COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

JUL 14

PUBLIC SE
COMMIS

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 2014-00147
NECESSITY TO CONSTRUCT A TOWER IN JACKSON)
COUNTY, KENTUCKY).

East Kentucky Network, LLC, d/b/a Appalachian Wireless, was granted authorization to provide cellular service in the KY-10 Cellular Market Area (CMA452) by the Federal Communications Commission (FCC). FCC license is included as Exhibit 1. East Kentucky Network, LLC merger documents were filed with the Commission on February 2, 2001 in Case # 2001-022.

In an effort to improve service in Jackson 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 300 foot self-supporting tower on a tract of land located ¼ mile SW of the intersection of CR 1505 and Highway 421, Waneta, Jackson County, Kentucky (37°27'34.0850"N 84°02'12.4885"W). A map and detailed directions to the site can be found in Exhibit 8.

Exhibit 2 is a list of all Property owners or residents according to the property valuation administrator's record who reside or own property within 500 feet of the proposed tower in accordance with the Public Valuation Administrator. No other properties are contiguous with East Kentucky Network's property.

Pursuant to 807 KAR 5:063 Section 1 (1)(L) and Section 1(1)(n)(1) all affected property owners according to the property valuation administrator's record 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 proposed construction 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.

Jackson County has no formal local planning unit. In absence of this unit the Jackson 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 3 is a copy of that notification.

Notice of the location of the proposed construction was published in the Jackson County Sun's, July 10, 2014, edition. Enclosed is a copy of that notice in Exhibit 3. The Jackson County Sun is the newspaper with the largest circulation in Jackson County.

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 4.

A copy of the tower design information is enclosed as Exhibit 5. The proposed tower has been designed by engineers at Allstate Tower, Inc. 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 S & S Tower Services of St. Albans, West Virginia. S & S Tower Services has vast experience in the erection of communications towers.

FAA and Kentucky Airport Zoning Commission approvals are included as Exhibit 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.

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

Estimated Cost of Construction	$ 350,000.00
Annual Operation Expense of Tower	$ 12,500.00

Two notice signs meeting the requirements prescribed by 807 KAR 5:063, Section 1(2), measuring at least two (2) feet in height and four (4) feet in width and containing all required language in letters of required height, have been posted, one at a visible location on the proposed site and one on the nearest public road. The two signs were posted on April 23, 2014, and will remain posted for at least two weeks after filing of this application as specified.

Enclosed in Exhibit 9 is a copy of East Kentucky Network LLC's lease agreement for the site location along with a lot description.

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.

Enclosed, and filed as Exhibit 10 is a survey of the proposed tower site signed by a Kentucky registered professional engineer.

Exhibit 12 contains a vertical sketch of the tower supplied by Coleman Engineering.

WHEREFORE, Applicant respectfully requests that the PSC accept the foregoing Application for filing, and having met the requirements of KRS [278.020(1), 278.650, and 278.665] and all applicable rules and regulations of the PSC, grant a Certificate of Public Convenience and Necessity to construct and operate the proposed tower.

The foregoing document was prepared by Bethany Bowersock, Staff Attorney for East Kentucky Network, LLC d/b/a Appalachian Wireless. All related questions or correspondence concerning this filing should be mailed to East Kentucky Network, LLC d/b/a/ Appalachian Wireless, 101 Technology Trail, Ivel, KY 41642.

SUBMITTED BY: Lynn Haney DATE: 7/2/14
Lynn Haney, Regulatory Compliance Director

APPROVED BY: W A Gillum DATE: 7/3/2014
W.A. Gillum, General Manager

ATTORNEY: Bethany Bowersock DATE: 7/2/2014
Hon. Bethany Bowersock, Staff Attorney

CONTACT INFORMATION:

W.A. Gillum, General Manager
Phone: (606) 477-2355, Ext. 111
Email: wagillum@ekn.com

Lynn Haney, Regulatory Compliance Director
Phone: (606) 477-2355, Ext. 1007
Email: lhaney@ekn.com

Bethany L. Bowersock, Attorney
Phone: (606) 477-2355. Ext. 1006
Email: bbowersock@ekn.com

Mailing Address:

East Kentucky Network, LLC
d/b/a Appalachian Wireless
101 Technology Trail
Ivel, KY 41642

ULS License

Cellular License - KNKN809 - East Kentucky Network, LLC d/b/a Appalachian Wireless

Call Sign	KNKN809	Radio Service	CL - Cellular
Status	Active	Auth Type	Regular

Market

Market	CMA452 - Kentucky 10 - Powell	Channel Block	B
Submarket	0	Phase	2

Dates

Grant	08/30/2011	Expiration	10/01/2021
Effective	08/30/2011	Cancellation	

Five Year Buildout Date

10/17/1996

Control Points

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

Licensee

FRN	0001786607	Type	Limited Liability Company

Licensee

East Kentucky Network, LLC d/b/a Appalachian Wireless
101 Technology Trail
Ivel, KY 41642
ATTN Gerald Robinette, Manager

P:(606)477-2355
F:(606)874-7551

Contact

Lukas, Nace, Gutierrez & Sachs, LLP
Pamela L Gist Esq
8300 Greensboro Drive
McLean, VA 22102

P:(703)584-8665
F:(703)584-8695
E:pgist@fcclaw.com

Ownership and Qualifications

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.

<u>EXHIBIT II: LIST OF PROPERTY OWNERS:</u>

<u>Statement Pursuant to Section 1 (1) (I) 807 KAR 5:063</u>

<u>Section 1 (1)(I) 1.</u> The following is a list of every property owner who according to property valuation administrator's records, owns property within 500 feet of the proposed tower and each have been: notified by certified mail, return receipt requested, of the proposed construction,

<u>Section 1 (1)(I) 2.</u> Every person listed below who, according to the property valuation administrator's records, owns property within 500 feet of the proposed tower has been: Given the Commission docket number under which the application will be processed: and

<u>Section 1 (1)(I) 3.</u> Every person listed below who, according to property valuation administrator's records owns property within 500 feet of the proposed tower has been: Informed of his right to request intervention.

LIST OF PROPERTY OWNERS

Ronald Gay
P.O. Box 453
McKee, KY 40447

Wendell Gabbard
C/O Jackson County Bank
P.O. Box 485
McKee, KY 41447

EAST KENTUCKY NETWORK
101 TECHNOLOGY TRAIL
IVEL, KY 41642
PHONE: (606) 874-7550
FAX: (606) 874-7551
EMAIL: INFO@EKN.COM
WEBSITE: WWW.EKN.COM

EAST KENTUCKY
NETWORK

VIA: U.S. CERTIFIED MAIL

July 1, 2014

Ronald Gay
P.O. Box 453
McKee, KY 40447

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2014-00147)

East Kentucky Network, LLC d/b/a Appalachian Wireless is applying 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 in Jackson County. The facility will include a 300 foot self supporting tower with attached antennas extending upwards, and an equipment shelter on a tract of land located ¼ mile SW of the intersection of CR 1505 and Highway 421, Waneta, Jackson County, Kentucky. A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may 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. 2014-00147 in your correspondence.

If you have any questions for East Kentucky Network, LLC, please direct them to my attention at the following address: East Kentucky Network, LLC, 101 Technology Trail, Ivel, KY 41642 or call me at 606-477-2355, Ext. 1007.

Sincerely,

Lynn Haney

Lynn Haney
Regulatory Compliance Director

Enclosure 1

EAST KENTUCKY NETWORK
101 TECHNOLOGY TRAIL
IVEL, KY 41642
PHONE: (606) 874-7550
FAX: (606) 874-7551
EMAIL: INFO@EKN.COM
WEBSITE: WWW.EKN.COM

EAST KENTUCKY NETWORK

VIA: U.S. CERTIFIED MAIL

July 1, 2014
Wendell Gabbard
C/O Jackson County Bank
P.O. Box 485
McKee, KY 41447

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2014-00147)

East Kentucky Network, LLC d/b/a Appalachian Wireless is applying 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 in Jackson County. The facility will include a 300 foot self supporting tower with attached antennas extending upwards, and an equipment shelter on a tract of land located ¼ mile SW of the intersection of CR 1505 and Highway 421, Waneta, Jackson County, Kentucky. A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may 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.

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If you have any questions for East Kentucky Network, LLC, please direct them to my attention at the following address: East Kentucky Network, LLC, 101 Technology Trail, Ivel, KY 41642 or call me at 606-477-2355, Ext. 1007.

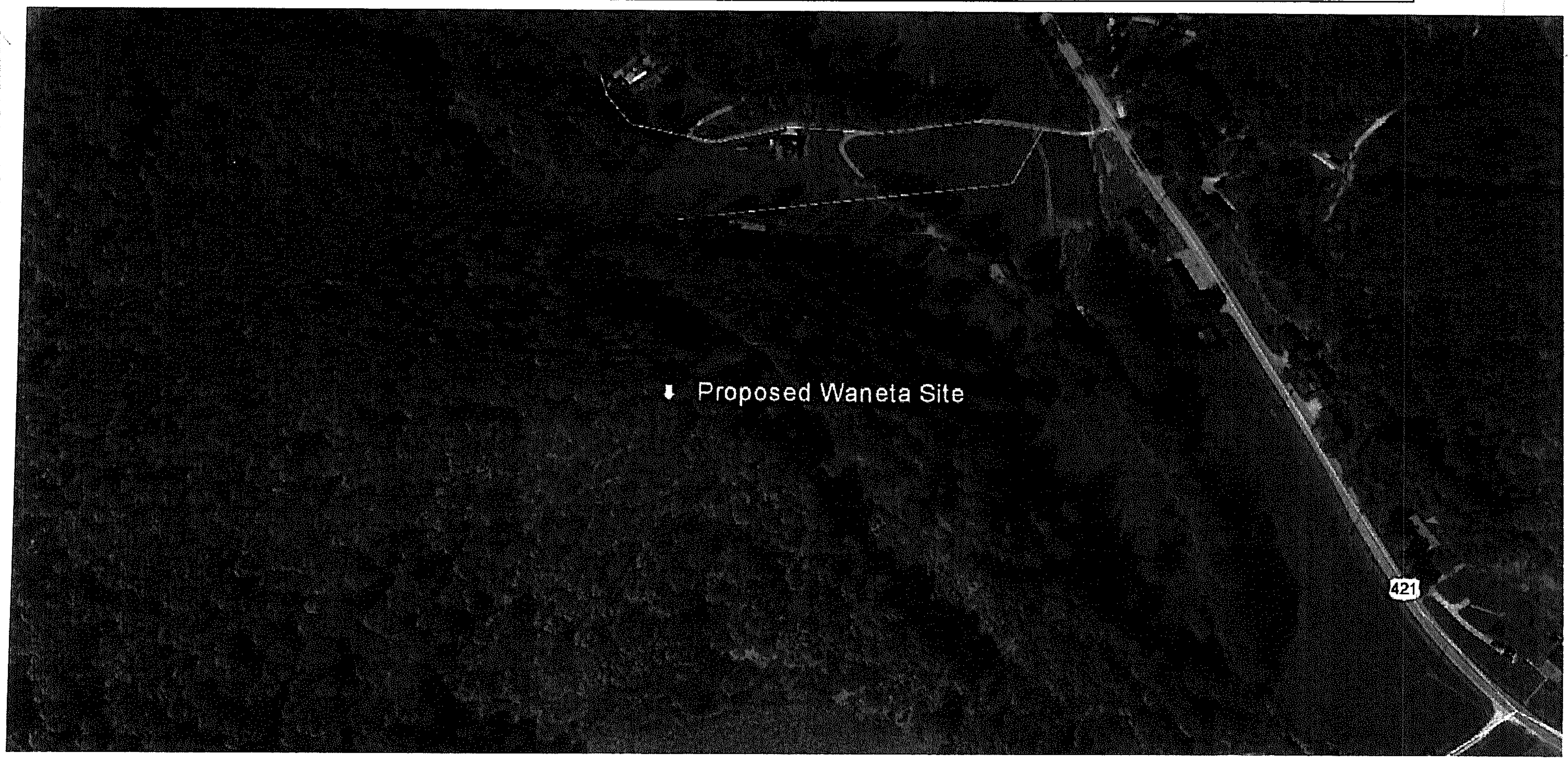
Sincerely,

Lynn Haney

Lynn Haney
Regulatory Compliance Director

Enclosure 1

Appalachian Wireless Location Map



Site Name	Location	GPS Location
Waneta	CR-1505 Waneta KY.	N 37 27 34.08 W 84 02 12.48

EAST KENTUCKY NETWORK
101 TECHNOLOGY TRAIL
IVEL, KY 41642
PHONE: (606) 874-7550
FAX: (606) 874-7551
L: INFO@EKN.COM
SITE: WWW.EKN.COM

EAST KENTUCKY NETWORK

VIA: U.S. CERTIFIED MAIL

July 1, 2014

William O. Smith, Judge Executive
P.O. Box 175
McKee, KY 40447

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2014-00147)

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 in Jackson County. The facility will include a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a tract of land ¼ mile SW of the intersection of CR 1505 and Highway 421, Waneta, Jackson County, Kentucky. 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 Breathitt 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. 2014-00147 in your correspondence.

