RECEIVED

AUG 3 1 2005

PUBLIC SERVICE

CASE NO. 2005-00290

CLAY CITY TOWER SITE

POWELL COUNTY, KENTUCKY

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
AUG 3 1 2005

In the matter of:

PUBLIC SERVICE COMMISSION

THE APPLICATION OF EAST KENTUCKY NETWORK)
LIMITED LIABILITY COMPANY FOR THE ISSUANCE)
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE No 2005-00290
NECESSITY TO CONSTRUCT A TOWER IN POWELL)
COUNTY, KENTUCKY).

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

In an effort to improve service in Powell County, East Kentucky Network, LLC Pursuant to KRS 278.020 Subsection 1 and 807 KAR 5:001 Section 9 is seeking the Commission's approval to construct a tower near Clay City, Kentucky. The proposed tower will be a 250 foot self-supporting tower located between Black Creek and Brush Creek, both being tributaries of the Red River, approximately three and one half miles north of Clay City in Powell County, Kentucky. (37° 53' 52"N 83° 56' 59.0" W). A map and detailed directions to the site can be found in Exhibit 8.

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

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

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

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

A geologist was employed to determine soil and rock types and to ascertain the distance to solid bedrock. The geotechnical report is enclosed as Exhibit 3.

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

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

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

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

Pursuant to 807 KAR5:063 Section s1 (1)(L) and Section 1(1)(n)(1) all affected property owners 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 proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 2 is a copy of that notification.

Powell County has no formal local planning unit. In absence of this unit the Powell County Judge Executive's office was notified by certified mail, return receipt requested of East Kentucky Network'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 will finance subject Construction with earned surplus in General Fund.

Estimated Cost of Construction
Annual Operation Expense of Tower

140, 000.00

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 August 8, 2005 and will remain posted for at least two weeks after filing of this application as specified by the PSC guidelines. A second such sign was posted at the nearest public road, and will remain posted two weeks after this filing.

Enclosed in Exhibit 9 is a copy of East Kentucky Network LLC's deeds to the site. As of the time of the map, there were no utility right-of-ways. If any right-of-ways are required, it will be between the power and utility company.

Notice of the location of the proposed construction was published on the second & third weeks of August in the Clay City Times, in Clay City, Kentucky. Enclosed is a copy of that notice in Exhibit 1. The Clay City Times is the newspaper with the largest circulation in Powell 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.

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 Janice Robinson, Technical Site Coordinator for East Kentucky Network d/b/a Appalachian Wireless. All related questions or correspondence concerning this filing should be mailed to Gerald Robinette, General Manager, East Kentucky Network, LLC d/b/a Appalachian Wireless, P. O. Box 405, Prestonsburg, KY 41653.

SUBMITTED BY:: Seral 7. Rollonetto

DATE: 8-30-05

4

Gerald Robinette, General Manager

Contacts:

Gerald Robinette, General Manager Phone: (606) 791-2375, Ext. 111 Email: grobinette@ekn.com

Janice Robinson, Technical Site Coordinator

Phone: (606) 791-2375, Ext. 166 Email: jrobinson@ekn.com

Mailing Address:

East Kentucky Network, LLC. d/b/a Appalachian Wireless 355 Village Drive P. O. Box 405 Prestonsburg, KY 41653

TOTAL CONTRACTOR CONTR

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

CLAY CITY CELLTOWER SITE

CASE # 2005-00290

CLAY CITY, POWELL COUNTY, KENTUCKY

EXHIBIT	<u>ITEM</u>
1.	Notification/Response from County.
2.	Copies of Cell Site Notices.
3 .	Universal Letter of Soil Bearing Analysis & Utility Statement Letter.
4.	Kentucky Airport Zoning Commission.
	Application and Determination.
5.	Tower Design.
6.	FAA Approval & Notice of Proposed
	Construction.
7.	2004 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.

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



OMMUNIC

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

August 8, 2005

Robert Ray Drake, Judge Executive Powell County Court House P.O. Box 506 Stanton, KY 40380 Phone (606) 663-2834

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00290)

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 250 foot self supported tower, plus attached antennas extending upwards, and an equipment shelter to be located on a ridgeline between Black Creek and Brush Creek, both being tributaries of the Red River, approximately three and one half miles north of Clay City in Powell County, Kentucky. (37 ° 53' 52" N / 83 ° 56'59.0"W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the County Judge Executive of Powell County.

