

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

MAY 3 2005

PUBLIC SERVICE  
COMMISSION

In the matter of:

THE APPLICATION OF EAST KENTUCKY NETWORK )  
LIMITED LIABILITY COMPANY FOR THE ISSUANCE )  
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND ) CASE No 2005-00064  
NECESSITY TO CONSTRUCT A TOWER IN KNOTT )  
COUNTY, KENTUCKY).

In case number 91-002 East Kentucky Network, LLC, formerly Mountaineer Cellular Limited Liability Company was granted a Certificate of Public Convenience and Necessity by the Kentucky Public Service Commission to construct and operate a cellular radio telecommunications system for KY RSA 10.

In an effort to improve service in Knott County, East Kentucky Network, LLC Pursuant to KRS 278.020 Subsection 1 and 807 KAR 5:001 Section 9 is seeking the Commission's approval to construct a tower near Kite, Kentucky. The proposed tower will be a 250 foot self-supporting tower located between Bates Branch and Arnold Fork of Right Fork of Beaver Creek, both being tributaries of the Big Sandy River, approximately two miles southeast of Kite in Knott County. (37° 18' 27"N 82° 45' 59" W). A map and detailed directions to the site can be found in Exhibit 8.

East Ky Network LLC merger documents were filed with the Commission on February 2, 2001 in Case # 2001-022.

FAA and Kentucky Airport Zoning Commission approvals have been applied for but are still pending. Final approvals will be submitted to the commission at a later date. These applications are enclosed as Exhibit 4 and 6.

No Federal Communications Commission approval is required prior to construction of this facility. Once service is established from this tower we must immediately notify the Federal Communications Commission of its operation. Prior approval is needed only if the proposed

facility increases the size of the cellular geographic service area. This cell site will not expand the cellular geographic service area.

A geologist was employed to determine soil and rock types and to ascertain the distance to solid bedrock. The geotechnical report is enclosed as Exhibit 3. The geotechnical report is detailed by Brandon K. Austin, P. E. . . in a universal letter of soil bearing analysis also included in Exhibit 3.

A copy of the tower design information is enclosed as Exhibit 5. The proposed tower has been designed by engineers at Universal Tower Inc. of Henderson, KY and will be constructed under their supervision. Their qualifications are evidenced in Exhibit 5 by the seal and signature of the registered professional engineer responsible for this project.

The tower will be erected by A & D Communication of Cattlesburg, Kentucky. A & D has vast experience in the erection of communications towers.

Enclosed, and should be filed with Exhibit 10, back of folder, is a survey of the proposed tower site signed by a Kentucky registered professional engineer. There is no structure within 500 feet of the proposed tower as indicated in this enclosure. Exhibit 2 is a list of all Property owners or residents within 500' of the proposed tower. No other properties are contiguous with East Kentucky's property.

Exhibit 10, back of folder, also contains a vertical sketch of the tower supplied by Coleman Engineering.

Pursuant to 807 KAR5:063 Section s1 (1)(L) and Section 1(1)(n)(1) all affected property owners who reside or own property within 500 feet of the proposed Tower were notified by certified mail return receipt requested of East Kentucky Network, LLC's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 2 is a copy of that notification.

Knott County has no formal local planning unit. In absence of this unit the Knott County Judge Executive's office was notified by certified mail, return receipt requested of East Kentucky Network Limited Liability Company's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 1 is a copy of that notification.

East Kentucky Network, LLC will finance the subject Construction with earned surplus in its General Fund.

Estimated Cost of Construction	140,000.00
Annual Operation Expense of Tower	12,500.00

A sign 24" X 48" which conforms to the Public Service Commissions guidelines issued on September 3, 1997 was posted on the site on April 29, 2005 and will remain posted for at least two weeks after filing of this application as specified by the PSC guidelines. A second such sign was posted at the nearest public road, and will remain posted two weeks after this filing.

Enclosed in Exhibit 9 is a copy of East Kentucky Network LLC's deeds to the site.

Notice of the location of the proposed construction was published on the first & second weeks of May in the Troublesome Creek Times, in Hindman, Kentucky. Enclosed is a copy of that notice in Exhibit 1. The Troublesome Creek Times is the newspaper with the largest circulation in Knott County.

The proposed construction site is on a very rugged mountaintop some feet from the nearest structure. Prior to construction the site was wooded.

Due to the steep hillside surrounding the proposed site, the property in close proximity is unsuitable for any type of development. East Kentucky Network LLC's operation will not affect the use of nearby land nor its value. No more suitable site exists in the area. A copy of the search area map is enclosed in Exhibit 8. No other tower capable of supporting East Kentucky Network LLC's load exists in the general area; therefore, there is no opportunity for co-location of our facilities with anyone else.

The foregoing document was prepared by Janice Robinson, Accounting Department, East Kentucky Network d/b/a Appalachian Wireless. All related questions or correspondence concerning this filing should be mailed to Michael Huffman, Controller, East Kentucky Network, P. O. Box 405, Prestonsburg, KY 41653.

APPROVED BY: Michael Huffman Date: 4/30/05  
Michael Huffman, Controller

**Phone: (606) 791-2375, Ext. 164**

**Email: (mhuffman@ekn.com)**

Michael Huffman, Controller

East Kentucky Network, LLC.

355 Village Drive, P. O. Box 405

Prestonsburg, KY 41653

**EAST KENTUCKY NETWORK, LLC  
d/b/a APPALACHIAN WIRELESS**

**AIRPORT GARDENS**

**CASE # 2005-0065**

**HAZARD, PERRY COUNTY, KENTUCKY**

**EXHIBIT**

**ITEM**

- |     |   |
|-----|---|
| 1.  | Notification/Response from County   |
| 2.  | Copies of Cell Site Notices   |
| 3.  | Universal Letter of Soil Bearing Analysis   |
| 4.  | Kentucky Airport Zoning Commission<br>Application                                     |
| 5.  | Tower Design  |
| 6.  | FAA Notice of Proposed Construction   |
| 7.  | 2004 Audited Financial Statements   |
| 8.  | Maps to Suitable Scale  |
| 9.  | Deed of Conveyance or Lease Agreement for<br>the Proposed Tower Site Property         |
| 10. | Survey of Site signed and sealed by a<br>Professional Engineer Registered in Kentucky |



EAST KENTUCKY NETWORK  
POST OFFICE BOX 405  
PRESTONSBURG, KY 41653  
PHONE: (606)886-6007  
FAX: (606)886-0206  
E-MAIL: INFO@EKN.COM  
WEBSITE: EKN.COM

EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

April 29, 2005

Donnie Newsome, Judge Executive  
Knott County Court House  
P. O. Box 505  
Hindman, KY 41822-0505

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00064)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 300 foot self supported tower, with attached antennas extending upwards, and an equipment shelter to be located on a ridge between Bates Branch and Arnold Fork of Right Fork of Beaver Creek, both being tributaries of the Big Sandy River, approximately two miles southeast of Kite in Knott County, Kentucky (37°18'27"N 82°45'59" W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the County Judge Executive of Knott County.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2005-00064 in your correspondence.

Sincerely,

Michael Huffman, CPA  
Controller  
enclosure





d/b/a Appalachian Wireless  
P.O. Box 405  
355 Village Drive  
Prestonsburg, KY 41653  
Phone: 606/886-6007  
Fax: 606/791-2225

EAST KENTUCKY  
NETWORK



**Fax**

**To:** Troublesome Creek Times      **From:** JANICE ROBINSON

**ATT:** Public Notice Advertising

**Fax:** 606-785-0105      **Phone:** 606-791-2375, Ext. 166

**Phone:** 606-785-5134      **Pages:** 1 Pages (INCLUDING COVER)

**Re:** PUBLIC NOTICE ADVERTISEMENT      **CC:**

We would like to have the following public notice printed in the Troublesome Creek Times for the next two weeks. The notice should state the following:

**PUBLIC NOTICE:**

**RE: Public Service Commission of Kentucky (CASE NO. 2005-00064)**

Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a tower near Kite in Knott County, Kentucky. The proposed tower will be a 300-foot self-supporting tower. The proposed tower site is located between Bates Branch and Arnold Fork of Right Fork of Beaver Creek, both being tributaries of the Big Sandy River, approximately two miles southeast of Kite in Knott County. (37° 18' 27" N 82° 45' 59" W).

If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P o Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2005-00064

If you have questions about the placement of the above mentioned notice, please call me at 606-791-2375, ext. 166.

Thank you,

*Janice Robinson*

**Accounting Department** If you have any problems with this fax, please call 606/886-6007.

The message above and the information contained in the documents transmitted are confidential and intended only for the person(s) named above. Dissemination, distribution or copying of this communication by anyone other than the person(s) named above is prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the address listed above via regular mail. Thank you.

TRANSMISSION VERIFICATION REPORT

TIME : 04/29/2005 13:34

DATE, TIME	04/29 13:34
FAX NO. /NAME	16067850105
DURATION	00:00:38
PAGE(S)	01
RESULT	OK
MODE	STANDARD ECM

LIST OF PROPERTY OWNERS  
WITHIN 500 FEET OF PROPOSED TOWER

KITE TOWER SITE  
Knott County, Kentucky

Progress Land Corporation  
1876 Yellow Creek Rd.  
Sassafra, KY 41759

Margie Dials  
P O Box 11  
Kite, KY 41828

Ocie Hall  
(Hasadore Hall Heirs)  
12442 Highway 7 South  
Kite, KY 41828

EAST KENTUCKY NETWORK  
POST OFFICE BOX 405  
PRESTONSBURG, KY 41653  
PHONE: (606)886-6007  
FAX: (606)886-0206  
E-MAIL: INFO@EKN.COM  
WEBSITE: EKN.COM

EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

CELL SITE  
PUBLIC NOTICE

April 29, 2005

Ocie Hall  
Hasadore Hall Heirs  
12442 Highway 7 South  
Kite, KYL 41828

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00064)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 300-foot self-supported tower, with attached antennas extending upwards, and an equipment shelter to be located at ridge between Bates Branch and Arnold Fork of Right Fork of Beaver Creek, both being tributaries of the Big Sandy River, approximately two miles southeast of Kite in Knott County, Kentucky (37°18'30"N 82°45'59"W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2005-00064 in your correspondence.

Sincerely,

Michael Huffman, CPA  
Controller  
enclosure

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EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

CELL SITE  
PUBLIC NOTICE

April 29, 2005

Margie Dials  
P. O. Box 11  
Kite, KY 41828

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00064)

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Sincerely,

Michael Huffman, CPA

Controller  
enclosure

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POST OFFICE BOX 405  
PRESTONSBURG, KY 41653  
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FAX: (606)886-0206  
E-MAIL: INFO@EKN.COM  
SITE: EKN.COM

EAST KENTUCKY  
NETWORK



VIA: U.S. CERTIFIED MAIL

CELL SITE  
PUBLIC NOTICE

April 29, 2005

Progress Land Corporation  
1876 Yellow Creek Rd.  
Sassafrax, KY 41759

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00064)