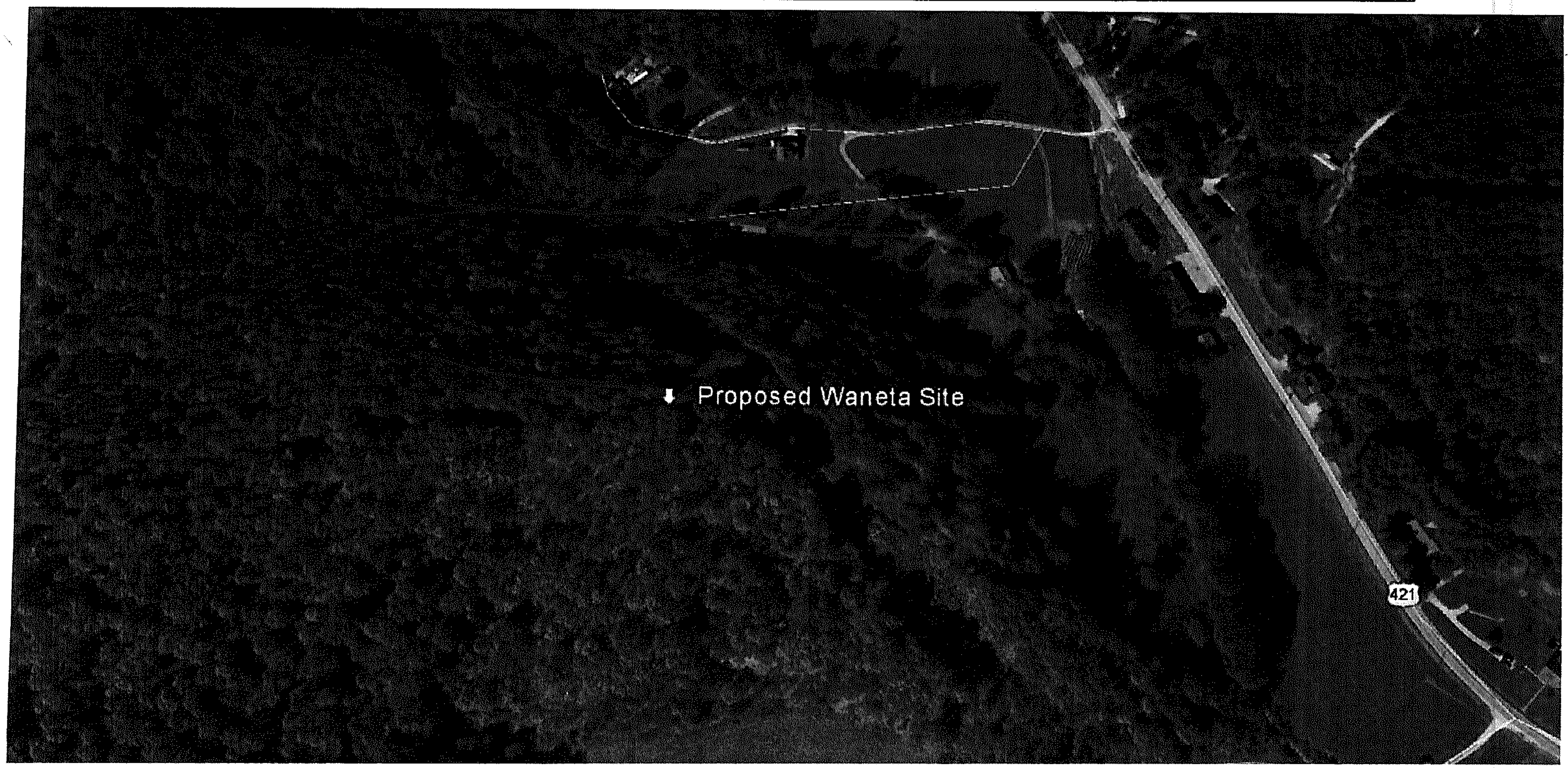
If you have any questions for East Kentucky Network, LLC, please direct them to my attention at the following address: East Kentucky Network, LLC, 101 Technology Trail, Ivel, KY 41642 or call me at 606-477-2355, Ext. 1007.

Sincerely,

Lynn Haney

Lynn Haney
Regulatory Compliance Director
Enclosure

Appalachian Wireless Location Map



Site Name	Location	GPS Location
Waneta	CR-1505 Waneta KY.	N 37 27 34.08 W 84 02 12.48

dba Appalachian Wireless
101 Technology Trail
Ivel, KY 41642
Phone: 606-477-2355
Fax: 606-791-2225

EAST KENTUCKY
NETWORK

To:	Jackson County Sun Attn: Classifieds	**From:**	Raina Helton Regulatory Compliance Assistant
Email:	tammy@thejacksoncountysun.com	**Date:**	July 1, 2014
Re:	PUBLIC NOTICE ADVERTISEMENT	**Pages:**	1

Please place the following Public Notice Advertisement in the Jackson County Sun to be ran on July 10, 2014.

PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2014-00147)

Public Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a cellular telecommunications tower on a tract of land ¼ mile SW of the intersection of CR 1505 and Highway 421,Waneta, Jackson County, Kentucky. The proposed tower will be a 300 foot self-supporting tower with attached antennas. If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2014-00147.

If you have any questions about the placement of the above mentioned notice, please call me at 606-477-2375, ext. 1006.

Thank you,

Raina Helton
Regulatory Compliance Assistant

WENDELL R. HOLMES, P.G.

424 Pear Street
Hazard, KY 41701

April 30, 2014

Waneta Tower Site

Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Jackson County near Waneta, 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 outcrop method was used to determine the type of bedrock material at the proposed tower site. A John Deere Excavator was used to expose the bedrock material. It is approximately 1.50 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.)
The terrain in Jackson County is slightly to moderately steep. The tower site is located on a ridge 0.90 miles southeast of the community of Waneta in Jackson County. The sandstone formation below the tower site is approximately 10.00 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 of the Breathitt Group, 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.

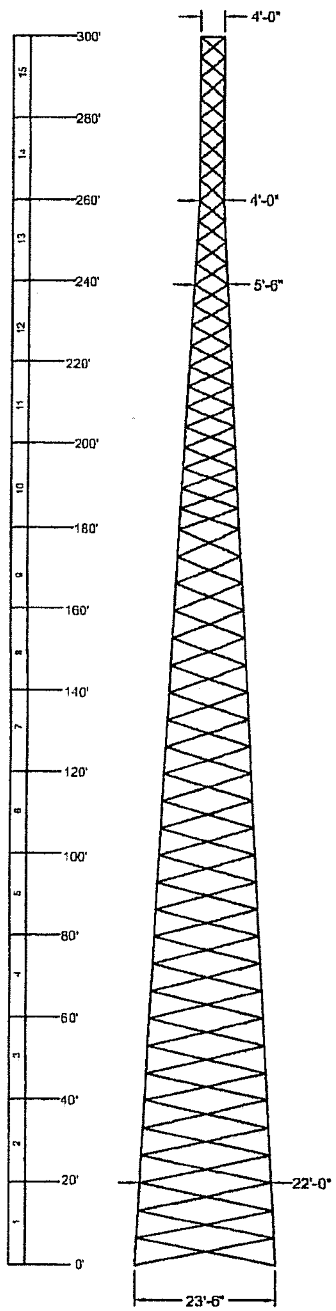
WENDELL R. HOLMES, P.G.

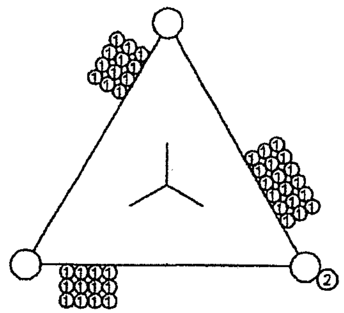
424 Pear Street
Hazard, Ky. 41701
(606)438-7250

Geologist Log

Location: Waneta Tower Site

Unit Thickness	Total Depth	Strata	Description
1.50'	1.50'	Soil	Brown with Plant Fragments
10.00'	11.50'	Sandstone	Gray and Brown





PLAN VIEW

PLAN VIEW REF:
1) $1\frac{5}{8}$" FEED LINES
2) STEP BOLTS

MEMBER INFORMATION

SECTION	ELEVATION	FACE SIZE	LEG DIA.	DIAGONALS	GIRTS	# OF BAYS
1	0' - 20'	23'-6"	Ø5"	L 4" x 1/4"	N/A	3 - X
2	20' - 40'	22'-0"	Ø5"	L 4" x 1/4"	N/A	3 - X
3	40' - 60'	20'-6"	Ø4 3/4"	L 4" x 1/4"	N/A	3 - X
4	60' - 80'	19'-0"	Ø4 3/4"	L 3 1/2" x 1/4"	N/A	3 - X
5	80' - 100'	17'-6"	Ø4 1/2"	L 3 1/2" x 1/4"	N/A	3 - X
6	100' - 120'	16'-0"	Ø4 1/4"	L 3" x 1/4"	N/A	3 - X
7	120' - 140'	14'-6"	Ø4 1/4"	L 3" x 3/16"	N/A	3 - X
8	140' - 160'	13'-0"	Ø4"	L 3" x 3/16"	N/A	3 - X
9	160' - 180'	11'-6"	Ø4"	L 2 1/2" x 3/16"	N/A	3 - X
10	180' - 200'	10'-0"	Ø3 1/2"	L 2 1/2" x 3/16"	N/A	4 - X
11	200' - 220'	8'-6"	Ø3 1/4"	L 2" x 3/16"	N/A	4 - X
12	220' - 240'	7'-0"	Ø3"	L 1 1/2" x 3/16"	N/A	4 - X
13	240' - 260'	5'-6"	Ø2 3/4"	L 1 1/2" x 3/16"	N/A	4 - X
14	260' - 280'	4'-0"	Ø2 1/2"	L 1 3/4" x 3/16"	N/A	4 - X
15	280' - 300'	4'-0"	Ø1 3/4"	L 1 1/2" x 3/16"	L 1 1/2" x 3/16"	4 - X

ANTENNA INFORMATION

ELEVATION	ANTENNA	LINE
80'	(1) 6' DISH W/O RADOME	(1) 1 5/8"
100'	(1) 6' DISH W/O RADOME	(1) 1 5/8"
120'	(1) 4' DISH W/O RADOME	(1) 1 5/8"
180'	(1) 6' DISH W/O RADOME	(1) 1 5/8"
200'	(2) 8' DISH W/O RADOME	(2) 1 5/8"
260'	(6) WPA-800102/4CF	(6) 1 5/8"
280'	(12) KATHREIN_SCALA 840 21240	(12) 1 5/8"
292'	(12) KATHREIN_SCALA 840 21240	(12) 1 5/8"
300'	(6) WPA-800102/4CF	(6) 1 5/8"

Keith M. Eaton
5-23-2014

DESIGN NOTES:
1) TOWER LEGS ARE CONSTRUCTED OF SOLID ROUND BAR MATERIAL.
2) SOLID ROUND 0.75" AND LARGER ASTM A-572 GRADE : 50 KSI MIN.
3) SOLID ROUND 0.625" AND SMALLER IS ASTM A-36 GRADE : 36 KSI MIN.
4) ALL ANGLE MATERIAL IS ASTM A-529 : 50 KSI MIN.
5) ALL BRACE AND FLANGE BOLTS ARE A325-X
6) THIS TOWER IS DESIGNED FOR STEP BOLTS UP ONE LEG FOR CLIMBING WITH SAFETY CLIMB DEVICE.
7) (6) ø1 3/4" x 6'-0" LONG (F1554-GR.105) ANCHOR BOLTS PER LEG.
8) THIS TOWER IS DESIGNED FOR A 90 M.P.H. WIND SPEED WITH NO ICE AND A 30 M.P.H. WIND SPEED WITH 1.00" IN ICE IN ACCORDANCE WITH THE TIA/EIA-222-G STANDARD.
9) STRUCTURE CLASS II; TOPO CAT. 1; EXPOSURE C.

BASE REACTIONS:(FACTORED)

TOTAL SHEAR	= 76 KIPS
AXIAL LOAD	= 260 KIPS
UPLIFT / LEG	= 546 KIPS
COMP. / LEG	= 631 KIPS
O.T. MOMENT	= 12180 FT-K

APPROX. WEIGHT
64.84 KIPS

ALLSTATE TOWER INC.

ALLSTATE TOWER INC.
P.O. BOX 25
HENDERSON, KY 42419
PHONE: (270) 830-8512
FAX: (270) 830-8475
WWW.ALLSTATETOWER.COM

REV #:	DESCRIPTION	DATE	BY

SCALE: NTS

UNLESS OTHERWISE NOTED DIMENSIONS ARE IN: INCHES

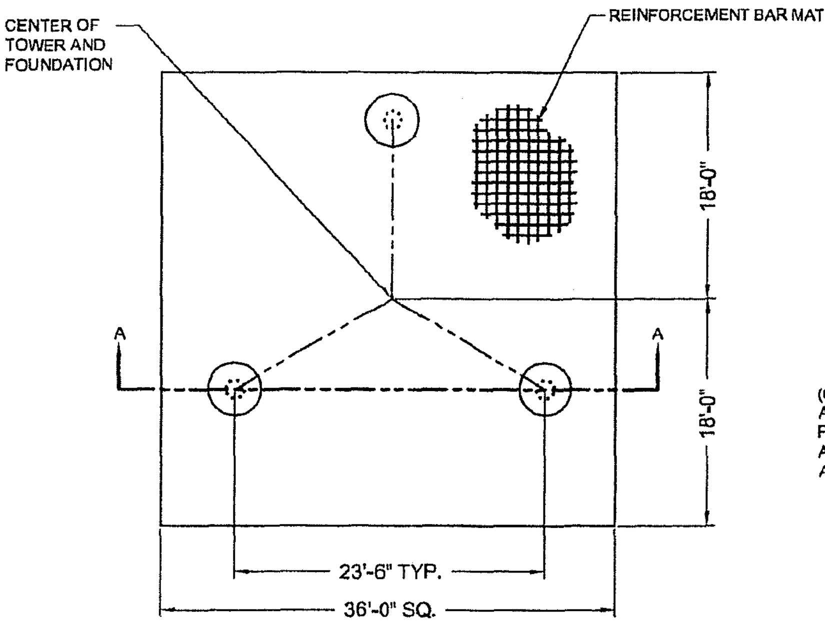
TOLERANCE BANDS:
.X +3/32"/-0 ANGLES +/- 2°
.XX +1/32"/-0
.XXX +1/16"/-0 HOLES +_1/16"/-0

DRAWN BY: R. DUPONT
DATE: 5/5/2014

DESCRIPTION:
TOWER OVERVIEW
APPALACHIAN WIRELESS
300' SELF SUPPORT TOWER
WANETA, KY.

