## RECEIVED

OCT 18 2004

PUBLIC SERVICE COMMISSION

## **CASE NO. 2004-00249**

# GREEN TOWER SITE

**ELLIOTT COUNTY, KENTUCKY** 

## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION



In the matter of:

THE APPLICATION OF EAST KENTUCKY NETWORK	)	Civian
LIMITED LIABILITY COMPANY FOR THE ISSUANCE	)	
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE No 2004-00249
NECESSITY TO CONSTRUCT A TOWER IN ELLIOTT	)	
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 9 and KY RSA 10.

In an effort to improve service in Elliott 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 in Elliott County, Kentucky.. The proposed tower will be a 300 foot self-supporting tower located near Green, Kentucky (: 38 °08' 14.7" N / : 83 °01' 54.4"W). A map and detailed driving 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.

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, contains a vertical sketch of the tower by Coleman Engineering..

Pursuant to 807 KAR5:063 Sections 1 (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.

Elliott County has no formal local planning unit. In absence of this unit the Elliott 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 October 8, 2004 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 third week and on the fourth week of October in the Elliott County News. Enclosed is a copy of that notice in Exhibit 1. The Elliott County News is the newspaper with the largest circulation in Elliott 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.

Juffer - Date: 10/15/04

APPROVED BY:

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

#### **GREEN TOWER SITE**

#### CASE # 2004-00249

### **ELLIOTT COUNTY, KENTUCKY**

ITEM

EXHIBIT	<u>ITEM</u>
1.	Notification/Response from County
2.	Copies of Cell Site Notices
3.	Core Drilling Analysis
4.	Kentucky Airport Zoning Commission
	Application
5.	Tower Design
6.	FAA Notice of Proposed Construction
7.	2003 Audited Financial Statements
8.	Maps to Suitable Scale
9.	Deed of Conveyance or Lease Agreement for the Proposed Tower Site Property
10.	Survey of Site signed and sealed by a Professional Engineer Registered in Kentucky

	4

EAST KENTUCKY NETWORK
POST OFFICE BOX 405
PRESTONSBURG, KY 41653
PHONE: (606)886-6007
X: (606)886-0206
NFO@EKN.COM
.: EKN.COM



VIA: <u>U.S. CERTIFIED MAIL</u>

October 14, 2004

Charles Pennington
Elliott County Judge Executive
County Courthouse
P. O. Box 710
Sandy Hook, KY 41171-0710

Phone (606) 738-5821

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2004-00249)

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 near Green (Elliott), KY. The site is located on Locust Knob, approximately 2.37 miles east of Green. 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 Elliott County.

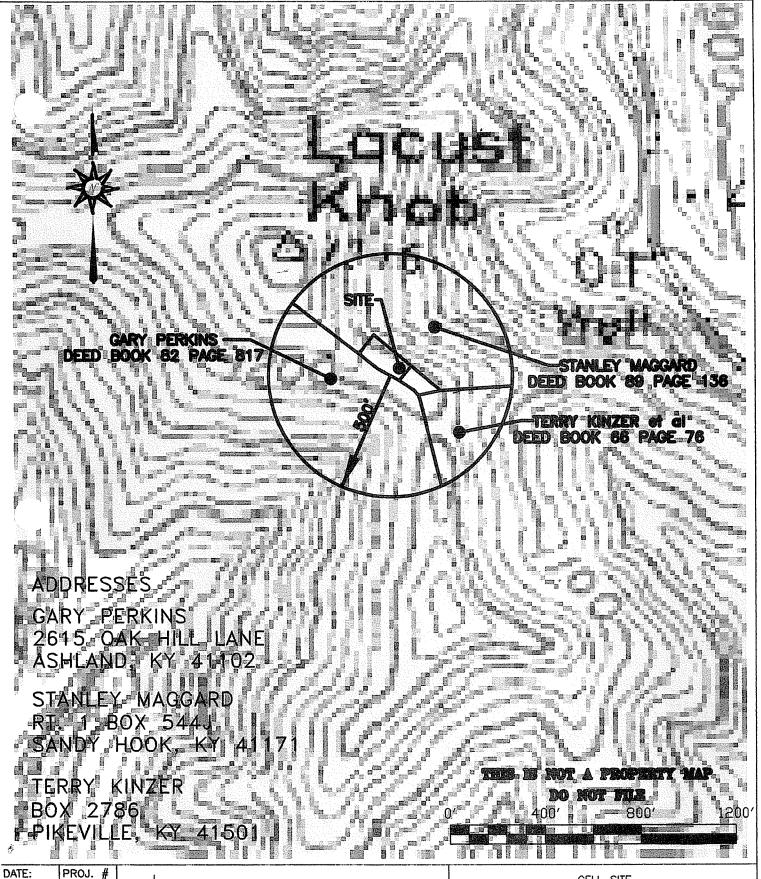
The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

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. 2004-00249 in your correspondence.

Sincerely,

Michael Huffman, CPA
Accounting Manager

enclosure



DATE:	PROJ. #
7/16/04	3010A
SCALE-	EDITED BY: JBC
DRAWN BY:	SHEET: 1 OF 1



#### **CURD SURVEYING &**

LAND CONSULTING, INC.

821 EAST MAIN STREET MOREHEAD, KENTUCKY (606) 784 - 3299

450 PRESTONSBURG STREET WEST LIBERTY, KENTUCKY 41472 (606) 743 - 1269

CELL SITE

## PERKINS-MAGGARD-KINZER

ADJACENT OWNERS

FOR APPALACHAIN WIRELESS COPPERHEAD ROAD ELLIOTT CO., KENTUCKY d/b/a Appalachian Wireless P.O. Box 405 355 Village Drive Prestonsburg, KY 41653 Phone: 606/886-6007

Fax: 606/791-2225



## Fax

То:	ELLIOTT COUNTY NEWS	From:	JANICE ROBINSON
	ATT: EARL		
Fax:	743-3565 <del>743-</del> 3551	Phone:	606-791-2375, Ext. 166
Phone:	606-738-5574	Pages:	1 Pages (INCLUDING COVER
Re:	PUBLIC NOTICE ADVERTISEMENT	CC:	

We would like to have the following public notice printed in The Elliott County News for the next two weeks. The notice should state the following:

#### **PUBLIC NOTICE:**

RE: Public Service Commission of Kentucky (CASE NO. 2004-00249)

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 Green in Elliott County, Kentucky. The proposed tower will be a 300-foot self-supporting tower. The proposed tower site is located on Locust Knob, approximately 2.37 miles east of Green.

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. 2004-00249.

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.

\$ 			

# LIST OF PROPERTY OWNERS GREEN TOWER SITE

(WITHIN 500 FEET)

GARY PERKINS 2615 OAK HILL LANE ASHLAND, KY 41102

STANLEY MAGGARD RT. 1 BOX 544J SANDY HOOK, KY 41171

TERRY KINZER BOX 2786 PIKEVILLE, KY 41501 EAST KENTUCKY NETWORK
POST OFFICE BOX 405
PRESTONSBURG, KY 41653
PHONE: (606)886-6007

^X: (606)886-0206

NFO@EKN.COM
.: EKN.COM



VIA: U.S. CERTIFIED MAIL

CELL SITE
PUBLIC NOTICE

October 15, 2004

Terry Kinzer Box 2786 Pikeville, KY 41501

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2004-00249)

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 Locust Knob, approximately 2.37 miles east of Green in Elliott County Kentucky. 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.

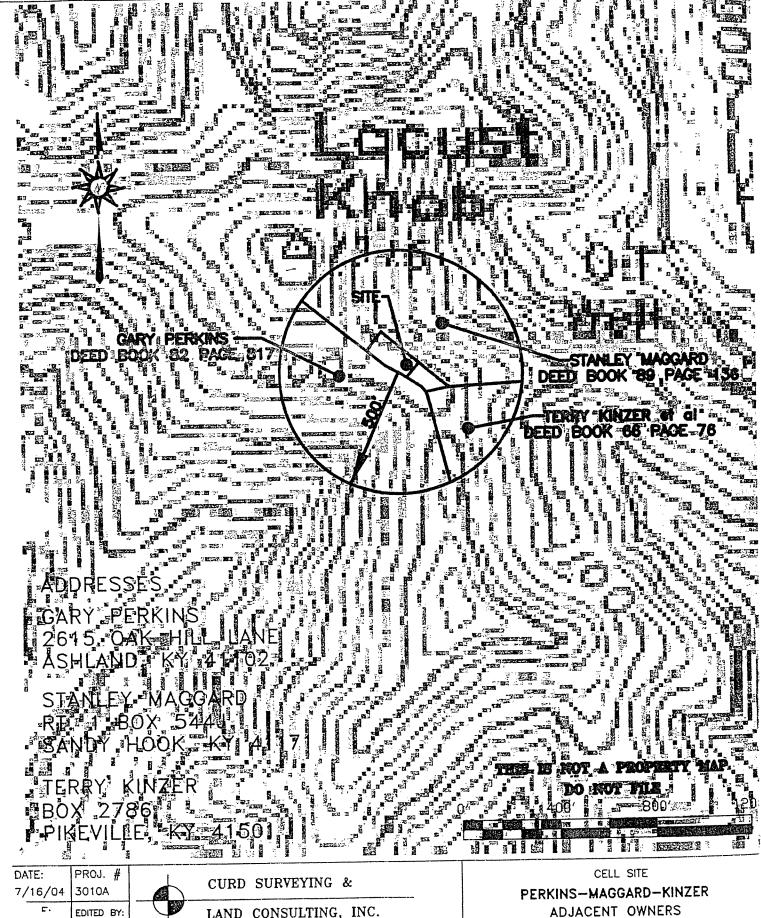
The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

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. 2004-00249 in your correspondence.

