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IDAHO PUBLIC UTILITIES COMMISSION

Attorneys for OneEighty Networks, Inc.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF ONEEIGHTY
NETWORKS, INC.'S APPLICATION FOR)
APPROVAL OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)
_____)

CASE NO. 021-T-06-01

APPLICATION

OneEighty Networks, Inc. ("OneEighty") hereby submits this application for a Certificate of Public Convenience and Necessity ("Certificate") to provide facilities-based basic local exchange service in Idaho. OneEighty respectfully requests that the Idaho Public Utilities Commission (the Commission) grant the Certificate pursuant to Sections 61-526 through - 528, Idaho Code.

1. NAME, ADDRESS AND FORM OF BUSINESS

A. OneEighty is a facilities-based regional provider of Broadband Internet, Private Line, and Hosting solutions offering a comprehensive range of Internet and Data services to customers throughout Northern (Coeur d'Alene, Post Falls) and Southern Idaho (Boise via the acquisition of Ice House), as well as in Eastern Washington and Northeast Oregon.

Today OneEighty Networks offers a complete line of dial-up, dedicated, and broadband Internet access solutions complemented by a suite of Web Hosting, Co-location, VPN, and Security products. OneEighty primarily serves business and enterprise customers. OneEighty Networks is focused on providing its customers with high quality Internet and Data Solutions and has made that its only business.

B. OneEighty's principal business address is:

118 N. Stevens Street
Spokane, WA 99201

C. OneEighty is a corporation duly formed in the state of Washington. A certified copy of OneEighty's Articles of Incorporation is attached hereto as **Exhibit 1**. A certified copy of Certificate of Existence/Authorization in the state of Washington is attached as **Exhibit 2**.

D. OneEighty is registered in Idaho as a foreign corporation. A Certificate of Authority from the Idaho Secretary of State is attached hereto as **Exhibit 3**.

E. The name and address of OneEighty's registered agent for service in Idaho is:

Molly O'Leary
Richardson & O'Leary, PLLC
515 N. 27th Street
Boise, Idaho 83702

F. The names and addresses of OneEighty's shareholders are as follows:

	Name and Address	Shares Owned	Percentage of All Shares Issued and Outstanding	Percentage of Voting Control
1	Gregory D. Green 11 8 N Stevens, Spokane, WA 99210	10,412,749	85.2252%	85.2252%

2	Chad Skidmore 6815 S Shelby Ridge Spokane, WA 99224	949,340	7.7701%	7.7701%
3	Steve Winterton 1203 SW 23 rd Pendleton, OR 97801	92,631	0.7582%	0.7582%
4	Carrier Winterton 2804 SW Marshall Pendleton, OR 97801	92,631	0.7582%	0.7582%
5	Jim Voelker 415 Shoreland Dr. SE Bellevue, WA 98004	75,000	0.6139%	0.6139%
6	Gail G. Stiltner 10119 E 44 th Ave Spokane, WA 99206	69,750	0.5709%	0.5709%
7	John P. Kline 711 SE Byers Ave Pendleton, OR 97801	53,884	0.4410%	0.4410%
8	Edwin V. Pugh 2030 SW Quinney Ave Pendleton, OR 97801	53,884	0.4410%	0.4410%
9	Marty Manny 3175 Canberra Dr Walla Walla, WA 99362	53,884	0.4410%	0.4410%
10	Gary D. Dillavou 71403 SW Lake Dr Pendleton, OR 97801	53,884	0.4410%	0.4410%
11	James Hasenkamp 1041 NW 12 th Dr Pendleton, OR 97801	53,884	0.4410%	0.4410%
12	Randy Sperr PO Box 187 Echo, OR 97826	53,884	0.4410%	0.4410%

G. The names and addresses of OneEighty's Officers are as follows:

Name	Office	Address
Gregory D. Green	Chairman and CEO Board of Directors	11 8 N Stevens Spokane, WA 99201
Kellen G. Green	Board of Directors	1203 N King James Ln Liberty Lake, WA 99019
Margo Jett	Corporate Secretary	11 8 N Stevens Spokane, WA 99201

2. TELECOMMUNICATIONS SERVICE

OneEighty is a facilities-based provider with its own switch located in Spokane, Washington. OneEighty owns and operates one of the largest fiber optic networks in the region. With this state-of-the-art network, OneEighty is able to provide Broadband Internet services, Private Line services, Metro Area Ethernet service, co-location services, and Web and Application hosting service. OneEighty currently provides Broadband services in Spokane, Spokane Valley, Walla Walla, and the Tri-Cities areas in Washington, as well as in Post Falls and Coeur d'Alene, Idaho. In addition, OneEighty provides Narrowband Internet Services in the areas surrounding Spokane and Walla Walla, Washington, Pendleton, Bend and Hermiston, Oregon and Coeur d'Alene, Idaho

Upon receipt of its Certificate for Idaho, OneEighty will use its existing fiber optic network, unbundled network elements and Resale services from Verizon, Qwest, and other carriers, to expand its product offerings to include Voice over Internet Protocol ("VoIP") local exchange services, Carrier Access, and Private Line services as it expands its Idaho footprint.

