

Monthly Operating Report

CASE NAME: FiberTower Corporation
CASE NUMBER: 12-44029-DML-11
JUDGE: D. Michael Lynn

ACCRUAL BASIS

UNITED STATES BANKRUPTCY COURT

NORTHERN
DISTRICT OF
TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: January 2014

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Vice President, Corporate Controller
TITLE

John Lipscomb
PRINTED NAME OF RESPONSIBLE PARTY

2/17/2014
DATE

PREPARER:


ORIGINAL SIGNATURE OF PREPARER

Vice President, Corporate Controller
TITLE

John Lipscomb
PRINTED NAME OF PREPARER

2/17/2014
DATE

Monthly Operating Report

CASE NAME: FiberTower Corporation

ACCRUAL BASIS-1

CASE NUMBER: 12-44029-DML-11

COMPARATIVE BALANCE SHEET

ASSETS	SCHEDULE AMOUNT	MONTH		
		November 2013	December 2013	January 2014
1. UNRESTRICTED CASH	\$1,201,283	\$43,070	\$43,070	\$15,671
2. RESTRICTED CASH	\$2,495,786			
3. TOTAL CASH	\$3,697,069	\$43,070	\$43,070	\$15,671
4. ACCOUNTS RECEIVABLE (NET)	\$0			
5. INVENTORY	\$0	\$0		
6. NOTES RECEIVABLE	\$0	\$0		
7. PREPAID EXPENSES	\$660,540	\$681,319	\$482,242	\$478,952
8. OTHER (ATTACH LIST)	\$0	\$0		
9. TOTAL CURRENT ASSETS	\$4,357,609	\$724,389	\$525,312	\$494,623
10. PROPERTY, PLANT & EQUIPMENT	\$0	\$0	\$0	\$0
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION	\$0	\$0	\$0	\$0
12. NET PROPERTY, PLANT & EQUIPMENT	\$0	\$0	\$0	\$0
13. DUE FROM INSIDERS	\$0	\$0	\$0	\$0
14. OTHER ASSETS - NET OF AMORTIZATION (Debit Issuance Cost)	\$65,630	\$0	\$0	\$0
15. INTERCOMPANY RECEIVABLE	\$324,126,655	\$324,126,655	\$324,126,655	\$324,126,655
16. TOTAL ASSETS	\$328,549,895	\$324,851,045	\$324,651,967	\$324,621,278
POSTPETITION LIABILITIES				
17. ACCOUNTS PAYABLE		\$0	\$0	\$0
18. TAXES PAYABLE		(\$822)	(\$822)	(\$822)
19. INTERCOMPANY PAYABLE		\$21,885,374	\$21,885,374	\$21,965,615
20. PROFESSIONAL FEES		\$913,520	\$913,520	\$829,988
21. SECURED DEBT		\$0	\$0	\$0
22. OTHER (ATTACH LIST)		\$2,370,725	\$2,370,725	\$2,370,725
23. TOTAL POSTPETITION LIABILITIES		\$25,168,797	\$25,168,797	\$25,165,507
PREPETITION LIABILITIES				
24. SECURED DEBT	\$139,416,543	\$125,147,578	\$125,147,578	\$125,147,578
25. PRIORITY DEBT	\$0	\$0	\$0	\$0
26. UNSECURED DEBT	\$37,144,694	\$37,718,684	\$37,718,684	\$37,718,684
27. OTHER (ATTACH LIST)	\$11,879,475	\$11,879,475	\$11,879,475	\$11,879,475
28. TOTAL PREPETITION LIABILITIES	\$188,440,711	\$174,745,737	\$174,745,737	\$174,745,737
29. TOTAL LIABILITIES	\$188,440,711	\$199,914,534	\$199,914,534	\$199,911,244
EQUITY				
30. PREPETITION OWNERS' EQUITY	\$140,109,184	\$140,109,184	\$140,109,184	\$140,109,184
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(\$15,098,620)	(\$15,297,697)	(\$15,325,096)
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)		(\$74,054)	(\$74,054)	(\$74,054)
33. TOTAL EQUITY	\$140,109,184	\$124,936,511	\$124,737,433	\$124,710,035
34. TOTAL LIABILITIES & OWNERS' EQUITY	\$328,549,895	\$324,851,044	\$324,651,967	\$324,621,278

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CASE NAME:	FiberTower Corporation
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ACCRUAL BASIS-2