Sincerely,

Michael Huffman, CPA Accounting Manager

enclosure



EDITED BY: JBC SHEET: DRAWN BY: DMP 1 OF 1



LAND CONSULTING, INC.

821 EAST MAIN STREET MOREHEAD, KENTUCKY (606) 784 - 3299

450 PRESTONSBURG STREET WEST LIBERTY, KENTUCKY 41472 (606) 743 - 1269

FOR APPALACHAIN WIRELESS

COPPERHEAD ROAD ELLIOTT CO., KENTUCKY EAST KENTUCKY NETWORK
POST OFFICE BOX 405
PRESTONSBURG, KY 41653
PHONE: (606)886-6007

Y (606)886-0206

NFO@EKN.COM

LEKN.COM



VIA: U.S. CERTIFIED MAIL

CELL SITE
PUBLIC NOTICE

October 15, 2004

Stanley Maggard Rt. 1 Box 544J Sandy Hook, KY 41171

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2004-00249)

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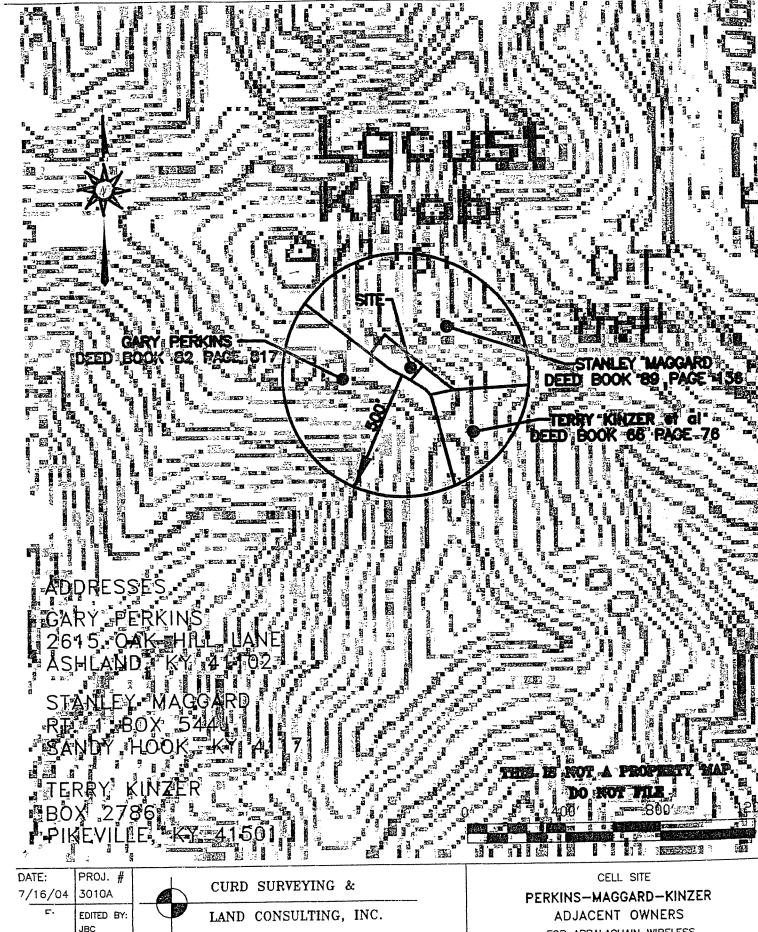
Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2004-00249 in your correspondence.

Sincerely,

Michael Huffman, CPA

Accounting Manager

enclosure



JBC SHEET: DRAWN HY: DMP 1 OF 1



**821 EAST MAIN STREET**MOREHEAD, KENTUCKY 40351
(606) 784 - 3299

450 PRESTONSBURG STREET WEST LIBERTY, KENTUCKY 41472 (606) 743 - 1269

FOR APPALACHAIN WIRELESS COPPERHEAD ROAD ELLIOTT CO., KENTUCKY EAST KENTUCKY NETWORK
POST OFFICE BOX 405
PRESTONSBURG, KY 41653
PHONE: (606)886-6007
'Y: (606)886-0206
NFO@EKN.COM
.: EKN.COM



VIA: <u>U.S. CERTIFIED MAIL</u>

## CELL SITE PUBLIC NOTICE

October 15, 2004

Gary Perkins 2615 Oak Hill Lane Ashland, KY 41102

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2004-00249)

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 Locust Knob, approximately 2.37 miles east of Green in Elliott County Kentucky. 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.

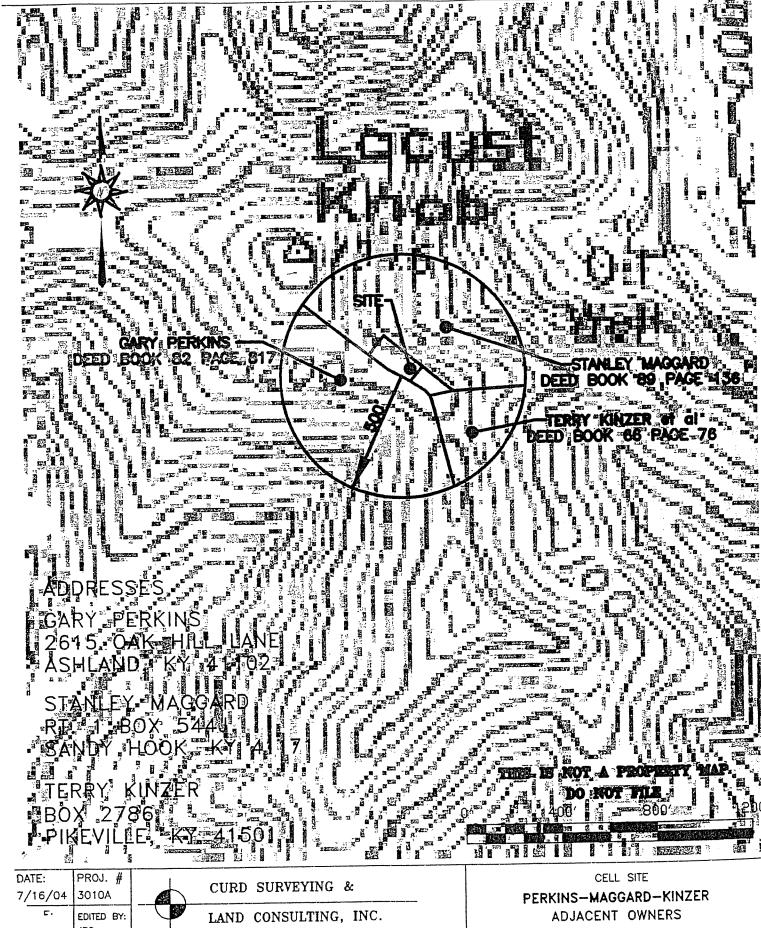
Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2004-00249 in your correspondence.

Sincerely,

Michael Huffman, CPA

Accounting Manager

enclosure



DAIL:	PROJ. #
7/16/04	3010A
<b>C</b> .	EDITED BY: JBC
DRAWN BY:	SHEET:
DMP	1 OF 1



821 EAST MAIN STREET MOREHEAD, KENTUCKY 40351 (606) 784 - 3299

450 PRESTONSBURG STREET WEST LIBERTY, KENTUCKY 41472 (606) 743 -- 1269

FOR APPALACHAIN WIRELESS

COPPERHEAD ROAD ELLIOTT CO., KENTUCKY



#### WENDELL R. HOLMES, P.G.

139 Wabaco Circle Road Hazard, KY 41701 (606) 435-8100

June 27, 2004

Green Tower Site

#### Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Elliott County near Sandy Hook, 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 Backhoe was used to expose the bedrock material. It is approximately 1.25 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.)

The terrain in Elliott County is moderately to very steep. The tower site is located on a ridgeline between Rose Creek and Bruin Creek, both being tributaries of the Little Sandy River, approximately three miles east of Green in Elliott County. The sandstone formation below the tower site is approximately thirty 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.

Rendell R. Holmes, P.

