 2007

Kevin Anderson  
Chief Executive Officer  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

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Issued Date: May 15, 2007

Effective Date: July 1, 2007

Kevin Anderson  
Chief Executive Officer  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

**TARIFF FORMAT SHEET**

- A. Page Numbering. Page numbers appear in the upper-right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added, the page appears as a decimal. For example, a new page added between pages 34 and 35 would be 34.1.
- B. Page Revision Numbers. Revision numbers also appear in the upper-right corner of the page. These numbers are used to determine the most current page version on file with the Illinois Commerce Commission. For example, the 4th revised Page 34 cancels the third revised Page 34. Because of deferrals, notice periods, etc., the most current page number on file with the Commission is not always the tariff page in effect. User should consult the check page for the page currently in effect.
- C. Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a)
  - 2.1.1.A.1.(a).I
  - 2.1.1.A.1.(a).I.(i)
  - 2.1.1.A.1.(a).I.(i)(1)
- D. Check List of Effective Pages. When a tariff filing is made with the Commission, an updated Check List of Effective Pages ("Check List") accompanies the tariff filing. The Check List lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check List is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on the Check List if these are the only changes made to it (i.e., the format, etc.). User should refer to the latest Check List to find out if a particular page is the most current page on file with the Commission.

1. EXPLANATION OF SYMBOLS

Whenever tariff sheets are revised, changes will be identified by the following symbols:

- (C) To signify changed regulation.
- (D) To signify deleted or discontinued rate, regulation or condition.
- (I) To signify a change resulting in an increase to a customer's bill.
- (M) To signify material moved from or to another part of tariff with no change in text, rate, rule or condition.
- (N) To signify new rate, regulation, condition or sheet.
- (R) To signify a change resulting in a reduction to a customer's bill.
- (T) To signify change in text but no change in rate, rule or condition.

2. APPLICATION OF TARIFF

The service rates and regulations set forth in this Tariff are for the provision of telecommunications services statewide for customers of UNITE PRIVATE NETWORKS, LLC ("Company").

The Company may, from time to time, engage in special promotional offerings designed to attract new customers or to promote existing services. Such promotional service offerings shall be subject to specific dates, times, and/or locations, and shall be subject to prior notification to the Commission.

---

Issued Date: May 15, 2007

Effective Date: July 1, 2007

Kevin Anderson  
Chief Executive Officer  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

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### 3. DEFINITIONS

As used in this Tariff, the following terms shall have the following meanings unless the context otherwise require:

- A. Bit - The smallest amount of information in the binary system of notation.
- B. Cable Facilities - A coaxial, copper, and/or fiber optic cable network with associated repeater amplifiers and coupling devices which provides the path for transmission of signals to or from the Customer's or User's Premises.
- C. Customer - The person, firm, corporation or other legal entity which contracts with the Company to receive telecommunications services from the Company.
- D. Circuit - A communications path of a specific bandwidth or transmission speed between two or more points of termination.
- E. Facilities - All Company-owned or operated equipment and Cable Facilities used to provide telecommunications services.
- F. Individual Case Basis - A service arrangement for private line or private circuit services the Company will make available to customers in a non-discriminatory manner. Rates for interexchange dedicated access, private line or circuit, non-switched services will be determined on an Individual Customer Basis (ICB). ICB rates will be structured to recover the Company's cost of providing the service and will be made available to Commission Staff upon request on a proprietary basis. ICB rates will not be used for switched services.
- G. Premises - A building or structure on property not separated by a public right-of-way. The property may be divided by a private right-of-way or easement, such as a railroad right-of-way.
- H. Private Line Service - An unswitched full-time transmission service utilizing the Facilities to connect two or more designated Customer or User locations.
- I. Terminating Facilities - All equipment placed in a structure that converts the transmitted signal to a requested service type, connects the structure to the Company's network and provides a point of interface/connection to which the Customer can connect its equipment. This equipment may include electronic equipment, cable, wiring, connecting panels and blocks.
- J. User - A person, firm, or corporation designated as a user of common carrier services furnished to the Customer. A User must be specifically named in the Customer's application for services.

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Issued Date: May 15, 2007

Effective Date: July 1, 2007

Kevin Anderson  
Chief Executive Officer  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

## 4. PROVISION OF SERVICE

The company shall provide service to Customers which enter into a written contract with the Company specifying the services to be provided by the Company, the rates to be charged, and other terms and conditions of service. Certain general terms and conditions applicable to the provision of service by the Company are set forth in this Tariff. Contract terms not specifically governed by the Tariff will be individually negotiated with each prospective Customer. The Company will not provide services to any Customer until a contract has been executed.

---

Issued Date: May 15, 2007

Effective Date: July 1, 2007

Kevin Anderson  
Chief Executive Officer  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

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5. CUSTOMER OBLIGATIONS AND RESPONSIBILITIES

A. Conditions for Use: Service may be used for the transmission of information of the Customer provided that:

1. The Customer has entered into a written contract with the Company;
2. The Customer shall not use service for any purpose or in any manner directly or indirectly in violation of the law or in aid of any unlawful act or undertaking; and
3. The Customer, upon request, shall furnish such information and access to its location(s) and/or User's location(s) as may be required to permit the Company to design and maintain the Facilities to provide service and to assure that the service arrangement is in accordance with the provisions of this Tariff and the contract entered into between the Customer and the Company.

B. Customer is Responsible for:

1. Ensuring compatibility, installation, and maintenance of equipment and systems provided by the Customer or User with the interface equipment provided and/or sanctioned by the Company.
2. Damage to, or destruction of, Facilities caused by the negligence or willful act of the Customer or User or their agents.
3. Reimbursing the Company for any loss caused by the theft of Facilities installed on the Customer's or User's premises.
4. The provision of the power, wiring, and outlets required to operate the Facilities installed on the Customer's or User's Premises.
5. The provision, installation and maintenance of sealed conduit with explosive-proof fittings between equipment furnished by the Company in explosive atmosphere and points outside the hazardous area where connection may be made with the Facilities. The Customer may be required to install and maintain the Company's equipment within the hazardous area if, in the opinion of the Company, injury or damage to its employees or property might result from installation or maintenance by the Company.

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Issued Date: May 15, 2007

Effective Date: July 1, 2007

Kevin Anderson  
Chief Executive Officer  
Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060

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5. CUSTOMER OBLIGATIONS AND RESPONSIBILITIES (cont.)