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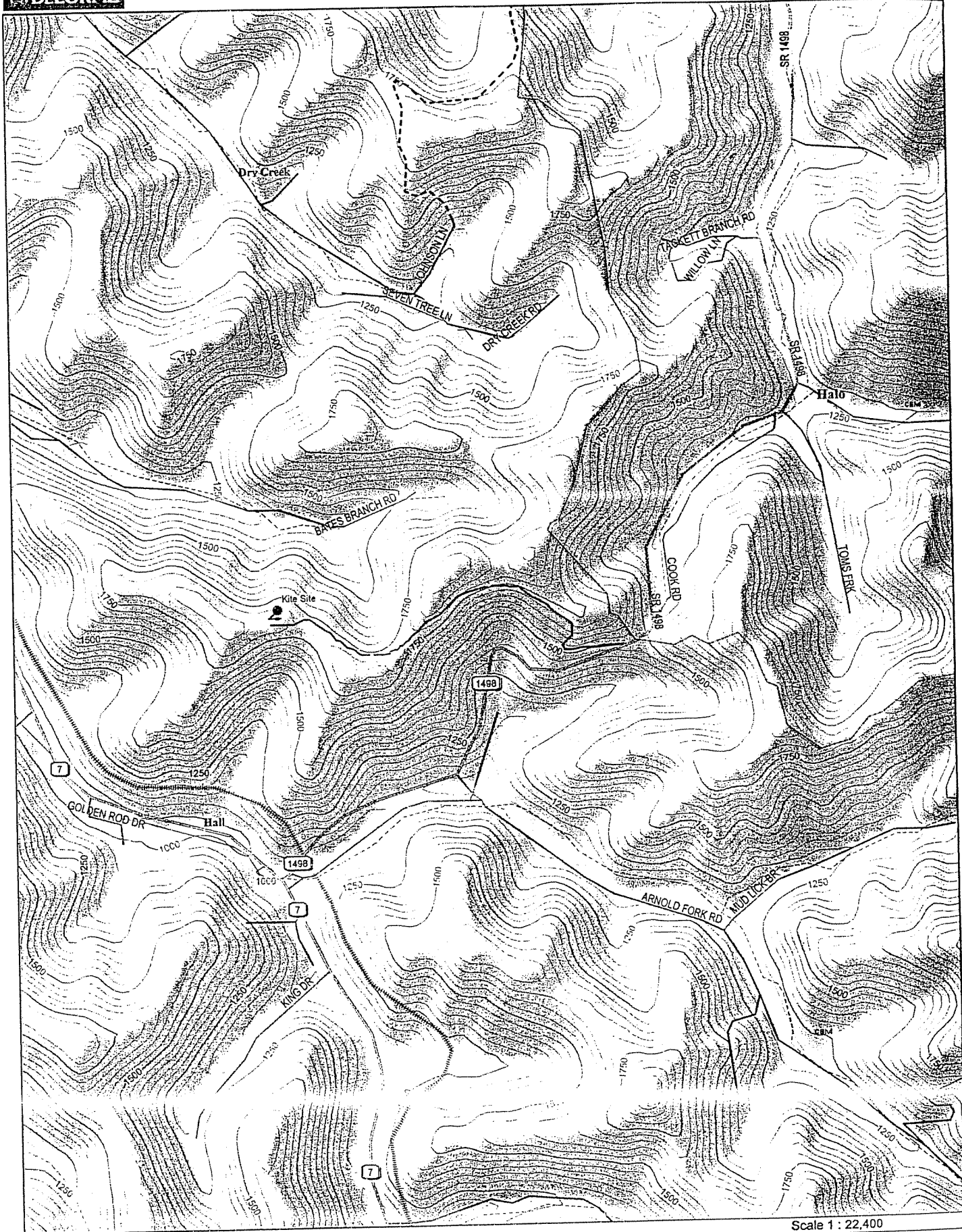
The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2005-00064 in your correspondence.

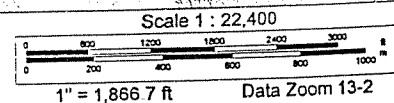
Sincerely,

Michael Huffman, CEA

Controller  
enclosure

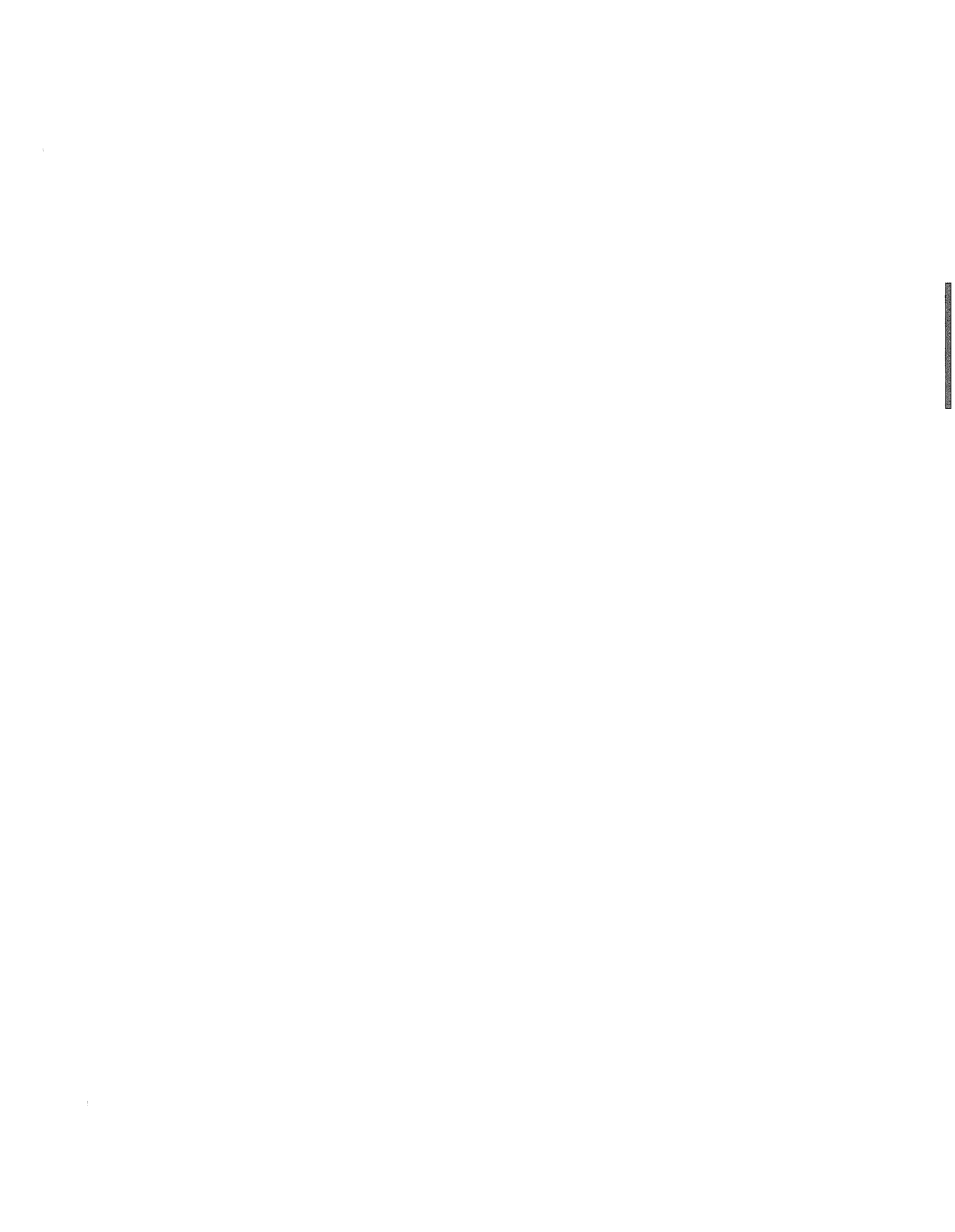


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 www.delorme.com









February 7, 2005

Allstate Tower, Inc.  
P.O. Box 25  
Henderson, KY 42419-0025  
(270) 533-6000

Mr. Marty Thacker  
President  
Appalachian Wireless  
60 Communication Lane  
Hindman, KY 41822

Ref: Kite Tower Site

Mr. Thacker,

The present manner in which Allstate Tower, Inc. gathers geotechnical information on all respective projects has, in our experience, proven to be a sufficient means of collecting data for tower foundation design. This information has historically consisted of a certified geotechnical report that includes site and soil analysis, complete recommendations, and copies of field boring logs.

If you should have any questions or comments pertaining to the content of this letter, or any other topic, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Brandon K. Austin".

Brandon K. Austin, P.E.

**WENDELL R. HOLMES, P.G.**  
**139 Wabaco Circle Road**  
**Apartment 2**  
**Hazard, KY 41701**  
**(606) 435-8100**

January 17, 2005

Kite Tower Site

Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Knott County near Hazard, Kentucky. The site of the proposed tower is now forestland. The purpose of this investigation was to determine the depth to bedrock and of what type of rock the bedrock consists.

Site Investigation:

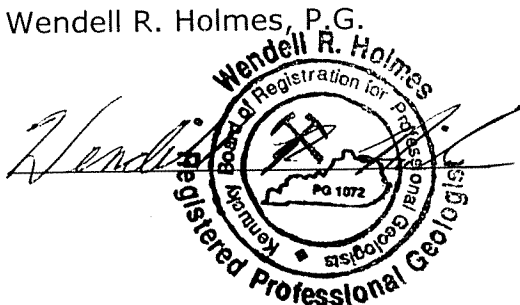
The trenching method was used to determine the type of bedrock material at the proposed tower site. A Caterpillar excavator and bulldozer were used to expose the bedrock material. It is approximately 1.00 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.) The terrain in Knott County is moderately to very steep. The tower site is located on a ridgeline between Bates Branch and Arnold Fork of Right Fork of Beaver Creek, both being tributaries of the Big Sandy River, approximately two miles southeast of Kite in Knott County. The sandstone formation below the tower site is approximately 38.00 feet thick, based on the information obtained from the site investigation and geological maps of the area.

Conclusions:

The proposed tower site is located on a ridge in the area. The sandstone bedrock on the proposed tower site is part of the Breathitt Formation, and is middle to lower Pennsylvanian in age. Tests were not conducted to determine the load-bearing strength of the bedrock. However, it is apparent that the tower will be constructed on the sandstone bedrock formation.

The field work for this site was performed by Wendell R. Holmes, using generally accepted methods in the practice of geological science.

Wendell R. Holmes, P.G.



**WENDELL R. HOLMES, P.G.**

**139 Wabaco Circle Road**

**Apartment 2**

**Hazard, Ky. 41701**

**Geologist Log**

Location: Kite Tower Site

Unit Thickness	Total depth	Strata	Description
1.00'	1.00'	Soil	Yellow and Brown, with Plant and Sandstone Fragments
12.00'	13.00'	Sandstone	Brown and Weathered
17.00'	30.00'	Sandstone	Brown and Gray
1.00'	31.00'	Sandstone w/Shale	Brown
20.00'	51.00'	Sandstone	Gray



LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED  
1650 TYSONS BOULEVARD  
SUITE 1500  
MCLEAN, VA 22102  
703-584-8678  
FAX: 703-584-8696

RUSSELL D. LUKAS+  
DAVID L. NACE+  
THOMAS GUTIERREZ+  
ELIZABETH R. SACHS+  
GEORGE L. LYON, JR.+  
PAMELA L. GIST+  
DAVID A. LAFURIA+  
MARILYN SUCHECKI MENSE+  
B. LYNN F. RATNAVALE+  
TODD SLAMOWITZ+  
STEVEN M. CHERNOFF+

January 28, 2005

CONSULTING ENGINEERS  
ALI KUZEHKANANI  
LEROY A. ADAM  
LEILA REZANAVAZ  
—  
OF COUNSEL  
JOHN J. MCAVOY+  
J.K. HAGE III++  
LEONARD S. KOLSKY+++

+ADMITTED ONLY IN DC  
++ADMITTED ONLY IN NY  
+++ADMITTED ONLY IN MA

<http://www.fcclaw.com>

WRITER'S DIRECT DIAL

(703) 584-8669

TELECOPIER

(703) 584-8692

**Via U.S. Mail**

Mr. John Houlihan, Administrator  
Kentucky Airport Zoning Commission  
200 Mero Street  
Frankfort, KY 40622

Re: AS-013-JKL-04-223

Dear Mr. Houlihan:

Forwarded herewith is a copy of the FAA flight safety determination for the referenced KAZC study.

Should you have any questions, please do not hesitate to call the undersigned.

Sincerely,

  
Leroy A. (Art) Adam  
Consulting Engineer

cc: East Kentucky Network, LLC  
Attention: Gerald Robinette  
Marty Thacker



Federal Aviation Administration  
Southern Regional Office  
1701 Columbia Avenue-ASO-520  
College Park, GA 30337

Aeronautical Study No.  
2004-ASO-6542-OE

Issued Date: 1/26/2005

LEROY A (ART) ADAM  
EAST KY NETWORK LLC C/O LUKAS NACE GUTIERREZ & SAC  
1650 TYSONS BLVD SUITE 1500  
MCLEAN, VA 22102

**\*\* DETERMINATION OF NO HAZARD TO AIR NAVIGATION \*\***

The Federal Aviation Administration has completed an aeronautical study under the provisions of 49 U.S.C., Section 44718 and, if applicable, Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure Type: Antenna Tower  
Location: JACKSON, KY  
Latitude: 37-32-26.31 NAD 83  
Longitude: 83-23-28.65  
Heights: 325 feet above ground level (AGL)  
1775 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation provided the following condition(s), if any, is(are) met:

As a condition to this Determination, the structure should be marked and/or lighted in accordance with FAA Advisory Circular 70/7460-1 AC 70/7460-1K Change 1, Obstruction Marking and Lighting, a med-dual system - Chapters 4, 8 (M-Dual), & 12.