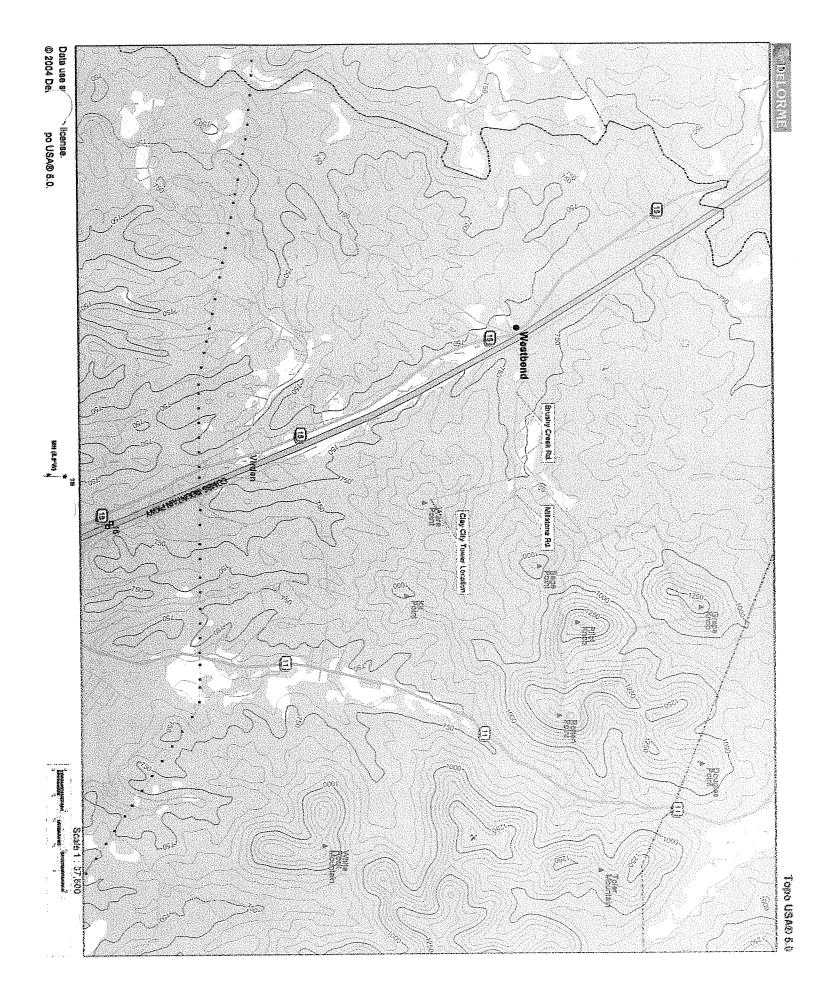
The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

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. 2003-00290 in your correspondence.

Sincerely,

Gerald Robinette General Manager

Enclosure: (1) map.



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



Fax

To:

CLAY CITY TIMES

From:

JANICE ROBINSON

ATTN: MARY

Technical Site Coordinator

Appalachian Wireless

Fax:

606-663-5540

Phone:

606-791-2375, Ext. 166

Phone:

606-666-2451

Pages:

1 Pages (INCLUDING COVER

Re:

PUBLIC NOTICE ADVERTISEMENT

Date:

August 8, 2005

We would like to have the following public notice printed in Clay City Times for the two weeks directly following this week with bill being sent to East Kentucky Network, P. O. Box 405, Prestonsburg. The notice should state the following:

PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2005-00290)

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 Clay City, in Powell County, Kentucky. The proposed tower will be a 300-foot self-supporting tower. The proposed tower site is located at 644 Millstone Road (Latitude 37-53'-52" N and Longitude 83-56'-59" W). If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2005-00290.

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

Thank you,

Ganice Rabinson, Technical Site Coordinator

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

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

TRANSMISSION VERIFICATION REPORT

TIME: 08/08/2005 15:29

DATE, TIME FAX NO./NAME DURATION PAGE(S) RESULT MODE

08/0S 15:28 15065636397 00:00:42 01 OK STANDARD ECM

LIST OF PROPERTY OWNERS

CLAY CITY TOWER

(WITHIN 500 FEET)

Dennis Combs P O Box 305 Clay City, KY 40312

Ennis Combs P O Box 305 Clay City, KY 40312

Bob Maloney 5149 Main St. Clay City, KY 40312

Tonya Puckett Gen. Del. Clay City, KY 40312

Henry Pettit 1250 Lofty Heights Rd. Clay City, KY 40312

G .1



VIA: U.S. CERTIFIED MAIL

CLAY CITY TOWER SITE

PUBLIC NOTICE

August 8, 2005

Tonya Puckett Gen. Del.. Clay City, KY 40312

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2005-00290)

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 250-foot self-supported tower, plus attached antennas extending upwards, and an equipment shelter to be located on a ridgeline between Black Creek and Brush Creek, both being tributaries of the Red River, approximately three and one half miles north of Clay City in Powell County, Kentucky. (37 "253'-52" N / 83 "256'-59.0" W). 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. 2005-00290 in your correspondence.