6. Obtaining permission for the Company's agents or employees to enter the Premises of the Customer or User at any reasonable hour for the purpose of installing, inspecting, repairing or, upon termination of service, removing the Facilities.
  7. Making the Company's service components and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer, and providing for reasonable access to those facilities and equipment.
  8. All actions or omissions of a person, firm or corporation appointed by the Customer as its agent. Any limitations of agent's authority shall not be binding on the Company.
  9. Any breach of the terms and conditions contained in this Tariff or in the contract between the Customer and the Company governing service.
- C. **Payment of Rates and Charges:** The Customer is responsible for payment of all rates and charges as specified in this Tariff and/or the contract with the Company, for services furnished by the Company to the Customer or User. The Company will submit invoices to the Customer by the fifteenth of each month at the Customer's general office or at such other places as may be designated by the Customer, which are due and payable upon receipt at the Customer's general office or at such other places as may be designated by the Customer. Undisputed invoices not paid after thirty (30) days are subject to interest compounded monthly at 1.5% per month, or such other amount otherwise allowed by law. In addition, failure to pay any past or currently due amounts may result in termination of service as described in Section 13 of this Tariff. Any billing errors shall be adjusted to the known date of error or for a period of one year, whichever is shorter.
- D. **Complaint Procedures:** Unless the parties to the written contract agree to different process, which terms shall govern over this tariff, a Customer may initiate a complaint with the Company on any matter by telephone, in writing or in person at any of the Company's offices. The Company's response to the complaint will generally be in the same format used by the Customer. The customer may, at any point during the resolution of the complaint, seek review by a supervisor or manager. If the Customer is still not satisfied, Customer should document the complaint with sufficient detail to investigate the complaint and send the complaint to:

Customer Service Department  
Attn: Unite Private Networks, LLC  
950 W. 92 Hwy, Suite 203  
Kearney, MO 64060  
866-963-4237

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5. CUSTOMER OBLIGATIONS AND RESPONSIBILITIES (cont.)

D. Complaint Procedures (cont.)

The Company shall further direct such supervisory personnel to inform such customer who expresses nonacceptance of the decision of such supervisory personnel of their right to have the problem reviewed by the Commission and shall furnish them with the telephone number and address of the Arizona Corporation Commission

Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, AZ 85007-2996  
(602) 542-4251

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## 6. OBLIGATIONS OF THE COMPANY

- A. **Undertakings:** The undertaking of the Company is to furnish service as ordered and specified by the Customer, and as limited by the terms and conditions of this Tariff and the contract entered into between the Customer and the Company. This offering is subject to the availability of Facilities. The Company undertakes to maintain and repair any equipment which it furnished to the Customer, unless otherwise specified in the contract entered into between the Customer and the Company. The Customer or User may not rearrange, disconnect, remove, or attempt to repair any equipment installed by the Company without the prior written consent of the Company.
- B. **Limitations:** The Company shall not be responsible for installation, operation or maintenance of any Terminating Facilities or communications systems purchased or connected to service by a Customer, unless otherwise specified in the contract entered into between the Customer and the Company. Service is not represented as adapted to the use of any specific equipment or system. The Responsibility of the Company shall be limited to the furnishing of service and maintenance and operation of such service. The furnishing of service will require certain physical arrangements of the facilities of the Company and is therefore subject to the availability of such facilities.
- C. **Liability and Indemnification:**
1. The Company shall not be liable for damage arising out of mistakes, omissions, interruptions, delays or errors, or defects in transmission occurring in the course of furnishing service. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary, or punitive damages to a Customer or User as a result of any service provided by the Company or use of the Facilities, or the acts, omissions or negligence of the Company's employees or agents. The Company's liability for gross negligence or willful misconduct is not limited by this tariff.
  2. The sole remedy for a Customer or User with respect to failure of the Company to maintain proper standards or maintenance and operation or failure to exercise reasonable supervision shall in no event exceed an amount equivalent to the credit for a service interruption specified in the contract between the Company and the Customer or User.

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**6. OBLIGATIONS OF THE COMPANY****C. Liability and Indemnification (cont.)**

3. The Company does not guarantee or make any warranty with respect to equipment provided by it for use in an explosive atmosphere. The Customer or User indemnifies and holds the Company harmless from any and all loss, claims, suits, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or User or by any other party or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or User or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to maintain, removal, presence, condition, location or use of said equipment so provided.
4. The Company shall not be liable for any defacement of or damage to the Premises of a Customer or User resulting from the furnishing of Facilities or the attachment of the instruments, apparatus and associated wiring furnished by the Company on such Premises or by the installation or removal thereof, when such defacement or damage is not the result of negligence of the agents or employees of the Company.
5. The Company shall be indemnified and saved harmless by the Customer or User against:
  - (a) Claims for libel, slander and infringement or copyright arising from the material transmitted over the Facilities.
  - (b) Claims for infringement of patents arising from, combining with, or using in connection with, the Facilities and systems or apparatus of the Customer or User; and
  - (c) All other claims arising out of any act or omission of the Customer or User or their agents in connection with the Facilities, or information transmitted over the Facilities.

**D. Provision of Facilities:**

1. Upon agreement between the Company and the Customer, the Company will provide all Facilities necessary for service.
2. Provided the necessary Facilities are available, service will be furnished by the Company. Where Facilities are not available, terms for provision of service will be individually negotiated with the Customer.

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Issued Date: May 15, 2007

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7. SERVICE PERIOD

The period for which service will be provided by the Company to the Customer or User shall be the period specified in the contract between the Customer and the Company.

8. INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

Individual Case Basis arrangements refers to a service arrangement for private line or private circuit services the Company will make available to customers in a non-discriminatory manner. Rates for interexchange dedicated access, private line or circuit, non-switched services will be determined on an Individual Customer Basis (ICB). ICB rates will be structured to recover the Company's cost of providing the service and will be made available to Commission Staff upon request on a proprietary basis. ICB rates will not be used for switched services.

9. SPECIAL CONSTRUCTION

Provision of service may require special construction of Facilities and equipment by the Company. Special construction arrangements of Facilities may be undertaken by the Company at the request of the Customer or User and upon determination by the Company that such charge should apply in the particular instance.

A. Survey and Design. Prior to engaging in any special construction, survey and design studies may be required. Should that be the case, the Company and the Customer may agree to arrange for the performance of those studies, the review and acceptance thereof by both the Company and the Customer, and the appropriate charges therefore. Failure to agree on the performance of such studies, the acceptability thereof, or the charges therefore, shall constitute grounds for denial of the requested service by the Company.

B. Charges for Special Construction. All recurring and non-recurring charges for special construction shall be set forth in the contract between the Company and the Customer, and shall be the responsibility of the Customer, regardless of the projected charges for the provision of service by the Company.

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Kevin Anderson  
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**10. SERVICE OFFERINGS**

The Company will provide point-to-point and point-to-multipoint, Private Line Services connecting a Customer's or User's locations to one another.

**11. SERVICE RATES**

Individual Case Basis service rates will be charged for private line or private circuit services the Company will make available to customers in a non-discriminatory manner. Rates for interexchange dedicated access, private line or circuit, non-switched services will be determined on an Individual Customer Basis (ICB). ICB rates will be structured to recover the Company's cost of providing the service and will be made available to Commission Staff upon request on a proprietary basis. ICB rates will not be used for switched services.