OneEighty has installed a voice switch and is in the process of securing access to a signaling and call related database provider, requesting numbering resources and working with Verizon to establish interconnection to process local and long distance calls. OneEighty will expand its product offerings to include residential customers as it makes economic sense, such as where VoIP local exchange services can be packaged with long distance and broadband internet access. Partnerships with the building community could lead to additional opportunities to provide OneEighty services to residential customers. Expansions to the network and the residential customer base will be accomplished as market conditions permit.

Although OneEighty is submitting an exemplary Price List herewith (**Exhibit 4**), services will be provided only after a financial analysis is completed for the particular service the customer desires. All services and rates will be provided pursuant to contracts.

3. SERVICE TERRITORY

OneEighty will initially serve northern Idaho where Verizon is the incumbent provider. As OneEighty becomes established and opportunities present themselves, it may expand into Qwest territory in northern and southern Idaho.

4. FINANCIAL INFORMATION

OneEighty's financial information is attached hereto as **Exhibit 5**.

5. MAPS

Because OneEighty proposes to initially provide service in Verizon's existing service area, it hereby references and incorporates herein Verizon's service area map on file with the Commission. Likewise, in the event OneEighty expands into Qwest's service areas within

Idaho, it hereby references and incorporates herein Qwest's service area maps on file with the Commission.

6. **ILLUSTRATIVE TARIFF FILING**

OneEighty is filing herewith an illustrative Price List to reflect services to be offered under Title 62 authority in compliance with the appropriate Commission rules. (See **Exhibit 4**).

7. **COMPANY CONTACTS**

For establishment of service, complaints and inquiries regarding service and billing, or reporting or inquiring about network outages or service problems:

Customer Contact:

OneEighty Networks, Inc.
Attention: Customer Support Manager
118 N. Stevens Street
Spokane, WA 99201

Toll free: 1.888.565.5953

E-mail: help@go180.net

For complaints, inquiries and matters concerning rates and price lists:

Commission Contact:

Nichole Smith
OneEighty Networks, Inc.
118 N. Stevens Street
Spokane, WA 99201

Telephone: 1.888.565.5953

E-mail: nsmith@go180.net

8. **INTERCONNECTION AGREEMENT**

OneEighty currently has an Interconnection Agreement with Verizon. (See **Exhibit 6**, attached hereto.) An Interconnection Agreement with Qwest will be negotiated, as needed.

9. **COMPLIANCE WITH COMMISSION RULES**

OneEighty has reviewed all of the Commission rules and agrees to comply with said rules, as applicable, unless otherwise ordered.

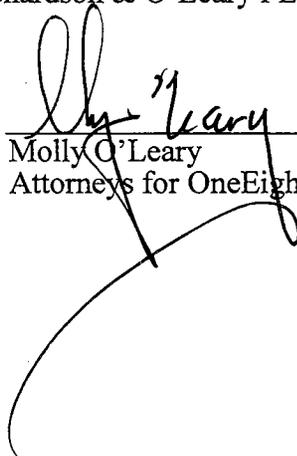
10. **RELEASE OF INFORMATION**

OneEighty hereby permits the release of its name, address and general business telephone number in response to a request for the same.

DATED this 3rd day of April, 2006.

Richardson & O'Leary PLLC

By


Molly O'Leary

Attorneys for OneEighty Networks, Inc.

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WASHINGTON
UTILITY COMMISSION

EXHIBIT 1

Washington Articles of Incorporation

OneEighty Networks, Inc.

**Application
For
Certificate of Public
Convenience and Necessity**

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, **Sam Reed**, Secretary of State of the State of Washington and custodian of its seal,
hereby issue this

certificate that the attached is a true and correct copy of
AMENDED AND RESTATED ARTICLES OF INCORPORATION
of

ONE EIGHTY NETWORKS, INC.

as filed in this office on June 17, 2004.