## WENDELL R. HOLMES, P.G.

139 Wabaco Circle Road Hazard, KY 41701 (606) 435-8100

## **Geologist Log**

Location: Green Tower Site

Unit Thickness	Total depth	Strata	Description
1.25′	1.25′	Soil	Brown,Yellow, Sandy, Plant Fragments
1.50′	2.75′	Sandstone	Brown, Weathered
30.00′	32.75′	Sandstone	Gray and Brown





#### Kentucky Airport Zoning Commission 200 Mero Street Frankfort, KY 40622

(502) 564-4480 fax: (502) 564-1953 No.: AS-032-212-04-163

September 13, 2004

APPROVAL OF APPLICATION

APPLICANT: EAST KENTUCKY NETWORK, LLC LEROY ADAM, CONSULTING ENGINEERR C/O LUKAS NACE GUTIERREZ & SACHS 1111 NINETEENTH STREET NW SUITE 1200 WASHINGTON, DC 20036

SUBJECT: AS-032-212-04-163

STRUCTURE:

Antenna Tower Green/Bruin, KY

LOCATION:

COORDINATES: 38-08-14.7 N / 83-01-54.4 W

HEIGHT:

325'AGL/1545'AMSL

The Kentucky Airport Zoning Commission has approved your application for a permit to construct 325'AGL/1545'AMSL Antenna Tower near Green/Bruin, KY 38-08-14.7 N / 83-01-54.4 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.

Dual obstruction lighting is required in accordance with 692 KAR 50:100.

John Houlihan, Administrator

PRINCETIONS INCLUSED	JUL 1 6 2004 17 10 00-002 (Rev. C
Cantucky Transportation Cabinet, Kallercky Airport Zanking Commission, 128 Holim	
APPLICATION FOR PERMIT TO CONSTRUCT OR ALTE	
APPLICANT - Neme, Address, Telephone, Fist, 4th. East Kenkindry Network, LLC c/o Lukee, Nece, Gulferrez & Sache, Chid. 1111 19th Street N.W., 8ulle 1200 Vesekington D.C. 20038 Tel: 202-857-3500 Fext; 202-828-8405	9. Lettude:
2. Representative of Applicant - Name, Address, Telephone, Fax	13. Nearest Kankucky public use or Millary stroot.  Olive Hill - Sellary Flaki Altrost (212)
Laftoy A. Adam	14. Distance from \$13 to Structure: 10.0 ml.
1111 19th Sweet N.W., Suite 1200	15. Direction from 813 to Structure: SE
Tel: 202-828-9489 Pax: 202-828-8405	13. She Elevation (AMEL): 1,220,00
3. Application for: M New Compriscion Fl Alteration Fl Existing	17. Total Structure Height (AGL): 325,00
4. Duration: P Permanent Fi Temporary (Months Days	18. Overall Height (816 + 817) (AMSL): 1.545.00
E. Work Schools: Sign August 23, 2004. End August 20, 2004.	te Previous FAA end/or Kentucky Aeronaudosi Study Number(s).
Real Lights and Paint  The Medium Intensity  The Marking Painting and/or Lighting Preferred:  The Lights and Paint  Thus - Red & High Intensity White  The Marking Painting Preferred:  The Dust - Red & High Intensity White  The Marking Painting Preferred:	20. Description of Location: (Atlach UBOS 7.5 minute Guardrangie is or an Airport bytout Drawing with the precise site marked and an earlied survey)  Site is on Localet Knob, 2.37 mil, east of Green (Ethot) KY.
B. FAA Aeronauteel Study Number	
21. Description of Proposition The 325-fact communication lower includes a 385-fact guyed subjet of a Band B Carular base station. The Antenne is emni-directional (	
22. HOW B "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA FORM 746) FI NO FI YOU WHEA JULY 14, 2004	
THE PASS WHEN JULY 14, 2004  CERTIFICATION: Howevy certify test skith unbove statements made by the arr	helte 14, 2004
Privad Name and Title	Date 183,891 through 193,990) and Kenlucky Asministrative Regulations (60).
PENALTIES: Persons felling to comply with Kernossy restaint in KRB 183.88	: 183.861 Brough 193.890) and Hanlucky Administrative Magulations (603 0(3). Non-compliance with Federal Aviation Administrative Regulations may

#### LUKAS, NACE, GUTIERREZ & SACHS

# CHARTERED 1111 NINETEENTH STREET, N.W. SUITE 1200

WASHINGTON, D.C. 20036 (202) 857-3500

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ
ELIZABETH R. SACHS
GEORGE L. LYON, JR.
JOEL R. KASWELL
PAMELA L. GIST
DAVID A. LAFURIA
MARILYN SUCHECKI MENSE
B. LYNN F. RATNAVALE

TODD SLAMOWITZ DAVID M. BRIGLIA

+ NOT ADMITTED IN D.C.

STEVEN M. CHERNOFF

July 14, 2004

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEROY A. ADAM
LEILA REZANAVAZ

of counsel.
JOHN J. McAVOY
J.K. HAGE III<sup>+</sup>
LEONARD S. KOLSKY<sup>+</sup>
HON. GERALD S. McGOWAN

TELECOPIER (202) 857-5747

http://www.fcclaw.com

WRITER'S DIRECT DIAL

(202) 828-9489

TELECOPIER

(202) 828-8405

#### 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 Green (Elliott), KY. The site is located on Locust Knob, approximately 2.37 miles east of Green.

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.

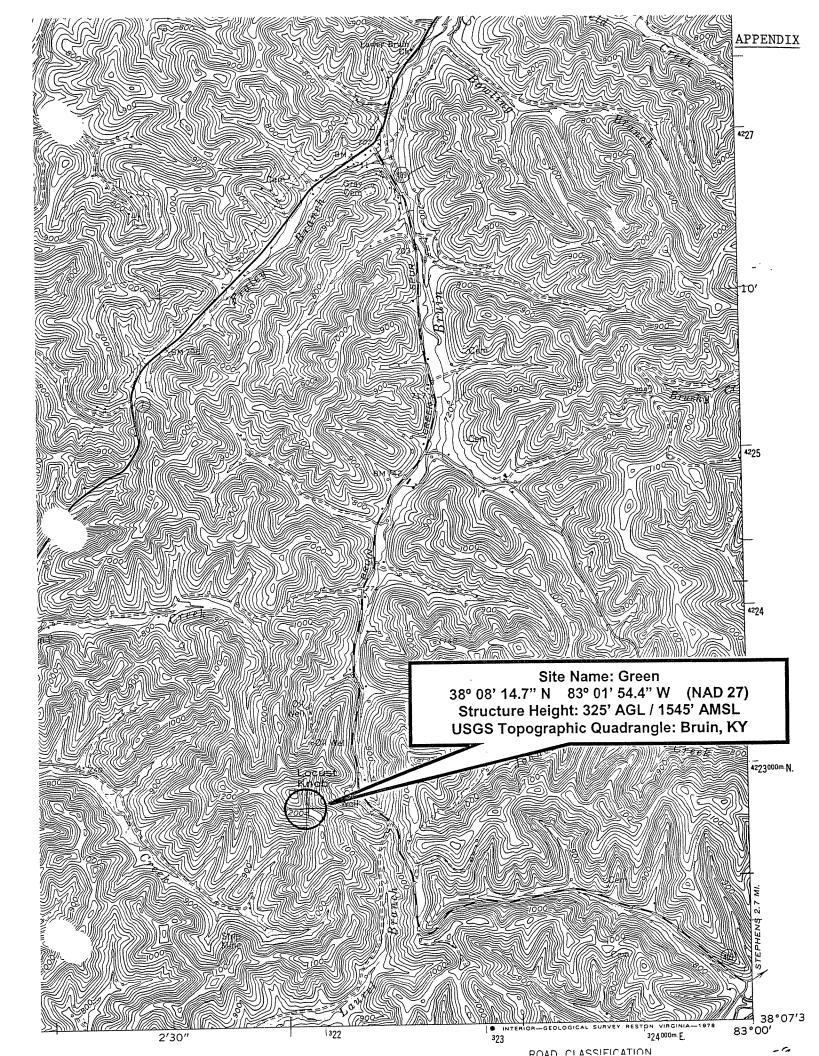
Sincerely,

Consulting Engineer

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

INSTRUCTIONS INCLUDED	TC 56-50E (Rev. 08
Kentucky Transportation Cabinet, Kentucky Airport Zoning Commission, 125 Holms	
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. 1111 19th Street N.W., Suite 1200 Washington D.C. 20036 Tel: 202-857-3500 Fax: 202-828-8405	9. Latitude:38 °0814 7
2. Representative of Applicant – Name, Address, Telephone, Fax LeRoy A. Adam Lukas, Nace, Gutierrez & Sachs, Chtd. 1111 19th Street N.W., Suite 1200 Washington D.C. 20036 Tel: 202-828-9489 Fax: 202-828-8405	13. Nearest Kentucky public use or Military airport:  Olive Hill - Sellers' Field Airport (212)  14. Distance from #13 to Structure:
3. Application for.  New Construction  Alteration  Existing  4. Duration:  Permanent  Temporary (Months	17. Total Structure Height (AGL):  18. Overall Height (#16 + #17) (AMSL):  19. Previous FAA and/or Kentucky Aeronautical Study Number(s):  20. Description of Location: (Attach USGS 7.5 minute Quadrangle Malor an Airport layout Drawing with the precise site marked and any certified survey)  Site is on Locust Knob, 2.37 mi. east of Green (Elliott) KY.
FAA Aeronautical Study Number. TBD  21. Description of Proposal:  The 325-foot communication tower includes a 300-foot guyed support of a Band B Cellular base station. The Antenna is omni-directional ( b.)	t structure plus a 25-foot high antenna/lightning rod for operation learnwidth 360°) with the maximum ERP at 150 Watts.
22. Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-  No Pyes, When July 14, 2004  CERTIFICATION: I hereby certify that all the above statements made by me are to the statement of the signature  LeRoy A. (Art) Adam  Printed Name and Title  PENALTIES: Persons failing to comply with Kentucky Revised Statutes (KRS 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183.990 in further penalties.	July 14, 2004 Date  Date  Date  Date  Date
	airman, KAZC