**12. SPECIAL CHARGES**

- A. **Out-of-Normal Work Hours:** The charges specified in this Section 12 do not contemplate work being performed by Company employees at a time when overtime wages apply, due to the request of the Customer, nor do they contemplate work once begun being interrupted by the Customer. If the Customer requests labor be performed at hours of the day or days of the week other than during normal working hours or days (8:00 a.m. to 4:30 p.m., Monday through Friday), or during holidays, or if the Customer interrupts work once begun, an additional charge may be imposed, equal to the actual higher costs incurred by the Company for overtime and materials.
- B. **Maintenance and Service Charge:** The Customer may be responsible for the cost incurred by the Company in connection with a maintenance and/or service visit to the Customer's or User's Premises when the difficulty or trouble results from the equipment or Facilities provided by the Customer or User, or when failure in the Company's equipment or Facilities is attributable to the Customer or User or their agents. Said cost shall be based upon the current labor rate and material costs of the Company in effect at the time of the visits.

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13. SERVICE CANCELLATIONS

A. Discontinuance of Service by the Company:

The Company, by such written notice to the Customer as specified in the contract between the Customer and the Company, may discontinue furnishing service without incurring any liability beyond that stated in the contract, upon:

1. Non-payment of any sum due to the Company by a Customer; or
2. A breach of any of Customer's representations or warranties contained in the contract between the Customer and Company, or a violation by the Customer of any term or condition governing the furnishing of service as specified in this Tariff or in the contract for service between the Customer and the Company.

B. Cancellation of Service by the Customer Prior to End of the Contract Period:

When the Customer cancels the service prior to the end of the term of the contract, the Customer may be required to pay a cancellation charge in the amount specified in the contract between the Customer and the Company.

C. Cancellation of Application for Service:

When the prospective Customer cancels an application for service prior to the start of installation or special construction of Facilities by the Company, no charge shall be made to the prospective Customer. Where the installation of Facilities has been started prior to the cancellation, the prospective Customer shall pay a cancellation charge in the amount specified in the contract between the Customer and the Company. Installation or special construction of facilities for a Customer is considered to have started from the latest contract date or when the Company incurs any expense in connection therewith, whichever occurs earlier.

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**14. SERVICE INTERRUPTIONS**

- A. **General:** The Company agrees to use its best efforts to assure continuous full time operation of the service. The customer is considered to have experienced a service interruption when the Circuit becomes unavailable for use or the quality of transmission is such that the Circuit is effectively unusable.
- B. **Service Restoration:** The Company agrees to use its best efforts to respond to the Customer's reasonable request for maintenance in connection with the service as soon as reasonably possible. The Company shall have no obligation to perform maintenance which requires access to the Customer's or other premises or buildings when that access cannot be provided to the Company by the Customer. The Company agrees to use its best efforts to minimize the duration of any service interruption.
- C. **Liability:** The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary, or punitive damages as the result of any service interruption. The Company's liability for gross negligence or willful misconduct is not limited by this tariff.
- D. **Credits:** The amount of credit for any service interruption, if any, shall be specified in the contract between the Customer and the Company.

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Issued Date: May 15, 2007

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Kearney, MO 64060

**ATTACHMENT C: AFFIDAVIT OF PUBLICATION FORM**

Not applicable at this time since Unite is filing for facilities-based certification.

## **ATTACHMENT D: FINANCIAL INFORMATION**

The Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Prior to January 1, 2006, Unite Private Networks, LLC was wholly-owned by Unite Communications Systems, Inc. (UCS) and its financial results were part of the consolidated results for UCS. UCS Financial Statements for 2005 and 2004 are attached. UCS had the same officers and owners (and ownership percentages) as Unite Private Networks, LLC. Unite Private Networks, LLC was distributed to UCS shareholders on January 1, 2006 and is now owned directly by the shareholder/members.

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS – ILLINOIS, LLC**

Combined Financial Statements and  
Accountants' Review Report

December 31, 2006

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS – ILLINOIS, LLC**

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**MIZE, HOUSER & COMPANY**  
PROFESSIONAL ASSOCIATION  
7101 COLLEGE BLVD  
40 EXECUTIVE HILLS-STE 1510  
OVERLAND PARK, KS 66210-4039

To the Members  
Unite Private Networks, LLC and  
Unite Private Networks – Illinois, LLC  
Kearney, Missouri

Accountants' Review Report

We have reviewed the accompanying combined statement of assets, liabilities and members' equity – cash basis of Unite Private Networks, LLC and Unite Private Networks – Illinois, LLC as of December 31, 2006 and the related combined statement of revenues, expenses and members' equity – cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the members of Unite Private Networks, LLC and Unite Private Networks – Illinois, LLC.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note 1.

*Mize, Houser & Company*

Professional Association

Overland Park, Kansas  
January 25, 2007

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS – ILLINOIS, LLC**

Combined Statement of Assets, Liabilities and Members' Equity – Cash Basis  
See Accountants' Review Report  
December 31, 2006

Assets	<u>UPN</u>	<u>UPN-IL</u>	<u>Combined</u>
Current assets:			
Cash (Note 2)	\$290,170	\$63,476	\$353,646
Advances from (to) affiliate	480,000	(480,000)	0
Materials and supplies	101,075	9,480	110,555
Total current assets	<u>871,245</u>	<u>(407,044)</u>	<u>464,201</u>
Property and equipment:			
Communications network and equipment	3,887,518	4,483,245	8,370,763
Vehicles	13,116	0	13,116
Office furniture and equipment	43,145	0	43,145
Construction in progress	21,105	118,949	140,054
	<u>3,964,884</u>	<u>4,602,194</u>	<u>8,567,078</u>
Less accumulated depreciation	299,266	354,628	653,894
Net property and equipment	<u>3,665,618</u>	<u>4,247,566</u>	<u>7,913,184</u>
 Total assets (Note 4)	 <u>\$4,536,863</u>	 <u>\$3,840,522</u>	 <u>\$8,377,385</u>
 Liabilities and Members' Equity			
Current liabilities:			
Current maturities of long-term debt (Note 4)	<u>\$399,445</u>	<u>\$227,005</u>	<u>\$626,450</u>
Total current liabilities	<u>399,445</u>	<u>227,005</u>	<u>626,450</u>
Long-term debt:			
Long-term debt, less current maturities (Note 4)	<u>2,836,980</u>	<u>1,665,799</u>	<u>4,502,779</u>
Total liabilities	<u>3,236,425</u>	<u>1,892,804</u>	<u>5,129,229</u>
Members' equity	<u>1,300,438</u>	<u>1,947,718</u>	<u>3,248,156</u>
Total liabilities and members' equity	<u>\$4,536,863</u>	<u>\$3,840,522</u>	<u>\$8,377,385</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements.