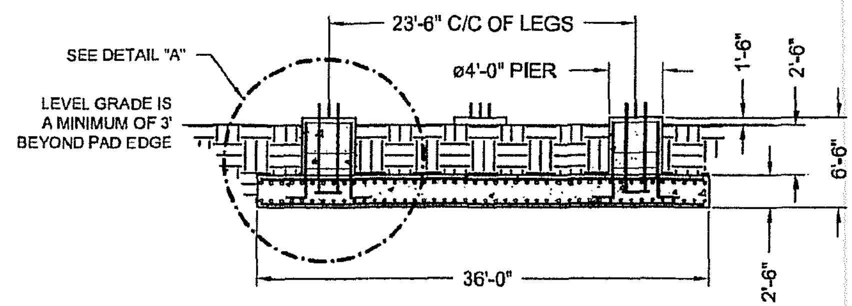
FILE NAME: 46678F - SD

SHEET A

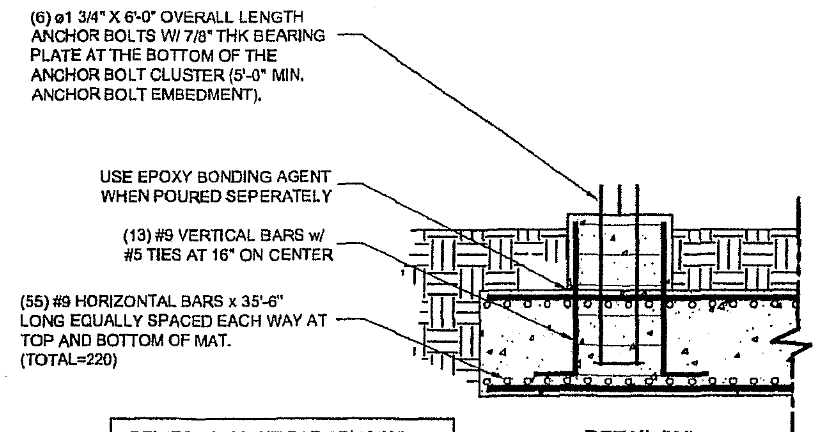


PLAN VIEW

TOTAL VOLUME OF CONCRETE = 125.6 YD^3



SECTION A-A



DETAIL "A"

FOUNDATION INSTALLATION/DESIGN NOTES:

1. THIS FOUNDATION IS DESIGNED TO MEET ALL STANDARDS SET FORTH BY ACI 318: AMERICAN CONCRETE INSTITUTE, BUILDING CODE REQUIREMENTS FOR STRUCTURAL CONCRETE, ANSI/TIA/EIA 222-G: STRUCTURAL STANDARDS FOR STEEL ANTENNA TOWERS AND ANTENNA SUPPORTING STRUCTURES.
2. THIS FOUNDATION IS DESIGNED UTILIZING THE GEOTECHNICAL REPORT PERFORMED BY WENDELL R. HOLMES, P.G.; DATED 4-30-14. THE FOUNDATION CONTRACTOR SHALL INSTALL THE FOUNDATIONS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GEOTECHNICAL REPORT.
3. ALL WORK PERFORMED FROM THESE DRAWINGS SHOULD BE BY QUALIFIED CONTRACTORS EXPERIENCED IN TOWER FOUNDATION CONSTRUCTION.
4. ALL FOOTING EXCAVATIONS SHALL BE MANUALLY CLEANED PRIOR TO PLACING CONCRETE. COMPACT THE EXPOSED SOIL SURFACE AND ANY GRANULAR FILL UNDER THE FOUNDATION TO 90% OF THE MODIFIED PROCTOR DENSITY.
5. ALL CONCRETE SHALL HAVE A MINIMUM COMPRESSIVE STRENGTH OF 4000 PSI AFTER 28 DAYS. COPIES OF THE CONCRETE CYLINDER TEST REPORTS SHALL BE SENT TO THE RESIDENT ENGINEER / INSPECTOR.
6. MINIMUM CONCRETE COVER FOR REINFORCING BARS SHALL BE 3".
7. FIELD BENDING OR WELDING OF REINFORCEMENT BARS IS NOT PERMITTED.
8. PROVIDE CHAMFERS AT ALL EXPOSED CORNERS OF CONCRETE.
9. BACKFILL NEAR AND AROUND THE FOUNDATIONS SHALL BE A WELL GRADED FILL MATERIAL PLACED IN 8" THICK LAYERS THAT HAS BEEN COMPACTED TO 90% OF THE MODIFIED PROCTOR DENSITY PER ASTM D1557.
10. SOME DETAIL HAS BEEN PURPOSELY OMITTED TO CLARIFY ILLUSTRATION.

REINFORCEMENT BAR SPLICING:

1. ALL LAP SPLICES SHALL CONFORM TO ACI 318 REQUIREMENTS.
2. REFER TO CHART BELOW WHEN REINFORCMENT BAR SPLICING IS NECESSARY.

REINFORCING BAR SIZE	LAP SPLICE LENGTH
3	15"
4	17"
5	21"
6	26"
7	30"
8	36"
9	46"
10	58"
11	71"

STATE OF KENTUCKY
KEITH M. EATON
15953
LICENSED PROFESSIONAL ENGINEER

5-23-2014

Keith M. Eaton

ALLSTATE TOWER INC.
ALLSTATE TOWER INC.
P.O. BOX 25
HENDERSON, KY 42419
PHONE: (270) 830-8512
FAX: (270) 830-8473
WWW.ALLSTATETOWER.COM

REV #	DESCRIPTION	DATE	BY

UNLESS OTHERWISE NOTED DIMENSIONS ARE IN: INCHES

TOLERANCE BANDS:
.X +3/32"/-0 ANGLES +/- 2°
.XX +3/32"/-0
.XXX +1/16"/-0 HOLES + Ø1/16"/-0

DESCRIPTION: PAD & PIER FOUNDATION DESIGN
APPALACHIAN WIRELESS
WANETA, KY.

SCALE: NTS

DRAWN BY: R. DUPONT

DATE: 5/5/2014

FILE NAME: AB3666 46678F

SHEET: B

Mail Processing Center
Federal Aviation Administration
Southwest Regional Office
Obstruction Evaluation Group
2601 Meacham Boulevard
Fort Worth, TX 76193

Aeronautical Study No.
2014-ASO-5371-OE

Issued Date: 06/03/2014

Ali Kuzehkanani
East Kentucky Network, LLC
8300 Greensboro Drive, Suite 1200
McLean, VA 22102

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

The Federal Aviation Administration has conducted 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:	Tower Waneta
Location:	Waneta, KY
Latitude:	37-27-34.08N NAD 83
Longitude:	84-02-12.48W
Heights:	1310 feet site elevation (SE)
	310 feet above ground level (AGL)
	1620 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 is marked/lighted in accordance with FAA Advisory circular 70/7460-1 K Change 2, Obstruction Marking and Lighting, a med-dual system - Chapters 4,8(M-Dual),&12.

It is required that FAA Form 7460-2, Notice of Actual Construction or Alteration, be e-filed any time the project is abandoned or:

_____ At least 10 days prior to start of construction (7460-2, Part 1)
__X__ Within 5 days after the construction reaches its greatest height (7460-2, Part 2)

This determination expires on 12/03/2015 unless:

(a) the construction is started (not necessarily completed) and FAA Form 7460-2, Notice of Actual Construction or Alteration, is received by this office.
(b) extended, revised, or terminated by the issuing office.
(c) 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 E-FILED AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE. AFTER RE-EVALUATION OF CURRENT OPERATIONS IN THE AREA OF THE STRUCTURE TO DETERMINE THAT NO SIGNIFICANT AERONAUTICAL CHANGES HAVE OCCURRED, YOUR DETERMINATION MAY BE ELIGIBLE FOR ONE EXTENSION OF THE EFFECTIVE PERIOD.

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.

Any failure or malfunction that lasts more than thirty (30) minutes and affects a top light or flashing obstruction light, regardless of its position, should be reported immediately to (877) 487-6867 so a Notice to Airmen (NOTAM) can be issued. As soon as the normal operation is restored, notify the same number.

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

If we can be of further assistance, please contact our office at (404) 305-7082. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2014-ASO-5371-OE.

Signature Control No: 217132018-219871583 (DNE)
Earl Newalu
Specialist

Attachment(s)
Frequency Data

cc: FCC

Frequency Data for ASN 2014-ASO-5371-OE

LOW FREQUENCY	HIGH FREQUENCY	FREQUENCY UNIT	ERP	ERP UNIT
698	806	MHz	1000	W
806	824	MHz	500	W
824	849	MHz	500	W
851	866	MHz	500	W
869	894	MHz	500	W
896	901	MHz	500	W
901	902	MHz	7	W
930	931	MHz	3500	W
931	932	MHz	3500	W
932	932.5	MHz	17	dBW
935	940	MHz	1000	W
940	941	MHz	3500	W
1850	1910	MHz	1640	W
1930	1990	MHz	1640	W
2305	2310	MHz	2000	W
2345	2360	MHz	2000	W

KENTUCKY AIRPORT ZONING COMMISSION

STEVEN BESHEAR
Governor

90 Airport Road, Bldg 400
Frankfort, KY 40601
www.transportation.ky.gov/aviation
502 564-4480

June 24, 2014

APPROVAL OF APPLICATION

APPLICANT:
East Kentucky Network, LLC.
East Kentucky Network, LLC.
8300 Greensboro Drive|Suite 1200
McLean, VA 22102

SUBJECT: AS–055-I39–2014-068

STRUCTURE:	Antenna Tower
LOCATION:	Waneta, KY
COORDINATES:	37° 27' 34.08" N / 84° 2' 12.48" W
HEIGHT:	310' AGL/1620'AMSL

The Kentucky Airport Zoning Commission has approved your application for a permit to construct 310'AGL/ 1620'AMSL Antenna Tower near Waneta, KY 37° 27' 34.08" N / 84° 2' 12.48" W.

This permit is valid for a period of 18 Month(s) from its date of issuance. If construction is not completed within said 18-Month period, this permit shall lapse and be void, and no work shall be performed without the issuance of a new permit.

A copy of the approved application is enclosed for your files.

Medium Dual Obstruction Lighting is required in accordance with 602 KAR 50:100.

John Houlihan
Administrator

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

FINANCIAL REPORT

December 31, 2013

CONTENTS

JNM

Jones, Nale & Mattingly PLC

INDEPENDENT AUDITOR'S REPORT

To the Members
East Kentucky Network, LLC
dba Appalachian Wireless
Ivel, Kentucky

We have audited the accompanying financial statements of East Kentucky Network, LLC, dba Appalachian Wireless, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of income and comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Certified Public Accountants and Advisors

642 South Fourth Street, Suite 300 Louisville, Kentucky 40202 tel: 502.583.0248 fax: 502.589.1680 www.jnmcpa.com

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, 2013 and 2012, 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
March 8, 2014

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

BALANCE SHEETS
December 31, 2013 and 2012

ASSETS	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	$ 10,362,946	$ 1,871,006
Short-term investments (Note 10)	100,000	100,000
Accounts receivable, less allowance for doubtful accounts of $1,802,018 in 2013 and $1,584,590 in 2012	11,118,208	10,448,793
Accounts receivable, members (Notes 6 and 7)	89,608	52,468
Inventory	8,571,310	7,775,126
Prepaid expenses	1,152,574	782,356
Total current assets	$ 31,394,646	$ 21,029,749
PROPERTY, PLANT AND EQUIPMENT (Notes 3, 4, and 12)		
Plant in service:		
General support	$ 40,547,814	$ 38,394,685
MTSO equipment	30,076,464	28,210,690
Cell equipment	86,806,922	72,167,197
Paging equipment	1,680,882	1,680,882
Fiber ring	8,922,105	8,799,036
Unfinished plant	9,889,507	11,985,039
	$ 177,923,694	$ 161,237,529
Less accumulated depreciation	77,058,538	64,838,374
	$ 100,865,156	$ 96,399,155
OTHER ASSETS		
Investment in affiliated company, RTFC	$ 112,712	$ 112,712
Intangible assets, net of accumulated amortization of $7,606,186 in 2013 and $6,450,428 in 2012 (Notes 2 and 12)	1,636,348	2,792,106
	$ 1,749,060	$ 2,904,818
	$ 134,008,862	$ 120,333,722

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

LIABILITIES AND MEMBERS' EQUITY	2013	2012
CURRENT LIABILITIES		
Outstanding checks in excess of bank balance	$ --	$ 275,186
Notes payable (Note 3)	--	4,000,000
Current maturities of long-term debt (Notes 4 and 10)	2,782,739	5,803,572
Accounts payable	4,012,400	4,628,654
Accounts payable, members (Notes 6 and 7)	13,812	2,408
Accrued expenses	1,977,608	1,710,395
Deferred revenue, advance billings	3,077,850	2,797,246
Customer deposits	638,263	547,104
Total current liabilities	$ 12,502,672	$ 19,764,565
LONG-TERM DEBT, less current maturities (Notes 4 and 10)	$ 19,055,375	$ 2,068,730
INTEREST RATE SWAPS (Notes 9 and 10)	$ 308,559	$ 577,211
MEMBERS' EQUITY		
Members' capital accounts	$ 102,450,815	$ 98,500,427
Accumulated other comprehensive (loss)	(308,559)	(577,211)
	$ 102,142,256	$ 97,923,216
	$ 134,008,862	$ 120,333,722