☐ Approved ☐ Disapproved



### LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1111 NINETEENTH STREET, N.W.
SUITE 1200

WASHINGTON, D.C. 20036 (202) 857-3500

USSELL D. LUKAS
JAVID L. NACE
THOMAS GUTIERREZ
ELIZABETH R. SACHS
GEORGE L. LYON, JR.
JOEL R. KASWELL
PAMELA L. GIST

DAVID A. LAFURIA MARILYN SUCHECKI MENSE

B. LYNN F. RATNAVALE TODD SLAMOWITZ

DAVID M. BRIGLIA STEVEN M. CHERNOFF

+ NOT ADMITTED IN D.C.

July 14, 2004

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEROY A. ADAM
LEILA REZANAVAZ

OF COUNSEL
JOHN J. MCAVOY
J.K. HAGE III†
LEONARD S. KOLSKY†
HON. GERALD S. McGOWAN

TELECOPIER (202) 857-5747

http://www.fcclaw.com

WRITER'S DIRECT DIAL

(202) 828-9489 TELECOPIER (202) 828-8405

#### 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 is an FAA Form 7460-1 (Notice of Proposed Construction) for a 325' communications tower structure (300' tower plus 25' antenna/lightning rod) proposed near Green (Elliott County), Kentucky. The proposed site ("Green") is on Locust Knob approximately 2.37 miles east of Green.

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky RSA-9 (Elliott), Market No. 451. Transmit frequencies to be used at this station are Cellular Band B (880-890 MHz); the maximum ERP will be 150 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 North American Datum 27 (NAD27).

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,

eRoy A. (Art) Adam

Consulting Engineer

Enclosure

cc:

East Kentucky Network, LLC Attention: Gerald Robinette

Marty Thacker

Form Approved OMB No. 2120-0001

ease Type or Print on This Form Failure To Provide All Requested Information May Delay Processing of Your Notice FOR FAA USE ONLY Aeronautical Study Number Notice of Proposed Construction or Alteration tment of Transportation iation Administration (person, company, etc. proposing this action): Sp 9. Latitude: in. of: LeRoy A. (Art) Adam ime: East Kentucky Network, LLC 10. Longitude: \_\_\_\_\_83<sup>0</sup> \_\_\_\_ ldress: C/O Lukas, Nace, Gutierrez & Sachs, Chtd. 11. Datum: ☐ NAD 83 ☐ NAD 27 ☐ Other\_\_\_ 11 19th Street, N.W., Suite 1200 State: DC Zip: 20036 ty: Washington 12. Nearest: City: Green Fax: <u>202-828-8405</u> elephone: 202-857-3500 13. Nearest Public-use (not private-use) or Military Airport or Heliport: Sponsor's Representative (if other than #1): Olive Hill - Sellers' Field Airport (212) tn. of: LeRoy A. (Art) Adam 14. Distance from #13. to Structure: 10.0 miles ame: Lukas, Nace, Gutierrez & Sachs ddress: 1111 19th Street, N.W. 15. Direction from #13. to Structure: SE uite 1200 1220 \_Zip: <u>20036</u> 16. Site Elevation (AMSL): State: DC ity: Washington \_Fax: <u>202-828-8405</u> elephone: 202-828-9489 17. Total Structure Height (AGL): 325 1545 18. Overall height (#16. + #17.) (AMSL): New Construction ☐ Alteration Existing . Notice of: Previous FAA Aeronautical Study Number (if applicable): days) □ Permanent □ Temporary ( . Duration: . Work Schedule: Beginning 08/23/04 20. Description of Location: (Attach a USGS 7.5 minute ☐ Power Line ☐ Building Quadrangle Map with the precise site marked and any certified survey.) ☐ Water Tank ☐ Other ☐ Landfill Site is on Locust Knob, 2.37 miles east of Green (Elliott), KY. ing/Painting and/or Lighting Preferred: □ Dual - Red and Medium Intensity White hts and Paint ☐ Dual - Red and High Intensity White Medium Intensity ] W. ☐ Other ☐ White - High Intensity i. FCC Antenna Structure Registration Number (if applicable): Frequency/Power (kW) ∴1. Complete Description of Proposal: 880-890 0.150 The 325-foot communication tower includes a 300-foot guyed support structure plus a 25-foot high antenna/lightning rod MHz or operation of a Band B Cellular base station. The Antenna is omni-directional (beamwidth 360°) with the maximum ERP at 150 Watts. required by 14 Code of Federal Regulations, part 77 pursuant to 49 U.S.C., Section 44718. Persons who knowingly and willingly violate the notice ints of part 77 are subject to a civil penalty of \$1,000 per day until the notice is received, pursuant to 49 U.S.C., section 46301 (a). I hereby certify that all of the above statements made by me are true, complete, and correct to the best of my knowledge. In addition, I agree to req. mark and/or light the structure in accordance with established marking and lighting standards as necessary. Typed or Printed name and Title of Person Filing Notice

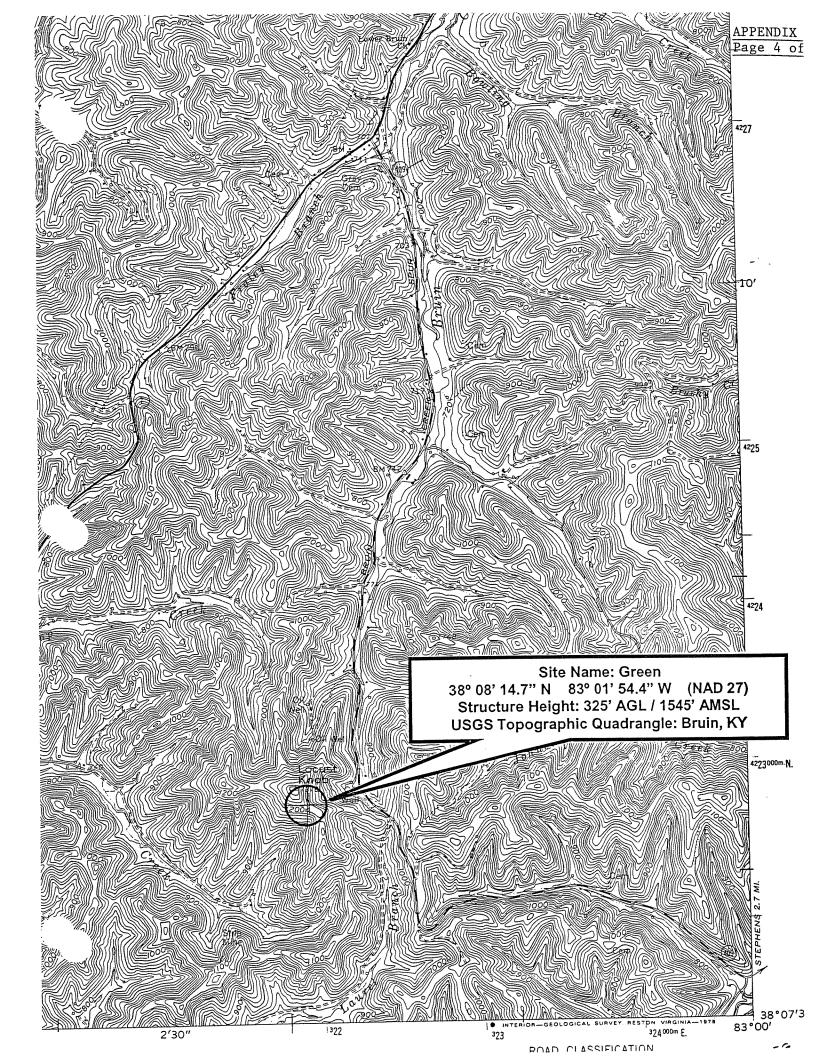
LeRoy A. Adam, Consulting Engineer

FAA Form 7460-1 (2-99) Supercedes Previous Edition

Date

July 14, 2004

NSN: 0052-00-012-0008



## Appendix C

Not Applicable

The proposed antenna support structure is to be constructed for the purpose of cellular radio transmission considered to be a new cell in an existing licensed system. Therefore, under the provisions of section 22.163(e) of the Federal Communications Commission rules, no application for a new FCC license is required.

A copy of the existing license is attached hereto.