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS – ILLINOIS, LLC**

Combined Statement of Revenues, Expenses and Members' Equity – Cash Basis  
See Accountants' Review Report  
Year Ended December 31, 2006

	<u>UPN</u>	<u>UPN-IL</u>	<u>Combined</u>
Operating revenues:			
PVN Revenue (Note 3)	<u>\$2,250,504</u>	<u>\$1,299,833</u>	<u>\$3,550,337</u>
Operating expenses:			
Network operations	548,914	139,975	688,889
Administrative salaries	346,024	0	346,024
Payroll taxes and employee benefits	152,392	0	152,392
Advertising and marketing	333,620	190	333,810
Property and franchise taxes	26,556	0	26,556
Travel and entertainment	24,270	8	24,278
Billing costs	17,349	0	17,349
Rent	16,249	0	16,249
Utilities	10,809	0	10,809
Telephone	24,363	0	24,363
Office supplies and postage	20,894	33	20,927
Professional fees	74,380	7,196	81,576
Insurance	46,106	0	46,106
Management fees	(600,000)	600,000	0
Other expense	10,211	414	10,625
Total operating expenses	<u>1,052,137</u>	<u>747,816</u>	<u>1,799,953</u>
Operating income before depreciation and amortization	1,198,367	552,017	1,750,384
Depreciation and amortization expense	<u>299,266</u>	<u>228,162</u>	<u>527,428</u>
Operating income	<u>899,101</u>	<u>323,855</u>	<u>1,222,956</u>
Other income (expense):			
Interest income	3,432	950	4,382
Interest expense (Note 5)	(163,521)	(168,627)	(332,148)
Loss on disposal of assets	(765)	0	(765)
Total other income (expense)	<u>(160,854)</u>	<u>(167,677)</u>	<u>(328,531)</u>
Excess revenues over expenses	738,247	156,178	894,425
Members' equity at beginning of period	0	369,795	369,795
Capital contributions (Note 5)	814,531	1,425,000	2,239,531
Distributions	<u>(252,340)</u>	<u>(3,255)</u>	<u>(255,595)</u>
Members' equity at end of period	<u>\$1,300,438</u>	<u>\$1,947,718</u>	<u>\$3,248,156</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements.

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS – ILLINOIS, LLC**

Summary of Significant Accounting Policies  
See Accountants' Review Report  
Year Ended December 31, 2006

Basis of Presentation

The accompanying combined financial statements include the accounts of Unite Private Networks, LLC (UPN) and Unite Private Networks – Illinois, LLC (UPN – IL). All significant intercompany balances and transactions have been eliminated. The term, "the Company," refers to any member of the combined group when used in these combined financial statements.

Description of Business

UPN was originally formed as a single member limited liability company on December 17, 2003 to construct and operate private networks, primarily for education and government organizations. The networks owned and operated by UPN are located in Colorado, Missouri and Nebraska. Through December 31, 2005, UPN was owned by Unite Communications Systems, Inc. (UCS), a corporation that was owned equally by four individuals. On January 1, 2006, UCS distributed the member interests in UPN to the owners of UCS. The assets and liabilities of UPN were valued on January 1, 2006, based on their fair market on that date as determined by an independent appraisal.

UPN – IL was organized as a limited liability company in the State of Missouri on May 3, 2005. The Company purchased an existing dark fiber network and the associated long-term lease and maintenance agreements on June 10, 2005. The network is located in Chicago, Illinois.

Approximately 36% of the combined operating revenues were from a single company for the year ended December 31, 2006. The Company had three other customers that individually accounted for 10%, 11% and 12%, respectively, of the combined operating revenues for the year ended December 31, 2006.

Materials and Supplies

Materials and supplies inventories are stated at the lower of cost (determined by the average cost method) or market.

Property and Equipment

Property and equipment owned by UPN as of January 1, 2006 are recorded at their fair market values. All other property and equipment is recorded at original cost. Management annually reviews these assets to determine whether carrying values have been impaired.

Property and equipment are depreciated using both straight-line and accelerated methods over their estimated useful lives, ranging from three to twenty years.

Income Taxes

Both UPN and UPN – IL have elected to be taxed under Subchapter S of the Internal Revenue Code. Under this election, the income taxes on earnings are payable personally by the Company's members.

Use of Estimates

The preparation of financial statements in conformity with the cash basis method of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. As such, actual results could differ from such estimates. The significant estimate utilized in these cash basis financial statements is depreciation of property and equipment.

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS – ILLINOIS, LLC**

Notes to the Combined Financial Statements  
See Accountants' Review Report  
Year Ended December 31, 2006

1. Basis of Accounting

The Company's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. The Company does record depreciation of property and equipment and advances with affiliates under their method of accounting.

2. Cash and Concentration of Risk

The Company maintains cash balances at financial institutions in northwest Missouri. Accounts at each institution are secured by the Federal Deposit Insurance Corporation (FDIC). At certain times during the year ended December 31, 2006, the Company had cash deposited in excess of the FDIC limit. The Company has not experienced any losses in such accounts, and management believes they are not exposed to any significant credit risk.

3. Revenues

The Company enters into contracts for the use of its private network facilities. These lease contracts range in original terms from three to twenty years. Revenues for the cash basis financial statements are recognized as received.

Certain of the lease agreements contain a buy down option whereby the lessee may buy out the lease contract at the fifth anniversary of the agreement. If that option is not taken, lease payments continue for an additional five years. The buy out price approximates the present value of the remaining sixty monthly lease payments, excluding maintenance payments. Maintenance revenues continue for the term of the particular lease contracts and contain a provision allowing an annual increase of 3% for each year of the agreement.

Below is a summary by year of lease payments (excluding maintenance) to be received as of December 31, 2006:

2007	\$ 3,166,376
2008	2,925,175
2009	2,826,738
2010	2,857,276
2011	2,529,853
Thereafter	<u>6,432,157</u>
	<u>\$20,737,575</u>

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS - ILLINOIS, LLC**

Notes to the Combined Financial Statements  
See Accountants' Review Report  
Year Ended December 31, 2006

4. Long-Term Debt

Long-term debt as of December 31, 2006 consists of the following:

Note payable to Kearney Commercial Bank dated May 9, 2005, with interest at 6.5%, payable in annual installments of \$396,172, including interest, payments due August 1, 2007, 2008, and 2009 with a final payment of \$1,780,884 on August 1, 2010, secured by UPN private network contracts.	\$2,411,722
Note payable to Heartland Bank dated May 31, 2004, with interest at 7%, payable in monthly installments of \$18,173, including interest, maturing May 31, 2009 with a balloon payment of \$423,596, secured by UPN private network contracts and guarantee of the Company's members.	824,703
Note payable to members, dated September 6, 2006, with interest at 7.25%, payable in monthly installments of \$29,804, including interest, maturing September 25, 2013, secured by all assets of UPN - IL.	<u>1,892,804</u>
	5,129,229
Less current maturities	<u>(626,450)</u>
Total long-term debt	<u>\$4,502,779</u>

Maturities of the above long-term debt are as follows:

Years ending December 31:

2007	\$ 626,450
2008	671,278
2009	1,012,475
2010	1,941,538
2011	303,112
Thereafter	<u>574,376</u>
	<u>\$5,129,229</u>

**UNITE PRIVATE NETWORKS, LLC AND  
UNITE PRIVATE NETWORKS – ILLINOIS, LLC**

Notes to the Combined Financial Statements  
See Accountants' Review Report  
Year Ended December 31, 2006

5. Related Parties

On January 1, 2006, prior to the ownership change, UPN distributed an accounts receivable from UPN – IL in the amount of \$1,025,000 to UCS which then distributed that receivable to its owners. The owners contributed the receivable to UPN – IL resulting in an increase in members' equity of \$1,025,000 and a similar reduction of the balance owed to UPN by UPN – IL at January 1, 2006.