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
Years Ended December 31, 2013 and 2012

	2013	2012
REVENUE		
Retail	$ 62,581,174	$ 56,305,095
Roamer	30,138,305	25,111,532
Long distance	60,415	89,777
Paging revenue	189,484	257,947
Equipment sales, cellular	1,501,343	1,367,159
Equipment sales, paging	14,500	23,548
Other	7,699,998	7,600,397
Total revenue	$102,185,219	$ 90,755,455
EXPENSES		
Cost of cellular service	$ 27,670,866	$ 19,341,261
Cost of paging service	246,528	253,758
Cost of equipment sales, cellular	27,853,246	23,780,445
Cost of equipment sales, paging	9,804	15,507
Customer service	1,574,766	1,636,032
Billing	2,183,873	1,819,521
Selling	4,343,928	6,377,064
Maintenance	4,183,054	3,696,507
Utilities	1,176,874	1,178,897
Bad debts	2,074,560	1,888,831
Cell site rental	510,169	466,570
Taxes and licenses	941,445	1,177,597
Advertising	6,006,601	5,061,129
General and administrative	4,888,609	5,683,526
Occupancy	433,673	573,178
Depreciation (Note 12)	12,782,490	11,252,502
Amortization (Note 12)	1,531,161	1,018,363
Total expenses	$ 98,411,647	$ 85,220,688
Income from operations	$ 3,773,572	$ 5,534,767
OTHER INCOME (EXPENSE)		
Interest income	$ 5,872	$ 20,960
Interest expense	(880,838)	(714,050)
Universal Service Fund income (Note 8)	7,208,982	7,472,724
	$ 6,334,016	$ 6,779,634
Net income (carried forward)	$ 10,107,588	$ 12,314,401

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

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (Continued)
Years Ended December 31, 2013 and 2012

	2013	2012
Net income (brought forward)	$ 10,107,588	$ 12,314,401
Other comprehensive income, change in fair value of interest rate swaps	268,652	353,909
Total comprehensive income	$ 10,376,240	$ 12,668,310

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, 2013 and 2012

	Cellular Services, LLC	Gearhart Communications Company, Inc.	Mountain Telecommunications, Inc.	Thacker-Grigsby Telephone Co., Inc.	Peoples Rural Telephone Cooperative Corporation, Inc.	Total
Balance, January 1, 2012	$19,350,790	$19,350,789	$19,350,788	$19,350,790	$19,350,789	$ 96,753,946
Net income	2,462,880	2,462,880	2,462,880	2,462,880	2,462,881	12,314,401
Other comprehensive income	70,782	70,782	70,782	70,783	70,782	353,909
Capital distribution	(2,299,807)	(2,299,807)	(2,299,808)	(2,299,808)	(2,299,808)	(11,499,040)
Balance, December 31, 2012	$19,584,644	$19,584,643	$19,584,642	$19,584,644	$19,584,643	$ 97,923,216
Net income	2,021,518	2,021,518	2,021,518	2,021,516	2,021,518	10,107,588
Other comprehensive income	53,730	53,730	53,731	53,731	53,730	268,652
Capital distribution	(1,231,440)	(1,231,440)	(1,231,440)	(1,231,440)	(1,231,440)	(6,157,200)
Balance, December 31, 2013	$20,428,452	$20,428,451	$20,428,451	$20,428,451	$20,428,451	$102,142,256

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, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 10,107,588	$ 12,314,401
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12,782,490	11,252,502
Amortization	1,531,161	1,018,363
Loss on disposition of property, plant, and equipment	81,879	180,749
Changes in assets and liabilities, net of the effects of investing and financing activities:		
(Increase) in accounts receivable	(669,415)	(618,095)
(Increase) in accounts receivable, members	(37,140)	(696)
(Increase) decrease in inventory	(796,184)	(3,347,133)
(Increase) in prepaid expenses	(370,218)	(52,968)
Increase (decrease) in accounts payable	(616,254)	1,188,265
Increase (decrease) in accounts payable, members	11,404	(31,447)
Increase (decrease) in accrued expenses	267,213	(198,952)
Increase in deferred revenue, advance billings	280,604	154,641
Increase in customer deposits	91,159	7,859
Net cash provided by operating activities	$ 22,664,287	$ 21,867,489
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	$ (17,802,652)	$ (28,574,881)
Proceeds from sale of property, plant and equipment	96,878	- -
Net cash (used in) investing activities	$ (17,705,773)	$ (28,574,881)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions	$ (6,157,200)	$ (11,499,040)
Net proceeds (payments) on line of credit	(4,000,000)	4,000,000
Net proceeds on long-term borrowings	17,000,000	- -
Payments on long-term borrowings	(3,034,188)	(2,777,381)
Outstanding checks in excess of bank balance	(275,186)	275,186
Net cash provided by (used in) financing activities	$ 3,533,426	$ (10,001,235)
Net increase (decrease) in cash and cash equivalents	$ 8,491,940	$ (16,708,627)
Cash and cash equivalents:		
Beginning	1,871,006	18,579,633
Ending	$ 10,362,946	$ 1,871,006
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	$ 880,736	$ 724,807

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, LLC; Gearheart Communications Company, Inc.; Mountain Telecommunications, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; and Thacker-Grigsby Telephone Co., Inc.

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.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers temporary investments having original maturities of three months or less to be cash equivalents. The Company maintains its cash balances, which may exceed the federally insured limit, with several financial institutions. Management believes that credit risk related to the accounts is minimal.

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. Fair value is determined by quoted prices for similar certificates of deposit in active markets (Level 2) as defined under U.S GAAP (see Note 10).

Accounts receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts. The Company uses the allowance method to account for uncollectible accounts receivable balances. Management charges off uncollectible receivables to the allowance when it is determined the amounts will not be realized.

Inventory

Inventory is composed primarily of cellular telephone 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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Intangible assets

The customer lists, non-compete agreements, FCC licenses, bond issuance costs, loan fees and use of name are recorded at cost and are being amortized over the life of the asset by the straight-line method.

Revenue recognition

Revenue consists primarily of charges for access, airtime, roaming, long distance, data and other value-added services provided to the Company's retail customers; charges to other cellular carriers whose customers use the Company's network when roaming; and sales of phones and accessories.

Revenue from cellular service is recognized monthly when earned, phone and accessory sales are recognized at the point of sale, activation fees are recognized when activation of service occurs, and cancellation penalties are recognized at the time of disconnection from service. Deferred revenue consists of monthly access and feature charges billed one month in advance and recognized as revenue the following month.

The Company's sales contracts are considered multiple deliverable arrangements that generally involve delivery and activation of a cellular phone, plus phone service. Each is treated as a separate unit of accounting. Contracts are subject to one to two-year terms and require the customer to pay a cancellation fee if the customer cancels the contract. There is a one-time activation fee and a monthly fee for the ongoing service. All fees are nonrefundable. The Company uses estimated selling price to determine both the selling price of the phone and for the phone service. The phone and activation are delivered first, followed by the phone service (which is provided over the contract period). Delivery and activation of the phone are considered one element because activation is necessary for the functionality of the phone. Revenue from phone service is recognized separately over the life of the service arrangement.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Advertising

Advertising costs are expensed as incurred. At December 31, 2013 and 2012, these costs were $6,006,601 and $5,061,129, 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 federal income taxes has been provided for in the accompanying financial statements.

The Company's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes the Company has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company did not recognize any interest or penalties during the years ended December 31, 2013 and 2012.

The Company's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal income tax returns have a three year statute of limitations, and the state income tax returns have a four year statute of limitations.

Comprehensive income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes the change in fair value of interest rate swaps which is also recognized as a separate component of equity.

Reclassifications

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

Subsequent events

Management has evaluated subsequent events through March 8, 2014, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

Note 2. Intangible Assets

Intangible assets used in operations consist of the following at December 31, 2013:

	Gross Amount	Accumulated Amortization	Weighted Average Life (in years)
Customer lists	$ 5,363,530	$ (5,124,171)	15
Non-compete agreements	220,348	(219,450)	15
FCC licenses	2,706,385	(1,438,707)	14
Use of name	10,000	(9,641)	15
Other	942,271	(814,217)	7
	$ 9,242,534	$ (7,606,186)	

Intangible assets used in operations consist of the following at December 31, 2012:

	Gross Amount	Accumulated Amortization	Weighted Average Life (in years)
Customer lists	$ 5,363,530	$ (4,298,812)	15
Non-compete agreements	220,348	(209,736)	15
FCC licenses	2,706,385	(1,235,227)	14
Use of name	10,000	(8,336)	15
Other	942,271	(698,317)	7
	$ 9,242,534	$ (6,450,428)	

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2013 and 2012 totaled $1,155,758 and $688,626, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

Year ending December 31:

2014	$ 405,000
2015	295,000
2016	275,000
2017	235,000
2018	235,000

NOTES TO FINANCIAL STATEMENTS

Note 3. Notes Payable

On September 9, 2011, the Company entered into a line of credit agreement with Fifth Third Bank that provided borrowings up to $12,000,000. On May 30, 2013, the Company refinanced the $12,000,000 balance on the line of credit with a new note payable (see Note 4). In addition, the Company entered into a new line of credit agreement with Fifth Third Bank that provides borrowings up to $2,000,000. The agreement carries a variable interest rate at monthly LIBOR plus 2.00% as determined by Fifth Third Securities, Inc (2.17% at 12/31/13), is secured by assets of the Company, and is due on June 2, 2014. The balance due as of December 31, 2013 and 2012 was zero and $4,000,000, respectively.

Note 4. Long-Term Debt

Long-term debt consists of the following at December 31:

	2013	2012
Note payable, Fifth Third Bank (a)	$ 19,876,527	$ 4,625,000
Note payable, Fifth Third Bank (b)	1,961,587	3,247,302
	$ 21,838,114	$ 7,872,302

(a) On February 28, 2006, the Company issued $14,200,000 in adjustable rate notes to restructure its debt. The notes were issued pursuant to a trust indenture between the Company and U.S. Bank National Association. Principal and interest on the notes were paid from funds drawn by the Trustee under an irrevocable letter of credit issued by Fifth Third Bank. The Notes were collateralized by the assets of the Company and were scheduled to mature on February 1, 2016. The Notes bear interest at a floating interest rate as determined by U.S. Bank National Association (4.60% at 12/31/08). However, the Company entered into an interest rate swap contract (original notional amount of $14,200,000) that effectively converted its floating-rate debt into a fixed-rate of 8.02%.

On February 2, 2009, the Company refinanced the remaining $10,200,000 of the note with a new note payable that was due on November 1, 2013 and was collateralized by the assets of the Company. Interest on the note was floating at monthly LIBOR plus 1.75% as determined by Fifth Third Securities, Inc. (2.02% at 12/31/12). The Company also renegotiated the terms of the interest rate swap contract and entered into an interest rate swap contract (original notional amount of $10,200,000) that effectively converted its floating-rate debt into a fixed rate of 7.46%.

On May 30, 2013, the Company refinanced the remaining $4,125,000 of the note and the $12,000,000 balance on its line of credit (see Note 3) with a new note payable in the amount of $21,125,000. In addition, the Company received $5,000,000 of cash proceeds from this note. The note is due on June 1, 2018 and is collateralized by the assets of the Company. Interest on the note was floating at monthly LIBOR plus 2.00% as determined by Fifth Third Securities, Inc. (2.17% at 12/31/13). The Company also renegotiated the terms of the interest rate swap contract and entered into an interest rate swap contract (original notional amount of $21,125,000) that effectively converted its floating-rate debt into a fixed rate of 3.55% (see Note 9).

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Debt (Continued)

(b) On September 1, 2008, the Company borrowed $9,000,000 to restructure existing debt, purchase new equipment and upgrade existing equipment. The note was collateralized by the assets of the Company. Interest on the note was floating at monthly LIBOR plus 3.00% as determined by Fifth Third Securities, Inc (3.27% at 12/31/12). The Company also entered into an interest rate swap contract (original notional amount of $9,000,000) that effectively converted its floating-rate debt into a fixed rate of 7.20%.

On March 31, 2012, the Company refinanced the remaining $4,318,730 of the note with a new note payable that matures August 1, 2015 and is collateralized by the assets of the Company. Interest on the note is floating at monthly LIBOR plus 2.50% (2.77% at 12/31/12). The Company also renegotiated the terms of the interest rate swap contract and entered into an interest rate swap contract (original notional amount of $4,318,730) that effectively converted its floating rate debt into a fixed rate of 6.21%.

On May 30, 2013, the Company refinanced the remaining $2,818,730 of the note with a new note payable due on August 1, 2015. The note is due on August 1, 2015 and is collateralized by the assets of the Company. Interest on the note was floating at monthly LIBOR plus 2.00% as determined by Fifth Third Securities, Inc. (2.17% at 12/31/13). The Company also renegotiated the terms of the interest rate swap contract and entered into an interest rate swap contract (original notional amount of $2,818,730) that effectively converted its floating-rate debt into a fixed rate of 5.71% (see Note 9).

Total interest cost for the years ended December 31, 2013 and 2012 was approximately $881,000 and $714,000, respectively.

Under terms of the Notes, the Company has also agreed, among other things, to limit distributions, to maintain minimum fixed charge coverage ratios, and to maintain minimum debt to earnings ratios.