It is required that the enclosed FAA Form 7460-2, Notice of Actual Construction or Alteration, be completed and returned to this office any time the project is abandoned or:

\_\_\_ At least 10 days prior to start of construction  
(7460-2, Part I)

X Within 5 days after the construction reaches its greatest height  
(7460-2, Part II)

As a result of this structure being critical to flight safety, it is required that the FAA be kept apprised as to the status of the project. Failure to respond to periodic FAA inquiries could invalidate this determination.

This determination expires on 7/26/2006 unless:

- (a) extended, revised or terminated by the issuing office.
- (b) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE POSTMARKED OR DELIVERED TO THIS OFFICE AT LEAST 15 DAYS PRIOR TO THE

EXPIRATION DATE.

This determination is based, in part, on the foregoing description which includes specific coordinates, heights, frequency(ies) and power. Any changes in coordinates, heights, and frequencies or use of greater power will void this determination. Any future construction or alteration, including increase to heights, power, or the addition of other transmitters, requires separate notice to the FAA.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

A copy of this determination will be forwarded to the Federal Communications Commission if the structure is subject to their licensing authority.

If we can be of further assistance, please contact our office at (404)305-5589. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2004-ASO-6542-OE.

**Signature Control No: 404809-340955**

(DNE)

Cesar I Perez  
Specialist

Attachment(s)  
Frequency Data

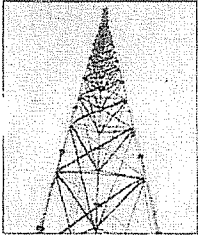
7460-2 Attached



Frequency Data for ASN 2004-ASO-6542-OE

LOW FREQUENCY	HIGH FREQUENCY	FREQUENCY UNIT	ERP	ERP UNIT
880	890	MHz	.2	KW





**ALLSTATE TOWER INCORPORATED**

P.O. Box 25 ♦ Henderson, KY 42419 ♦ Tel. (270) 533-6000 ♦ Email – sales@allstatetower.com  
6541 Cairo-Dixie Rd. ♦ Corydon, KY 42406 ♦ Fax (270) 533-6888 ♦ Emergency (270) 748-1366

Paint ♦ Repair ♦ Inspection ♦ Plumb and Tension ♦ Re-Guy ♦ Lighting ♦ Antenna Feedline

**Engineered Tower and Foundation Drawings**

**for the**

**250' Self-Supporting Tower**

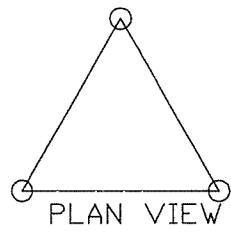
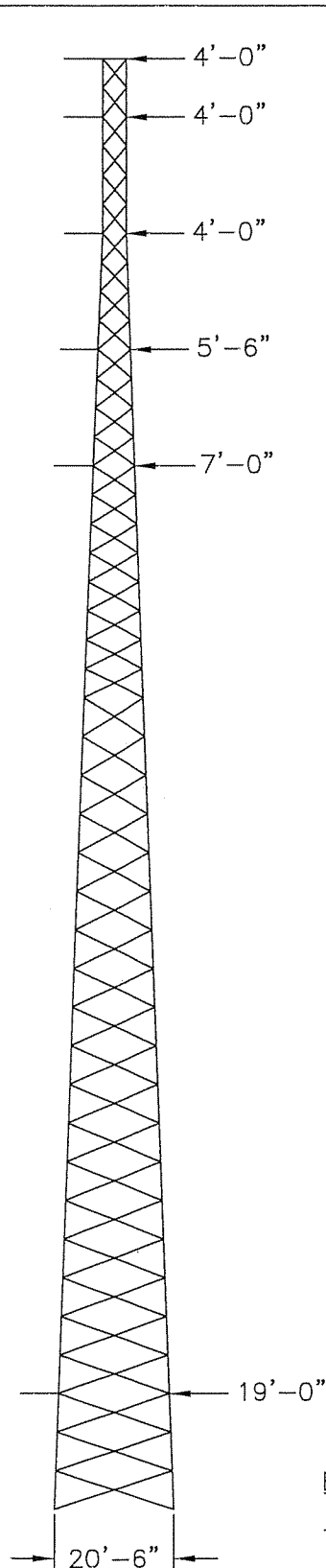
**at the**

**Kite Site**

**Knott County, KY**

For: Appalachian Wireless  
Prepared By: Aaron Thornhill  
Date: 01/18/2005

SECTION	T13	T12	T11	T10	T9	T8	T7	T6	T5	T4	T3	T2	T1
LEG DIA.	4 1/2"	3 1/2" x 3/16"	4 1/4"	3" x 3" x 3/16"	3 3/4"	3 3/4"	3 3/4"	3 1/4"	3"	2 3/4"	2 3/4"	1 3/4"	1 3/4"
DIAGONALS	A	3 1/2" x 3/16"	3" x 3/4"	3" x 3" x 3/16"	2 1/2" x 2 1/2" x 3/16"	2 1/2" x 2 1/2" x 3/16"	2 1/2" x 2 1/2" x 3/16"	2" x 2" x 3/16"	2" x 2" x 3/16"	2" x 2" x 3/16"	2" x 2" x 3/16"	2" x 2" x 3/16"	2" x 2" x 3/16"
GIRTS													B
BRACE BOLTS	7/8"	3/4"	3/4"	3/4"	3/4"	3/4"	3/4"	3/4"	3/4"	5/8"	5/8"	5/8"	5/8"
FLANGE BOLTS	1 1/4"	1 1/4"	1 1/4"	1"	1"	1"	1"	1"	3/4"	3/4"	3/4"	3/4"	3/4"
# OF BAYS	3	3	3	3	3	3	4	4	4	4	4	4	4



ELEV.	ANTENNAS	FEEDLINES
250'	(12) 1' x 5' PANEL ANTENNAS + MOUNTS	(12) 5/8"
230'	(12) 1' x 5' PANEL ANTENNAS + MOUNTS	(12) 5/8"
210'	(12) 1' x 5' PANEL ANTENNAS + MOUNTS	(12) 5/8"

--W.G. SUPPORTS ARE OVER 2 TOWER FACES  
 --TOTAL LINES = 39; MAX. 12 EXPOSED TO THE WIND PER FACE  
 --STEP BOLTS WITH SAFETY DEVICE

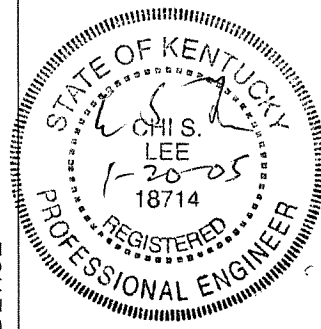
**BASE REACTIONS:**

TOTAL SHEAR = 45 KIPS  
 AXIAL LOAD = 75 KIPS  
 UPLIFT / LEG = 297 KIPS  
 COMP. / LEG = 378 KIPS  
 O.T. MOMENT = 6259 FT-K

**SECTION NOTES:**

- A = L 3 1/2" x 3 1/2" x 1/4"
- B = L 1 3/4" x 1 3/4" x 3/16"
- C = L 1 3/4" x 1 3/4" x 3/16"

**NOTES:**  
 1. TOWER IS DESIGNED AT 70 MPH WIND + 0.5" RADIAL ICE (WITH REDUCTION) PER TIA/EIA-222-F -1996 STANDARD.



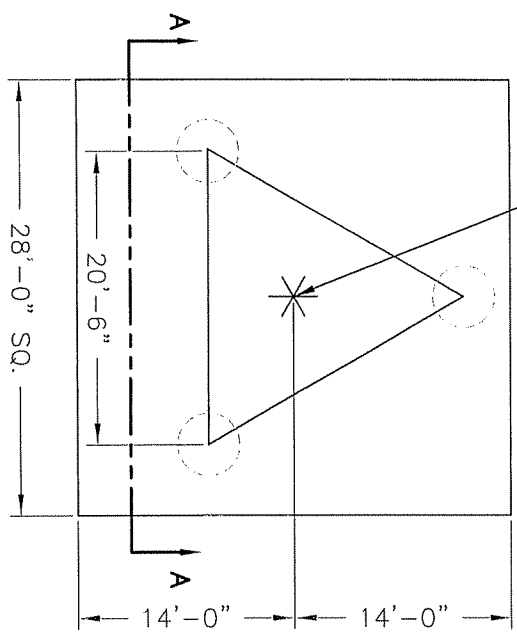
**DESIGN NOTES:**

- 1) ALL LEGS ARE 50 KSI
- 2) ALL BRACES ARE 36 KSI
- 3) ALL BRACE AND SPLICE BOLTS ARE A325-X
- 4) ESTIMATED STEEL WT. OF TOWER - 36 KIPS
- 5) USE (8) 1.50" DIA. x 6'-0" LONG (OVERALL) ANCHOR BOLTS (A36) WITH 21" O.D. DA. x 2.25" THK. (A36) BASE PLATE PER LEG WITH A 14.75" DIA. BOLT CIRCLE WITH (8) 3.5" x 6" x 5/8" STIFFENERS WITH 1/2" WELD

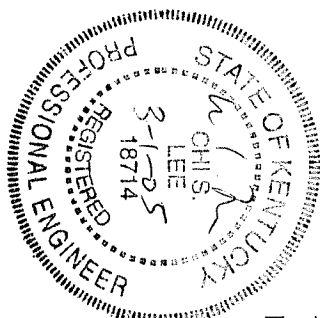
**AL TATE TOWER INC.**  
 P.O. BOX 25  
 HENDERSON, KENTUCKY 42419  
 PHONE: (270) 533-6000  
 FAX: (270) 533-6888

SCALE: N.T.S.	PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ALLSTATE TOWER CO. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER CO.
TOLERANCE BANDS ALL DIMENSIONS ARE ±1/16" ALL ANGULAR DIM ARE ±1/2" UNLESS OTHERWISE NOTED	APPALACHIAN WIRELESS 250' SELF-SUPPORTING TOWER KNOXT COUNTY, KY KITE SITE, KY
APPROX. WEIGHT SUBJECT TO CHANGE	X LBS.
FILE NAME:	A-40138
DRAWN BY: CADD STAFF	DATE: 01/19/05
REV:	REV. DATE:
JOB NO.	SHEET
A40138	A

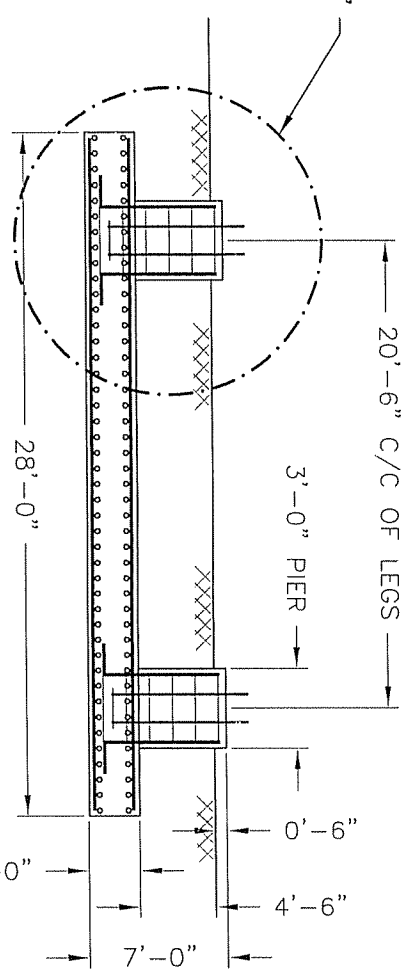
CENTER OF TOWER AND FOUNDATION



PLAN VIEW



- NOTES:
1. TOTAL VOLUME OF CONCRETE IS 62 C.Y.
  2. FOUNDATION DESIGN PER A SOIL BORING LOG BY WENDELL R. HOLMES, P.G. OF HAZARD, KY.
  3. USE (6)  $\phi$ 1.50" A36 ANCHOR BOLTS ON A  $\phi$ 13.75" BOLT CIRCLE.
  4. REBARS PER ASTM A615 GR. 60
  5. ULTIMATE CONCRETE COMPRESSIVE STRENGTH = 3000 PSI
  6. MIN. COVER OF CONCRETE = 3"
  7. COMPACT BACKFILL IN 8" LIFTS TO GROUND SURFACE.
  8. CO<sub>2</sub> VACT BACKFILL TO 90% TO 95% OF THE OF M DRY DENSITY PER ASTM D1557.