Sincerely,

Gerald Robinette General Manager Enclosure: (1) map.

Dero'd F. Rolinett

EAST KENTUCKY NETWORK
POST OFFICE BOX 405
PRESTONSBURG, KY 41653
PHONE: (606)886-6007
06)886-0206
L.....: INFO@EKN COM
WEBSITE: EKN.COM



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

CLAY CITY TOWER SITE

PUBLIC NOTICE

August 8, 2005

Bob Maloney 5149 Main St. Clay City, KY 40312

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Sincerely,

Gerald Robinette General Manager

Geod F. Rolinett

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WEBSITE: EKN.COM



VIA: U.S. CERTIFIED MAIL

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Sincerely,

Gerald Robinette General Manager

Gerald F. Rolinetto

Enclosure: (1) map.

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POST OFFICE BOX 405
PRESTONSBURG, KY 41653
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VIA: <u>Ú.S. CERTIFIED MAIL</u>

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Gerald Robinette General Manager

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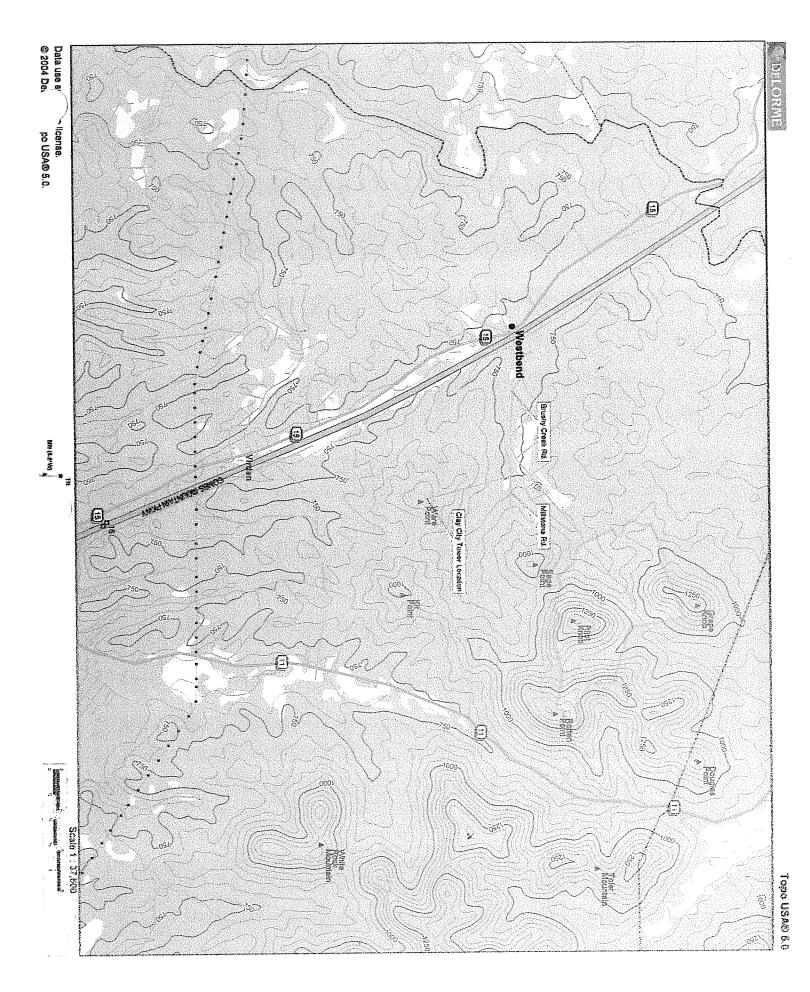
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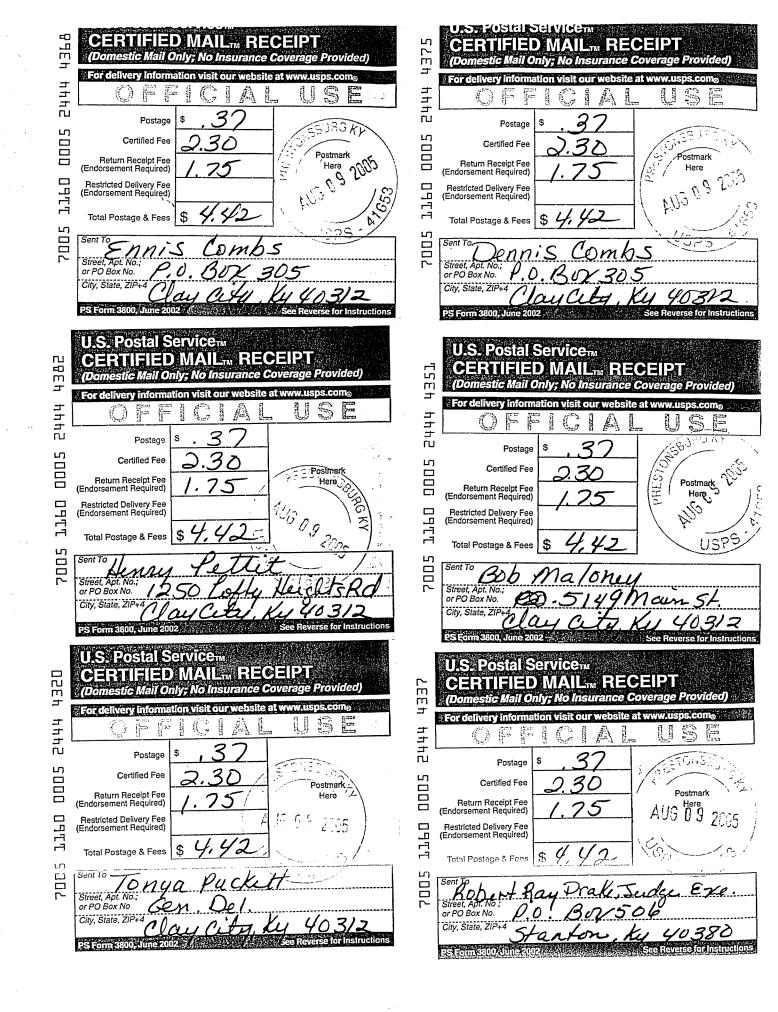
Sincerely,