INCOME STATEMENT

	MONTH	MONTH	MONTH	MONTH
REVENUES	October 2013	November 2013	December 2013	January 2014
1. GROSS REVENUES	\$0	\$0	\$0	\$0
2. LESS: RETURNS & DISCOUNTS	\$0	\$0	\$0	\$0
3. NET REVENUE	\$0	\$0	\$0	\$0
COST OF GOODS SOLD				
4. MATERIAL	\$0	\$0	\$0	\$0
5. DIRECT LABOR	\$0	\$0	\$0	\$0
6. DIRECT OVERHEAD	\$0	\$0	\$0	\$0
7. TOTAL COST OF GOODS SOLD	\$0	\$0	\$0	\$0
8. GROSS PROFIT	\$0	\$0	\$0	\$0
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSATION	\$0	\$0	\$0	\$0
10. SELLING & MARKETING	\$0	\$0	\$0	\$0
11. GENERAL & ADMINISTRATIVE	\$0	\$0	\$199,077	\$27,399
12. RENT & LEASE	\$0	\$0	\$0	\$0
13. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
14. TOTAL OPERATING EXPENSES	\$0	\$0	\$199,077	\$27,399
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$0	\$0	(\$199,077)	(\$27,399)
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME	\$0	\$0	\$0	\$0
17. NON-OPERATING EXPENSE (ATT. LIST)	\$0	\$0	\$0	\$0
18. INTEREST EXPENSE	\$0	\$0	\$0	\$0
19. DEPRECIATION / DEPLETION	\$0	\$0	\$0	\$0
20. AMORTIZATION	\$0	\$0	\$0	\$0
21. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
22. NET OTHER INCOME & EXPENSES	\$0	\$0	\$0	\$0
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES	\$13,497	\$0	\$0	\$0
24. U.S. TRUSTEE FEES	\$0	\$0	\$0	\$0
25. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
26. TOTAL REORGANIZATION EXPENSES	\$13,497	\$0	\$0	\$0
27. INCOME TAX				
28. NET PROFIT (LOSS)	(\$13,497)	\$0	(\$199,077)	(\$27,399)

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CASE NAME:	FiberTower Corporation
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ACCRUAL BASIS-3

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER TOTAL
	November 2013	December 2013	January 2014	
1. CASH - BEGINNING OF MONTH	\$43,070	\$43,070	\$43,070	
RECEIPTS FROM OPERATIONS				
2. CASH SALES	\$0	\$0	\$0	
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION	\$0	\$0	\$0	
4. POSTPETITION	\$0	\$0	\$0	
5. TOTAL OPERATING RECEIPTS	\$0	\$0	\$0	\$0
NON - OPERATING RECEIPTS				
6. ADVANCE from FiberTower Network Service Inc.				
7. SALE OF ASSETS	\$0	\$0	\$0	
8. OTHER (INTEREST)	\$0	\$0	\$0	
9. TOTAL NON-OPERATING RECEIPTS	\$0	\$0	\$0	\$0
10. TOTAL RECEIPTS	\$0	\$0	\$0	\$0
11. TOTAL CASH AVAILABLE	\$43,070	\$43,070	\$43,070	\$0
OPERATING DISBURSEMENTS				
12. NET PAYROLL	\$0	\$0	\$0	
13. PAYROLL TAXES PAID	\$0	\$0	\$0	
14. SALES USE & OTHER TAXES PAID	\$0	\$0	\$0	
15. SECURED / RENTAL / LEASES	\$0	\$0	\$0	
16. UTILITIES	\$0	\$0	\$0	
17. INSURANCE	\$0	\$0	\$0	
18. INVENTORY PURCHASES	\$0	\$0	\$0	
19. VEHICLE EXPENSES	\$0	\$0	\$0	
20. TRAVEL	\$0	\$0	\$0	
21. ENTERTAINMENT	\$0	\$0	\$0	
22. REPAIRS & MAINTENANCE	\$0	\$0	\$0	
23. SUPPLIES	\$0	\$0	\$0	
24. CONSULTING FEES	\$0	\$0	\$0	
25. INTEREST	\$0	\$0	\$0	
26. TOTAL OPERATING DISBURSEMENTS	\$0	\$0	\$0	\$0
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES	\$0	\$0	\$27,399	
28. U.S. TRUSTEE FEES	\$0	\$0	\$0	
29. CREDITOR DISTRIBUTION	\$0	\$0	\$0	
30. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$27,399	\$0
31. TOTAL DISBURSEMENTS	\$0	\$0	\$27,399	\$0
32. NET CASH FLOW	\$0	\$0	(\$27,399)	\$0
33. CASH - END OF MONTH	\$43,070	\$43,070	\$15,671	\$0

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CASE NAME: FiberTower Corporation

ACCRUAL BASIS-4

CASE NUMBER: 12-44029-DML-11

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		November 2013	December 2013	January 2014
1. 0-30		\$0	\$0	\$0
2. 31-60		\$0	\$0	\$0
3. 61-90		\$0	\$0	\$0
4. 91+		\$0	\$0	\$0
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$0	\$0	\$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE		\$0	\$0	\$0
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$0	\$0	\$0