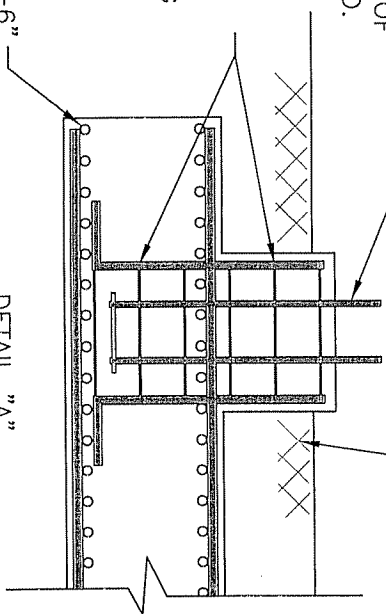


SECTION A-A  
MAT & PIER

- (6)  $\phi$ 1.50" ANCHOR BOLTS x 6'-0" OVERALL LENGTH w/ 3/4" THK BEARING PLATE AT THE BOTTOM OF THE ANCHOR BOLTS (MIN. EMBED. LENGTH = 5')
- (11) #9 V-BARS w/ #5 TIES AT 14" O.C. FOR THE ENTIRE LENGTH AND USE 3'-6" LONG FOR 90 DEGREE HOOK FOR EACH #9 V-BAR.

- (34) #9 HORIZONTAL BARS x 33'-6" LONG EQUALLY SPACED EACH WAY AT TOP AND BOTTOM OF MAT. (TOTAL = 136)

DETAIL "A"



<p>PO BOX 25 HENDERSON, KY 42419 PHONE: (270) 844-0003 FAX: (270) 844-0037</p> <p>PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF RTI. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF UNIVERSAL TOWER INC.</p>		<p><b>ALLSTATE TOWER INC.</b></p>	
<p>MAT AND PIER FOUNDATION</p> <p>APPALACHIAN WIRELESS</p> <p>250' SELF SUPPORTING TOWER</p> <p>SITE: KITE</p> <p>KNOTT COUNTY, KY</p>		<p>DESIGNED BY: C. WYAN</p> <p>DATE: 2/28/05</p>	
<p>SCALE: NOT TO SCALE</p>		<p>JOB NO. <b>AF1 1</b></p> <p>SHEET <b>A</b></p>	

**WENDELL R. HOLMES, P.G.**  
**139 Wabaco Circle Road**  
**Apartment 2**  
**Hazard, KY 41701**  
**(606) 435-8100**

January 17, 2005

Kite Tower Site

**Purpose:**

A site assessment was conducted for Appalachian Wireless on a tract of land located in Knott County near Kite, Kentucky. The site of the proposed tower is now forestland. The purpose of this investigation was to determine the depth to bedrock and of what type of rock the bedrock consists.

**Site Investigation:**

The trenching method was used to determine the type of bedrock material at the proposed tower site. A Caterpillar excavator and bulldozer were used to expose the bedrock material. It is approximately 1.00 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.)

The terrain in Knott County is moderately to very steep. The tower site is located on a ridgeline between Bates Branch and Right Fork of Beaver Creek, both being tributaries of the Big Sandy River, approximately two miles southeast of Kite in Knott County. The sandstone formation below the tower site is approximately 38.00 feet thick, based on the information obtained from the site investigation and geological maps of the area.

**Conclusions:**

The proposed tower site is located on a ridge in the area. The sandstone bedrock on the proposed tower site is part of the Breathitt Formation, and is middle to lower Pennsylvanian in age. Tests were not conducted to determine the load-bearing strength of the bedrock. However, it is apparent that the tower will be constructed on the sandstone bedrock formation.

The field work for this site was performed by Wendell R. Holmes, using generally accepted methods in the practice of geological science.

Wendell R. Holmes, P.G.

---

**WENDELL R. HOLMES, P.G.**

**139 Wabaco Circle Road  
Apartment 2  
Hazard, Ky. 41701**

**Geologist Log**

Location: Kite Tower Site

Unit Thickness	Total depth	Strata	Description
1.00'	1.00'	Soil	Yellow and Brown, Sandy, with Plant and Sandstone Fragments
12.00'	13.00'	Sandstone	Brown and Weathered
17.00'	30.00'	Sandstone	Brown and Gray
1.00'	31.00'	Sandstone w/Shale	Brown
20.00'	51.00'	Sandstone	Gray





LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED  
1650 TYSONS BOULEVARD  
SUITE 1500  
MCLEAN, VA 22102  
703-584-8678  
FAX: 703-584-8696

JESSELL D. LUKAS+  
DAVID L. NACE+  
THOMAS GUTIERREZ+  
ELIZABETH R. SACHS+  
GEORGE L. LYON, JR.+  
PAMELA L. GIST+  
DAVID A. LAFURIA+  
MARILYN SUCHECKI MENSE+  
B. LYNN F. RATNAVALE+  
TODD SLAMOWITZ+  
STEVEN M. CHERNOFF+

CONSULTING ENGINEERS  
ALI KUZEHKANANI  
LEROY A. ADAM  
LEILA REZANAVAZ  
—  
OF COUNSEL  
JOHN J. MCAVOY+  
J.K. HAGE III++  
LEONARD S. KOLSKY+++

+ADMITTED ONLY IN DC  
++ADMITTED ONLY IN NY  
+++ADMITTED ONLY IN MA

<http://www.fcclaw.com>

WRITER'S DIRECT DIAL

January 28, 2005

(703) 584-8669

TELECOPIER

(703) 584-8692

**Via U.S. Mail**

Kentucky Airport Zoning Commission  
200 Mero Street  
Frankfort, KY 40622

Attention: Mr. John Houlihan, Administrator

Dear Mr. Houlihan:

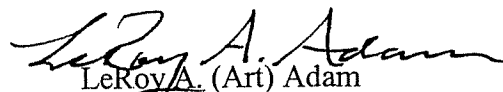
Forwarded herewith in accordance with KRS 183.990 and Chapter 50 of Title 602 of the Kentucky Administrative Regulations, is an "Application for Permit to Construct or Alter a Structure" (Form TC 56-50) for a communications support structure proposed near Kite (Knott), KY. The site is located approximately 2.25 miles ESE of Kite.

A copy of the FAA flight safety determination will be provided to you upon its receipt.

Should you have any questions, please do not hesitate to call the undersigned.

Thank you for your consideration in this matter.

Sincerely,

  
LeRoy A. (Art) Adam  
Consulting Engineer

cc: East Kentucky Network, LLC  
Attention: Gerald Robinette  
Marty Thacker

Kentucky Transportation Cabinet, Kentucky Airport Zoning Commission, 125 Holmes Street, Frankfort KY 40622

Kentucky Aeronautical Study Number

### APPLICATION FOR PERMIT TO CONSTRUCT OR ALTER A STRUCTURE

**1. APPLICANT - Name, Address, Telephone, Fax, etc.**

East Kentucky Network, LLC  
c/o Lukas, Nace, Gutierrez & Sachs, Chtd.  
1650 Tysons Blvd.; Suite 1500  
McLean, VA 22102

T: 703-584-8678

**2. Representative of Applicant - Name, Address, Telephone, Fax**

LeRoy A. Adam  
Lukas, Nace, Gutierrez & Sachs  
1650 Tysons Blvd.; Suite 1500  
McLean, VA 22102

T: 703-584-8669 F: 703-584-8692

3. Application for:  New Construction  Alteration  Existing

4. Duration:  Permanent  Temporary (Months \_\_\_\_\_ Days \_\_\_\_\_)

5. Work Schedule: Start 03/03/05 End 03/14/05

6. Type:  Antenna Tower  Crane  Building  Power Line  
 Landfill  Water Tank  Other \_\_\_\_\_

Marking/Painting and/or Lighting Preferred:

Red Lights and Paint  Dual - Red & Medium Intensity White  
 White - Medium Intensity  Dual - Red & High Intensity White  
 White - High Intensity  Other \_\_\_\_\_

8. FAA Aeronautical Study Number TBD

9. Latitude: 37 ° 18 ' 27 . 0 "

10. Longitude: 82 ° 45 ' 59 . 0 "

11. Datum:  NAD 83  NAD 27  Other \_\_\_\_\_

12. Nearest Kentucky City Kite County: Knott

13. Nearest Kentucky public use or Military airport:  
Pike County-Hatcher Field Airport ("PBX")

14. Distance from #13 to Structure: 20.7 miles

15. Direction from #13 to Structure: SSW

16. Site Elevation (AMSL): 1850 Feet

17. Total Structure Height (AGL): 270 Feet

18. Overall Height (#16 + #17) (AMSL): 2120 Feet

19. Previous FAA and/or Kentucky Aeronautical Study Number(s):  
N/A

20. Description of Location: (Attach a USGS 7.5 minute Quadrangle Map or an Airport Layout Drawing with the precise site marked and any certified survey)

Site is 2.25 miles ESE of Kite (Knott), KY

21. Description of Proposal: The tower to be constructed is a communications antenna support structure which consists of a 250 foot high guyed support structure plus a 20-foot high top-mounted antenna/lightning rod for operation of a Band B cellular base station. The antenna is omni-directional (beamwidth 360°) with a maximum ERP of 400 Watts.

22. Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration?  No  Yes, When 1/28/2005

CERTIFICATION: I hereby certify that all the above statements made by me are true, complete and correct to the best of my knowledge and belief.

LeRoy A. Adam LeRoy A. Adam 1/28/2005  
Printed Name Signature Date

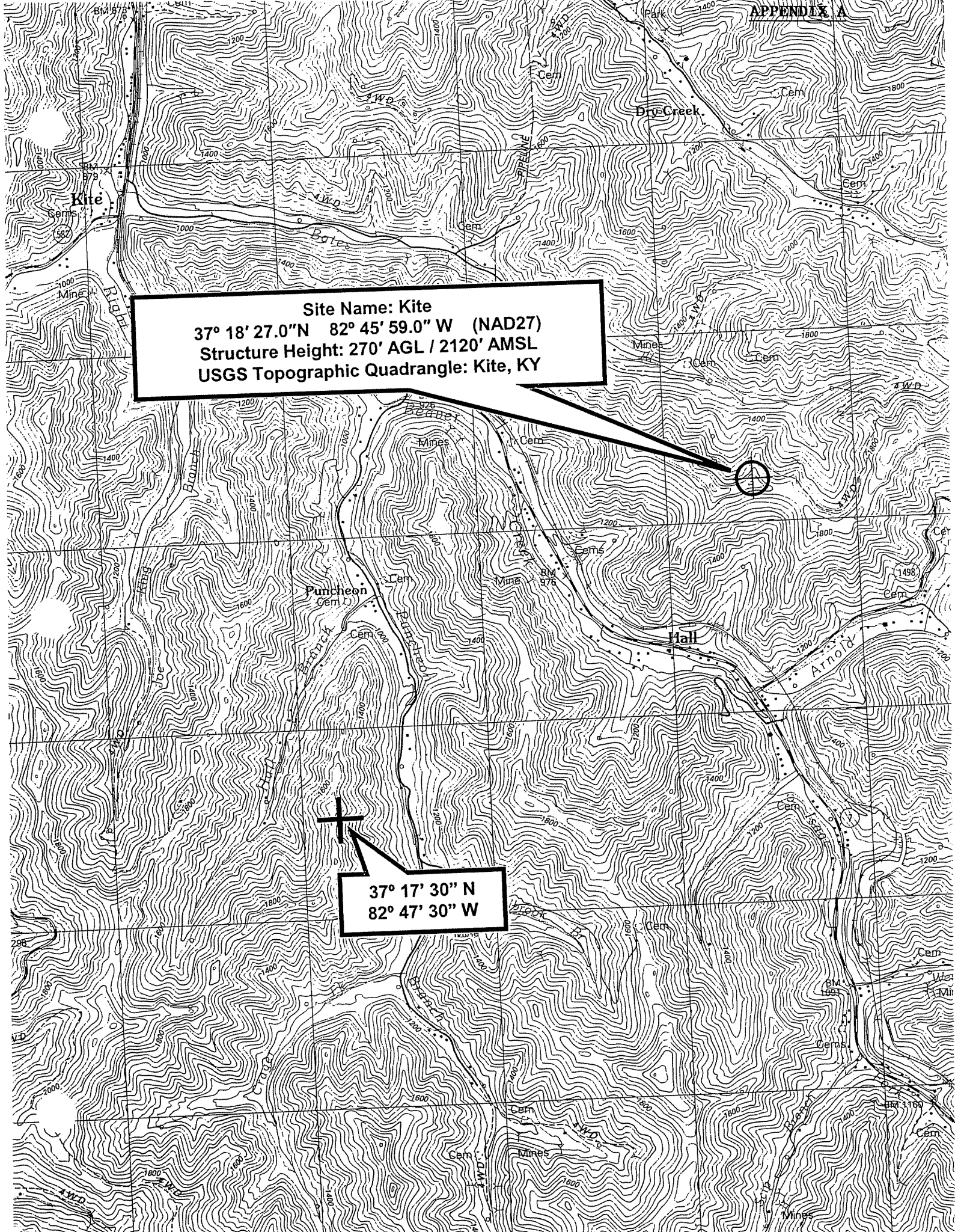
PENALTIES: Persons failing to comply with Kentucky Revised Statutes (KRS 183.861 through 183.990) and Kentucky Administrative Regulations (602 KAR 050: Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3). Non-compliance with Federal Aviation Administration Regulations may result in further penalties.

