

Bob Shirley, WUTC  
Wesley Lannen, RUS  
Carston Koldsbaek, GVNW  
Kari Davis, AKT  
Jeffrey Webb, CPA  
Carol Ihlanfeldt, WeavTel

Subject: WestGate Communications LLC, dba WeavTel FCC Audit

It has just come to my attention that we neglected to forward important accounting records to Jeffrey Webb, CPA that were necessary to produce an accurate audit. I apologize to you all and ask you to review the following history carefully so you will understand the chain of events.

- In October of 2005, WeavTel submitted our first request to RUS for payment on our loan for the year 2004.
- In November of 2005, WeavTel submitted a request to RUS for payment covering the period from January 1, 2005 to October 1, 2005.
- (Jeffrey Webb, CPA using an accounting system established by WeavTel staff prepared both requests for payment.)
- RUS paid the first request and rejected the format of the second.
- In Nov/Dec of 2005, The Weavers personally disassembled the request data for 2005 and reformatted it in accordance with RUS directions. The entire year of 2005 was included in a new format consisting of thirteen work orders.
- A budget and format for 2006 was also specified. To date it has eight work orders outstanding.
- With 2004, 2005 and 2006 formatted and accounted for in accordance with RUS requirements, we created a master control budget sheet.
- In May, 2006 the following events occurred in the same week;
  1. Kari Davis of AKT arrived to begin a FCC audit.
  2. NECA support plans failed and we were informed WECA had agreed to cover their fees.
  3. The Federal District Court requested our presence in Spokane for a final negotiation with the National Park Service.
  4. The Chelan County Commissioners scheduled a zone change hearing for the Stehekin wire center.

This schedule of events was daunting for two persons to manage. We proceeded in the following manner. The Weavers attended the WUTC hearing in Olympia and the National Park Service Negotiation in Spokane. WeavTel hired a new project manager who attended to the Chelan County meeting. Jeffrey Webb, CPA was appointed to assist Kari Davis with the FCC audit. Carol Isenfeldt joined WeavTel as a full charge bookkeeper.

I was bewildered when the WUTC staff in Olympia seemed to be revisiting the same issues I had when dealing with the Washington DC RUS staff in November of 2005. For example, there were questions regarding a staff of six full time employees and six company automobiles. Questions like this and dollar figures

that made no sense were disorienting. As time passed, I continued to contemplate where the misinformation was coming from. Finally, I have come to realize that Jeffrey Webb, CPA had never been informed about the new accounting systems requested by RUS and implemented by the Weavers and copies of the accounting data had never been sent to him. He was unaware of our new formatted accounting system and budget for 2006 that we personally completed in December of 2005. Therefore, the data he gave Kari Davis of AKT was the rejected and replaced data and format.

The new revised data was filed in three ring binders at the WeavTel construction office out-of-sight to Jeffrey Webb, Stacy, and Kari Davis. In my personal opinion, if Kari Davis was able to put together any semblance of our final 2005 accounting and 2006 budget, she is one very extraordinary accountant. I deeply regret the problems this oversight has caused. It has been costly for WeavTel since both RUS and WUTC require the audit results before proceeding with our project.

For your information, I have listed the currant status of the four items listed above.

1. The audit is nearing completion.
2. WECA recommended support for WeavTel and the WUTC has the request under negotiation.
3. The National Park Service is granting WeavTel a letter of authorization to proceed with its project while the final SUP is being considered. We are testing an installation of a RUS approved system called Air Span. (a non-line of sight mesh fixed wireless system.)
4. The Chelan County Commissioners refused to act and WeavTel appealed the failure to Superior Court for a Writ of Mandamus under the State of Washington Land Use Planning Act.

After your review of this memo, please contact me if there are any questions or if there is any way I can be of assistance to expedite the completion of the audit.

Sincerely,

Richard L Weaver