#### **ULS License**

#### Cellular License - KNKN880

Call Sign

KNKN880 Active Radio Service Auth Type CL - Cellular

Status

Market CMA451 - Kentucky 9 - Eiliott

Channel Block

Regular

Submarket

Dh. -

B 2

Cellular SID

1290

Phase

**Dates**Grant

08/28/2001

Expiration

10/01/2011

Effective

08/15/2002

Cancellation

Five Year Buildout Date

10/23/1996

**Control Points** 

1

U.S. 23, HAROLD, KY

Licensee

Licensee ID SGIN L00000729 000 FRN

0001786607

Туре

Limited Liability Corporation

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 Fixed, Mobile

Regulatory Status Common Carrier

Interconnected?

Yes

Alien Ownership

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

**Basic Qualifications** 

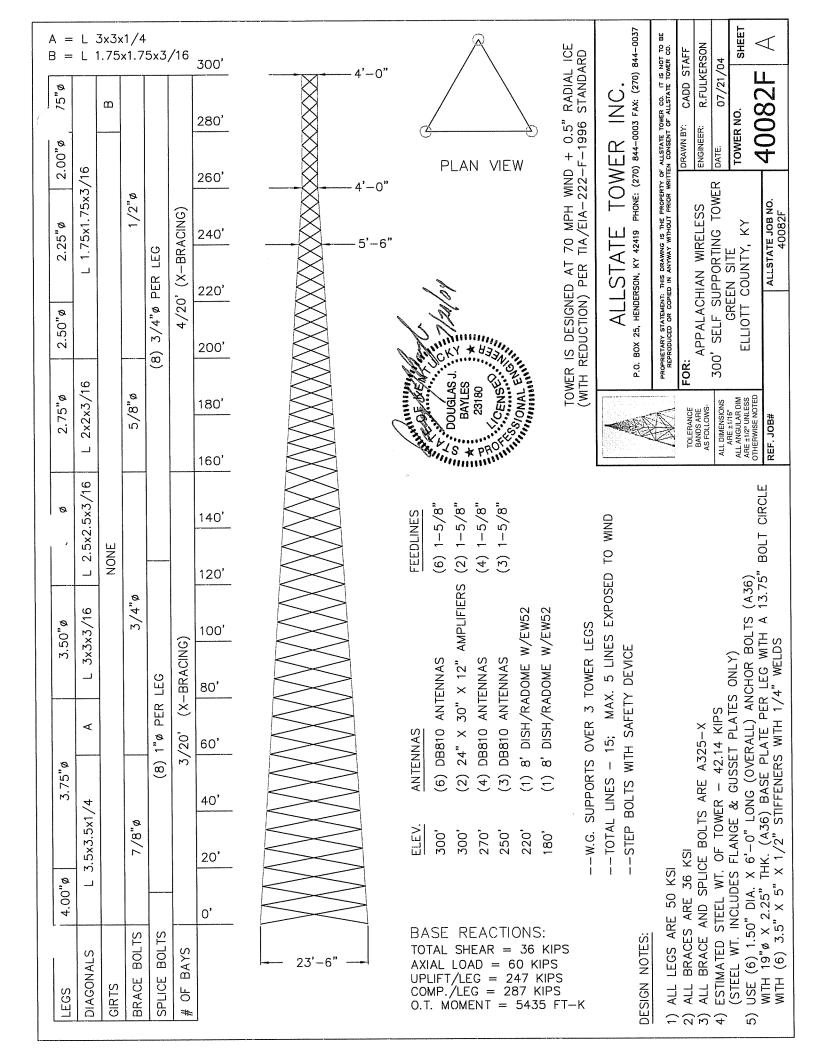
The Applicant answered "No" to each of the Basic Qualification questions.

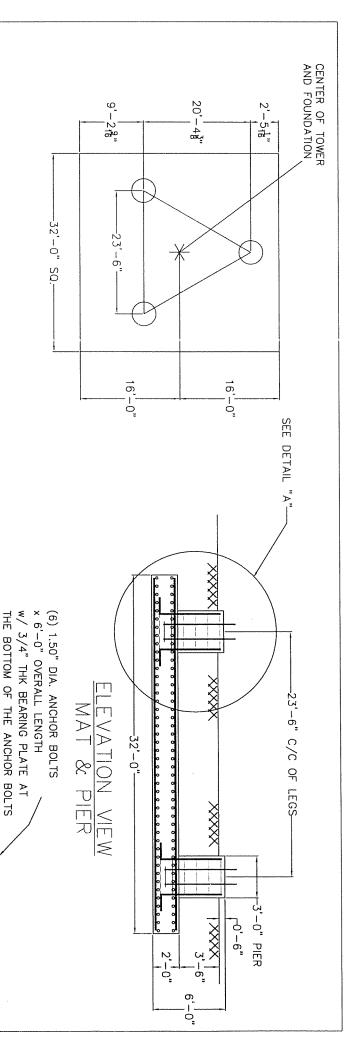
Race

Hispanic/Latino?

Gender

1			





# PLAN VIEW

(9) #9 VERTICAL BARS w/

(MIN. EMBED. LENGTH = 5)

#4 TIES AT 12" O.C. FOR

USE 3'-6" LONG 90' HOOK FOR EACH #9 V-BAR.

0

ENTIRE LENGTH

- TOTAL VOLUME OF CONCRETE 79 C.Y.
- 5 FOUNDATION DESIGN IS BASED ON THE SITE ASSESSMENT AND GEOLOGIST LOG PREPARED BY WENDELL R. HOLMES, P.G.
- Ņ USE (6) 1.50" DIA. A36 ANCHOR BOLTS ON A 13.75" DIA. B.C.
- 4. REBARS PER ASTM A615 GR. 60

EQUALLY SPACED EACH WAY AT TOP

(34) #9 HORIZONTAL BARS

- Ņ ULTIMATE CONCRETE STRENGTH = 3000 PS
- 9 MIN. COVER OF CONCRETE = 3"
- 7. COMPACT BACKFILL IN 8" LIFTS TO GROUND SURFACE.
- œ COMPACT BACKFILL TO 90% TO 95% OF THE STANDARD MAXIMUM DRY DENSITY PER ASTM D1557

# PLACEMENT PROCEDURE

- EXCAVATE HOLE OR FORM MAT TO DIMENSIONS SHOWN
- Ņ PLACE A 2 TO 3 INCH MUD MAT OF LEAN CONCRETE ON CLEANED AND INSPECTED BOTTOM OF EXCAVATION TO PROTECT BEARING SOILS FROM PROLONGED EXPOSURE.
- Ņ (INCLUDING HORIZONTAL AND VERTICAL REBAR, AND ANCHOR BOLT ASSEMBLIES) PLACE ALL REINFORCING STEEL IN EXCAVATION TO THE LINES AND GRADES SHOWN
- POUR TH J THE DEPTH SHOWN

4.

Ċ FORM AND POUR THE PIERS AFTER MAT HAS CURED FOR 12 HRS



# P.O. BOX 25, HENDERSON, KY 42419 \_STATE PHONE: (270) 844-0003 FAX: (270) 844-0037 TOWER ZC.

"

 $\supset$ 

ALL DIMENSIONS
ARE ±1/16\*
ALL ANGULAR DIM
ARE ±1/2\* UNLESS
OTHERWISE NOTED TOLERANCE BANDS ARE AS FOLLOWS PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ALLSTATE TOWER CO. IT IS NOT TO BE REPRODUCED ON COMED IN ANYMAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER CO. O' SELF-SUPPORTING TOWER MAT & PIER FOUNDATION APPALACHIAN WIRELESS GREEN SITE ENGINEER: R.FULKERSON 07/21/04 CADD STAFF SHEET

40082F  $\Box$ 

ELLIOTT COUNTY, KENTUCKY

REF. JOB# 40082-FOUNDATION ALLSTATE JOB NO.



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

ssued Date: 7/28/2004

LEROY A ADAM
EAST KENTUCKY NETWORK LLC
1111 19TH STREET NW STE 1200
WASHINGTON, DC 20036

#### \*\* 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:

GREEN, KY

Latitude:

38-8-14.98 NAD 83

Longitude:

83-1-54.01

Heights:

325 feet above ground level (AGL)

1545 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

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 appraised as to the status of the project. Failure to respond to periodic FAA inquiries could invalidate this determination.

This determination expires on 1/28/2006 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.

'OTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION OUST 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 etermination. Any future construction or alteration, including increase to eights, 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)305-5579. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2004-ASO-4111-OE.