Date: March 15, 2006



Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital

Sam Reed, Secretary of State

**CERTIFICATE OF ONE EIGHTY NETWORKS, INC. FOR AMENDED AND
RESTATED ARTICLES OF INCORPORATION**

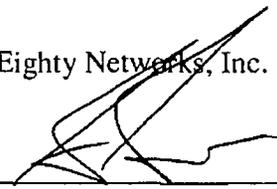
This certificate is given by One Eighty Networks, Inc. (the "Corporation") for the purposes of submitting the attached Amended and Restated Articles of Incorporation for filing with the Washington Secretary of State pursuant to RCW 23B.10.070.

The Corporation certifies as follows:

1. The name of the Corporation is One Eighty Networks, Inc.
2. The complete text of all amendments to the Articles of Incorporation of the Corporation is set forth in the Amended and Restated Articles of Incorporation of the Corporation attached hereto and incorporated herein by reference, which supersede in their entirety the existing Articles of Incorporation of the Corporation.
3. The Amended and Restated Articles of Incorporation are effective as of the date set forth below.
4. The amendments set forth in the Amended and Restated Articles of Incorporation were duly approved by the Corporation's shareholders pursuant to RCW 23B.10.030 and 23B.10.040.

Dated this 14th day of June, 2004.

One Eighty Networks, Inc.



Gregory D. Green, Chief Executive Officer

FILED
SECRETARY OF STATE

JUNE 17, 2004

STATE OF WASHINGTON

06/17/2004 430625
\$50.00 Check #103671
Tracking ID: 737901
Doc No: 430625-001

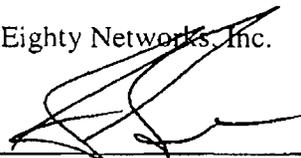
ARTICLES OF RESTATEMENT

Pursuant to RCW 23B.10.070, One Eighty Networks, Inc., a Washington Corporation (the "Corporation"), hereby submits these Articles of Restatement for the purposes of effectuating the attached Amended and Restated Articles of Incorporation.

1. The name of the corporation is One Eighty Networks, Inc.
2. The complete text of all amendments to the Articles of Incorporation of the Corporation is set forth in the Amended and Restated Articles of Incorporation of the Corporation attached hereto and incorporated herein by reference, which supersede in their entirety the existing Articles of Incorporation of the Corporation.

Dated this 14th day of June, 2004.

One Eighty Networks, Inc.



Gregory D. Green, Chief Executive Officer

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
ONE EIGHTY NETWORKS, INC.**

ARTICLE 1

Name and Duration

The name of this corporation is One Eighty Networks, Inc., and it shall have perpetual existence.

ARTICLE 2

Purposes

This corporation is organized for the following purposes:

- (a) To provide internet services; and
- (b) To engage in any business, trade or activity which may lawfully be conducted by a corporation organized under the Washington Business Corporation Act (the "Act") and to engage in any and all such activities as are incidental or conducive to the attainment of the ongoing purpose or purposes.

ARTICLE 3

Shares

3.1 Authorized Capital

The total number of shares which this corporation is authorized to issue is One Hundred Million (100,000,000), consisting of Fifty Million (50,000,000) shares of Common Stock without par value and Fifty Million (50,000,000) shares of Preferred Stock without par value. The Common Stock is subject to the rights and preferences of the Preferred Stock as hereinafter set forth.

3.2 Issuances of Preferred Stock in Series

The Preferred Stock may be issued from time to time in one or more series in any manner permitted by law and the provisions of these Amended and Restated Articles of Incorporation of this corporation, as determined from time to time by the Board of Directors and stated in the resolution or resolutions providing for the issuance thereof, prior to the issuance of any shares thereof. The Board of Directors shall have the authority to fix and determine and to amend, subject to the provisions hereof, the designation, preferences, limitations and related rights of the shares of any series that is wholly unissued or to be established. Unless otherwise specifically

provided in the resolution establishing any series, the Board of Directors shall further have the authority, after the issuance of shares of a series whose number it has designated, to amend the resolution establishing such series to decrease the number of shares of that series, but not below the number of shares of such series then outstanding.

3.3 Dividends

The holders of shares of the Preferred Stock shall be entitled to receive dividends, out of the funds of this corporation legally available therefor, at the rate and at the time or times, whether cumulative or non-cumulative, as may be provided by the Board of Directors in establishing a particular series of Preferred Stock. If such dividends on the Preferred Stock shall be cumulative, then if dividends shall not have been paid, the deficiency shall be fully paid or the dividends declared and set apart for payment at such rate, but without interest on cumulative dividends, before any dividends on the Common Stock shall be paid or declared and set apart for payment. The holders of the Preferred Stock shall not be entitled to receive any dividends thereon other than the dividends referred to in this section.