Gerald Robinette General Manager

Enclosure: (1) map.

Derall 7. Robinst.





Allstate Tower, Inc. P. O. Box 25 Henderson, KY 42419-0025

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Appalachian Wireless
P. O. Box 405
Prestonsburg, Kentucky 41653

RE: CLAY CITY TOWER SITE

Dear Sirs,

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

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

`; ;

Sincerely,

Brandon K. Austin, P.E.

WENDELL R. HOLMES, P.G.

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

April 15, 2005

Clay City Tower Site

Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Powell County near Clay City, 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 0.50 feet to the sandy shale bedrock. (See attached page for descriptions of materials encountered.) The terrain in Powell County is slightly to moderately steep. The tower site is located on a ridgeline between Black Creek and Brush Creek, both being tributaries of the Red River, approximately three and one half miles north of Clay City in Powell County. The sandy shale formation below the tower site is approximately six 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 sandy shale bedrock on the proposed tower site is part of the Borden Formation, and is middle to lower Mississippian 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 sandy shale bedrock formation.

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

Wendell R. Holmes, P.G.

WENDELL R. HOLMES, P.G.

139 Wabaco Circle Road Apartment 2 Hazard, Ky. 41701

Geologist Log

Location: Clay City Tower Site

Unit Thickness	Total depth	Strata	Description
0.50′	0.50′	Soil	Yellow and Brown, with Shale Fragments
6.00′	6.50′	Sandy Shale	Gray and Brown, Weathered
16.00′	22.50′	Shale	Gray and Green

5

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED 1650 TYSONS BOULEVARD **SUITE 1500 MCLEAN, VA 22102**

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

703-584-8678 FAX: 703-584-8696

July 25, 2005

CONSULTING ENGINEERS ALI KUZEHKANANI LEROY A. ADAM LEILA REZANAVAZ

OF COUNSEL JOHN J MCAVOY+ JK HAGE III++ LEONARD S. KOLSKY+++

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

http://www.fcclaw.com WRITER'S DIRECT DIAL

(703) 584-8669

TELECOPIER (703) 584-8692

Via U.S. Mail

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 Clay City (Powell), KY. The site is located approximately 2.7 miles NW of Clay City.