Commission Action:  Chairman, KAZC  Administrator, KAZC

Approved  Disapproved \_\_\_\_\_ Date \_\_\_\_\_

Site Name: Kite  
37° 18' 27.0"N 82° 45' 59.0" W (NAD27)  
Structure Height: 270' AGL / 2120' AMSL  
USGS Topographic Quadrangle: Kite, KY

37° 17' 30" N  
82° 47' 30" W



LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED  
1650 TYSONS BOULEVARD  
SUITE 1500  
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—  
OF COUNSEL  
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J.K. HAGE III++  
LEONARD S. KOLSKY+++

—  
\*ADMITTED ONLY IN DC  
\*\*ADMITTED ONLY IN NY  
+++ADMITTED ONLY IN MA

—  
<http://www.fcclaw.com>

—  
WRITER'S DIRECT DIAL

(703) 584-8669  
TELECOPIER  
(703) 584-8692

January 28, 2005

Via U.S. Mail

Express Processing Center  
Federal Aviation Administration  
Southwest Regional Office  
Air Traffic Airspace Branch, ASW-520  
2601 Meacham Blvd.  
Fort Worth, TX 76137-4298

Dear FAA Evaluator:

Enclosed please find one FAA Form 7460-1 (Notice of Proposed Construction) for a 270' communications tower structure (250' tower plus 20' antenna/lightning rod) proposed near Kite (Knott County), Kentucky. The proposed site is approximately 2.25 miles ESE of Kite.

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky RSA-10 (Powell), Market No. 452. Transmit frequencies to be used at this station are Cellular Band B (880-890 MHz); the maximum ERP will be 400 Watts.


The transmitting systems proposed for this site will be installed and maintained such that transmitter spurious radiation in the frequency range of 118 MHz to 137 MHz shall be attenuated at least 71 dB below the unmodulated carrier level.

Geographic coordinates are based on 1927 North American Datum.

The proponent respectfully requests FAA permission to install dual obstruction lighting (red and medium intensity white) in lieu of other marking and lighting for the proposed tower.

Should you have any questions or require additional information, please do not hesitate to call the undersigned at the above identified telephone number.

Sincerely,

  
Leroy A. (Art) Adam  
Consulting Engineer

Enclosure

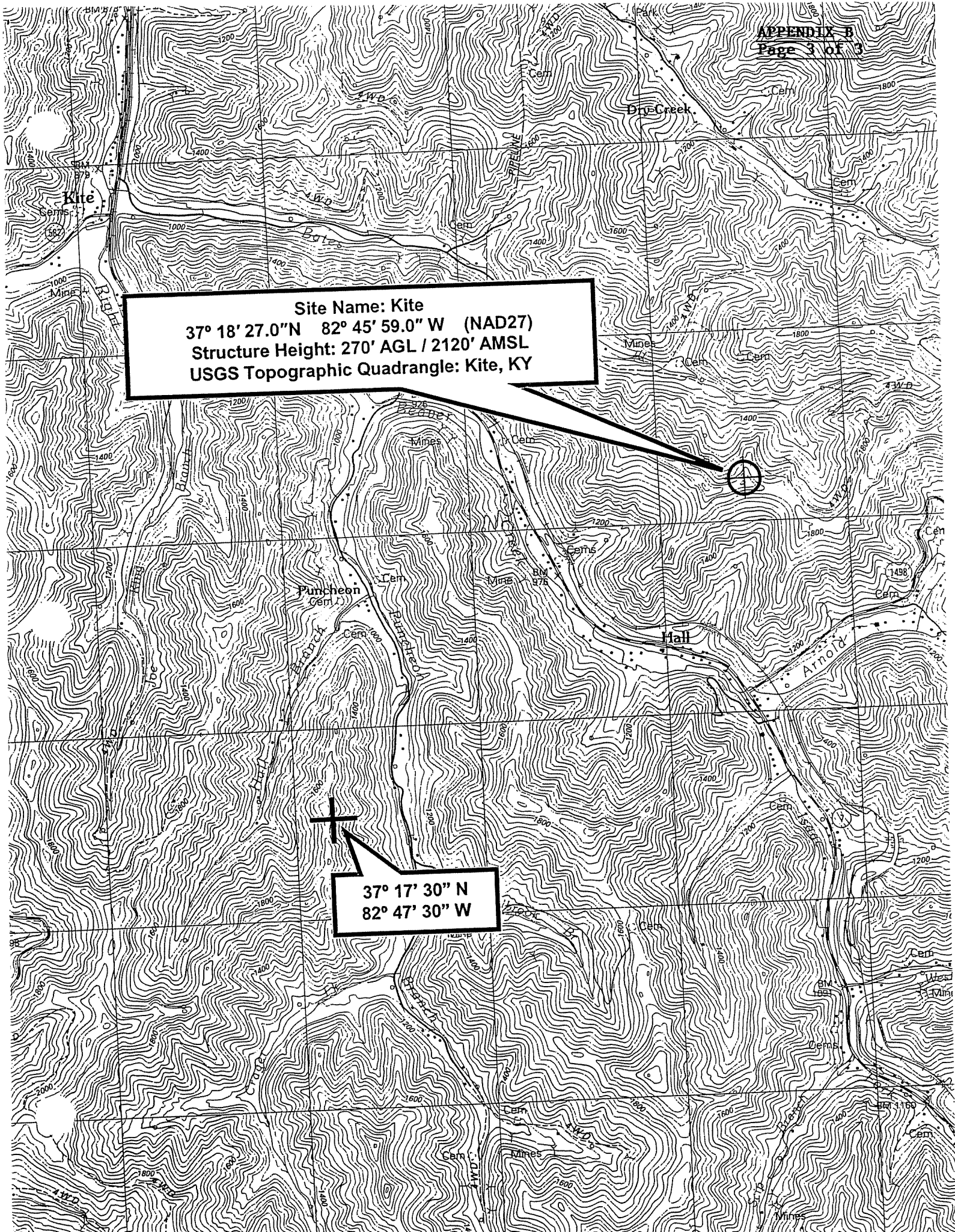
cc: East Kentucky Network, LLC  
Gerald Robinette  
Marty Thacker



Site Name: Kite  
37° 18' 27.0"N 82° 45' 59.0" W (NAD27)  
Structure Height: 270' AGL / 2120' AMSL  
USGS Topographic Quadrangle: Kite, KY



37° 17' 30" N  
82° 47' 30" W



Appendix C

Not Applicable

ULS License

**Cellular License - KNKN809**

Call Sign	KNKN809	Radio Service	CL - Cellular
Status	Active	Auth Type	Regular
<b>Market</b>			
Market	CMA452 - Kentucky 10 - Powell	Channel Block	B
Submarket	0	Phase	2
Cellular SID	1290, 1292		
<b>Dates</b>			
Grant	08/28/2001	Expiration	10/01/2011
Effective	01/03/2003	Cancellation	

**Five Year Buildout Date**

10/17/1996

**Control Points**

1 US Route 23, FLOYD, Harold, KY  
P: (606)478-2355

**Licensee**

Licensee ID	L00000729	FRN	0001786607	Type	Limited Liability Corporation
SGIN	000				

**Licensee**

East Kentucky Network, LLC d/b/a Appalachian Wireless  
PO Box 405  
Prestonsburg, KY 41653  
P:(606)886-6007

**Contact**

LUKAS, NACE, GUTIERREZ & SACHS, CHARTERED Pamela L Gist 1111 19th Street NW, Suite 1200 Washington, DC 20036	P:(202)857-3500 F:(202)828-8408 E:pgist@fcclaw.com
---	--

**Qualifications, Ownership, and Demographics**

Radio Service Type	Mobile		
Regulatory Status	Common Carrier	Interconnected?	Yes

**Alien Ownership**

The Applicant answered "No" to each of the Alien Ownership questions.

**Basic Qualifications**

The Applicant answered "No" to each of the Basic Qualification questions.

**Race**

Hispanic/Latino?

Gender





**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**FINANCIAL REPORT**

**December 31, 2004**

## INDEPENDENT AUDITOR'S REPORT

To the Members  
East Kentucky Network, LLC  
dba Appalachian Wireless  
Prestonsburg, Kentucky 41653

We have audited the accompanying balance sheets of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2004 and 2003 and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Jones, Nale & Mattingly PLC*

Louisville, Kentucky  
February 18, 2005

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**BALANCE SHEETS  
December 31, 2004 and 2003**

ASSETS	<u>2004</u>	<u>2003</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,115,534	\$ 2,781,029
Short-term investments	100,000	2,617,468
Accounts receivable, less allowance for doubtful accounts of \$378,680 in 2004 and \$280,280 in 2003	1,481,900	1,205,561
Accounts receivable, members (Notes 6 and 7)	54,397	77,710
Inventory	826,636	419,855
Prepaid expenses	148,558	107,325
Total current assets	<u>\$ 4,727,025</u>	<u>\$ 7,208,948</u>
 <b>PROPERTY, PLANT AND EQUIPMENT (Note 4)</b>		
Plant in service:		
General support	\$ 7,536,872	\$ 7,021,978
MTSO equipment	10,925,458	6,265,231
Cell equipment	31,817,505	25,509,795
Paging equipment	3,309,174	3,300,442
Fiber ring	4,484,626	3,987,697
Unfinished plant	1,708,762	1,520,311
	<u>\$ 59,782,397</u>	<u>\$ 47,605,454</u>
Less accumulated depreciation	23,457,869	19,301,482
	<u>\$ 36,324,528</u>	<u>\$ 28,303,972</u>
 <b>OTHER ASSETS</b>		
Investment in affiliated company, RTFC (Note 4)	\$ 873,368	\$ 867,749
Intangible assets, net of accumulated amortization of \$1,741,672 in 2004 and \$1,301,347 in 2003 (Note 2)	4,762,678	5,159,963
Goodwill	787,286	787,286
Other	29,788	30,909
	<u>\$ 6,453,120</u>	<u>\$ 6,845,907</u>
	<u>\$ 47,504,673</u>	<u>\$ 42,358,827</u>

The Notes to Financial Statements are an integral part of these statements.