3.4 Redemptions

The Preferred Stock may be redeemable at such price, in such amount, and at such time or times as may be provided by the Board of Directors in establishing a particular series of Preferred Stock. In any event, the Preferred Stock may be repurchased by this corporation to the extent legally permissible.

3.5 Liquidation

In the event of any liquidation, dissolution, or winding up of the affairs of this corporation, whether voluntary or involuntary, then, before any distribution shall be made to the holders of the Common Stock, the holders of the Preferred Stock at the time outstanding shall be entitled to be paid the preferential amount or amounts per share as may be provided by the Board of Directors in establishing a particular series of Preferred Stock and dividing a particular series of Preferred Stock and dividends accrued thereon to the date of such payment. The holders of the Preferred Stock shall not be entitled to receive any distributive amount upon the liquidation, dissolution, or winding up of the affairs of this corporation other than the distributive amounts referred to in this section, unless otherwise provided by the Board of Directors in establishing a particular series of Preferred Stock.

3.6 Conversion

Shares of Preferred Stock may be convertible into Common Stock of this corporation upon such terms and conditions, at such rate and subject to such adjustments as may be provided by the Board of Directors in establishing a particular series of Preferred Stock.

3.7 Voting Rights

Holders of Preferred Stock shall have such voting rights as may be provided by the Board of Directors in establishing a particular series of Preferred Stock.

3.8 Execution of Consent By Less Than Unanimous Consent of All Shareholders.

To the extent permitted by the Act, the taking of action by shareholders without a meeting by less than unanimous written consent of all shareholders entitled to vote on the action shall be permitted. Notice of the taking of such action shall be given in writing to those shareholders entitled to vote on the action who have not consented in writing (and, if the Act would otherwise require that notice of a meeting of shareholders to consider the action be given to nonvoting shareholders, to all nonvoting shareholders). The notice shall describe with reasonable clarity the general nature of the action, and shall be accompanied by the same material that, under the Act, would have been required to be sent to nonconsenting (or nonvoting) shareholders in a notice of meeting at which the action would have been submitted for shareholder action. Such notice shall be either (i) by deposit in the U.S. mail before the action becomes effective (or, such longer period as required by law, in the case of a significant business transaction under RCW 23B.19.020(15)), with first-class postage thereon prepaid, correctly addressed to each shareholder entitled thereto at the shareholder's address as it appears on the current record of shareholders of the corporation; or (ii) by personal delivery, courier service, wire or wireless equipment, telegraphic or other facsimile transmission, or any other electronic means which transmits a facsimile of such communication correctly addressed to each shareholder entitled thereto at the shareholder's physical address, electronic mail address, or facsimile number, as it appears on the current record of shareholders of the corporation. Notice under clause (i) shall be given at least seventy-two (72) hours, and notice under clause (ii) shall be given at least twenty-four (24) hours before the action becomes effective (or such longer period as required by law, in the case of a significant business transaction under RCW 23B.19.020 (15)).

ARTICLE 4

Registered Office and Agent

The name of the registered agent of this corporation and the address of its registered office are as follows:

Margo Jett
117 N. Howard, Suite 300
Spokane, Washington 99201

ARTICLE 5

Preemptive Rights

No preemptive rights shall exist with respect to shares of stock or securities convertible into shares of stock of this corporation; provided, however, that notwithstanding the foregoing denial of preemptive rights, this corporation shall have the power to separately grant similar rights by contract.

ARTICLE 6

Cumulative Voting

The right to cumulate votes in the election of Directors shall not exist with respect to shares of stock of this corporation.

ARTICLE 7

Directors

The number of Directors of this corporation shall be determined in the manner provided by the Bylaws and may be increased or decreased from time to time in the manner provided therein.

ARTICLE 8

Bylaws

The Board of Directors shall have the power to adopt, amend or repeal the Bylaws of this corporation, subject to the power of the shareholders to amend or repeal such Bylaws. The shareholders shall also have the power to amend or repeal the Bylaws of this corporation and to adopt new Bylaws.

ARTICLE 9

Amendments to Articles of Incorporation

This corporation reserves the right to amend or repeal any of the provisions contained in these Articles of Incorporation in any manner now or hereafter permitted by law, and the rights of the shareholders of this corporation are granted subject to this reservation.

ARTICLE 10

Indemnification and Limitation of Liability

10.1 Indemnification of Directors, Officers, Employees and Agents. The capitalized terms in this Section 10.1 shall have the meanings set forth in RCW 23B.08.500 as now existing or hereafter amended.