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:	
2014	$ 2,782,739
2015	3,183,016
2016	3,300,000
2017	3,425,000
2018	9,147,359
	$ 21,838,114

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Plans

The Company has a multiple-employer 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 $159,606 and $156,598 in matching funds for its 401(k) plan during the years ended December 31, 2013 and 2012, 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 $741,162 and $741,000 to its retirement savings plan during the years ended December 31, 2013 and 2012, respectively.

Note 6. Related Party Transactions

The Company shares personnel with three of its members. The Company paid $337,064 and $254,438 for shared personnel during the years ended December 31, 2013 and 2012, respectively. The Company also leased offices and warehouse space from three members. The leases are for an unspecified length of time. The annual lease expense related to these leases was $31,554 and $20,483 for the years ended December 31, 2013 and 2012, respectively.

The Company incurred interconnection, telephone, cable and internet access charges from its members aggregating $670,887 and $818,607 for the years ended December 31, 2013 and 2012, respectively.

The Company leases two cellular tower sites from the officers and majority shareholders of a member. The annual lease expense related to these leases was $2,400 for both years ended December 31, 2013 and 2012. The leases are for an unspecified length of time. The Company also pays part of an annual lease for sharing a tower with a member for an annual fee of $450. The Company leases cellular tower sites from the parent company of one of its other members. The annual lease expense related to these leases for years ended December 31, 2013 and 2012 was $23,326 and $9,347, respectively. The leases are for five years with options to renew.

The Company pays fees to companies owned by its members for advertisement in telephone directories, television and on local billboards. The amount of advertising paid to related parties was $272,824 and $103,845 for the years ended December 31, 2013 and 2012, respectively.

NOTES TO FINANCIAL STATEMENTS

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 was $1,088,997 and $858,920 for the years ended December 31, 2013 and 2012, respectively. Rental income earned from the Company's members from these leases was $821,688 and $617,218 for the years ended December 31, 2013 and 2012, respectively.

Investments in operating leases are as follows at December 31:

	2013	2012
Fiber ring	$ 8,922,105	$ 8,799,036
Accumulated depreciation	(4,763,681)	(4,190,747)
	$ 4,158,424	$ 4,608,289

The future minimum rental payments expected to be received under these lease agreements for each of the succeeding five years are approximately $750,000 each year.

The Company has also entered into lease agreements to obtain fiber optic transmission and digital microwave transmission services; and to rent retail office facilities. The terms of these leases are between 5 and 15 years. Total rental expense incurred from these operating lease commitments included in the statements of income was $2,342,386 and $1,518,640 for the years ended December 31, 2013 and 2012, respectively. Rental expense incurred from the Company's members from these leases was $1,527,880 and $778,599 for the years ended December 31, 2013 and 2012, respectively. The future minimum lease payments required under these lease agreements for each of the succeeding five years are approximately $2,400,000 each year.

Note 8. Eligible Telecommunication Carrier

During 2005, the Company was granted Eligible Telecommunication Carrier (ETC) status by the Kentucky Public Service Commission. As an ETC, the Company receives funding from the federal Universal Service Fund (USF) to support the high cost of providing local telephone service in rural areas. USF payments amounted to $7,208,982 and $7,472,724 for the years ended December 31, 2013 and 2012, respectively.

On September 27, 2012, the Company was awarded approximately $4,400,000 by the Federal Communications Commission related to the Mobility Phase One Auction in order to provide coverage and broadband services in certain territories. The award will be disbursed in three separate amounts and is contingent upon the Company demonstrating percentages of completion related to its coverage requirements indicated in the agreement. In 2013, the Company received the first payment that amounted to $1,468,556. This amount has been included in the USF payments noted above.

NOTES TO FINANCIAL STATEMENTS

Note 9. Derivative Financial Instruments, Interest Rate Swaps

The Company entered into two interest rate swap contracts with Fifth Third Bank for the purpose of converting floating-rate interest on its long-term debt to fixed rates. The interest rate swap effectively fixed $21,125,000 at a rate of 3.55% until June 1, 2018 and fixed $2,818,730 at a rate of 5.71% until August 1, 2015.

Under the swap contracts, the Company pays interest at 1.55% and 3.71% on the notional amounts and receives interest at LIBOR observed monthly (0.17% at December 31, 2013). The interest rate swaps qualify as, and are designated as, cash flow hedges. The swaps are designed to hedge the risk of changes in interest payments on the notes caused by changes in LIBOR. The notional amounts do not represent actual amounts exchanged by the parties, but instead represent the amounts on which the contracts are based.

The swaps were issued at market terms so that they had no fair value or carrying value at their inception. The carrying amount of the swaps has been adjusted to their fair value at the end of the year, which because of changes in forecasted levels of LIBOR, resulted in reporting a liability for the fair value of the future net payments forecasted under the swaps. The swap contracts permit settlement prior to maturity only through termination by the Company. The settlement amounts are determined based on forecasted changes in interest rates required under fixed and variable legs of the swaps. The Company believes the settlement amounts are the best representation of the fair value of the swaps and has adjusted their carrying amounts to the settlement amounts at the end of the year.

The carrying amounts of the swaps are classified as noncurrent since management does not intend to terminate the swaps during 2014. Since the critical terms of the swaps and the notes are approximately the same, the swaps are assumed to be effective as hedges, and none of the changes in fair values are included in income. Accordingly, all of the adjustment of the swaps' carrying amount is reported as other comprehensive income or loss in the accompanying statements of members' equity. If the swaps are terminated early, the corresponding carrying amount would be reclassified into earnings. The Company does not hold or issue interest rate swaps or other financial instruments for trading purposes.

NOTES TO FINANCIAL STATEMENTS

Note 10. Fair Values of Financial Instruments

U.S. GAAP provides a framework for fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methodology for measuring fair value specifies a three-tier hierarchy of valuation techniques based upon whether the inputs to those valuation techniques are based on quoted prices of identical assets or liabilities (Level 1), significant other observable inputs (Level 2), or significant other unobservable inputs that reflect a company's own assumptions of market participant valuation (Level 3).

Financial instruments of the Company that are subject to fair value measurements are limited to short-term investments, long-term debt and interest rate swaps. Fair values of these financial instruments have been valued using a market approach and are measured using Level 2 inputs.

The fair value of short-term investments approximates its carrying amount due to the short-term nature of these instruments.

The fair value of long-term debt approximates its carrying amount because its variable rate terms are similar to market terms.

The fair value of the interest rate swaps are based on the approximation of market value derived from proprietary models. This fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instrument. The fair value was estimated by comparing the Company's fixed swap rates with the current market rates on identical swaps for the remaining terms. The interest due on each remaining payment date is calculated at the existing swap rate and the current market rate. Fair market value is the present value of the difference between those payment streams. The value represents the estimated exit price the Company would pay to terminate the agreement.

Note 11. Commitments

On September 22, 2011, the Company entered into an agreement with Verizon Wireless ("Verizon") to construct and operate its Long Term Evolution ("LTE") technology in geographic territories in the Company's market. Under the terms of the agreement, among other things, the Company is required as part of the initial build-out phase to have the cell sites constructed and fully equipped for provision of LTE Service and ready to commence commercial service no later than December 31, 2013. The Company has met this commitment as of December 31, 2013. Following the initial build-out phase, the Company will continue to build out its LTE System in accordance with a plan to be mutually agreed by the Company and Verizon. The agreement expires on June 13, 2019 with an option for a ten year renewal term at the end of the agreement.

On October 4, 2013, the Company amended the agreement and agreed, among other things, to provide VoLTE enhancements no later than April 1, 2014. The estimated cost of this amendment is approximately $3,000,000. As of December 31, 2013, the Company had incurred costs of $42,400 related to this amendment.

NOTES TO FINANCIAL STATEMENTS

Note 11. Commitments (Continued)

In addition, the Company entered into an agreement to lease the spectrum owned by Verizon in order to offer LTE Service. This agreement also expires on June 13, 2019 with an option for a ten year renewal term at the end of the agreement. The lease expense is expected to be approximately $300,000 per year.

Note 12. Change in Estimate

In August 2013, management informed the Company's customers that its paging services would be terminated on February 28, 2014. The Company plans to dispose of these assets on or after the termination date. As of December 31, 2013, these assets qualify as assets held for disposal other than by sale and have been included with the Company's equipment and intangible assets in the accompanying balance sheets. The carrying amount of the paging assets amounted to approximately $267,000 and $1,163,000 at December 31, 2013 and 2012, respectively.

The Company's expected useful lives of its paging assets have been decreased to reflect the estimated period which these assets will remain in service. In accordance with FASB Accounting Standards Codification Topic 250, *Accounting Changes and Error Corrections*, this change of estimated useful lives is deemed as a change in accounting estimate and has been accounted for prospectively. The effect of this change in estimate was to decrease net income by approximately $507,000 for the year ended December 31, 2013.

JNM

Jones, Nale & Mattingly PLC

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of East Kentucky Network, LLC dba Appalachian Wireless as of December 31, 2013 and 2012, and our report thereon dated March 8, 2014, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information found on pages 20 and 21, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jones, Nale & Mattingly PLC

Louisville, Kentucky
March 8, 2014

Certified Public Accountants and Advisors

642 South Fourth Street, Suite 300 Louisville, Kentucky 40202 tel: 502.583.0248 fax: 502.589.1680 www.jnmcpa.com

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME DETAIL

	Year Ended December 31, 2013				
	RSA #9 Appalachian	RSA #10 Mountaineer	Fiber Ring	PCS	Totals
REVENUE					
Retail	$ 35,830,261	$ 22,311,076	$ --	$ 4,439,837	$ 62,581,174
Roamer	19,939,476	8,975,968	--	1,222,861	30,138,305
Long distance	40,182	13,001	--	7,232	60,415
Paging revenue	106,944	82,540	--	--	189,484
Equipment sales, cellular	752,173	241,103	--	508,067	1,501,343
Equipment sales, paging	9,182	5,318	--	--	14,500
Other	3,782,119	2,243,163	999,952	674,764	7,699,998
Total revenues	$ 60,460,337	$ 33,872,169	$ 999,952	$ 6,852,761	$ 102,185,219
EXPENSES					
Cost of cellular service	$ 16,231,262	$ 9,995,727	$ --	$ 1,443,877	$ 27,670,866
Cost of paging service	108,045	138,483	--	--	246,528
Cost of equipment sales, cellular	16,014,627	9,124,212	--	2,714,407	27,853,246
Cost of equipment sales, paging	5,738	4,066	--	--	9,804
Customer service	913,936	586,161	--	74,669	1,574,766
Billing	1,263,117	807,360	--	113,396	2,183,873
Selling	2,482,922	1,727,686	--	133,320	4,343,928
Maintenance	2,132,113	1,526,176	158,569	366,196	4,183,054
Utilities	639,811	399,792	23,769	113,502	1,176,874
Bad debts	1,343,204	596,664	--	134,692	2,074,560
Cell site rental	150,037	182,229	--	177,903	510,169
Taxes and licenses	584,787	266,514	65,949	24,195	941,445
Advertising	3,617,400	1,969,457	--	419,744	6,006,601
General and administrative	2,732,022	1,767,141	134,162	255,284	4,888,609
Occupancy	176,851	77,068	155,223	24,531	433,673
Depreciation	6,359,983	4,382,338	619,406	1,420,763	12,782,490
Amortization	476,505	935,920	13,563	105,173	1,531,161
Total expenses	$ 55,232,360	$ 34,486,994	$ 1,170,641	$ 7,521,652	$ 98,411,647
Income (loss) from operations	$ 5,227,977	$ (614,825)	$ (170,689)	$ (668,891)	$ 3,773,572
OTHER INCOME (EXPENSE)					
Interest income	$ 3,209	$ 2,295	$ 56	$ 312	$ 5,872
Interest expense	(508,458)	(328,486)	--	(43,894)	(880,838)
Universal Service Fund income	4,201,292	2,529,337	--	478,353	7,208,982
	$ 3,696,043	$ 2,203,146	$ 56	$ 434,771	$ 6,334,016
Net income (loss)	$ 8,924,020	$ 1,588,321	$ (170,633)	$ (234,120)	$ 10,107,588

Year Ended December 31, 2012				
RSA #9 Appalachian	RSA #10 Mountaineer	Fiber Ring	PCS	Totals
$ 32,353,036	$ 20,337,871	$ --	$ 3,614,188	$ 56,305,095
17,730,166	6,710,976	--	670,390	25,111,532
59,855	27,709	--	2,213	89,777
152,119	105,828	--	--	257,947
822,163	371,870	--	173,126	1,367,159
15,983	7,565	--	--	23,548
4,043,820	2,214,876	750,167	591,534	7,600,397
$ 55,177,142	$ 29,776,695	$ 750,167	$ 5,051,451	$ 90,755,455
$ 11,404,940	$ 7,077,280	$ --	$ 859,041	$ 19,341,261
112,267	141,491	--	--	253,758
13,627,656	8,255,825	--	1,896,964	23,780,445
9,807	5,700	--	--	15,507
977,297	606,403	--	52,332	1,636,032
1,097,413	652,638	--	69,470	1,819,521
3,645,723	2,574,883	--	156,458	6,377,064
2,144,462	1,280,977	69,654	201,414	3,696,507
655,763	389,305	42,654	91,175	1,178,897
1,329,106	469,835	--	89,890	1,888,831
139,272	178,525	--	148,773	466,570
705,940	308,284	70,138	93,235	1,177,597
3,320,822	1,512,752	--	227,555	5,061,129
3,296,134	2,055,513	138,854	193,025	5,683,526
186,667	77,204	283,875	25,432	573,178
5,623,649	3,919,909	588,231	1,120,713	11,252,502
400,027	508,474	13,307	96,555	1,018,363
$ 48,676,945	$ 30,014,998	$ 1,206,713	$ 5,322,032	$ 85,220,688
$ 6,500,197	$ (238,303)	$ (456,546)	$ (270,581)	$ 5,534,767
$ 12,528	$ 7,620	$ 203	$ 609	$ 20,960
(426,153)	(263,550)	--	(24,347)	(714,050)
4,483,634	2,764,908	--	224,182	7,472,724
$ 4,070,009	$ 2,508,978	$ 203	$ 200,444	$ 6,779,634
$ 10,570,206	$ 2,270,675	$ (456,343)	$ (70,137)	$ 12,314,401