**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF INCOME  
Years Ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>REVENUE</b>		
Retail	\$ 18,777,436	\$ 16,436,390
Roamer	4,693,531	3,784,721
Long distance	168,585	178,971
Paging	1,282,952	1,606,370
Equipment sales, cellular	1,571,027	1,365,233
Equipment sales, paging	79,573	87,928
Other	<u>2,308,826</u>	<u>1,908,727</u>
Total revenue	<u>\$ 28,881,930</u>	<u>\$ 25,368,340</u>
 <b>EXPENSES</b>		
Cost of cellular service	\$ 7,155,982	\$ 7,019,191
Cost of paging service	589,260	629,904
Cost of equipment sales, cellular	3,202,000	2,256,150
Cost of equipment sales, paging	101,331	140,398
Customer service	1,004,290	950,566
Billing	1,100,361	1,016,679
Selling	1,598,369	1,337,980
Maintenance	873,613	705,705
Utilities	306,593	303,426
Bad debts	698,471	937,244
Cell site rental	120,866	127,313
Taxes	243,180	241,575
Advertising	688,001	470,732
General and administrative	1,868,518	1,473,026
Occupancy	452,041	253,738
Depreciation	4,084,043	3,481,218
Amortization	<u>507,010</u>	<u>609,215</u>
Total expenses	<u>\$ 24,593,929</u>	<u>\$ 21,954,060</u>
Income from operations	<u>\$ 4,288,001</u>	<u>\$ 3,414,280</u>
 <b>OTHER INCOME (EXPENSE)</b>		
Interest income	\$ 29,556	\$ 38,725
Interest expense	<u>(574,654)</u>	<u>(591,177)</u>
	<u>\$ (545,098)</u>	<u>\$ (552,452)</u>
Net income	<u>\$ 3,742,903</u>	<u>\$ 2,861,828</u>

The Notes to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF MEMBERS' EQUITY  
Years Ended December 31, 2004 and 2003**

	Cellular Services, Inc.	Gearhart Communi- cations Company, Inc.	Mountain Tele- communi- cations, Inc.	Thacker- Grigsby Telephone Co., Inc.	Peoples Rural Telephone Coop- erative Corp- oration, Inc.	Total
Balance, January 1, 2003	\$ 4,995,363	\$ 4,995,362	\$ 4,995,362	\$ 4,995,363	\$ 4,995,363	\$24,976,813
Net income	572,366	572,366	572,366	572,365	572,365	2,861,828
Capital contributions	500,000	500,000	500,000	500,000	500,000	2,500,000
Balance, December 31, 2003	<u>\$ 6,067,729</u>	<u>\$ 6,067,728</u>	<u>\$ 6,067,728</u>	<u>\$ 6,067,728</u>	<u>\$ 6,067,728</u>	<u>\$30,338,641</u>
Net income	748,580	748,581	748,581	748,581	748,580	3,742,903
Capital distributions	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(175,000)
Balance, December 31, 2004	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,309</u></u>	<u><u>\$ 6,781,308</u></u>	<u><u>\$33,906,544</u></u>

The Notes to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2004 and 2003**

	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 3,742,903	\$ 2,861,828
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,084,043	3,481,218
Amortization	507,010	609,215
Changes in assets and liabilities, net of the effects of investing and financing activities:		
(Increase) decrease in accounts receivable	(276,339)	261,472
(Increase) decrease in accounts receivable, members	23,313	(77,710)
(Increase) decrease in inventory	(406,781)	437,460
(Increase) in prepaid expenses	(41,233)	(20,127)
Decrease in other assets	1,121	1,119
Increase in accounts payable	480,443	22,942
(Decrease) in accounts payable, member	(5,574)	(45,077)
Increase in accrued expenses	393,916	107,040
Increase (decrease) in customer deposits	(11,842)	47,660
Net cash provided by operating activities	\$ 8,490,980	\$ 7,687,040
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	\$ (12,214,324)	\$ (4,933,301)
Proceeds from sale of short-term investments	2,517,468	--
Purchase of short-term investments	--	(2,517,468)
Purchase of RTFC equity certificates	(5,619)	(3,352)
Net cash (used in) investing activities	\$ (9,702,475)	\$ (7,454,121)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from capital contributions	\$ --	\$ 2,500,000
Capital distributions	(175,000)	--
Net borrowings (payments) on notes payable	1,500,000	(500,000)
Payments on long-term borrowings	(779,000)	(728,750)
Net cash provided by financing activities	\$ 546,000	\$ 1,271,250
Net increase (decrease) in cash and cash equivalents	\$ (665,495)	\$ 1,504,169
Cash and cash equivalents:		
Beginning	2,781,029	1,276,860
Ending	\$ 2,115,534	\$ 2,781,029
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	\$ 619,257	\$ 531,577

The Notes to Financial Statements are an integral part of these statements.



**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

Nature of operations

East Kentucky Network, LLC, dba Appalachian Wireless, is a Kentucky limited liability company formed by the merger of Appalachian Cellular, LLC, Mountaineer Cellular, LLC and East Kentucky Network, LLC on January 1, 2000. The Company is engaged in cellular telephone communications and paging services to residential and commercial customers located in eastern Kentucky. The Company's five members consist of Cellular Services, Inc.; Gearheart Communications Company, Inc.; Mountain Telecommunications, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; and Thacker-Grigsby Telephone Co., Inc.

Cash

The Company maintains its cash balances, which exceed the \$100,000 federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

Cash equivalents

For purposes of the statement of cash flows, the Company considers temporary investments having a maturity of three months or less to be cash equivalents.

Short-term investments

Certificates of deposit having original maturities between three and nine months are classified as short-term investments, are carried at cost, which approximates fair value, and are held to maturity.

Inventory

Inventory is composed of cellular telephone equipment, paging equipment, and accessories purchased for resale during the ordinary course of business. The inventory is valued at the lower of cost or market, cost being determined by the first-in, first-out (FIFO) method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Investment

The investment in affiliated company is composed of equity certificates in Rural Telephone Finance Cooperative and is reported at cost, which approximates fair value.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Summary of Significant Accounting Policies (Continued)

#### Intangible assets

The customer lists, non-compete agreements, FCC licenses, and use of name are recorded at cost and are being amortized over 15 years by the straight-line method. The excess cost over the fair value of the net assets acquired (goodwill) related to paging acquisitions is measured for impairment on an annual basis, and written down, if necessary, to its estimated value at that time.

#### Recognition of revenue

Cellular service and paging revenues are recognized when earned. Monthly access and feature charges are billed one month in advance and recognized as revenue the following month. Revenue from telephone and accessories sold are recognized as revenue upon delivery to the customer.

#### Advertising

Advertising costs are expensed as incurred. At December 31, 2004 and 2003, these costs were \$688,001 and \$470,732, respectively.

#### Income taxes

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the members for income tax purposes. Accordingly, no provision for income tax has been provided for in the accompanying financial statements.

#### Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

#### Reclassification

Certain amounts presented in the prior year have been restated to conform with the current year presentation.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2004:

	Gross Amount	Accumulated Amortization
Customer lists	\$ 5,363,530	\$ (1,438,317)
Non-compete agreements	220,348	(92,218)
FCC licenses	841,593	(198,350)
Use of name	10,000	(3,001)
Other	68,879	(9,786)
	\$ 6,504,350	\$ (1,741,672)

Intangible assets consist of the following at December 31, 2003:

	Gross Amount	Accumulated Amortization
Customer lists	\$ 5,363,530	\$ (1,080,021)
Non-compete agreements	220,348	(77,498)
FCC licenses	841,593	(132,073)
Use of name	10,000	(2,333)
Other	25,839	(9,422)
	\$ 6,461,310	\$ (1,301,347)

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2004 and 2003 totaled \$440,325 and \$547,652, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

Year ending December 31:

2005	\$ 500,000
2006	500,000
2007	500,000
2008	500,000
2009	500,000

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Notes Payable

Notes payable consist of the following:

	December 31,	
	2004	2003
RTFC, Line of Credit (a)	\$ --	\$ 1,800,000
Cumberland Mountain Paging (b)	400,000	400,000
Total	\$ 400,000	\$ 2,200,000

- (a) The Company has a line of credit agreement with Rural Telephone Finance Cooperative (RTFC) that provides for borrowings up to \$5,000,000. The outstanding balance at December 31, 2004 and 2003 was \$3,300,000 and \$1,800,000, respectively. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and was renewed June 28, 2004 for 24 months. Accordingly, the note is presented in the financial statements as long-term debt at December 31, 2004 (see Note 4).
- (b) The Company issued two promissory notes in connection with the acquisition of certain paging assets. Both notes were due in one year with interest at a rate of 4%. The remaining note with a balance of \$400,000 is currently due, but the Company is negotiating the amount based upon the purchased customer lists.

### Note 4. Long-Term Debt

Long-term debt as of December 31, 2004 and 2003 consists of the following:

	December 31, 2004		
	Balance	Current	Long-Term
Notes payable, RTFC:			
Dated 11/13/97, variable rate (6.15% at 12/31/04)	\$ 218,285	\$ 22,714	\$ 195,571
Dated 11/13/97, variable rate (6.15% at 12/31/04)	999,575	104,012	895,563
Dated 11/13/97, fixed rate (7.20% at 12/31/04)	813,493	81,476	732,017
Dated 12/31/98, fixed rate (7.25% at 12/31/04)	677,532	55,516	622,016
Dated 02/13/01, variable rate (5.85% at 12/31/04)	861,950	80,750	781,200
Dated 02/13/01, variable rate (5.85% at 12/31/04)	1,011,829	94,791	917,038
Dated 07/27/01, variable rate (5.85% at 12/31/04)	2,845,311	408,121	2,437,190
Line of credit, variable rate (6.40% at 12/31/04)	3,300,000	--	3,300,000
	\$10,727,984	\$ 847,380	\$ 9,880,604

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Long-Term Debt (Continued)

	December 31, 2003		
	Balance	Current	Long-Term
Notes payable, RTFC:			
Dated 11/13/97, variable rate (4.40% at 12/31/03)	\$ 240,199	\$ 20,054	\$ 220,145
Dated 11/13/97, variable rate (4.40% at 12/31/03)	1,093,351	95,994	997,357
Dated 11/13/97, fixed rate (7.20% at 12/31/03)	893,978	73,946	820,032
Dated 12/31/98, fixed rate (7.25% at 12/31/03)	733,212	52,230	680,982
Dated 02/13/01, variable rate (4.20% at 12/31/03)	932,054	76,974	855,080
Dated 02/13/01, variable rate (4.20% at 12/31/03)	1,094,112	90,358	1,003,754
Dated 07/27/01, variable rate (4.20% at 12/31/03)	3,220,078	388,499	2,831,579
	\$ 8,206,984	\$ 798,055	\$ 7,408,929

The notes payable to Rural Telephone Finance Cooperative (RTFC) are secured by mortgage and security agreements that include substantially all of the assets of the Company. In addition, the Company is required to purchase equity certificates in RTFC equal to 5% of the total amounts borrowed. The notes are payable in quarterly installments over 15 years with interest at variable or fixed rates set by RTFC.

The line of credit agreement with RTFC provides for borrowings up to \$5,000,000. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and was renewed June 28, 2004 for 24 months. Accordingly, the note is presented in the financial statements as long-term debt at December 31, 2004 (see Note 3).

Approximate maturities or payments required on principal under note payable agreements for each of the succeeding five years are as follows:

Year ending December 31:	
2005	\$ 847,380
2006	4,200,418
2007	956,799
2008	1,016,735
2009	1,080,451

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Retirement Plans

The Company has a 401(k) plan for qualifying employees who have reached twenty-one years of age. Eligible employees are allowed to invest up to 15% of their compensation and the Company has agreed to match 100% of the first 3% of the employees' contribution and 50% of the employees' contribution between 3% and 5%. The Company contributed \$58,929 and \$59,472 matching funds for its 401(k) plan during the years ended December 31, 2004 and 2003, respectively.

The Company also offers an employer sponsored retirement savings plan for qualified employees who have reached twenty-one years of age. The Company has agreed to contribute 9% of the eligible employee's compensation, plus an additional 5% of the original contribution. The Company contributed \$214,464 and \$205,832 to its retirement savings plan during the years ended December 31, 2004 and 2003, respectively.

### Note 6. Related Party Transactions

The Company shares personnel with one of its members. The Company paid \$111,438 and \$126,331 for shared personnel during the years ended December 31, 2004 and 2003 respectively. The Company also leased offices and warehouse space from two members. The leases are for an unspecified length of time. The monthly lease payments total approximately \$7,000. In addition, the Company incurred interconnection charges from its members aggregating \$812,794 and \$765,004 for the years ended December 31, 2004 and 2003, respectively.

The Company leases two cellular tower sites from the officers and majority shareholders of a member for \$100 per month for each site. The leases are for an unspecified length of time. In addition, the Company leases two other sites from a company owned by this member for \$600 each on a month to month basis.