In August of 2006, the stock of UCS was sold to a third party. Prior to the completion of that transaction, UCS distributed an accounts receivable of \$727,410 from UPN to its owners. The owners contributed the receivable to UPN resulting in an increase in members' equity of \$727,410 and the elimination of the same amount owed by UPN to UCS.

The Company has borrowed \$1,892,804 from its members as of December 31, 2006 as outlined in Note 4. Interest expense on this note was \$35,177 for the year ended December 31, 2006. The Company had borrowed \$200,000 from its four members as of December 31, 2005. These amounts were paid in full in April 2006. Interest expense on these notes was \$8,485 for the year ended December 31, 2006.

6. Letters of Credit

At December 31, 2006, the Company has issued unsecured letters of credit for \$135,000 to finance the construction of private networks. No amounts have been drawn on these letters of credit.

**UNITE COMMUNICATIONS SYSTEMS, INC.  
AND SUBSIDIARIES**

Financial Statements and  
Accountants' Review Report

December 31, 2005 and 2004

UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES

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**MIZE, HOUSER & COMPANY**  
PROFESSIONAL ASSOCIATION  
7101 COLLEGE BLVD  
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OVERLAND PARK, KS 66210-4039

To the Board of Directors  
Unite Communications Systems, Inc.  
Kearney, Missouri

Accountants' Review Report

We have reviewed the accompanying consolidated balance sheets of Unite Communications Systems, Inc. and Subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these consolidated financial statements is the representation of the management of Unite Communications Systems, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with generally accepted accounting principles.

*Mize, Houser & Company*

Professional Association

Overland Park, Kansas  
February 9, 2006

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Consolidated Balance Sheets  
See Accountants' Review Report  
December 31,

	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$193,230	\$622,666
Accounts receivable, net of allowance for doubtful accounts of \$150,693 and \$90,183 at December 31, 2005 and 2004, respectively (Notes 1, 2, 3, 4 and 5)	375,290	1,218,159
Accounts receivable - stockholders	0	11,379
Interest bearing advances to affiliate (Note 2)	1,663,991	0
Materials and supplies	512,297	469,934
Prepaid expenses and other assets	49,191	49,903
Total current assets	<u>2,793,999</u>	<u>2,372,041</u>
Property and equipment (Notes 4 and 5):		
Buildings and improvements	114,580	103,080
Communications network and equipment	12,102,001	7,743,178
Vehicles	142,017	134,867
Office furniture and equipment	328,248	141,713
Construction in progress	95,381	1,182,910
	<u>12,782,227</u>	<u>9,305,748</u>
Less accumulated depreciation	<u>(1,766,520)</u>	<u>(585,941)</u>
	11,015,707	8,719,807
Land	16,966	16,966
Net property and equipment	<u>11,032,673</u>	<u>8,736,773</u>
Other assets:		
Deposits	50,000	50,000
Total other assets	<u>50,000</u>	<u>50,000</u>
Total assets	<u>\$13,876,672</u>	<u>\$11,158,814</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements.

	<u>2005</u>	<u>2004</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Trade accounts payable	\$437,078	\$1,295,626
Current maturities of notes payable (Note 5)	523,388	286,403
Accrued compensation	80,097	66,850
Accrued interest	109,271	78,927
Other current liabilities	113,166	127,332
Total current liabilities	<u>1,263,000</u>	<u>1,855,138</u>
Deferred revenue (Note 7):		
To be recognized within twelve months	1,027,060	569,810
To be recognized after twelve months	2,987,918	1,615,619
Total deferred revenue	<u>4,014,978</u>	<u>2,185,429</u>
Long-term debt:		
Line of credit (Note 4)	0	1,150,000
Notes payable, less current maturities (Note 5)	5,598,482	2,970,108
Total long-term debt	<u>5,598,482</u>	<u>4,120,108</u>
Total liabilities	<u>10,876,460</u>	<u>8,160,675</u>
Stockholders' equity (Note 4):		
Common stock, \$1.00 par value, 20,000 shares authorized, issued and outstanding	20,000	20,000
Additional paid-in capital	180,000	180,000
Retained earnings	2,800,212	2,798,139
Total stockholders' equity	<u>3,000,212</u>	<u>2,998,139</u>
Total liabilities and stockholders' equity	<u>\$13,876,672</u>	<u>\$11,158,814</u>

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Consolidated Statements of Income  
See Accountants' Review Report  
Years Ended December 31,

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Revenues	\$7,500,141	\$5,721,054
Cost of goods sold	<u>873,453</u>	<u>674,505</u>
Gross margin from operations	6,626,688	5,046,549
Selling, general and administrative expenses	<u>2,879,941</u>	<u>2,048,104</u>
Operating income before depreciation	3,746,747	2,998,445
Depreciation expense	<u>1,180,896</u>	<u>504,327</u>
Operating income	<u>2,565,851</u>	<u>2,494,118</u>
Other income (expense):		
Interest expense	(413,743)	(174,333)
Interest income	46,248	991
Gain on sale of assets	<u>3,717</u>	<u>6,963</u>
Total other income (expense)	<u>(363,778)</u>	<u>(166,379)</u>
Net income	<u>\$2,202,073</u>	<u>\$2,327,739</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements.

UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity  
See Accountants' Review Report  
Years Ended December 31, 2005 and 2004

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
Balance at December 31, 2003	\$20,000	\$180,000	\$620,400	\$820,400
Net income for the period	0	0	2,327,739	2,327,739
Dividends paid	<u>0</u>	<u>0</u>	<u>(150,000)</u>	<u>(150,000)</u>
Balance at December 31, 2004	20,000	180,000	2,798,139	2,998,139
Net income for the year	0	0	2,202,073	2,202,073
Dividends paid	<u>0</u>	<u>0</u>	<u>(2,200,000)</u>	<u>(2,200,000)</u>
Balance at December 31, 2005	<u>\$20,000</u>	<u>\$180,000</u>	<u>\$2,800,212</u>	<u>\$3,000,212</u>

The accompanying summary of significant accounting policies and notes are an integral part of these statements.

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Consolidated Statements of Cash Flows  
See Accountants' Review Report  
Years Ended December 31,

	2005	2004
Cash flows from operating activities:		
Net income	\$2,202,073	\$2,327,739
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,180,896	504,167
Gain on disposal of fixed assets	(3,717)	(6,963)
Decrease (increase) in accounts receivable	854,248	(975,795)
(Increase) in other current assets	(41,651)	(153,789)
(Increase) in deposits	0	(50,000)
(Decrease) increase in accounts payable	(264,196)	260,704
Increase in deferred revenue	1,829,549	152,731
Increase in other current liabilities	29,425	66,508
Net cash provided by operating activities	5,786,627	2,125,302
Cash flows from investing activities:		
Purchases of property and equipment and construction in progress	(4,071,831)	(4,372,739)
Proceeds from disposal of fixed assets	4,400	7,763
Net cash used in investing activities	(4,067,431)	(4,364,976)
Cash flows from financing activities:		
Interest bearing advances to affiliate, net	(1,663,991)	0
Proceeds from borrowings, net of amounts refinanced	1,987,327	2,880,254
Repayment of long-term debt	(271,968)	(326,517)
Dividend distributions	(2,200,000)	(150,000)
Net cash (used in) provided by financing activities	(2,148,632)	2,403,737
Net (decrease) increase in cash and cash equivalents	(429,436)	164,063
Cash and cash equivalents at beginning of year	622,666	458,603
Cash and cash equivalents at end of year	\$193,230	\$622,666

The accompanying summary of significant accounting policies and notes are an integral part of these statements.

## UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES

### Summary of Significant Accounting Policies See Accountants' Review Report Years Ended December 31, 2005 and 2004

#### Description of Business

Unite Communications Systems, Inc. (UCS) was incorporated on September 22, 2003, and purchased 100% of the outstanding common stock of ExOP of Missouri, Inc. (dba Unite) on October 3, 2003. On December 17, 2003, UCS formed a single member limited liability company named Unite Private Networks, LLC (UPN).

ExOP of Missouri, Inc. (Unite) was incorporated in August 1996 and provides local and long distance telephone service, internet access, video, and various other telecommunications services to business and residential customers primarily in Kearney and Platte City, Missouri. Revenues from subscriber operations approximate 55% and 60% of consolidated operating revenues, for the years ended December 31, 2005 and 2004, respectively. UPN operates private networks, primarily for education and government organizations. The private networks operations consist of long-term construction and service contracts for networks built and operated for specific customers. Revenues from private network contracts approximate 45% and 40% of consolidated operating revenues, for the years ended December 31, 2005 and 2004, respectively.

#### Principles of Consolidation and Financial Statement Presentation

The consolidated financial statements include the accounts of UCS and its wholly owned subsidiaries, Unite and UPN. All significant intercompany balances and transactions have been eliminated. The term, "the Company," refers to any of the entities when used in these consolidated financial statements.

#### Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

#### Materials and Supplies

Materials and supplies inventories are stated at the lower of cost (determined by a first-in, first-out method) or market.

#### Revenue Recognition

The Company recognizes revenues for telecommunications services at the time of customer usage, when collection is probable, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable.

The Company recognizes revenues specifically related to the construction of private network facilities over the construction period of the network for contracts that meet specific revenue recognition criteria.

Deferred revenue consists of advance billings and collections related to long-term private network usage contracts. Deferred revenue is recorded in the statements of income using a modified straight-line method over the life of the contract.

## UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES

Summary of Significant Accounting Policies  
See Accountants' Review Report  
Years Ended December 31, 2005 and 2004

### Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash is deposited in financial institutions. At times, cash in financial institutions exceeds the FDIC insured limit of \$100,000.

### Property and Equipment

Property and equipment owned by Unite were recorded at their estimated fair values as of October 3, 2003, the date UCS purchased all of the outstanding common stock of Unite. Unite elected to utilize the push down method of accounting whereby all assets and liabilities are revalued as of the acquisition date and current values of assets and liabilities, rather than their book values, are reported in the financial statements. The Companies record property and equipment acquired subsequent to October 3, 2003 at original cost.

Property and equipment owned as of October 3, 2003 are depreciated on the straight-line method over their estimated remaining lives ranging from three to thirty-nine years. Accumulated depreciation on those assets was eliminated as of October 3, 2003 as a result of the push down accounting and establishment of carrying costs at current value. Property and equipment acquired subsequent to October 3, 2003 are depreciated over their estimated useful lives ranging from three to thirty-nine years.

### Advertising Expenses

The costs of advertising and product promotion are expensed as incurred. The Company incurred approximately \$51,000 and \$62,000 in advertising costs during the years ended December 31, 2005 and 2004, respectively.

### Income Taxes

The Company has elected to be taxed under Subchapter S of the Internal Revenue Code. Under this election, the income taxes on earnings are payable personally by the UCS stockholders.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. As such, actual results could differ from such estimates.

## UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements  
See Accountants' Review Report  
Years Ended December 31, 2005 and 2004

1. Accounts Receivable

Accounts receivable as of December 31, 2004 included unbilled revenue of \$773,579. This represented revenue recognized on PVN contracts under which a contractual obligation for payment existed, but the Company had not billed the customer as of the balance sheet date. These amounts were billed and collected during the year end December 31, 2005.

2. Accounts Receivable – Affiliate

Unite Private Networks - Illinois, LLC (UPN - Illinois) was formed to purchase and operate an existing dark fiber network in the Chicago, Illinois area. UPN - Illinois has common identical ownership with UCS. During the year ended December 31, 2005, UPN advanced net funds to UPN - Illinois of \$1,619,442. These advances bear interest at 7% and the interest is added to the outstanding balance. Interest income recorded on the intercompany advances for the year ended December 31, 2005 was \$44,659. The advances are payable on demand. The total amount due from UPN - Illinois at December 31, 2005 was \$1,663,991.

3. Concentration of Credit Risk

The Company had one customer that accounted for 21% and 17% of its revenue during the years ended December 31, 2005 and 2004, respectively. A significant portion of the revenue from this customer in 2005 and 2004 was related to the construction of a private network. Construction was completed during 2005.

4. Line of Credit

In August 2005, Unite entered into a new secured credit agreement with Commerce Bank of Kansas City, Missouri, at which time the existing line of credit agreement was paid in full and terminated. Unite's obligations under the new secured credit agreement are secured by substantially all of Unite's assets, all common stock of Unite, and the personal guarantee of UCS stockholders. The agreement allows for a line of credit with a maximum borrowing capacity of \$7,000,000 and the line of credit is due on demand. If no demand is made, the line of credit expires on August 22, 2007. Principal amounts outstanding under the line of credit bear interest at the prime rate plus .50%, fluctuating daily. The secured credit agreement contains customary covenants and events of default including, but not limited to, financial tests for interest coverage, net worth levels and leverage ratios. Unite was in compliance with these covenants at December 31, 2005.

So long as no event of default on the secured credit agreement has occurred, the agreement allows all or part of the amounts outstanding under the line of credit to be converted to a term loan for an amount not less than \$2,000,000. No more than two term loans may be outstanding at any point in time. On August 23, 2005, Unite borrowed \$2,600,000 under the line of credit and converted it to a term note. See Footnote 5. There are no borrowings remaining outstanding under the line of credit as of December 31, 2005. The maximum available credit under the line of credit is approximately \$4,400,000 at December 31, 2005.

During the year ended December 31, 2004, Unite entered into a line of credit agreement with maximum borrowings of up to \$3,900,000 at an interest rate of prime plus 1.75%. The line was scheduled to mature on June 17, 2006. The line was secured by accounts receivable, property and equipment and inventory, all the common stock of Unite, and the personal guarantee of UCS stockholders. Unite had borrowings of \$1,150,000 at December 31, 2004. The line was terminated in August 2005, as described above.