(a) This corporation shall indemnify and hold harmless each individual who is or was serving as a Director or officer of this corporation or who, while serving as a Director or officer of this corporation, is or was serving at the request of this corporation as a Director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any and all Liability incurred with respect to any Proceeding to which the individual is or is threatened to be made a Party because of such service, and shall make advances of reasonable Expenses with respect to such Proceeding, to the fullest extent permitted by law, without regard to the limitations in RCW 23B.08.510 through 23B.08.550; provided that no such indemnity shall indemnify any Director or officer from or on account of (1) acts or omissions of the Director or officer finally adjudged to be intentional misconduct or a knowing violation of law; (2) conduct of the Director or officer finally adjudged to be in violation of RCW 23B.08.310; or (3) any transaction with respect to which it was finally adjudged that such Director or officer personally received a benefit in money, property, or services to which the Director or officer was not legally entitled.

(b) This corporation may purchase and maintain insurance on behalf of an individual who is or was a Director, officer, employee, or agent of this corporation or, who, while a Director, officer, employee, or agent of this corporation, is or was serving at the request of this corporation as a Director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against Liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a Director, officer, employee, or agent, whether or not this corporation would have power to indemnify the individual against such Liability under RCW 23B.08.510 or 23B.08.520.

(c) If, after the effective date of this Section 10.1, the Act is amended to authorize further indemnification of Directors or officers, then Directors and officers of this corporation shall be indemnified to the fullest extent permitted by the Act.

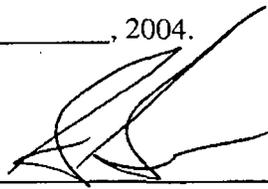
(d) To the extent permitted by law, the rights to indemnification and advance of reasonable Expenses conferred in this Section 10.1 shall not be exclusive of any other right which any individual may have or hereafter acquire under any statute, provision of the Bylaws, agreement, vote of shareholders or disinterested Directors, or otherwise. The right to indemnification conferred in this Section 10.1 shall be a contract right upon which each Director or officer shall be presumed to have relied in determining to serve or to continue to serve as such. Any amendment to or repeal of this Section 10.1 or amendment to the Act shall not adversely affect any right or protection of a Director or officer of this corporation for or with

respect to any acts or omissions of such Director or officer occurring prior to such amendment or repeal.

(e) If any provision of this Section 10.1 or any application thereof shall be invalid, unenforceable, or contrary to applicable law, the remainder of this Section 10.1, and the application of such provisions to individuals or circumstances other than those as to which it is held invalid, unenforceable, or contrary to applicable law, shall not be affected thereby.

10.2 Limitation of Directors' Liability. To the fullest extent permitted by the Act, as it exists on the date hereof or may hereafter be amended, a Director of this corporation shall not be personally liable to this corporation or its shareholders for monetary damages for conduct as a Director. Any amendment to or repeal of this Section 10.2 shall not adversely affect a Director of this corporation with respect to any conduct of such Director occurring prior to such amendment or repeal.

Executed this 14th day of June, 2004.



Gregory D. Green, Chief Executive Officer

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF EXISTENCE/AUTHORIZATION

OF

ONE EIGHTY NETWORKS, INC.

I FURTHER CERTIFY that the records on file in this office show that the above named Profit Corporation was formed under the laws of the State of WA and was issued a Certificate Of Incorporation in Washington on 12/5/2001.

I FURTHER CERTIFY that as of the date of this certificate, ONE EIGHTY NETWORKS, INC. remains active and has complied with the filing requirements of this office.

Date: March 15, 2006

UBI: 602-165-586



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

A handwritten signature in cursive script that reads "Sam Reed".

Sam Reed, Secretary of State

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IDaho PUBLIC
UTILITIES COMMISSION

EXHIBIT 3

Idaho Certificate of Authority

OneEighty Networks, Inc.

**Application
For
Certificate of Public
Convenience and Necessity**

State of Idaho

Office of the Secretary of State

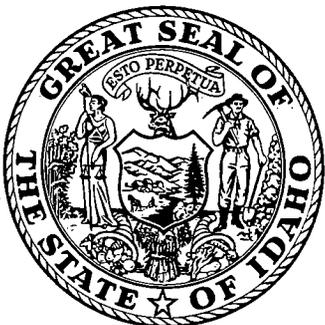
**CERTIFICATE OF AUTHORITY
OF
ONE EIGHTY NETWORKS, INC.**

File Number C 165460

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that an Application for Certificate of Authority, duly executed pursuant to the provisions of the Idaho Business Corporation Act, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to transact business in this State and attach hereto a duplicate of the application for such certificate.