The Company leases cellular tower sites from the parent company of one of its other members for \$1,039 per month. The leases are for five years with options to renew.

### Note 7. Operating Leases

The Company has entered into operating leases with its members and other customers to provide fiber optic transmission capacity and ancillary services. The terms of these leases are for 15 years.

Total rental income earned from these operating lease commitments included in the statements of income were \$1,442,016 and \$1,157,527 for the years ended December 31, 2004 and 2003, respectively. Rental income earned from the Company's members from these leases was \$1,132,545 and \$858,714 for the years ended December 31, 2004 and 2003, respectively.

## NOTES TO FINANCIAL STATEMENTS

### Note 7. Operating Leases (Continued)

Investments in operating leases are as follows at December 31:

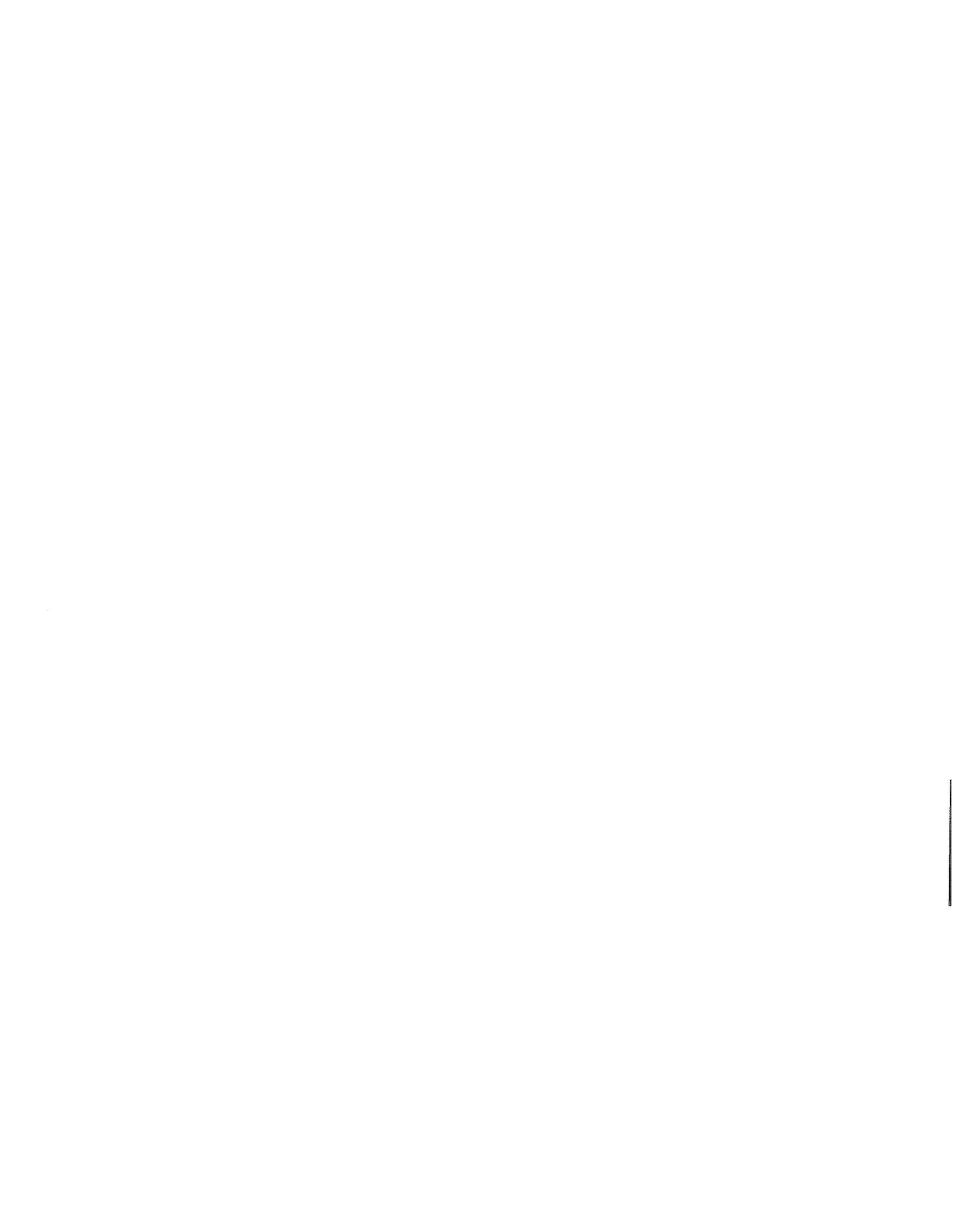
	2004	2003
Fiber ring	4,484,626	3,987,697
Accumulated depreciation	(563,677)	(355,090)
	\$ 3,920,949	\$ 3,632,607

The future minimum rental payments expected to be received under these lease agreements for each of the succeeding five years are approximately \$700,000 each year based upon new contracts negotiated during 2005.

The Company has also entered into lease agreements with its members to obtain fiber optic transmission and digital microwave transmission services. The terms of these leases are for 15 years.

Rental expenses incurred under these operating lease commitments included in the statements of income were \$54,420 and \$247,095 for the years ended December 31, 2004 and 2003, respectively.

The future minimum lease payments required under these lease agreements for each of the succeeding five years are \$115,734 each year.

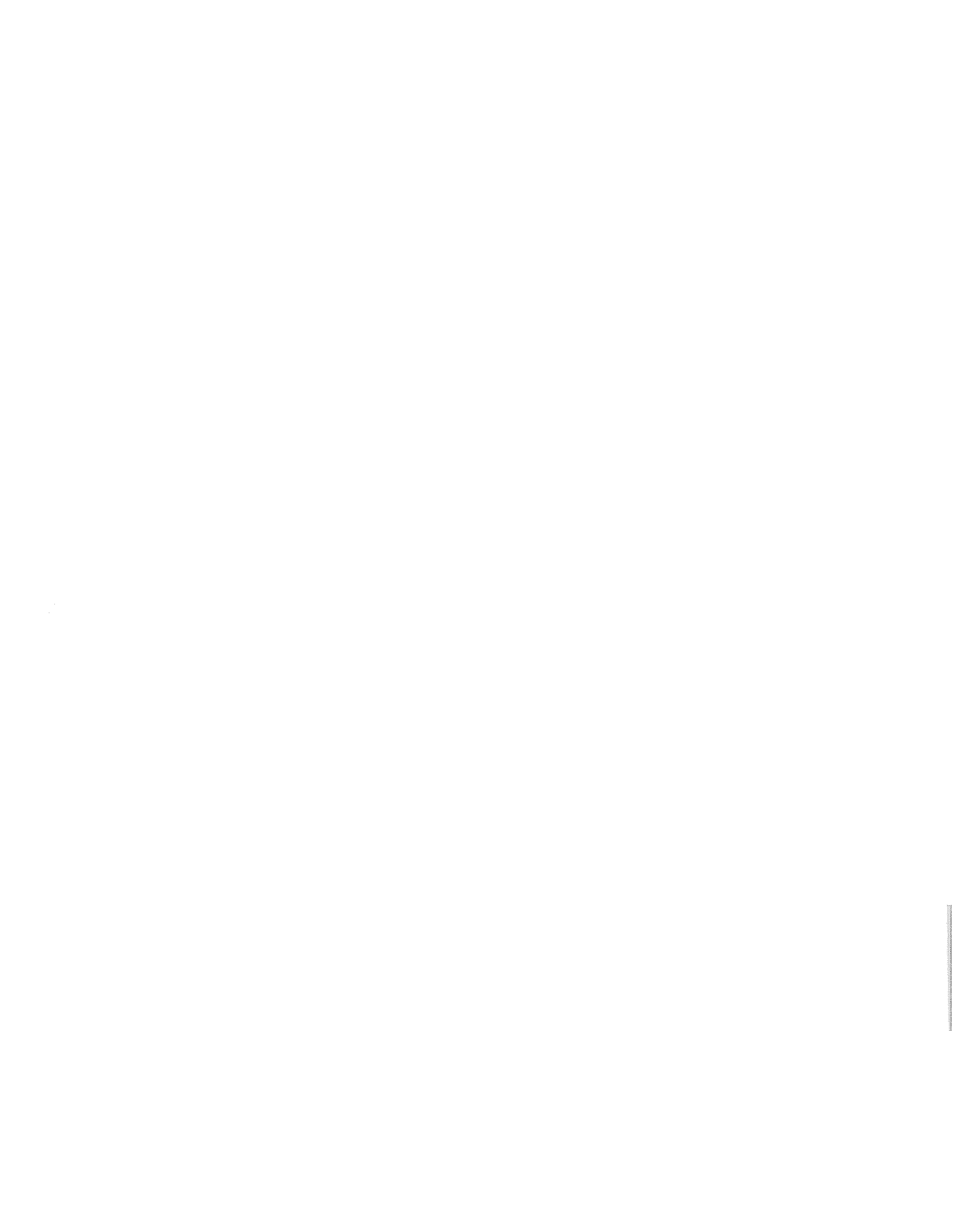




## Directions to Kite

From the courthouse in Hindman Kentucky take Bailey St. to Hwy. 550 East. Turn left onto Hwy. 550 East and go .1 miles to the Jct. Of Hwy 550 East and 160 South. Turn right onto Hwy 160 South and go 7.6 Miles to the Jct. Of Hwy. 160 and 582. Turn left onto Hwy 582 and go 12.9 miles to the Jct. 582 and Hwy. 7 . Turn right onto Hwy 7 and go 2.9 miles to the Jct. Of Hwy 7 and 1498. Turn Left onto Hwy. 1498 and go 1.2 miles to Green Gate on left. Go threw gate and continue up the hill 1.3 miles tower location is at end of road.







## LEASE AGREEMENT

THIS LEASE, made and entered into this the 22<sup>nd</sup> day of December 2003, (the "Lease") by and between PROGRESS LAND CORPORATION, a Florida corporation, whose address is P. O. Box 784, Hazard, KY 41702 (hereinafter referred to as "Lessor") and EAST KENTUCKY NETWORK, LLC. d/b/a APPALACHIAN CELLULAR, whose address is P. O. Box 405, Prestonsburg, KY 41653 (hereinafter referred to as "Lessee").

WHEREAS, the Lessor owns a tract of land located in Knott County, Kentucky, upon which the Lessee desires to construct a tower for transmitting and receiving cellular telephone signals and/or other related communication facilities, and the Lessor desires to lease said property for such purposes, and

WHEREAS, the Lessee desires to use the property described herein for the purposes above-stated, including, but not limited to, the construction and maintenance of a tower, access roads, power and telephone transmission lines, and any other related communication systems either incident to, or in conjunction with, a cellular telephone receiving and transmission system.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby covenant and agree as follows:

1. The Lessor does hereby LET and LEASE unto the Lessee, its successors and assigns, that certain tract or parcel of land located at Kite, Knott County, Kentucky, lying on the ridge between Bates Branch and Arnold Fork of the Right Fork of Beaver Creek, all of which is more particularly described as follows (hereinafter the "Leased Premises"):

Unless stated otherwise, any monument referred to herein as a "cap and pin" is a set 1/2" diameter rebar, 18" in length, with a yellow plastic identification cap stamped MMC, Inc., PLS 2783. All bearings refer to the Elkhorn Coal Grid Coordinate System as determined using GPS methods.

BEGINNING on a cap and pin near the center of a knob, at the intersection of the centerlines of two (2) spurs, said point having Elkhorn Coal Coordinate values of South 181,519.55 and West 173,102.49;  
THENCE North 05 degrees 09 minutes 30 seconds East for a distance of 129.53 feet down the center of a spur to a cap and pin at a 24" oak stump;  
THENCE South 57 degrees 50 minutes 18 seconds East for a distance of 177.26 feet leaving said spur and proceeding down a steep hill to a cap and pin at the base of a burnt 16" red oak;  
THENCE South 25 degrees 42 minutes 34 seconds West for a distance of 103.34 feet proceeding up a very steep hill to a cap and pin at a rock on top of a spur;  
THENCE North 63 degrees 25 minutes 22 seconds West for a distance of 130.68 feet up said spur to the POINT OF BEGINNING;

Together with and subject to covenants, easements and restrictions of record.