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME DETAIL (Continued)

	Year Ended December 31, 2013				
	RSA #9 Appalachian	RSA #10 Mountaineer	Fiber Ring	PCS	Totals
COST OF CELLULAR SERVICE					
Roamer pass through charges	$13,171,362	$ 8,259,448	$ --	$ 1,286,937	$22,717,747
SCB interconnection	800,149	542,867	--	68,253	1,411,269
Local charges	1,992,612	1,010,587	--	161,799	3,164,998
Harold interconnection	33,715	--	--	--	33,715
Grethel interconnection	--	--	--	--	--
Wheelwright interconnection	2,122	--	--	--	2,122
GTE interconnection	100,937	342,157	--	--	443,094
West Liberty interconnection	--	--	--	--	--
Chapman interconnection	43,821	--	--	--	43,821
Salyersville interconnection	--	--	--	--	--
Roanoke interconnection	--	--	--	--	--
Interconnect revenue	(883,831)	(561,107)	--	(95,924)	(1,540,862)
Fiber ring interconnection	956,741	390,934	--	22,812	1,370,487
TGTC interconnection and DS3 charges	--	4,011	--	--	4,011
PRTC interconnection	--	6,830	--	--	6,830
West Virginia interconnection	13,634	--	--	--	13,634
	$16,231,262	$ 9,995,727	$ --	$ 1,443,877	$27,670,866

	RSA #9 Appalachian	RSA #10 Mountaineer	Fiber Ring	PCS	Totals
COST OF PAGING SERVICE					
Paging maintenance	$ 3,062	$ 4,593	$ --	$ --	$ 7,655
Salaries and benefits	34,314	51,471	--	--	85,785
Tower rent	18,174	24,906	--	--	43,080
Telephone expense	--	659	--	--	659
Expanded coverage costs	(21)	1,077	--	--	1,056
Interconnection charges	40,036	37,786	--	--	77,822
Office and billing expense	12,299	8,651	--	--	20,950
Other	181	9,340	--	--	9,521
	$ 108,045	$ 138,483	$ --	$ --	$ 246,528

Year Ended December 31, 2012				
RSA #9 Appalachian	RSA #10 Mountaineer	Fiber Ring	PCS	Totals
$ 8,183,994	$ 5,266,020	$ --	$ 767,111	$14,217,125
734,959	483,925	--	45,603	1,264,487
2,304,571	1,385,948	--	122,851	3,813,370
128,563	--	--	--	128,563
2,466	--	--	--	2,466
37,428	--	--	--	37,428
153,601	137,327	--	--	290,928
126,855	--	--	--	126,855
78,120	--	--	--	78,120
129,781	--	--	--	129,781
73	--	--	--	73
(822,654)	(529,504)	--	(78,204)	(1,430,362)
331,571	134,183	--	1,680	467,434
--	88,260	--	--	88,260
--	111,121	--	--	111,121
15,612	--	--	--	15,612
$11,404,940	$ 7,077,280	$ --	$ 859,041	$19,341,261

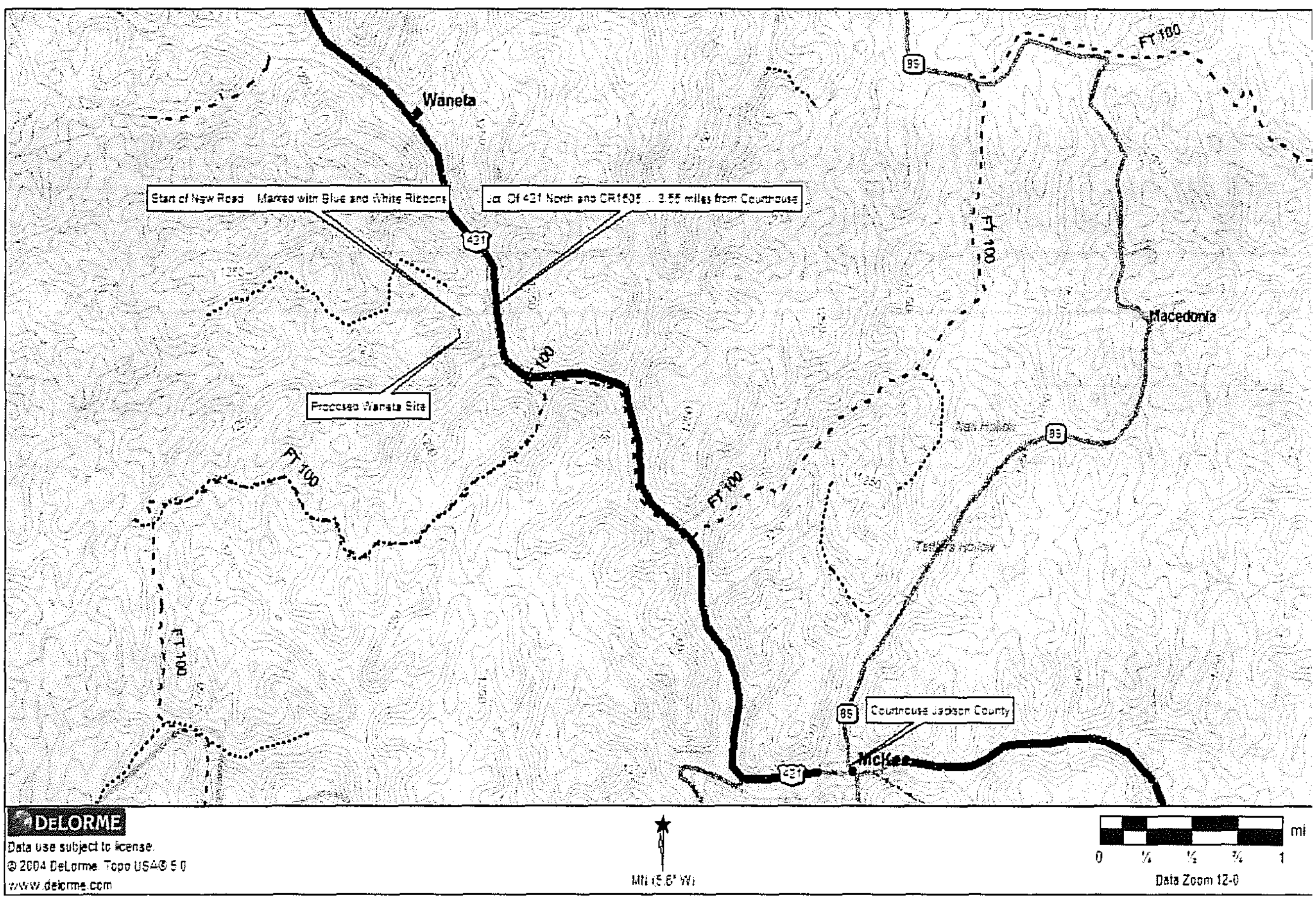
$ 3,411	$ 7,000	$ --	$ --	$ 10,411
35,979	53,969	--	--	89,948
17,130	21,780	--	--	38,910
--	678	--	--	678
--	1,280	--	--	1,280
39,274	38,274	--	--	77,548
15,730	7,780	--	--	23,510
743	10,730	--	--	11,473
$ 112,267	$ 141,491	$ --	$ --	$ 253,758

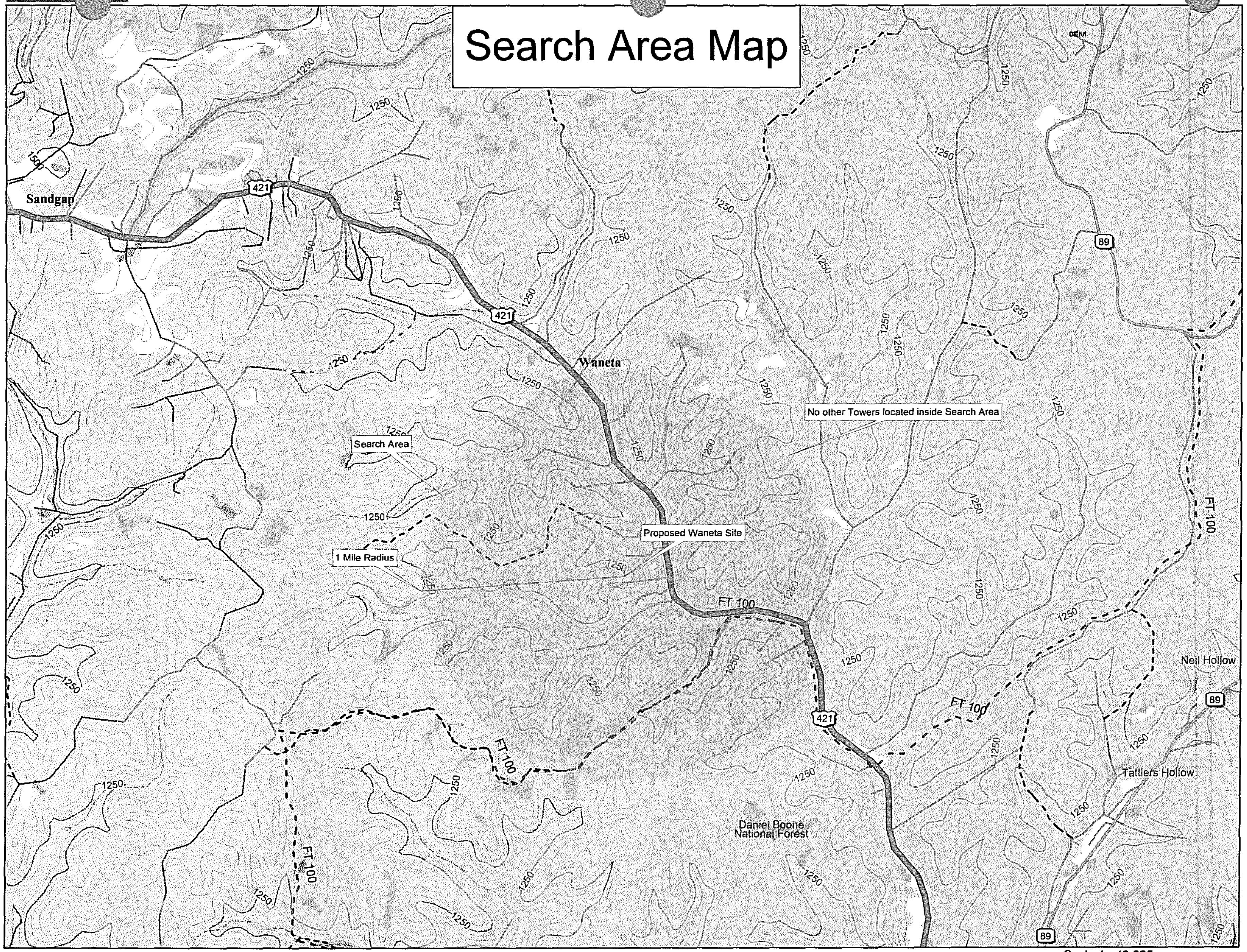
Directions to Waneta Site

From the Courthouse in McKee Kentucky Take route 421 North 3.55 miles to intersection of 421 North and CR 1505. Turn left onto CR 1505 and continue for 600 feet Turn left (sign is posted at this point) and continue to old barn. Proposed new road to tower is marked with blue and white ribbons to site where sign is posted.

Directions were written by,

Marty Thacker
Appalachian Wireless
606-438-2355 Ext. 1007 (office)
606-477-0016 (cell phone)
m.thacker@tgtel.com (email)




Search Area Map
Sandgap
421
Waneta
89
Search Area
No other Towers located inside Search Area
Proposed Waneta Site
1 Mile Radius
FT 100
Neil Hollow
Tattlers Hollow
Daniel Boone National Forest
1250
1500
TN
MN (5.8°W)
Scale 1 : 40,625
mi
km
1" = 3,385.4 ft
Data Zoom 12-3

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into on the 11th day of October, 2013, with a Commencement Date of November 1, 2013, by and between **Wendell Gabbard and Carla Gabbard,** his wife, of P.O. Box 1108, McKee, Kentucky 40447, LESSOR(s), and **East Kentucky Network, LLC, d/b/a Appalachian Wireless**, of 101 Technology Trail, Ivel, Kentucky 41642, LESSEE:

WITNESSETH:

That for and in consideration of the rents and other considerations hereinafter set out and subject to the terms and conditions therefore, Lessors do hereby lease, let and demise unto Lessee, its successors and assigns, to have and to hold for the term hereinafter set out and subject to the Lessees right to surrender or terminate this Lease and provided hereinafter, the following described premises (Leased Premises), which term shall include all real property, rights and privileges herein granted:

> BEING the same property described by metes and bounds in the description attached hereto and made a part hereof as Exhibit "A", and as shown on the plat dated 22nd day of April, 2013, prepared by James W. Caudill, Professional Land Surveyor, of Coleman Engineering, and attached hereto and made a part hereof as Exhibit "B".