Dated: 6 March 2006



Ben Yursa

SECRETARY OF STATE

By *Cynthia*

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EXHIBIT 5

OneEighty's Financial Information

OneEighty Networks, Inc.

**Application
For
Certificate of Public
Convenience and Necessity**



OneEighty Networks, Inc.
Income Statement
2005 Year to Date

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	2005 Totals
Revenue:													
Narrowband Internet	\$132,197	\$121,095	\$112,608	\$110,161	\$106,559	\$89,337	\$95,268	\$95,392	\$89,152	\$84,984	\$82,201	\$82,201	\$1,118,955
Broadband Internet	89,792	91,897	93,544	94,450	94,769	88,962	83,603	122,394	105,314	91,812	91,087	91,087	1,047,623
LMDS	9,729	8,801	8,749	8,516	7,854	353	445	6,990	6,990	7,054	6,799	6,799	58,427
Wireless DSL (UNII)	13,830	13,752	13,528	13,721	10,912	7,215	7,100	16,891	15,828	20,831	17,677	17,677	243,287
Web Hosting Services	30,293	26,451	26,510	27,771	27,529	16,120	17,387	8,251	15,723	7,916	8,321	8,321	99,696
Co-location	9,309	8,860	9,154	7,658	8,589	7,881	8,034	52,410	63,672	52,041	51,704	51,704	624,056
Private-line Transport	59,792	59,742	62,498	53,815	63,008	53,594	51,781	75,657	75,854	75,657	77,092	77,092	810,327
Ethernet Transport	67,749	69,272	70,223	73,688	74,382	75,097	75,657	14,529	14,529	14,089	14,751	14,751	200,374
Income - Other	21,043	26,176	22,700	23,841	18,510	15,245	14,962	88	4,290	5,207	2,907	2,907	107,059
Non-Recurring Income	12,503	21,289	16,389	5,160	36,910	11,268	(8,952)						\$4,403,718
Net Revenue	\$446,237	\$447,335	\$435,903	\$418,781	\$449,021	\$365,072	\$345,285	\$392,602	\$391,352	\$359,591	\$352,532	\$352,532	\$4,403,718
Cost of Sales:													
COGS- Narrowband Internet	\$41,754	\$40,557	\$38,783	\$29,031	\$34,346	\$43,589	\$28,630	\$33,792	\$21,676	\$22,890	\$17,890	\$17,890	\$352,939
COGS- ISP Telco	3,378	3,437	3,366	3,609	3,583	3,759	3,661	3,478	3,383	3,591	3,590	3,590	38,836
COGS- Broadband Internet Loop	25,201	25,677	28,602	29,179	32,172	51,880	37,956	25,981	28,163	12,588	18,174	18,174	315,574
COGS- LMDS	2,950	2,938	2,886	2,937	2,970	1,522	2,693	969	969	970	2,970	2,970	24,773
COGS- Hosting Services	7,378	6,355	6,679	6,827	5,879	5,235	4,948	4,750	3,485	4,953	460	460	56,948
COGS Private-line Transport	23,257	17,321	13,746	19,151	21,750	32,731	11,179	10,369	11,714	10,533	11,220	11,220	182,971
COGS Ethernet Transport	20,650	21,303	21,556	22,057	22,130	21,247	30,905	22,157	21,064	21,347	21,347	21,347	245,764
COGS DSL Transport	19,785	16,901	17,109	18,191	17,012	17,094	19,382	18,192	19,481	11,613	16,079	16,079	190,839
COGS SONET Metro Backbone	13,425	16,425	16,425	16,425	20,925	20,925	20,925	20,925	13,425	20,925	20,925	20,925	201,675
COGS IP Transit	9,000	10,566	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,060	9,000	9,000	100,626
COGS ILEC Co-locate	10,566	450	4,906	6,324	28,969	10,615	9,581	8,064	9,907	10,709	8,807	8,807	108,899
Other Cost of Sales	1,745	0	3,975	1,891	4,515	450	450	450	450	450	450	450	14,826
Total Cost of Sales	\$179,089	\$161,930	\$167,033	\$164,622	\$203,250	\$218,048	\$179,311	\$158,127	\$142,717	\$129,630	\$130,912	\$130,912	\$1,834,670
Gross Profit	\$267,148	\$285,405	\$268,870	\$254,159	\$245,770	\$147,024	\$165,974	\$234,475	\$248,635	\$229,961	\$221,627	\$221,627	\$2,569,048
Operating Expenses:													
Payroll & Benefits	\$144,593	\$144,143	\$138,511	\$136,471	\$128,813	\$105,506	\$103,374	\$69,091	\$69,571	\$68,889	\$67,885	\$67,885	\$1,176,847
Training	2,000	0	597	597	0	41	0	0	0	0	0	0	3,235
Lodging	2,554	517	1,843	1,457	822	0	333	329	145	419	440	440	8,859
Meals & Entertainment	1,351	1,519	752	1,733	661	906	176	78	291	793	897	897	9,156
Transportation	2,588	1,706	1,874	2,151	3,110	375	381	21	410	450	212	212	12,418
Parking	1,443	1,410	1,554	1,449	1,098	1,430	2,285	600	410	450	412	412	12,541
Longhaul Backbone	19,899	14,521	10,542	15,616	14,948	15,641	18,215	11,544	17,393	15,645	15,656	15,656	169,620
Backhaul for Monitoring	1,106	1,196	1,196	1,196	1,196	1,196	1,214	796	796	292	322	322	10,508