Said property contains 0.39 acres, more or less, based on a survey performed by Douglas J. Blakeley, PLS #2783 for MMC, Inc. on October 13, 2003, and to the best of my knowledge is entirely contained within the boundary of the B. B. King Tract, of Progress Land Corporation, of record in Deed Book 181, page 972, Knott County Court Clerk's Office (hereinafter the "Leased Premises").

2. The Lessee agrees to pay the Lessor, at the execution of this Lease, a one-time rental payment of Twenty-Five Thousand Dollars (\$25,000.00) (the "Rental Fee").

3. The Lessor further gives, grants, and leases unto the Lessee the nonexclusive right for ingress and egress over other properties owned by Lessor from the tower site located on the Leased Premises for the purpose of constructing, maintaining, and operating the tower and appurtenant facilities for the operation of a cellular radio telephone service and related communications services. Lessor further grants to the Lessee the right to construct, maintain, and operate telephone and power transmission lines over said property to the Leased Premises for service of the tower and related facilities only. Lessor reserves the right to use any existing access roads located on said premises provided Lessee shall be responsible for the maintenance of said roadways.

4. The initial term of this Lease shall be for a period of twenty-five (25) years from the date hereof, with the exclusive option of the Lessee to renew said Lease for one (1) additional twenty-five (25) year period (the "Renewal Term") under the same terms and conditions as set out herein. In the event that Lessee desires to renew and/or extend this Lease, it shall give Lessor notice of such intention in writing at least ninety (90) days before the expiration of the initial term. The parties understand that if Lessee exercises its option to renew the Lease, Lessee shall pay a Renewal Rental Fee of Twenty-Five Thousand Dollars (\$25,000.00) on the first day of the Renewal Term.

5. Lessee acknowledges that certain portions of Lessor's property in the vicinity of the Leased Premises are permitted for mining operations by the Kentucky Department of Surface Mining Reclamation Enforcement ("KDSMRE") (the "Permitted Area(s)"). In the event that Lessee, its affiliates or contractors disturb a Permitted Area(s), Lessee shall restore such area(s) to its former condition at Lessee's sole expense, and in such manner as Lessor may direct. Further, Lessee shall indemnify Lessor for any and all additional expenses incurred by Lessor by virtue of any disturbance of a Permitted Area(s).

6. Lessee shall indemnify, hold harmless, and defend Lessor, its parent, affiliates, subsidiaries and their respective shareholders, directors, officers, employees, agents, contractors, lessees, and representatives (collectively the "Lessor Group") against any and all liability, losses, damages, costs, fines, penalties, and expenses, including attorney's fees, that may be imposed upon, suffered, or incurred by the Lessor Group (i) as a result of, or related to, directly or indirectly, this Lease and (ii) the acts, or failure to act, by Lessee, whether or not in connection with the performance under this Lease which includes, but is not limited to, the following matters:

a. Injury or death of any persons, including, without limitation, Lessee's employees, the Lessor Group's employees, contractors, lessees, or agents, employees, contractors, lessees, or agents of other parties (including without limitation, worker's compensation claims), any loss, **destruction or damage to property, including the conversion thereof, or claims for common law nuisance**, caused by or resulting in any manner from any acts or omissions, negligent or otherwise, of Lessee or of any of Lessee's agents, contractors, lessees, servants or employees operating under this Lease.

b. Violations of any laws, rules, regulations, and ordinances, whether state, federal, or municipal, that are applicable to the operations under this Lease.

Upon Lessor's request, Lessee shall, at its sole expense, provide counsel to defend Lessor for any indemnity claim hereunder, provided that (i) counsel retained by Lessee shall be acceptable to Lessor and (ii) Lessor shall be consulted, from time to time, regarding any such claim and the defense thereof.

The parties understand and agree that the provisions of this paragraph 6 shall survive the termination of this Lease.

7. (a) Lessee will purchase and maintain such insurance as will protect Lessor and Lessee from claims under state or federal worker's compensation laws and from claims for damages because of bodily injury or death of Lessor's employees and claims insured by usual personal injury liability coverage; from claims for damages because of bodily injury, sickness or disease or death of any person other than Lessee's employees, and from claims for injury to or destruction of property including loss of use thereof which may arise out of or result from Lessee's operations under this Lease.

(b) At a minimum, Lessee shall maintain the following insurance during the entire term of this Lease and thereafter.

i. Worker's Compensation and Occupational Disease Disability Insurance with a minimum of \$1,000,000 coverage for employer's liability and such other coverage as may be required by all federal and state laws applicable to the Lessee's operations hereunder.

ii. Comprehensive General Liability Insurance, including coverage for broad form contractual liability, specifically including the indemnity agreement in paragraph 6 of this Lease, with a minimum of \$1,000,000 Combined Single Limit, or the equivalent.

iii. Comprehensive Automobile Liability Insurance applying to owned, non-owned, and hired vehicles with a minimum of \$1,000,000 Combined Single Limit, or the equivalent.

iv. An umbrella liability policy (Excess Liability) providing coverage above the coverages in paragraphs 7(b)(ii) and 7(b)(iii) with a minimum of \$10,000,000.00 combined single limit, or the equivalent.

The Comprehensive General Liability, Comprehensive Automobile Liability, and Umbrella Liability policies shall be endorsed to include Lessor as an additional insured and will contain a waiver of subrogation provision satisfactory to Lessor. Prior to the commencement of any operations by Lessee hereunder, and at each policy renewal date, Lessee shall furnish or have furnished to Lessor (i) a certificate or certificates evidencing the existence of the above-required insurance and (ii) written confirmation from the insurance carrier(s), or the authorized agent(s) for such insurance carriers, that Lessor is an additional insured under the policies set out in paragraphs 7(b)(ii), 7(b)(iii), and 7(iv). Furthermore, Lessee shall provide Lessor with not less than thirty (30) days prior written notice of any material change in or cancellation of the insurance obtained by Lessee. Neither the maintenance of the insurance nor the limits provided therein shall be deemed a limitation on Lessee's responsibilities under this Lease.

The provisions of this paragraph 7 shall survive termination of this Lease.

8. Lessee agrees to operate and use the Leased Premises solely for the purposes above-stated and will not use same in the conduct of any illegal activity nor will it permit or suffer the Leased Premises to be subject to waste. As long as Lessee is in full compliance with all the terms of this Lease, Lessee will be permitted to use and occupy said Leased Premises for the Initial Term of this Lease, or the Renewal Term, as provided herein, and shall continue to use and occupy the Leased Premises without interference or molestation on the part of Lessor.

9. If Lessee should fail to pay any Rental Fees when due; to construct, operate, and maintain the tower and appurtenant facilities for the operation of a cellular radio telephone service and related communications systems on the Leased Premises; to indemnify the Lessor Group from any and all claims related to Lessee's operations consistent with the provisions of paragraph 6 of this Lease; to maintain the insurance and name Lessor as an additional insured under Lessee's insurance as required under paragraph 7 of this Lease; or to otherwise comply, perform, or observe any and all of the applicable covenants, terms and conditions of this Lease, then any such failure shall be considered an event of default hereunder. If any event of default occurs and is not cured within ten (10) days after written notice of such default from Lessor to Lessee, then the Lessor may terminate this Lease at any time, effective upon giving the Lessee written notice of such termination. In addition to termination hereunder, Lessor specifically reserves any and all rights and remedies available to it under applicable law together with all remedies set forth herein.

10. Within ninety (90) days following termination of this Lease, the Lessee shall remove any and all of its fixtures, personal property, and equipment placed on the Leased Premises or adjoining properties of Lessor (the "Lessee Assets") by Lessor. If Lessee fails to remove any of the Lessee Assets within such time period, then Lessor, at its option, may (i) declare Lessee's interest in and to any remaining Lessee Assets abandoned and Lessor may take sole and exclusive possession and ownership of such assets, and/or (ii) remove any remaining Lessee Assets from the Leased Premises and Lessee shall reimburse Lessor for all costs incurred in removing the assets.

11. Lessee hereby acknowledges and agrees that this Lease is for surface use only and that Lessor specifically reserves the rights to any and all minerals including, without limitation,



coal, oil and gas and the right to extract the same from the Leased Premises and the adjoining properties. If for any reason during the Initial Term or the Renewal Term of this Lease, it is necessary or convenient for Lessor, its successors and assigns, to move and/or relocate the tower located on the Leased Premises incident to its coal mining, oil and gas, and/or other mineral development, then in such event, the following shall occur:

- a. Lessor shall provide written notice at least six (6) months prior to the date on which the tower is to be relocated;
- b. Lessor shall provide Lessee an alternative tower site on other Lessor property, such site to be reasonably acceptable to Lessee;
- c. Lessee, at Lessor's expense, shall relocate the tower and all ancillary facilities to the new site; and
- d. The parties shall execute an amended lease agreement thereby deleting the Leased Premises and including a new leased area under the terms and provisions of this Lease.

Lessee shall use its best efforts to minimize the cost of any relocation of the tower and appurtenant facilities. Except as set forth herein, the terms and provisions of this Lease shall remain in full force and effect during the remaining Initial Term, or the Renewal Term, of this Lease.

12. Lessee shall not assign and/or transfer, in whole or in part, its rights under this Lease without first obtaining the written consent of an authorized representative of Lessor.

13. The parties agree that this Lease shall not be amended or modified unless any such amendment or modification is reduced to writing and signed by duly authorized officers of each party to this Lease.

14. This Lease represents the entire, full and complete understanding of the parties, it being understood that there are no outside conditions, representations, warranties or other agreements, written, oral, or implied, existing between the parties pertaining to the Leased Premises as set out in this Lease.

15. In the event any provision of this Lease conflicts with the law under which this Lease is to be construed, or if any such provision be held invalid by a Court with jurisdiction over the parties of this Lease, such provision shall be deleted from this Lease and the Lease shall be construed to give effect to the remaining provisions thereof.

16. The failure of either party to insist on strict performance of any of the terms, provisions, or rights of this Lease shall not be construed as a waiver or relinquishment of any such term, provision, or right and the same shall continue and remain in full force and effect.

17. The parties agree to execute any and all other documents and/or agreements necessary to effectuate the parties' intentions as set out in this Lease.

18. This Lease shall be construed under the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the parties have hereunto set their name as of the day and year first above-written.

LESSOR:

PROGRESS LAND CORPORATION

By: [Signature]

Its: Vice President

LESSEE:

EAST KENTUCKY NETWORK, LLC.  
d/b/a APPALACHIAN CELLULAR

By: [Signature]

Its: General Manager

STATE OF Kentucky  
COUNTY OF Knott

Personally appeared before me, a Notary Public in and for the State and County aforesaid, Gaitner Frazier, the Vice President of Progress Land Corporation, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who acknowledged and subscribed under oath that he executed the foregoing instrument on behalf of Progress Land Corporation for the purposes therein contained.

Given under my hand and notarial seal on this the 22<sup>nd</sup> day of Dec., 2003.

[Signature]  
Notary Public

My commission expires: 10-2-2005.

STATE OF Kentucky  
COUNTY OF Floyd

Personally appeared before me, a Notary Public in and for the State and County aforesaid, Laura Phipps, the General Manager of East Kentucky Network, LLC d/b/a Appalachian Cellular, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who acknowledged and subscribed under oath that he executed the foregoing instrument on behalf of Appalachian Cellular for the purposes therein contained.

Given under my hand and notarial seal on this the 10<sup>th</sup> day of December 2003.

Dennis Shepherd  
Notary Public

My commission expires: Oct-20-2005.

THIS INSTRUMENT PREPARED BY:

[Signature]

TIMOTHY K. LOWE  
TIMOTHY K. LOWE, P.C.  
415 BROAD STREET, SUITE 650  
KINGSPORT, TN 37660

STATE OF KENTUCKY  
COUNTY OF KNOTT

KENNETH GAYHEART, KNOTT COUNTY CLERK, IN AND FOR  
THE COUNTY AND STATE OF AFORESAID DO CERTIFY THAT  
THE FOREGOING INSTRUMENT OF WRITING WAS ON

THE 05 DAY OF January 20 03  
LOGGED IN MY OFFICE FOR RECORD, WHEREUPON THE  
SAME WITH THE FOREGOING AND THIS CERTIFICATE  
HAVE BEEN DULY RECORDED IN MY OFFICE.

GIVEN UNDER MY HAND THIS 05 DAY OF  
January 20 03

KENNETH GAYHEART, CLERK  
KNOTT COUNTY

BY Quia Hays D.C.

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