The Lessors grant unto Lessee full and complete right of ingress, egress and regress over roads located upon this property controlled by Lessors to and from the Leased Premises, and the exclusive right to use any existing road located on this property. In the event Lessors build a house near the site, Lessee agrees to pay 50% of the cost to pave the gravel road leading to the leased site. In the event the Lessee desires to relocate all or any portion of an existing roadway or to construct another access road to the Leased Premises, the location of such roadway shall be mutually agreed upon by Lessors and Lessee. Lessors further grant to the Lessee a right of way and easement to construct and maintain and operate telephone and power transmission lines over Lessors' remaining property to the Leased Premises for service of the tower and related facilities only, said lines to be located where feasible along the access road to the Leased Premises, with Lessors having input as to location of said power transmission lines in the event Lessee changes the location of its access road. Lessee shall have the right to trim or remove trees, limbs or underbrush which interferes with its access road or power/telephone lines wherever such road and lines are located or may damage tower if they fall. Lessee shall help maintain the existing road with gravel and needed repairs.

This Lease is made on the following terms and conditions:

1. **TERM OF LEASE.** The term of this lease shall be for a period of five (5) years from the Commencement Date of this Lease Agreement with an additional seven (7) automatic renewals of five (5) year terms unless Lessee gives Lessor written notice at least sixty (60) days prior to expiration of said Term that Lessee does not wish to renew.

2. **CANCELLATION.** Lessee shall have the right to terminate this Lease and abandon the Premises at any time under its sole discretion, upon six (6) month written notice to Lessor of its intention to do so. In the event that Leased Premises fail the process for approval as an acceptable cellular tower site by the Federal Communications Commission or any tests or requirements as required for such approval (the "FCC Process") or approval by the Public Service Commission of Kentucky (the "PSC"), then in

its sole discretion Lessor may terminate this Lease Agreement upon thirty (30) days written notice to Lessor of such intention. In the event of termination by Lessee, the Lessor shall have no obligation to refund all or any portion of the Leasehold rental payment that has been paid through the date of termination. Upon termination of this Lease, Lessee shall have one hundred eight (180) days thereafter to remove all structures it has erected upon the Leased Premises, and to reclaim the premises. Payment shall continue until said structures are removed.

3. **RENTAL.** As rental for the Leased Premises, Lessee shall pay Lessor as follows: $400.00 per month for the first five (5) year term. After the first five (5) year term each additional five (5) year term will have an increase of 5% per five year term.

4. **USE OF PREMISES.** Lessee shall have the exclusive rights and privileges of the use of the Leased Premises for the purpose of constructing buildings, towers, and other related facilities, including, but not limited to telephone lines, coaxial lines, power lines and the installation of any and all other equipment deemed necessary by Lessee to receive and transmit any and all electronic signals in the rural service area now or hereafter to be served by the facility. The parties hereto recognize that technology in the communications field is advancing at a rapid rate and that this site may be used for any other purpose now in the development stage or which may later be developed in the communications industry to carry out the objectives of Lessee, that being to transmit and receive signals and communications by wire, fiber optics, radio and satellite. Lessee shall not use the Leased Premises for purposes other than maintenance or use as a site for communications by the use of methods now or hereafter known.

Lessee agrees to maintain the Leased Premises in a neat and orderly manner.

5. **INDEMNITY**. Lessee agrees to indemnify and save harmless the Lessor from any liability by virtue of Lessee's activities upon the Leased Premises or in the exercise of any rights and privileges granted herein, specifically including but not limited to any claim, loss, fine, penalty and costs (including reasonable attorney's fees) arising out of any violation of any environmental laws or regulations. This provision shall survive the termination of the lease. Lessee shall maintain and keep in full force and effect public liability and property damage insurance in an amount of at least One Million Dollars ($1,000,000.00). Lessor shall not be held liable for personal injury or property damage on the Leased Premises whether or not associated with Lessee.

6. **TAXES**. Lessee shall pay all personal property taxes assessed on or any portion of such taxes attributable to the equipment used by Lessee on the Premises. Lessor shall pay when due all real property taxes and all other fees and assessments attributable to the Premises. Lessee shall reimburse the Lessor as additional compensation for any increase in real estate taxes levied against the Lessor (or its successors or assigns) which are attributable to or arise as a result of the improvements constructed by the Lessee, its successors or assigns.

7. **MISCELLANEOUS PROVISIONS**. All notices, demands, or other writings in this Lease Agreement provided to be given, made or sent, or which may be given or made or sent, to either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States Mail, certified and postage prepaid, to Lessor and Lessee at the addresses stated in the caption of this Lease

Agreement. Such addresses may be changed by written notice given by such party as above provided.

8. **SUCCESSORS AND ASSIGNS.** This Lease Agreement shall be binding upon the parties hereto, their heirs, executors, administrators and assigns.

WITNESS OUR HANDS, the day and year aforesaid.

LESSORS:

Wendell Gabbard
Wendell Gabbard

Carla Gabbard
Carla Gabbard

LESSEE:

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

BY: Gerald F. Robinette

ITS: GENERAL MANAGER

Exhibit A

DEED DESCRIPTION
FOR SUB DIVISION OF

Property of
Wendell & Janis Gabbard
C/O Jackson County Bank, P.O. Box 485 McKee, KY 40447
or
P.O. Box 1108, McKee, KY 40447
Off highway 421
Near Waneta on Birch Lick Creek and Mayapple Branch
April 22, 2013

A portion of the property lying within the tract of land located between Mayapple Branch and Birch Lick Creek in Jackson County Kentucky, near the community of Waneta. Being a part of property conveyed by deed from Kenneth & Brenda Gabbard of Jackson County KY to Wendell & Janis Gabbard of Jackson County KY and recorded in Deed Book 143 Page 506 of the Jackson County Court House.

Lot #A1

Unless stated otherwise, any monument referred to herein as "set iron pin with cap" is a set ½" diameter rebar, at least eighteen (18") in length, with a plastic cap stamped "LS-2259". All bearings stated herein are referred to the NAD83 KY South State Plane north. This survey preformed by James W. Caudill, LS2259, on April 22, 2013.

Beginning on a set iron pin with cap marked ls2259 at a wire fence and being a point on the line between Wendell Gabbard (Book 143 Page 506) and Ronald Gay (Book 179 Page 958),; thence leaving the fence and running across the ridge, severing the land of Wendell Gabbard North 10 deg 43 min 44 sec West a distance of 135.62 feet to a set iron pin with cap marked ls2259 on the hillside; thence running around the hillside, North 86 deg 49 min 12 sec East, a distance of 150.49 feet to a set iron pin with cap marked ls2259by a 30" Hickory; thence running back across the ridge, South 16 deg 35 min 25 sec East, 163.42 feet to a 36" Oak tree on the point.; thence running back to the fence along the dividing line between Wendell Gabbard and Ronald Gay, North 85 deg 00 min 00 sec West, a distance of 74.73 feet to a set iron pin with cap marked ls2259 at the wire fence, North 85 deg 00 min 00 sec West, a distance of 97.59 feet to the point of beginning.

Containing a calculated area of 23209sq ft or 0.53 acres.

This according to a survey by James W. Caudill, PLS #2259, on April 22, 2013.

STATE OF KENTUCKY
JAMES W. CAUDILL
LS2259
LICENSED
LAND SURVEYOR

James W Caudill

James W. Caudill, PLS #2259

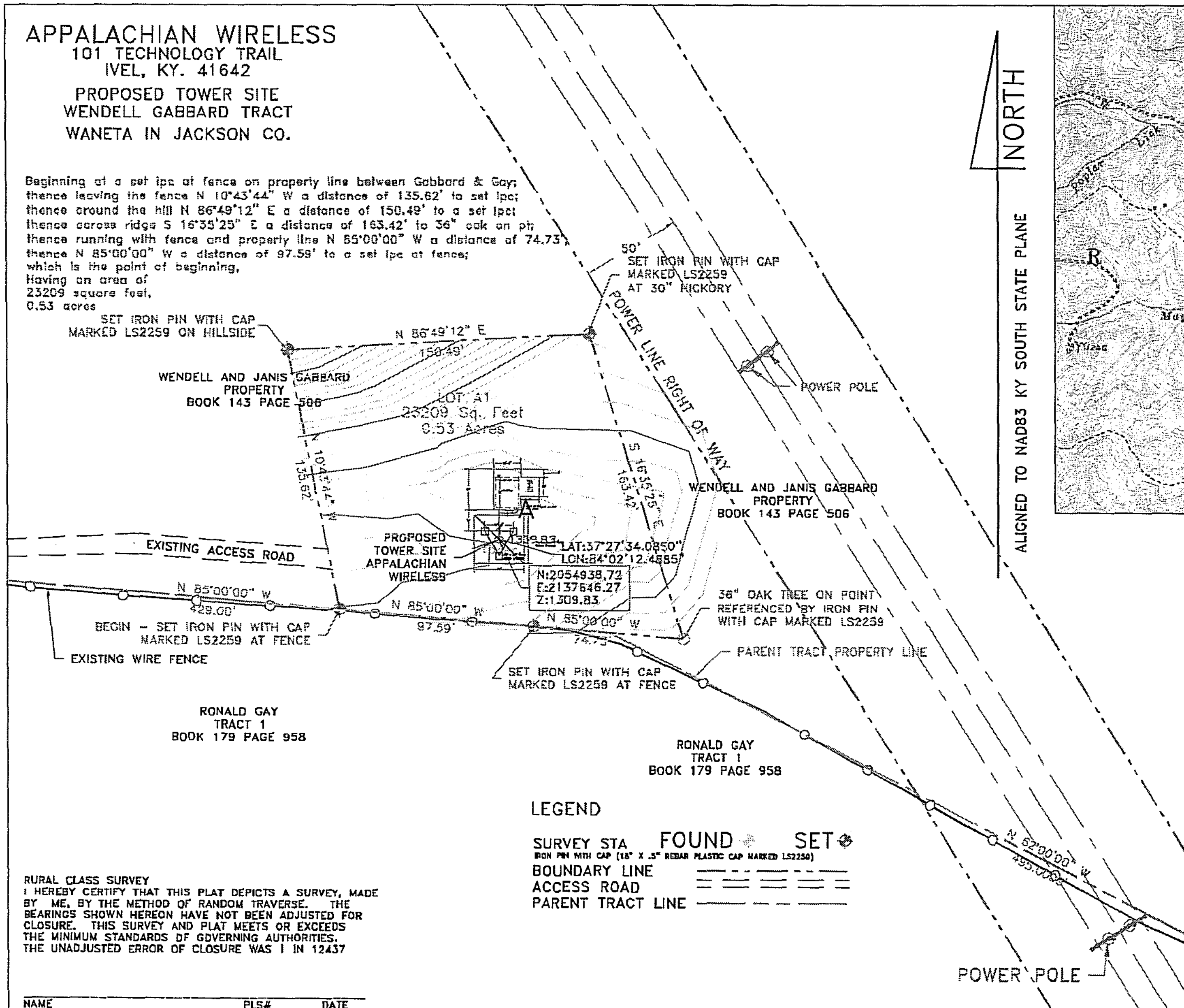
Exhibit B

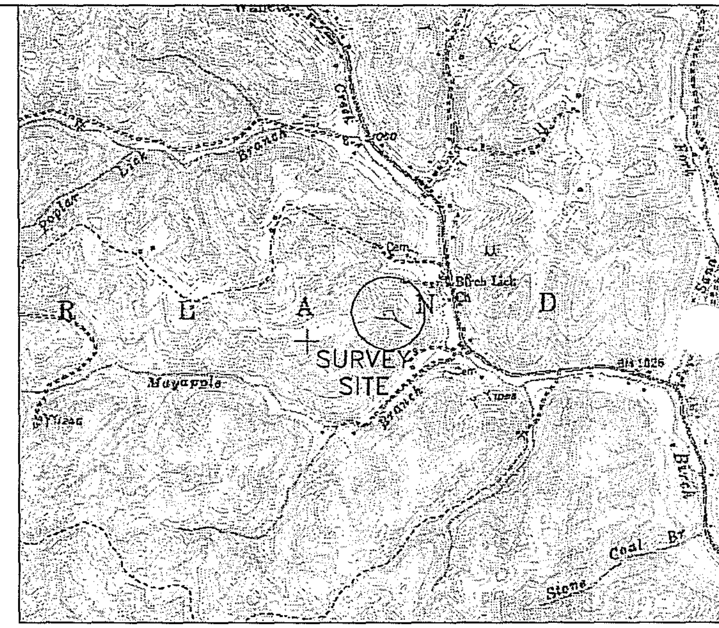
APPALACHIAN WIRELESS

101 TECHNOLOGY TRAIL
IVEL, KY. 41642

PROPOSED TOWER SITE
WENDELL GABBARD TRACT
WANETA IN JACKSON CO.

Beginning at a set ipc at fence on property line between Gabbard & Gay; thence leaving the fence N 10°43'44" W a distance of 135.62' to set ipc; thence around the hill N 86°49'12" E a distance of 150.49' to a set ipc; thence across ridge S 16°35'25" E a distance of 163.42' to 36" oak on pt; thence running with fence and property line N 55°00'00" W a distance of 74.73'; thence N 85°00'00" W a distance of 97.59' to a set ipc at fence; which is the point of beginning,
Having an area of
23209 square feet,
0.53 acres





VICINITY MAP NOT TO SCALE

GRAPHIC SCALE

0 50 100 150

SCALE 1" = 50'

LEGEND

SURVEY STA FOUND SET
IRON PIN WITH CAP (18" X .5" REBAR PLASTIC CAP MARKED LS2250)
BOUNDARY LINE
ACCESS ROAD
PARENT TRACT LINE

RURAL CLASS SURVEY
I HEREBY CERTIFY THAT THIS PLAT DEPICTS A SURVEY, MADE BY ME, BY THE METHOD OF RANDOM TRAVERSE. THE BEARINGS SHOWN HEREON HAVE NOT BEEN ADJUSTED FOR CLOSURE. THIS SURVEY AND PLAT MEETS OR EXCEEDS THE MINIMUM STANDARDS OF GOVERNING AUTHORITIES. THE UNADJUSTED ERROR OF CLOSURE WAS 1 IN 12437

NAME PLS# DATE

PLAT OF SURVEY

DRAWN BY JWC	SURVEY DATE 04/22/2013	SUB DIVISION PROPERTY OF WENDELL & JANIS GABBARD C/O JACKSON COUNTY BANK P.O. BOX 485 MCKEE, KY 40447 BIRCH LICK CRK IN JACKSON CO. DEED BOOK 143 PAGE 506
CHECKED BY JWC	DRAWING DATE 04/22/2013	
SCALE 1" = 50'	SHEET 1 OF 1	

STATE OF KENTUCKY
COUNTY OF Floyd

The foregoing Lease Agreement was this 11th day of October, 2013, produced and acknowledged before me by **Wendell and Carla Gabbard,** Lessors.