Office - Rental Payments	22,022	22,453	19,307	21,535	23,763	10,762	20,762	19,950	23,588	23,214	19,950	227,305
Office - Maintenance & Monitoring	2,757	1,694	1,615	2,471	3,233	135	248	50	971	391	1,230	14,795
Office - Utilities	4,493	4,146	4,094	5,580	1,676	4,658	5,019	4,902	4,953	5,438	4,998	49,958
Hub Site - Lease/Rent	8,972	7,097	7,216	11,453	7,182	10,541	12,158	4,950	5,790	4,001	5,200	84,560
Hub Site - Utilities	194	183	228	211	226	313	217	600	190	190	321	2,873
Professional Services	30,922	25,708	27,967	29,780	23,543	22,500	22,500	22,905	22,500	11,682	12,090	252,097
Business Taxes	2,603	2,301	2,577	1,836	2,631	(1,731)	0	1,577	188	1,844	1,677	15,503
Property Taxes	865	1,344	1,344	1,344	3,261	1,159	999	700	1,101	1,155	1,175	14,447
Regulatory Fees	1,496	72	510	1,054	185	2,067	818	530	150	150	275	7,307
Telephone Charges	6,166	5,528	5,952	6,236	5,831	3,979	5,223	5,744	5,842	4,297	3,259	58,057
Cellular Telephone Charges	1,769	2,344	2,115	2,028	2,478	2,096	1,928	1,244	1,906	1,324	1,544	20,775
Business Insurance	2,171	2,171	2,535	2,582	2,170	2,171	2,171	2,576	2,293	2,171	2,171	25,181
Postage & Shipping	4,132	3,069	3,573	2,819	1,915	934	154	678	52	878	224	18,428
Printing	284	171	695	326	1,219	84	43	667	1,861	277	420	6,046
Office Expenses & Supplies	2,303	1,537	2,119	773	10,801	1,342	3,243	365	272	1,811	1,250	25,815
Tools & Supplies	496	1,132	979	1,802	228	887	1,109	979	1,443	62	160	19,258
Freight Expense	145	1,361	150	0	0	0	0	2,056	597	89	208	2,550
CPE Expense	0	1,580	4,182	1,930	1,975	0	2,126	2,056	107	0	0	13,956
Leases - Equipment	8,507	17,561	9,194	16,131	16,411	15,886	16,208	16,473	16,571	16,821	16,821	166,584
Leases - Whs/Other	3,083	3,198	3,056	3,060	3,407	3,106	3,067	3,355	393	356	356	26,437
Processing Fees	2,677	2,859	2,561	2,257	2,444	0	0	1,200	1,200	889	1,200	17,287
IS Software & Hardware Maint.	655	238	235	105	134	591	0	774	774	591	820	4,918
Equipment Repair & Maint.	50	50	497	404	1,272	438	50	477	655	308	175	4,376
Sales & Marketing	17,237	6,466	7,606	10,561	18,435	12,938	7,283	4,128	7,356	7,799	6,522	106,331
Gain/(Loss) on Sale of Fixed Assets	(10,839)	0	0	0	0	0	0	0	0	0	0	(10,839)
Total Operating Expenses	\$288,694	\$279,275	\$267,176	\$286,948	\$285,067	\$219,949	\$241,285	\$179,339	\$189,359	\$172,225	\$170,097	\$2,579,414
EBITDA	(\$21,546)	\$6,130	\$1,694	(\$32,789)	(\$39,297)	(\$72,925)	(\$75,312)	\$55,136	\$59,276	\$57,737	\$51,530	(\$10,366)
Interest Expense	\$21,601	\$20,253	\$21,825	\$23,927	\$22,336	\$20,066	\$33,091	\$21,418	\$23,305	\$22,500	\$22,500	\$252,822
Profit after Interest	(\$43,147)	(\$14,123)	(\$20,131)	(\$56,716)	(\$61,633)	(\$92,991)	(\$108,402)	\$33,718	\$35,971	\$35,237	\$29,030	(\$263,188)
Depreciation Expense	\$22,622	\$23,000	\$23,042	\$22,144	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$188,808
Amortization Expense	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$49,984
Bad Debt Expense	\$2,439	\$247	\$4,723	(\$73)	\$1,954	\$1,537	\$2,994	\$2,570	\$1,057	\$1,488	\$1,150	\$20,086
Net Profit	(\$72,752)	(\$41,914)	(\$52,440)	(\$83,331)	(\$82,131)	(\$113,072)	(\$129,940)	\$12,604	\$16,370	\$15,205	\$9,336	(\$522,065)
Add Back Non-Cash Expenses:												
Depreciation Expense	\$22,622	\$23,000	\$23,042	\$22,144	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$188,808
Amortization Expense	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$4,544	\$49,984
Net Cash Profit	(\$45,586)	(\$14,370)	(\$24,854)	(\$56,643)	(\$72,675)	(\$94,528)	(\$111,396)	\$31,148	\$34,914	\$33,749	\$27,880	(\$292,361)