#### Signature Control No: 389735-293071

(DNE)

Earl P Newalu Jr. Specialist

`ttachment(s)
requency Data

7460-2 Attached

# Frequency Data for ASN 2004-ASO-4111-OE

LOW FREQUENCY	HIGH FREQUENCY	FREQUENCY UNIT	ERP	ERP UNIT
880	890	MHz	.15	KW

)		

FINANCIAL REPORT

December 31, 2003



# 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, 2003 and 2002 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, 2003 and 2002 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 Pic

Louisville, Kentucky February 26, 2004

642 South Fourth Avenue, Suite 300 Louisville, Kentucky 40202-9975 (502) 583-0248 • FAX (502) 589-1680

ALLICATION DO NOT DE LA COLOR DE LA COLOR

# BALANCE SHEETS December 31, 2003 and 2002

ASSETS	2003	2002
CURRENT ASSETS  Cash and cash equivalents  Short-term investments	\$ 2,781,029 2,617,468	\$ 1,27€ 10€
Accounts receivable, less allowance for doubtful accounts of \$280,280 in 2003 and \$834,722 in 2002 Inventory	1,283,271 419,855	1,467 857
Prepaid expenses  Total current assets	107,325 \$ 7,208,948	\$ 3,788
PROPERTY, PLANT AND EQUIPMENT (Note 4)		
Plant in service:	\$ 7,021,978	\$ 6,072
General support	6,265,231	<b>5,73</b> 9
MTSO equipment Cell equipment	25,509,795	23,975
Paging equipment	3,300,442	3,197
Fiber ring	3,987,697	3,715
Unfinished plant	1,520,311	. 10.700
Olimionos p.—.	\$ 47,605,454	\$ 42,700
Less accumulated depreciation	19,301,482	15,782 \$ 26,918
	\$ 28,303,972	\$ 20,910
OTHER ASSETS Investment in affiliated company, RTFC (Note 4)	\$ 867,749	\$ 864
Intangible assets, net of accumulated amortization	5,947,249	6,489
of \$1,519,773 in 2003 and \$972,121 in 2002 (Note 2)	30,909	32
Other	\$ 6,845,907	\$ 7,386
	\$ 42.358.827	\$ 38.09

LIABILITIES AND MEMBERS' EQUITY	2003	2002
CURRENT LIABILITIES  Notes payable (Note 3)  Current maturities of long-term debt (Note 4)  Accounts payable  Accounts payable, member (Note 6)  Accrued expenses  Customer deposits  Total current liabilities	\$ 2,200,000 798,055 662,323 6,178 780,509 164,192 \$ 4,611,257	\$ 2,700,0 754,2 639,3 51,2 673,4 116,4 \$ 4,934,5
LONG-TERM DEBT, less current maturities (Note 4)  MEMBERS' EQUITY	7,408,929 30,338,641	8,181, <sup>4</sup> 24,976,8

**\$ 42.358,827 \$ 38.09**?

# STATEMENTS OF INCOME Years Ended December 31, 2003 and 2002

· •		
	2003	2002
REVENUE	\$ 16,436,390	`\$ 14,910
Retail	3,784,721	3,653
Roamer	178,971	258
Long distance	1,584,737	2,009
Paging	1,474,793	1,332
Equipment sales	1,860,502	<b>7</b> 86
Other	\$ 25,320,114	\$ 22,950
Total revenue		
EXPENSES	\$ 7,019,191	<b>\$</b> 5,653
Cost of cellular service	629,904	<b>6</b> 66
Cost of paging service	2,396,548	3,099
Cost of equipment sales	950,566	893
Customer service	1,016,679	1,011,
Billing	1,337,980	1,298
Selling	705,705	<b>72</b> 2
Maintenance	303,426	271
Utilities	937,244	635
Bad debts	.127,313	118
Cell site rental	241,575	319
Taxes	470,732	745
Advertising	1,473,026	1,52
General and administrative	253,738	218
Occupancy	3,481,218	3,378
Depreciation	609,215_	45
Amortization	\$ 21.954.060	\$ 21.00.
Total expenses		
Income from operations	\$ 3,366,054	\$ 1.94
OTHER INCOME (EXPENSE)	\$ 38,725	\$ 3
Interest income	(542,951)	(65
Interest expense	\$ (504,226)	\$ (62
Net income	\$ 2.861.828	\$ 1.32

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

# STATEMENTS OF MEMBERS' EQUITY Years Ended December 31, 2003 and 2002

	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, 2002 Net income Balance, December 31, 2002 Net income Capital contributions Balance, December 31, 2003	\$ 4,730,585	\$ 4,730,584	\$ 4,730,584	\$ 4,730,585	\$ 4,730,585	\$23,652,5
	264,778	264,778	264,778	264,778	264,778	1,323,8
	\$ 4,995,363	\$ 4,995,362	\$ 4,995,362	\$ 4,995,363	\$ 4,995,363	\$24,976,5
	572,366	572,366	572,366	572,366	572,366	2,861,6
	500,000	500,000	500,000	500,000	500,000	2,500,6
	\$ 6.067,729	\$ 6.067,728	\$ 6.067,728	\$ 6,067,729	\$ 6.067,729	\$30,338,6

# STATEMENTS OF CASH FLOWS Years Ended December 31, 2003 and 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES  Net income	\$ 2,861,828	\$ 1,323,89
Adjustments to reconcile net income to net cash provided		
by operating activities:	2 401 210	3,378,08
Depreciation	3,481,218	451,45
A mortization	609,215	451,45
Changes in assets and liabilities, net of the effects	•	
of investing and financing activities:	183,762	102,42
Decrease in accounts receivable	437,460	83,6 <i>€</i>
Decrease in inventory .	(20,127)	88,05
(Increase) decrease in prepaid expenses	1,119	1,11
Decrease in other assets	22,942	<b>(</b> 897 <b>,</b> 0€
Increase (decrease) in accounts payable	(45,077)	(130,91
(Decrease) in accounts payable, member		185,20
Increase in accrued expenses	107,040	<b>57.0</b> 8
Increase in customer deposits	47,660	\$ 4,642.95
Net cash provided by operating activities	\$ 7,687,040	3 4,042,7
CASH FLOWS FROM INVESTING ACTIVITIES  Purchase of property, plant and equipment  Purchase of intangibles  Purchase of short-term investments  Purchase of RTFC equity certificates  Net cash (used in) investing activities	\$ (4,933,301) (2,517,468) (3,352) \$ (7,454,121)	\$ (4,235,52 (705,96) (28.97) \$ (4,970,4)
CASH FLOWS FROM FINANCING ACTIVITIES  Proceeds from capital contributions  Net borrowings on notes payable  Payments on long-term borrowings  Net cash provided by (used in) by financing activities	\$ 2,500,000 (500,000) (728,750) \$ 1,271,250	\$ 671,6 (681.7 \$ (10.1
Net increase (decrease) in cash and cash equivalents	\$ 1,504,169	\$ (337,5
Cash and cash equivalents:  Beginning	1,276,860	1.614.6 \$ 1.276.5
Ending	<u>\$ 2,781,029</u>	<u>\$ 1.270.0</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash payments for interest	\$ 531,577	\$ 666,

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

# 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 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.

# 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, 2003 and 2002, these costs were \$470,732 and \$745,470, 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.

Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2003 and 2002:

	December 31,		
	2003	2002	
Customer lists Non-compete agreements FCC licenses Use of name Goodwill (excess cost over assets acquired) Other	\$ 5,363,530 220,348 841,593 10,000 1,005,712 25,839 \$ 7,467,022 (1,519,773)	\$ 5,363,530 220,348 841,593 10,000 1,005,712 20,691 \$ 7,461,874 (972,121)	
Less accumulated amortization	\$ 5,947,249	\$ 6,489,753	

# Note 3. Notes Payable

Notes payable consist of the following:

	December 31,		
	2003	2002	
RTFC, Line of Credit (a) Cumberland Mountain Paging (b) Total	\$ 1,800,000 400,000 \$ 2,200,000	\$ 2,300,000 400,000 <b>\$</b> 2,700,000	

- (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, 2003 and 2002 was \$1,800,000 and \$2,300,000, respectively. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and expires June 28, 2004.
- (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, 2003 and 2002 consists of the following:

	$\mathbf{D}_{\mathbf{c}}$	ecember 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	<b>9</b> 97,35°
Dated 11/13/97, variable rate			
(7.20% at 12/31/03)	893,978	73,946	<b>820,03</b> 1
Dated 12/31/98, variable rate			400.004
(7.25% at 12/31/03)	733,212	52,230	<b>6</b> 80,981
Dated 02/13/01, variable rate			055.000
(4.20% at 12/31/03)	932,054	76,974	855,080
Dated 02/13/01, variable rate			1 002 75
(4.20% at 12/31/03)	1,094,112	90,358	1,003,75
Dated 07/27/01, variable rate		100	2 021 57
(4.20% at 12/31/03)	3,220,078	. 388,499	2,831,579
	\$ 8,206,984	\$ 798,055	<b>\$ 7,4</b> 08,92
	\$ 6,200,904		
	I	December 31, 2002	
	Balance	December 31, 2002 Current	Long-Tern
Notes payable, RTFC:			
Notes payable, RTFC: Dated 11/13/97, variable rate		Current	Long-Terr
Dated 11/13/97, variable rate			
Dated 11/13/97, variable rate (7.00% at 12/31/02)	Balance	Current \$ 18,710	Long-Terr \$ 242,07
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate	Balance	Current	Long-Terr
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02)	Balance \$ 260,785	Current \$ 18,710 90,801	Long-Terr \$ 242,07 1,090,32
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate	Balance \$ 260,785	Current \$ 18,710	Long-Terr \$ 242,07
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02)	Balance \$ 260,785 1,181,142 969,326	Current \$ 18,710 90,801 63,854	Long-Teri \$ 242,07 1,090,32 900,4
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate (7.20% at 12/31/02) Dated 12/31/02) Dated 12/31/98, variable rate	Balance \$ 260,785 1,181,142	Current \$ 18,710 90,801	Long-Terr \$ 242,07 1,090,32
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate (7.20% at 12/31/02) Dated 12/31/98, variable rate (7.25% at 12/31/02)	Balance \$ 260,785 1,181,142 969,326	Current \$ 18,710 90,801 63,854 43,609	Long-Teri \$ 242,07 1,090,32 900,4
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate (7.20% at 12/31/02) Dated 12/31/98, variable rate (7.25% at 12/31/02) Dated 02/13/01, variable rate	Balance \$ 260,785 1,181,142 969,326	Current \$ 18,710 90,801 63,854	Long-Teri \$ 242,07 1,090,32 900,4
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate (7.20% at 12/31/02) Dated 12/31/98, variable rate (7.25% at 12/31/02) Dated 02/13/01, variable rate (5.30% at 12/31/02)	Balance \$ 260,785  1,181,142  969,326  785,751  997,130	Current  \$ 18,710  90,801  63,854  48,609  73,026	\$ 242,07 1,090,32 900,4 737,1- 924,1
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate (7.20% at 12/31/02) Dated 12/31/98, variable rate (7.25% at 12/31/02) Dated 02/13/01, variable rate (5.30% at 12/31/02) Dated 02/13/01, variable rate (5.30% at 12/31/02)	Balance \$ 260,785 1,181,142 969,326 785,751	Current \$ 18,710 90,801 63,854 43,609	Long-Teri \$ 242,07 1,090,32 900,4
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate (7.20% at 12/31/02) Dated 12/31/98, variable rate (7.25% at 12/31/02) Dated 02/13/01, variable rate (5.30% at 12/31/02) Dated 02/13/01, variable rate (5.30% at 12/31/02)	Balance \$ 260,785  1,181,142  969,326  785,751  997,130  1,170,503	Current  \$ 18,710  90,801  63,854  48,609  73,026  85,724	\$ 242,07 1,090,32 900,4 737,1 924,1 1,084,7
Dated 11/13/97, variable rate (7.00% at 12/31/02)  Dated 11/13/97, variable rate (5.60% at 12/31/02)  Dated 11/13/97, variable rate (7.20% at 12/31/02)  Dated 12/31/98, variable rate (7.25% at 12/31/02)  Dated 02/13/01, variable rate (5.30% at 12/31/02)  Dated 02/13/01, variable rate (5.30% at 12/31/02)  Dated 07/13/01, variable rate (5.30% at 12/31/02)  Dated 07/27/01, variable rate	Balance \$ 260,785  1,181,142  969,326  785,751  997,130	Current  \$ 18,710  90,801  63,854  48,609  73,026	\$ 242,07 1,090,32 900,4 737,1- 924,1
Dated 11/13/97, variable rate (7.00% at 12/31/02) Dated 11/13/97, variable rate (5.60% at 12/31/02) Dated 11/13/97, variable rate (7.20% at 12/31/02) Dated 12/31/98, variable rate (7.25% at 12/31/02) Dated 02/13/01, variable rate (5.30% at 12/31/02) Dated 02/13/01, variable rate (5.30% at 12/31/02)	Balance  \$ 260,785  1,181,142  969,326  785,751  997,130  1,170,503  3,571,097	Current  \$ 18,710  90,801  68,854  48,609  73,026  85,724  368,573	Long-Terr  \$ 242,07  1,090,32  900,43  737,1  924,1  1,084,7  3,202,5
Dated 11/13/97, variable rate (7.00% at 12/31/02)  Dated 11/13/97, variable rate (5.60% at 12/31/02)  Dated 11/13/97, variable rate (7.20% at 12/31/02)  Dated 12/31/98, variable rate (7.25% at 12/31/02)  Dated 02/13/01, variable rate (5.30% at 12/31/02)  Dated 02/13/01, variable rate (5.30% at 12/31/02)  Dated 07/13/01, variable rate (5.30% at 12/31/02)  Dated 07/27/01, variable rate	Balance \$ 260,785  1,181,142  969,326  785,751  997,130  1,170,503	Current  \$ 18,710  90,801  63,854  48,609  73,026  85,724	\$ 242,07 1,090,32 900,4 737,1 924,1 1,084,7

# Note 4. Long-Term Debt (Continued)

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 a variable rate set by RTFC.

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:

0004		\$	798,055
2004	· ·		844,397
2005			893,474
2006			945,454
2007			1,000,508
2008		*	1,000,500

#### 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 \$59,472 and \$60,561 matching funds for its 401(k) plan during the years ended December 31, 2003 and 2002, 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 \$205,832 and \$146,459 to its retirement savings plan during the years ended December 31, 2003 and 2002, respectively.

# Note 6. Related Party Transactions

The Company shares personnel with one of its members. The Company paid \$126,331 and \$126,130 for shared personnel during the years ended December 31, 2003 and 2002 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 \$765,004 and \$579,948 for the years ended December 31, 2003 and 2002, 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.

1 }			

# ADDRESS OF PROPOSED TOWER

# GREEN CELL SITE ELLIOTT COUNTY, KENTUCKY

COORDINATES OF PROPOSED GREEN TOWER SITE

# Directions to Greene Site

From the court house in Sandy Hook take route 7 north 5.7 miles to the Jct. Of Route 409. Route 409 turns right and go 2.8 miles to top of the hill and turn right on to Copper Head Rd. Copper Head Rd. is a gravel road and will continue up the hill to the Greene tower site.



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#### **DEED OF CONVEYANCE**

THIS DEED OF CONVEYANCE, entered into this  $30^{-4}$  day of  $10^{-4}$  day

#### WITNESSETH:

That said Grantor for and in consideration of the sum of Twenty Four Thousand Dollars (\$24,000.00), cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, do hereby grant, sell and convey to the Grantee, its successors and assigns, the following described property, to-wit:

BEING a part of the same property conveyed from Norman Noble to Stanley Maggard in deed dated December 12, 1997, and recorded in Deed Book 89, Page 136, Elliott County Court Clerk's Office.

BEING the same property described by metes and bounds as Tract I in the description attached hereto and made a part hereof as Exhibit "A", and as shown as Tract I on the plat dated day of March 8, 2004, prepared by Joseph B. Curd, Jr., PLS, Licensed Land Surveyor, and attached hereto and made a part hereof as Exhibit "B."

Grant of Construction Easement (Temporary): Grantor hereby grants unto Grantee a temporary construction easement to encroach upon Tract II shown upon the plat at Exhibit "B," (and upon Grantor's other retained surface) for the purpose of site construction and placement of towers and related facilities, said easement to cease upon completion of such construction. Grantee shall relocate any boundary monuments it disturbs, upon completion of construction.

**Grant of Permanent Easement:** Grantor grants and conveys unto Grantee, its successors or assigns, a permanent easement and right of way for a roadway of sufficient

width for ingress and egress with men, vehicles, equipment and machinery over and across Grantor's retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successors and assigns together with the right to reconstruct or use any existing roadways over Grantor' retained surface for such purposes. Any roadway thus constructed shall as near as practical follow the existing route to the above described property.

Grantor grant and convey unto Grantee, its successors or assigns, an easement and right of way to construct and maintain any and all power lines, telephone lines, co-axial lines or any other utilities or related facilities needed and/or necessary for use by Grantee, its successors or assigns, over and across Grantor' retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successor and assigns.

Grantor further grant and convey unto Grantee, its successors and assigns, the right to remove any trees, tree limbs, undergrowth or obstructions upon Grantor' retained surface property that might interfere with or damage any towers or structures that Grantee, its successors or assigns, may place upon the above described tract of land, or with the easements and rights of way granted herein. Any trees cut hereunder that are marketable timber quality will be saved for Grantor.

 $TO\,HAVE\,AND\,TO\,HOLD\,the\,same\,with\,all\,appurtenances\,thereun to\,belonging\,un to$  the Grantee, its successors and assigns forever, with covenant of General Warranty.

We, the undersigned, do hereby certify and swear pursuant to KRS Chapter 382, that the full and complete consideration paid for the transfer of the hereinabove described property was Twenty Four Thousand Dollars (\$24,000.00).

IN TESTIMONY WHEREOF, the Grantor and Grantee have hereunto subscribed their names, the day and year aforesaid.