NOTARY PUBLIC
COMMISSION EXPIRES: ____________

My Commission Expires
July 14, 2015

STATE OF KENTUCKY
COUNTY OF FLOYD

The foregoing Lease Agreement was this 11th day of October, 2013, produced and acknowledged before me by **East Kentucky Network, LLC, dba Appalachian Wireless** by **Gerald F. Robinette**, its General Manager, Lessee.

NOTARY PUBLIC
COMMISSION EXPIRES: ____________

My Commission Expires
July 14, 2015

2013003592
JACKSON CO, KY FEE $32.00
PRESENTED / LODGED: 11-07-2013 01:55:31 PM
RECORDED: 11-07-2013
DONALD MOORE
CLERK
BY: KEISHA COMBS
DEPUTY CLERK

BK: LEAS 40
PG: 600-607

CASE NO: 2014-00147

CONTAINS

LARGE OR OVERSIZED

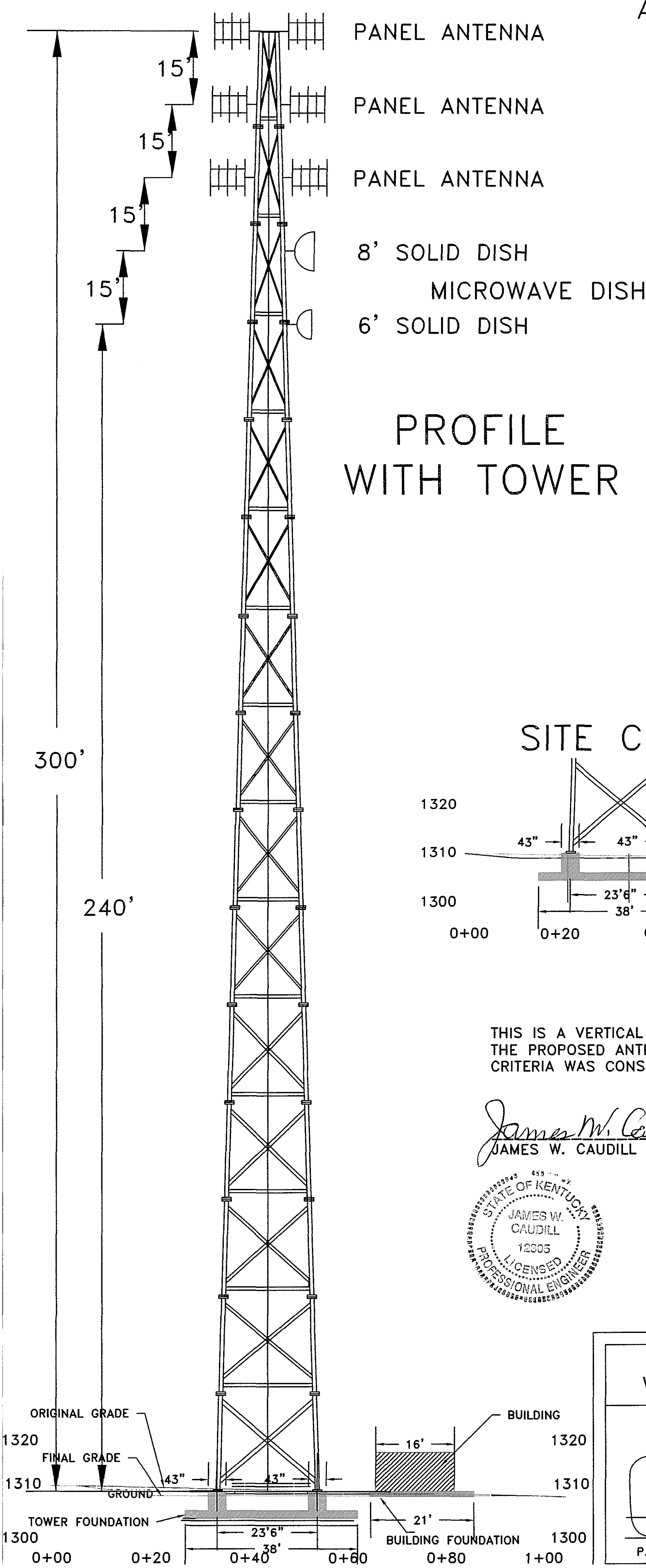
MAP(S)

RECEIVED ON: July 14, 2014

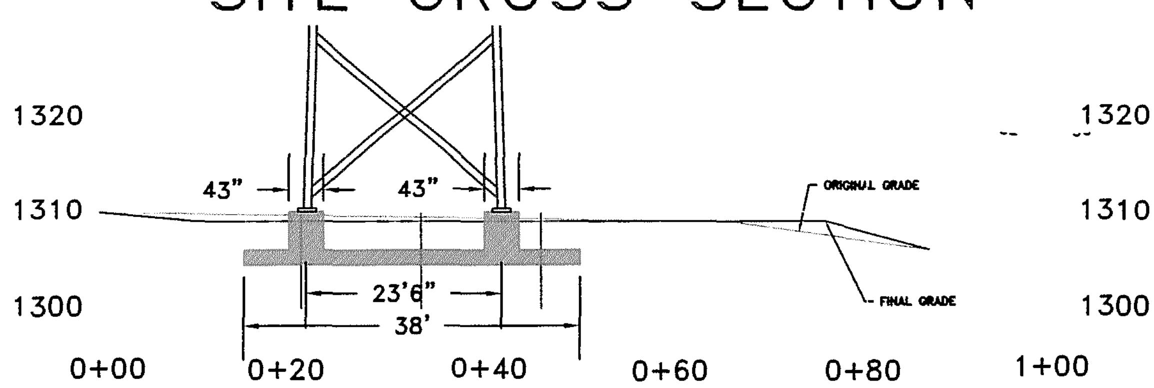
APPALACHIAN WIRELESS
101 TECHNOLOGY TRAIL
IVEL, KY. 41642
PROPOSED TOWER SITE
WANETA IN JACKSON CO. KY.

WENDELL GABBARD TRACT

PROFILE WITH TOWER



SITE CROSS SECTION



THIS IS A VERTICAL PROFILE SKETCH OF THE TOWER INDICATING THE PROPOSED ANTENNA AND DISH ELEVATIONS. NO DESIGN CRITERIA WAS CONSIDERED IN THE PREPARATION OF THIS DRAWING.

James W. Caudill 12305 4-22-14

JAMES W. CAUDILL P.E. DATE

STATE OF KENTUCKY
JAMES W. CAUDILL
12305
LICENSED
PROFESSIONAL ENGINEER

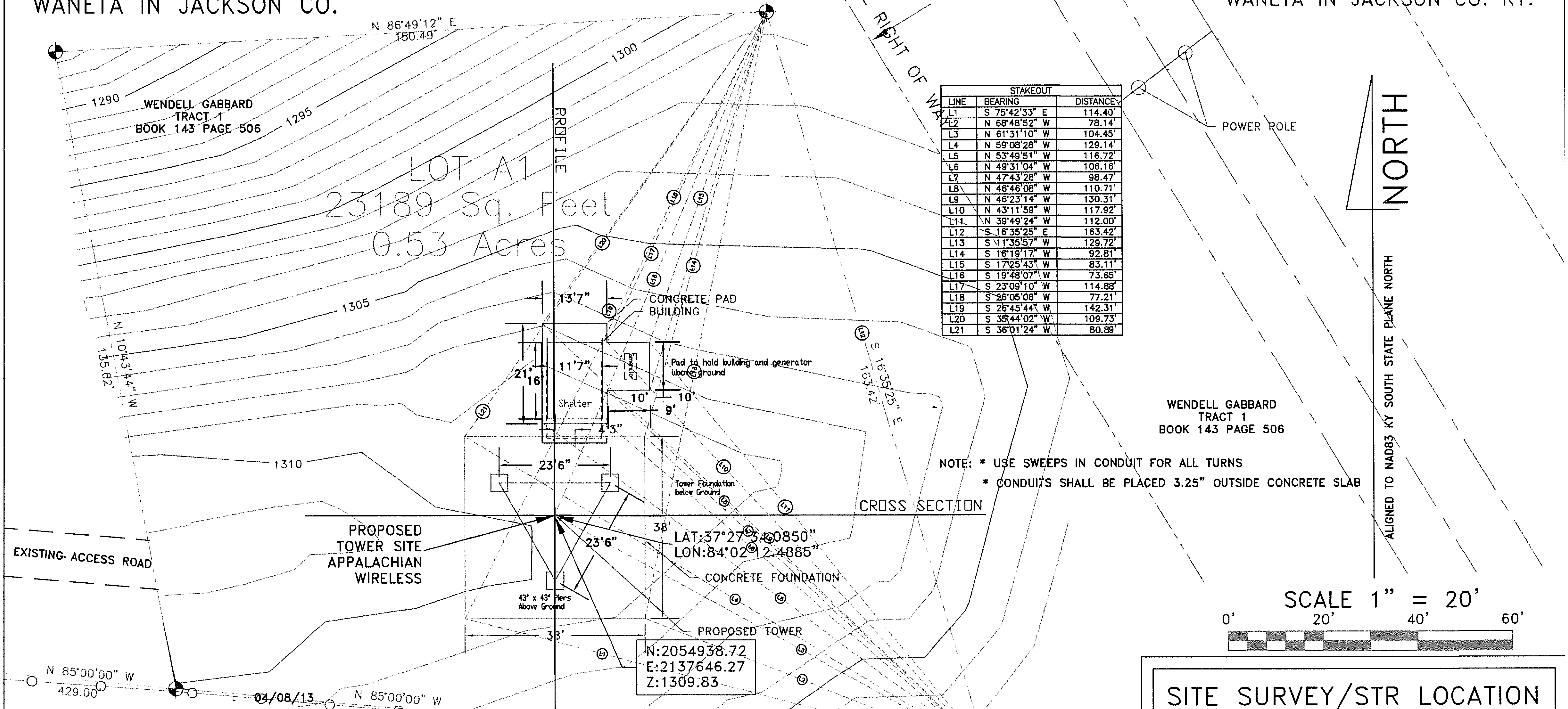
1" = 20'
04/22/13
GRAPHIC SCALE
0 20 40 60

TOWER PROFILE
WANETA TOWER APPALACHIAN WIRELESS

COLEMAN ENGINEERING
P.O. BOX 153, HINDMAN, KY 41822

SITE SURVEY
STRUCTURE LOCATION
WENDELL GABBARD TRACT
WANETA IN JACKSON CO.

APPALACHIAN WIRELESS
101 TECHNOLOGY TRAIL
IVEL, KY. 41642
PROPOSED TOWER SITE
WANETA IN JACKSON CO. KY.



STAKEOUT		
LINE	BEARING	DISTANCE
L1	S 75°42'33" E	114.40'
L2	N 68°48'52" W	78.14'
L3	N 61°31'10" W	104.45'
L4	N 59°08'28" W	129.14'
L5	N 53°49'51" W	116.72'
L6	N 49°31'04" W	106.16'
L7	N 47°43'28" W	98.47'
L8	N 46°46'08" W	110.71'
L9	N 46°23'14" W	130.31'
L10	N 43°11'59" W	117.92'
L11	N 39°49'24" W	112.00'
L12	S 16°35'25" E	163.42'
L13	S 11°35'57" W	129.72'
L14	S 16°19'17" W	92.81'
L15	S 17°25'43" W	83.11'
L16	S 19°48'07" W	73.65'
L17	S 23°09'10" W	114.88'
L18	S 26°05'08" W	77.21'
L19	S 26°45'44" W	142.31'
L20	S 35°44'02" W	109.73'
L21	S 36°01'24" W	80.89'

NOTE: * USE SWEEPS IN CONDUIT FOR ALL TURNS
* CONDUITS SHALL BE PLACED 3.25" OUTSIDE CONCRETE SLAB

- THE PROPOSED TOWER HAS BEEN LOCATED USING DUAL FREQUENCY GPS UNIT PROCESSED BY "OPUS"
- STATE PLANE COORDINATES NAD 83 KY SOUTH ZONE N 2044938.72 E 2137646.27, EL 1310' FT MSL
- PRECISION: HORIZONTAL=0.30' VERTICAL=0.50'
- THIS SURVEY MEETS OBSTACLE ACCURACY CODE 1A-
- PROPERTY LINE INFORMATION TAKEN FROM DEEDS AND VERIFIED IN THE FIELD.

James W. Caudill 12305 4-22-14
JAMES W. CAUDILL P.E. DATE

STATE OF KENTUCKY
JAMES W. CAUDILL
12305
LICENSED
PROFESSIONAL ENGINEER

LEGEND

SURVEY STA FOUND ⊕ SET ⊕
IRON PIN WITH CAP (18" X .5" REBAR PLASTIC CAP MARKED LS2259)
BOUNDARY LINE
ACCESS ROAD
PARENT TRACT LINE

SITE SURVEY/STR LOCATION

COLEMAN ENGINEERING
P. O. BOX 153, HINDMAN, KY 41822