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements  
See Accountants' Review Report  
Years Ended December 31, 2005 and 2004

5. Long-Term Debt

	<u>2005</u>	<u>2004</u>
Note payable to Kearney Commercial Bank dated April 17, 2002, with interest at prime plus 1%, not to exceed 8.00%, calculated quarterly (5.75% at December 31, 2004), payable in annual payments of \$165,049, including interest, final payment due July 2007, secured by a private network contract receivable, paid in full May 2005 with borrowings from new debt.	\$ 0	\$ 435,421
Note payable to Heartland Bank dated May 31, 2004, with interest at 7%, payable in monthly installments of \$18,173, including interest, maturing May 31, 2009, with a balloon payment of \$423,596, secured by private network contracts and guarantee of UCS stockholders.	978,090	1,121,090
Note payable to Kearney Commercial Bank dated May 13, 2004, with interest at 5.25%, originally payable in annual installments of \$633,952, including interest, payments due on July 31, 2005, 2006, and 2007, secured by a private network contract and guarantee of UCS stockholders, note refinanced on February 7, 2005 to change interest rate to 5.75%, with interest to be paid quarterly and all outstanding principal due at maturity of July 31, 2007, paid in full May 2005 with borrowings from new debt.	0	1,700,000
Note payable to Commerce Bank of Kansas City, Missouri, dated August 23, 2005, with interest at 7%, payable in monthly installments of \$30,125 including interest, maturing August 22, 2010, with a balloon payment of \$1,562,358. This note is under the terms of the secured credit agreement outlined in Note 4.	2,543,780	0
Note payable to Kearney Commercial Bank dated May 9, 2005, with interest at 6.5%, payable in annual installments of \$396,172 including interest, payments due on August 1, 2006, 2007, 2008, 2009 and a final payment of \$1,780,884 on August 1, 2010, secured by private network contracts.	<u>2,600,000</u> 6,121,870	<u>0</u> 3,256,511
Current maturities	<u>523,388</u>	<u>286,403</u>
	<u>\$5,598,482</u>	<u>\$2,970,108</u>

Maturities on the above long-term debt are as follows:

Years ending December 31:

2006	\$ 523,388
2007	602,054
2008	644,515
2009	982,992
2010	<u>3,368,921</u>
	<u>\$6,121,870</u>

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements  
See Accountants' Review Report  
Years Ended December 31, 2005 and 2004

6. Operating Leases

The Company leases office and warehouse space, office equipment and communications network equipment under leases with terms from month-to-month to terms which expire through 2012. Total rent expense for the years ended December 31, 2005 and 2004 was \$36,692 and \$32,640, respectively. Future minimum lease payments under noncancellable lease agreements with remaining lease terms of one year or more are as follows:

2006	\$ 18,600
2007	\$ 18,600
2008	\$ 18,600
2009	\$ 9,150
2010	\$ 2,400
Thereafter	\$ 1,400

7. Deferred Revenues

The Company enters into contracts for the use of its private network facilities. A portion of these contracts require payments to be made in advance of the periods in which revenue will be recognized under the terms of the contracts. The Company utilizes these advance payments primarily to assist in the construction of facilities as an alternative to outside financing of such costs. The presentation of deferred revenues in the financial statements reflects amounts to be recognized within the upcoming twelve-month operating cycle and those to be recognized after the next twelve-month operating cycle. The amounts to be recognized within the next twelve months are excluded from the current liabilities as recognition of such revenue does not require either the use of current assets or the creation of additional current or long-term liabilities.

Below is a summary by year of deferred revenue to be recognized as of December 31, 2005:

2006	\$1,027,060
2007	669,749
2008	628,743
2009	623,753
2010	597,117
2011	<u>468,556</u>
	<u>\$4,014,978</u>

8. Supplemental Cash Flow Disclosure

Cash paid for interest during the years ended December 31, 2005 and 2004 was \$383,399 and \$115,906, respectively.

At December 31, 2005 and 2004, the Company has \$240,323 and \$834,657, respectively, in accounts payable related to construction of property and equipment.

During the years ended December 31, 2005 and 2004, the Company refinanced existing debt agreements in the amount of \$4,667,247 and \$1,169,746, respectively.

**SUPPLEMENTAL INFORMATION**

**MIZE, HOUSER & COMPANY**  
PROFESSIONAL ASSOCIATION  
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OVERLAND PARK, KS 66210-4039

To the Board of Directors  
Unite Communications Systems, Inc.  
Kearney, Missouri

Accountants' Review Report on Supplemental Information

Our report on our review of the basic consolidated financial statements of Unite Communications Systems, Inc. and Subsidiaries for 2005 and 2004 appears on page 1. That review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedules on pages 12, 13 and 14 is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic consolidated financial statements in 2005, 2004 and 2003, and we are not aware of any material modifications that should be made thereto.

*Mize, Houser & Company*

Professional Association

Overland Park, Kansas  
February 9, 2006

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Consolidated Statements of Income

See Accountants' Review Report on Supplemental Information

Years Ended December 31, 2005, 2004 and the Period October 3, 2003 through December 31, 2003

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating revenues:			
Revenues	\$7,500,141	\$5,721,054	\$961,911
Cost of goods sold	<u>873,453</u>	<u>674,505</u>	<u>141,396</u>
Gross margin from operations	6,626,688	5,046,549	820,515
Gain on sale of operating assets	<u>0</u>	<u>0</u>	<u>1,002,870</u>
Net operating margins	6,626,688	5,046,549	1,823,385
Selling, general and administrative expenses	<u>2,879,941</u>	<u>2,048,104</u>	<u>577,536</u>
Operating income before depreciation	3,746,747	2,998,445	1,245,849
Depreciation expense	<u>1,180,896</u>	<u>504,327</u>	<u>84,878</u>
Operating income	<u>2,565,851</u>	<u>2,494,118</u>	<u>1,160,971</u>
Other income (expense):			
Interest expense	(413,743)	(174,333)	(22,283)
Interest income	46,248	991	181
Gain on sale of assets	3,717	6,963	0
Gain on debt refinance	<u>0</u>	<u>0</u>	<u>81,531</u>
Total other income (expense)	<u>(363,778)</u>	<u>(166,379)</u>	<u>59,429</u>
Net income	<u>\$2,202,073</u>	<u>\$2,327,739</u>	<u>\$1,220,400</u>

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Consolidated Schedules of Revenues and Cost of Goods Sold

See Accountants' Review Report on Supplemental Information

Years Ended December 31, 2005, 2004 and the Period October 3, 2003 through December 31, 2003

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>			
Local services	\$1,747,487	\$1,338,961	\$1,077,624
Long-distance services	170,553	157,353	152,456
CATV and DTTV services	863,996	640,193	496,336
Special access	86,715	100,048	94,073
Internet services	650,032	492,669	348,394
Carrier access	644,521	583,448	320,763
PVN revenue	3,236,219	2,172,092	1,038,565
Other operating revenue	100,618	80,897	78,129
Carrier access revenues relating to 2003 and before settled in 2004	0	155,393	0
Unite revenues from January 1, 2003 through October 3, 2003	<u>0</u>	<u>0</u>	<u>(2,644,429)</u>
<b>Total revenues</b>	<b><u>\$7,500,141</u></b>	<b><u>\$5,721,054</u></b>	<b><u>\$961,911</u></b>
<b>Cost of goods sold:</b>			
Switch services	\$58,075	\$78,880	\$66,129
Long-distance services	61,202	74,431	79,465
CATV services	658,561	462,376	391,830
Internet services	93,670	54,865	33,749
Computer services	1,945	3,953	0
Unite cost of goods sold from January 1, 2003 through October 3, 2003	<u>0</u>	<u>0</u>	<u>(429,777)</u>
<b>Total cost of goods sold</b>	<b><u>\$873,453</u></b>	<b><u>\$674,505</u></b>	<b><u>\$141,396</u></b>