AGING OF POSTPETITION TAXES AND PAYABLES					MONTH ENDING: January 2014
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					\$0
2. STATE					\$0
3. LOCAL					\$0
4. OTHER (ATTACH LIST)					\$0
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0
6. ACCOUNTS PAYABLE	\$0	\$0	\$0	\$23,484	\$23,484

STATUS OF POSTPETITION TAXES					MONTH ENDING: January 2014
FEDERAL	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING**				\$0	
2. FICA-EMPLOYEE**				\$0	
3. FICA-EMPLOYER**				\$0	
4. UNEMPLOYMENT				\$0	
5. INCOME				\$0	
6. OTHER (ATTACH LIST)				\$0	
7. TOTAL FEDERAL TAXES	\$0	\$0	\$0	\$0	
STATE AND LOCAL					
8. WITHHOLDING				\$0	
9. SALES				\$0	
10. EXCISE				\$0	
11. UNEMPLOYMENT				\$0	
12. REAL PROPERTY				\$0	
13. PERSONAL PROPERTY				\$0	
14. OTHER (ATTACH LIST)				\$0	
15. TOTAL STATE & LOCAL	\$0	\$0	\$0	\$0	
16. TOTAL TAXES	\$0	\$0	\$0	\$0	

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.
 ** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

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ACCRUAL BASIS-5

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH ENDING: January 2014

BANK RECONCILIATIONS	Account #1	Account #2	Account #3	
A. BANK:	SunTrust Bank			TOTAL
B. ACCOUNT NUMBER:	XXXXXXXXX6872			
C. PURPOSE (TYPE):	Operational Checking			
1. BALANCE PER BANK STATEMENT	\$15,671			\$15,671
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0			\$0
3. SUBTRACT: OUTSTANDING CHECKS	\$0			\$0
4. OTHER RECONCILING ITEMS	\$0			\$0
5. MONTH END BALANCE PER BOOKS	\$15,671	\$0	\$0	\$15,671
6. NUMBER OF LAST CHECK WRITTEN	140124009642			

INVESTMENT ACCOUNTS	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7. BANK, ACCOUNT NAME & NUMBER				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$0	\$0

CASH	
12. CURRENCY ON HAND	\$0
13. TOTAL CASH - END OF MONTH	\$15,671

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CASE NAME:	FiberTower Corporation
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ACCRUAL BASIS-6

MONTH ENDING: January 2014

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g., SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Black Raven Partners, LLC	Board or Director Fee	\$0	\$50,000
2. Mark Holliday	Board or Director Fee	\$0	\$50,000
3. Ontrac Advisors, Inc.	Board or Director Fee	\$0	\$50,000
4.			
5. TOTAL PAYMENTS TO INSIDERS		\$0	\$150,000

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1. Andrews Kurth LLP	No Authorization in Jan	\$0	\$0	\$1,499,693	\$1,499,693
2. Bingham McCutchen	No Authorization in Jan	\$0	\$0	\$61,862	\$61,862
3. BMC Group, Inc	No Authorization in Jan	\$0	\$0	\$183,014	\$183,014
4. Haynes and Boone, LLP	No Authorization in Jan	\$0	\$0	\$115,128	\$115,128
5. Cole, Schotz, Moseley, Farn	No Authorization in Jan	\$0	\$0	\$38,394	\$39,208
6. Goldin Associates, LLC	No Authorization in Jan	\$0	\$0	\$269,659	\$269,659
7. Hogan Lovells US LLP	No Authorization in Jan	\$0	\$0	\$427,147	\$427,147
8. Otterbourg, Seindler, Hou	No Authorization in Jan	\$0	\$0	\$226,173	\$226,173
9. Reed Smith LLP	No Authorization in Jan	\$0	\$0	\$158,904	\$158,904
10. Strock and Strock and L	No Authorization in Jan	\$0	\$0	\$524,327	\$524,327
11. Wittkie Farr & Gallagher,	No Authorization in Jan	\$0	\$0	\$106,295	\$106,295
12.					
13. TOTAL PAYMENTS TO PROFESSIONALS		\$0	\$0	\$3,610,597	\$3,611,411

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. N/A			
2.			
3. TOTAL	\$0	\$0	\$0

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ACCRUAL BASIS-7

MONTH ENDING: January 2014

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
D&O POLICY	XL Specialty Insurance Company	8/29/2013 - 8/29/2014	\$200,000 - annual payment
General Insurance	Cincinnati Insurance Company	11/7/2013 - 11/7/2014	\$7,000 - Annual payment

Other (Attach List)

MOR-1	Line 27	Line 22
Accrued Interest Payable	3,340,868	2,411,114
Inter Company Due From	2,359,948	-
Deferred Revenue LT	40,388	(40,388)
Deferred Tax Liability - Spectrum	6,138,270	-
Total for line 22 and Line 27	11,879,475	2,370,725