	Stanley Maggard /
	GRANTEE:
	EAST KENTUCKY NETWORK, LLC d/b/a APPALACHIAN WIRELESS  BY: Auro hypo ITS: General Manager
STATE OF KENTUCKY	
State aforesaid, do hereby certify that the Certificate was this day produced, ackno	, a Notary Public in and for the County and foregoing Deed of Conveyance and Consideration wheeldged, subscribed and sworn before me in the nley Maggard, married, Grantor, this 30 NOTARY PUBLIC Commission Expires: 2 C 2 2 2005
STATE OF KENTUCKY COUNTY OF <i>Floyal</i>	
I, <u>Tereso M. Off</u> aforesaid, do hereby certify that the fo Certificate was this day produced, ackno- County and State and signed by <b>East K</b>	notary Public in and for the county and state oregoing Deed of Conveyance and Consideration whedged, subscribe and sworn to before me in said entucky Network, LLC, d/b/a Appalachian, its

This is to certify that this instrument was prepared by:

WILLIAM S. KENDRICK, ATTORNEY
FRANCIS, KENDRICK & FRANCIS
P.O. Box 268
Prestonsburg, Kentucky 41653
606/886-2812

STATE OF KENTUCKY

**COUNTY OF ELLIOTT** 

Clerk's Certificate of Lodgment and Record

1, Reeda & cls	Clerk of the County for the County and pregoing Deed was on the day of
State aforesaid, certify that the fo	pregoing Deed was on the day of
, 2004 lodged for red	cord, whereupon the same, with the foregoing and
this certificate have been duly recorded	in my office.
WITNESS my hand, this_ Deed Book - 99  Page - 547	3 day of May, 2004.  Roeda d cloops Clerk  By Kathy Eldi & D.C.

PROPERTY DESCRIPTION OF A PORTION OF THE STANLEY MAGGARD PARCEL OF LAND -TRACT I

A parcel of land located on the west side of State Route 409 approximately 2.6 miles south of the junction of State Route 7, near the community of Bruin in Elliott County, KY and described as follows:

Beginning at a set %" rebar with aluminum cap stamped "CURD SURVEYING & ENG., INC. LS 2766" (set rebar with cap) on the centerline of the ridge and in the line of the parcel conveyed to Gary Perkins in Deed Book 82 Page 817 of the Elliott County Court Clerk's records; Said set rebar with cap is in a severance line and located SOUTH 31°17'16" EAST 410.61 feet from a USGS Bronze Disk stamped "LOCUST 1949" (found this survey);

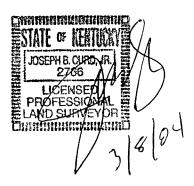
Thence with a severance line for three (3) calls:

- (1) NORTH 38°02'20" EAST 100.00 feet to a set rebar with cap,
- (2) SOUTH 50°08'57" EAST 199.96 feet to a set rebar with cap,
- (3) SOUTH 39°51'03" WEST 77.63 feet to a set rebar with cap on the centerline of the ridge and in the line of the parcel conveyed to Gary Perkins in Deed Book 82 Page 817;

Thence with the centerline of the ridge and with the Perkins line for three (3) calls:

- (1) NORTH 56°31'22" WEST 5.66 feet to a set rebar with cap,
- (2) NORTH 61°37'47" WEST 93.09 feet to a metal fence post (found this survey),
- (3) NORTH 51°57'40" WEST 100.00 feet to the beginning containing 18413 square feet or 0.423 Acre. Bearings are based on magnetic north readings taken on December 2, 2003. This property description is based on a field survey conducted under the direction of Joseph B. Curd, LS 2766, with CURD SURVEYING, ENGINEERING & LAND CONSULTING, INC. dated December 2, 2003 and is identified as Tract I on plat of survey dated March 8, 2004 and made part of this property description.

Being a portion of the parcel conveyed from Norman Nobel to Stanley Maggard in deed dated December 12, 1997 and recorded in Deed Book 89 Page 136 of the Elliott County Court Clerk's records.





#### **QUITCLAIM DEED**

THIS QUITCLAIM DEED, entered into this \_\_\_\_\_ day of \_\_\_\_\_\_, 2004, between **Stella Maggard**, **married**, of Route 1, Box 544J, Sandy Hook, Kentucky 41171, GRANTOR, and **East Kentucky Network**, **LLC**, d/b/a **Appalachian Wireless**, P.O. Box 405, Prestonsburg, Kentucky, GRANTEE.

#### WITNESSETH:

THAT Grantor, for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, do hereby remise, release and forever quitclaim unto Grantee, its successors and assigns, all of her right, title, interest or claim, including her marital interest, in and to the following described premises, to-wit:

BEING a part of the same property conveyed from Norman Noble to Stanley Maggard in deed dated December 12, 1997, and recorded in Deed Book 89, Page 136, Elliott County Court Clerk's Office.

BEING the same property described by metes and bounds as Tract I in the description attached hereto and made a part hereof as Exhibit "A", and as shown as Tract I on the plat dated day of March 8, 2004, prepared by Joseph B. Curd, Jr., PLS, Licensed Land Surveyor, and attached hereto and made a part hereof as Exhibit "B."

TO HAVE AND TO HOLD the same together with all easements and appurtenances thereunto belonging, unto Grantee, its successors and assigns forever by way of quitclaim, without covenant of title whatsoever.

We, the undersigned, do hereby certify and swear pursuant to KRS Chapter 382, that the full and complete consideration paid for the transfer of the hereinabove described property was Ten Dollars (\$10.00).

IN TESTIMONY WHEREOF, the Grantor and Grantee have hereunto subscribed

their names, the day and year aforesaid.

	GRANTOR:
	Stella Maggard
	GRANTEE:
	EAST KENTUCKY NETWORK, LLC d/b/a APPALACHIAN WIRELESS
	BY: Auca Manager  ITS: General Manager
STATE OF KENTUCKY	
COUNTY OF	
Certificate was this day produced, a	, a Notary Public in and for the County and at the foregoing Deed of Conveyance and Consideration acknowledged, subscribed and sworn before me in the Stella Maggard, married, Grantor, this day
	NOTARY PUBLIC
	Commission Expires:
STATE OF KENTUCKY COUNTY OF <u>Floy</u> d	
Certificate was this day produced, a County and State and signed by <b>E</b> <sub>2</sub>	, a Notary Public in and for the county and state the foregoing Deed of Conveyance and Consideration acknowledged, subscribe and sworn to before me in said ast Kentucky Network, LLC, d/b/a Appalachian, its, this29
	NOTARY PUBLIC Commission Expires: June 22,200
	NOTAKY PUBLIC  Commission Evnings  2.2.20
	Commission expires: Yeare 22, 200

This is to certify that this
instrument was prepared by:
will site!
WILLIAM S. KENDRICK, ATTORNEY
FRANCIS, KENDRICK & FRANCIS
P.O. Box 268
Prestonsburg, Kentucky 41653
606/886-2812

#### STATE OF KENTUCKY

### COUNTY OF ELLIOTT

## Clerk's Certificate of Lodgment and Record

	Ι,					_, Clerk	ofthe	Cou	nty fo	r the Co	unty a	ınd
State	aforesaid,				foregoing record, when							
this ce	ertificate hav	e been d	luly reco	orde	d in my offi	ce.				_		
	WIT	`NESS m	y hand,	this	day	of		····		2004.		
					V						Cl	erk
					Ву						D	.C.

A parcel of land located on the west side of State Route 409 approximately 2.6 miles south of the junction of State Route 7, near the community of Bruin in Elliott County, KY and described as follows:

Beginning at a set 1/2" rebar with aluminum cap stamped "CURD SURVEYING & ENG., INC. LS 2766" (set rebar with cap) on the centerline of the ridge and in the line of the parcel conveyed to Gary Perkins in Deed Book 82 Page 817 of the Elliott County Court Clerk's records; Said set rebar with cap is in a severance line and located SOUTH 31°17'16" EAST 410.61 feet from a USGS Bronze Disk stamped "LOCUST 1949" (found this survey);

Thence with a severance line for three (3) calls:

- (1) NORTH 38°02'20" EAST 100.00 feet to a set rebar with cap,
- (2) SOUTH 50°08'57" EAST 199.96 feet to a set rebar with cap,
  (3) SOUTH 39°51'03" WEST 77.63 feet to a set rebar with cap on the centerline of the ridge and in the line of the parcel conveyed to Gary Perkins in Deed Book 82 Page 817;

Thence with the centerline of the ridge and with the Perkins line for three (3)

- (1) NORTH 56°31'22" WEST 5.66 feet to a set rebar with cap,
- (2) NORTH 61°37'47" WEST 93.09 feet to a metal fence post (found this survey),
- (3) NORTH 51°57'40" WEST 100.00 feet to the beginning containing 18413 square feet or 0.423 Acre. Bearings are based on magnetic north readings taken on December 2, 2003. This property description is based on a field survey conducted under the direction of Joseph B. Curd, LS 2766, with CURD SURVEYING, ENGINEERING & LAND CONSULTING, INC. dated December 2, 2003 and is identified as Tract I on plat of survey dated March 8, 2004 and made part of this property description.

Being a portion of the parcel conveyed from Norman Nobel to Stanley Maggard in deed dated December 12, 1997 and recorded in Deed Book 89 Page 136 of the Elliott County Court Clerk's records.