OneEighty Networks, Inc.
Balance Sheet
September YTD 05'

---Assets---

OEN Sepember YTD 2005

Current Assets

Cash	\$4,267.71
Accounts Receivable	255,457.41
Prepaid Insurance	(1,234.35)
Prepaid Taxes	1,100.75
Prepaid Maint. - Equip.&Software	2,302.25
Earnest Money	3,156.72
Prepaid Other	<u>6,671.14</u>

Total Current Assets

\$271,721.63

Property and Equipment

Vehicles	\$57,901.98
Power Systems	5,952.48
Central Office/Hubs/Node Sites	16,311.95
Fiber - Distribution	2,654.47
Test Equipment	7,659.33
Leasehold Improvements	150,608.18
Office Furn/Fixtures - >\$250	21,102.96
Office Equipment	6,322.01
Computer Hardware - IS	16,556.00
Computer Hardware - SP	27,121.83
Data Comm Core	118,319.04
Data Comm Edge	50,450.01
Transport - Core	68,939.52
Voicemail Platform - IS	2,643.10
Voicemail Platform - SP	2,608.62
Computer Software - IS	211,843.40
Computer Software - SP	5,831.42
Telecom Network	13,176.60
Equipment - Highspeed	517,897.22
Accumulated Depreciation	<u>(1,201,284.43)</u>

Total PPE

\$102,615.69

Other Assets

Deposits to - Carriers	\$18,565.37
Deposits - Leases, etc	150,000.00
Loan Fees	43,916.07
Accum Amort Customer Lists	<u>(99,802.88)</u>
Unicom Note Recievable	<u>302,950.00</u>

Total Other Assets

\$415,628.56

Total Assets

\$789,965.88

OneEighty Networks, Inc.
Balance Sheet
September YTD 05'

---Liabilities & Equity---

Current Liabilities

Accounts Payable - Accrued	\$192,863.41	
State Sales Tax Payable	29,591.00	
County Sales Tax Payable	5,783.86	
City Sales Tax Payable	6,303.74	
Local Utility Tax Payable	4,409.97	
Telephone Assistance	440.73	
TRS Fund Payable	23.52	
Accrued Other Empee Benefits	(4,271.74)	
Deferred Revenue	3,717.74	
Total Current Liabilities		\$238,862.23

Long-term Liabilities

Notes Payable - (GregGreen.com.)	\$328,563.70	
Notes Payable- Banner Bank	146,228.86	
Notes Payable - Bank CD, A/R LOC	199,101.03	
Notes Payable- Aspen	644,800.00	
Notes Payable-BTA/HSC	738,347.00	
Vehicle Liability-PT 1&2	20,101.06	
Total Long-Term Liabilities		\$2,077,141.65

Total Liabilities	\$2,316,003.88
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Equity

Contributed Capital	\$225,000.00	
Retained Earnings	(1,228,973.00)	
Distributions	0.00	
Net Income	(522,065.00)	
Total Equity		(\$1,526,038.00)

Total Liabilities & Equity	\$789,965.88
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