**UNITE COMMUNICATIONS SYSTEMS, INC. AND SUBSIDIARIES**

Consolidated Schedules of Selling, General and Administrative Expenses  
See Accountants' Review Report on Supplemental Information  
Years Ended December 31, 2005, 2004 and the Period October 3, 2003 through December 31, 2003

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Selling, general and administrative expenses:			
Salaries	\$1,342,052	\$777,829	\$941,869
Payroll taxes	159,488	118,037	77,847
Health insurance and benefits	145,041	89,553	91,497
Technical expense	207,948	266,270	207,003
Tools and equipment	43,304	39,063	41,494
Line locate and markings	72,267	25,801	35,890
Corporate advertising	50,982	61,983	29,750
PVN bid preparation and contract costs	1,063	11,505	41,796
Customer relations	9,267	4,900	6,537
Office rent	41,103	35,782	28,027
Utilities	54,175	44,439	41,279
Telephone	48,615	35,959	24,458
Office supplies	28,750	22,851	16,592
Postage and courier	16,569	14,437	11,573
Copier and fax	3,102	2,832	13,368
Billing costs	90,734	78,926	75,446
Travel and entertainment	97,664	56,864	47,041
Education and training	20,325	31,718	5,204
Dues and subscriptions	16,649	9,609	5,746
Professional fees	104,620	107,050	34,454
Maintenance	31,795	25,274	22,536
Insurance	67,040	55,883	14,322
Property and franchise taxes	129,031	73,521	109,761
Bad debt expense	75,686	36,839	61,799
Other expenses	22,671	21,179	4,197
Effect of materials and supplies revaluation at October 3, 2003	0	0	293,800
Unite operating expenses from January 1, 2003 through October 3, 2003	<u>0</u>	<u>0</u>	<u>(1,705,750)</u>
Total selling, general and administrative expenses	<u>\$2,879,941</u>	<u>\$2,048,104</u>	<u>\$577,536</u>

UPN currently holds CLEC certificates and actively operates in Missouri, Kansas, Colorado, Nebraska and Illinois. No formal complaints have ever been filed with State PUCs.

General description of current services, geographic service areas, network and facilities, and customer base.

See Company Profile Below.

### Company Profile

Unite Private Networks' mission is to provide high-bandwidth, fiber-based communications networks and related services to schools, governments, carriers, and enterprise business customers throughout the United States.

Headquartered in the Kansas City MO metro area, Unite Private Networks has been providing customer-focused communications solutions since 1998. Unite Private Networks currently provides dark fiber, lit fiber (1-10 gig), private line, metro optical Ethernet (MOE), Internet access, VOIP, and storage area network services. Unite Private Networks also provides private communications networks (fiber WANs) to school districts and other commercial and governmental organizations. Unite Private Networks is privately held.

Unite Private Networks builds and manages private fiber optic communications networks in Missouri, Kansas, Nebraska, Colorado, and Illinois. These private networks typically involve providing fiber connectivity between multiple facilities locations under long-term lease agreements. Unite Private Networks works closely with each customer to design and build wide-area network solutions to best meet their individual needs, providing networks with unmatched flexibility, scalability, security, and control. Unite Private Networks has significant experience with federal E-Rate program guidelines. Unite Private Networks has a proven history of successful completion of fiber optic construction projects, including the following list of satisfied customers:

Customer	Location	Year Completed
Pueblo County	Pueblo, CO	1999
Raytown School District	Raytown, MO	2001
Dodge City School District	Dodge City, KS	2001
Lincoln Public Schools	Lincoln, NE	2001
Liberty School District	Liberty, MO	2002
Fremont School District	Florence, CO	2002
Ameritas Insurance	Lincoln, NE	2002
TAG/TMI (Perot Systems)	Lincoln, NE	2003
Nebraska Detention Center	Lincoln, NE	2003
Lone Jack School District	Lone Jack, MO	2003
Desoto School District	Desoto, KS	2003
Dark Fiber Solutions	Lincoln, NE	2003
Park Hill School District	Parkville, MO	2004
Raymore-Peculiar School District	Raymore, MO	2004
Pueblo School District	Pueblo, CO	2005
Harrisonville School District	Harrisonville, MO	2005
Lexington School District	Lexington, NE	2005
Pfizer	Lincoln, NE	2005
Level 3	Lincoln, NE	2005
Kearney School District	Kearney, MO	2005
Advance Medical Imaging	Lincoln, NE	2005
Sprint/Nextel	Chicago, IL	2005
Nebraska Book Company	Lincoln, NE	2005
Binary Net ISP	Lincoln, NE	2005
University of Nebraska	Lincoln, NE	2005
State of Nebraska	Lincoln, NE	2006
Heartland Health	St. Joseph, MO	2006
Clark Jeary Nursing Home	Lincoln, NE	2006
Basswoods Resort	Platte City, MO	2006
Gallup Organization	Lincoln, NE	2006
Aquila	Lincoln, NE	2006
Voss Lighting	Lincoln, NE	2006

Sandhills Publishing	Lincoln, NE	2006
Doss Aviation	Pueblo, CO	2006
Sprint/Nextel	Buffalo Grove, IL	2007
Cesar Chavez School	Pueblo, CO	2007
Community High School District #218	Oak Lawn, IL	2007
Sedalia School District	Sedalia, MO	2007
Lawson School District	Lawson, MO	2007
Warrensburg School District	Warrensburg, MO	2007
Moberly School District	Moberly, MO	2007
Warrenton School District	Warrenton, MO	2007
Manhattan School District	Manhattan, KS	2007
Adams 50 School District	Westminster, CO	2007
Knob Noster School District	Knob Noster, MO	2007

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UPN currently has total revenues under contract of over \$60 million.

#### General billing practice description.

#### General description of how UPN proposes to handle service, billing, and repair complaints.

UPN currently processes and bills approx. 90 customers, with billing cycles generally on a monthly or annual basis. UPN maintains an in-house billing system and generates bills and related support with in-house personnel. Routine customer inquires (sales, billing, products) are generally handled either via a phone call to the respective sales representative or to the toll free customer service number. Service outage or repair calls are handled via a 24/7 on-call list and the toll free customer service number. UPN complies with all Federal, State and Local taxes, fees, assessments and obligations.

#### Customer service 800-number.

1-866-963-4237

The name and title of the person who will sign the FCC application. The FCC's rules require that the person signing the application be an officer or "authorized representative" of the applicant. The attorneys typically sign the state applications and the applicants verify the applications. We will provide you with verification forms for each applicant, and we will need a signed form from every applicant for every state.

Kevin Anderson will be responsible officer and person signing any necessary documents.