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

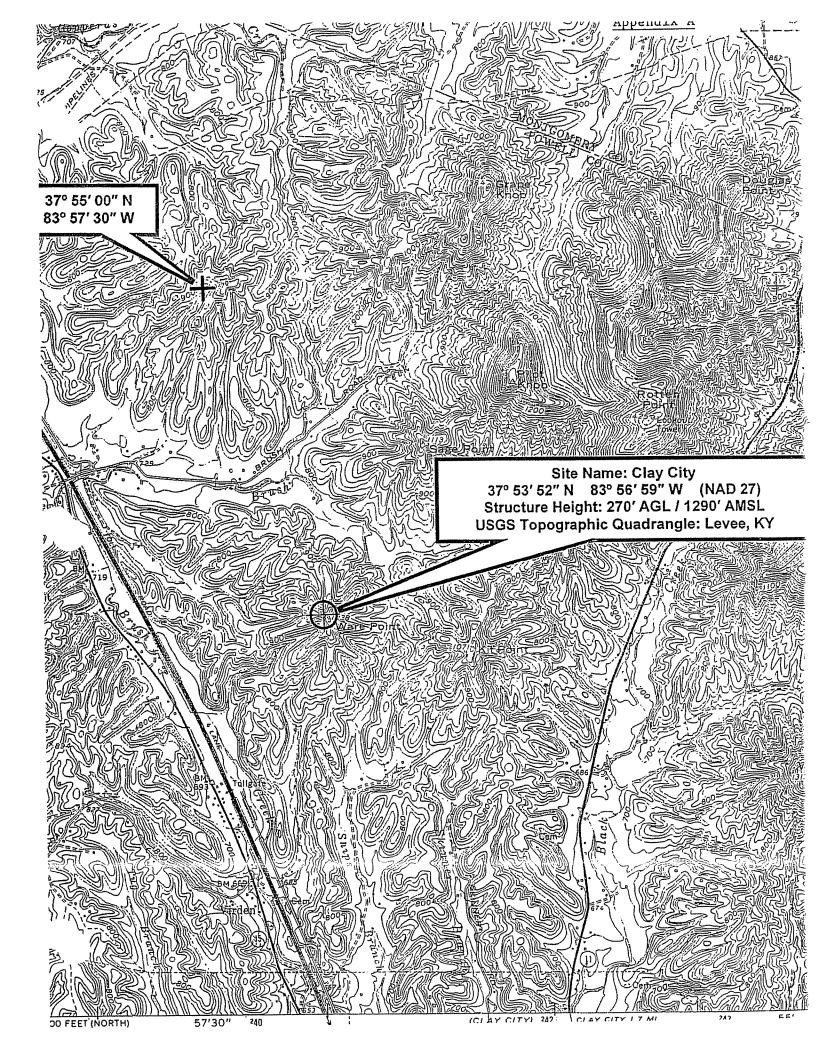
East Kentucky Network, LLC cc: Attention: Gerald Robinette Marty Thacker

KTR. EHAIV A TEVET-IN CHAIV A TELL INTONS, MT. 151 And

Kentucky Aeronautical Study Number

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APPL	JCA I	IION	FUK	PERMII	IU	COMO	IKUUI	UK	WF 1 F	, w	511100101C	

INSTRUCTIONS INCLUDED .	
PLICANT - Name, Address, Telephone, Fax, etc.	9 Lalitude: <u>37</u> ° <u>53</u> <u>52</u> 0
Kentucky Network, LLC Gu Lukas, Nace, Gutierrez & Sachs, Chtd. 1650 Tysons Blvd; Suite 1500 /	10 Longitude: 83 ° 56 ' 59 0 "
McLean, VA 22102 T: 703-584-8678 F: 703-584-8695	11 Datum: FNAD83 FNAD27 FIOther
	12 Nearest Kentucky City: Clay City County Powell
Representative of Applicant Name, Address, Telephone, Fax A Representative of Applicant Name, Address, Telephone, Fax	13 Nearest Kentucky public use or Military airport: _Stanton Airport (ISO)
LeRoy A. (Art) Adam Lukas, Nace, Gutierrez & Sachs, Chtd. 1650 Tysons Blvd; Suite 1500	14 Distance from #13 to Structure: 6.6 miles
McLean, VA 22102 T: 703-584-8669 F: 703-584-8692	15 Direction from #13 to Structure: WNW
	16 Site Elevation (AMSL): 1,020.00 Feet
3 Application for: ▼ New Construction ▼ Alteration ☐ Existing	17. Total Structure Height (AGL): 270.00 Feet
4. Duration: 🛱 Permanent 🖟 Temporary (Months Days)	18 Overall Height (#16 + #17) (AMSL): 1,290.00 Feet
5 Work Schedule: Start 29 Aug 2005 End 09 Sep 2005	19 Previous FAA and/or Kentucky Aeronautical Study Number(s):
6. Type: F Antenna Tower F Crane F Building F Power Line F Landfill F Water Tank F Other	N/A
\ting/Painting and/or Lighting Preferred:	20 Description of Location: (Attach USGS 7.5 minute Quadrangle Map or an Airport layout Drawing with the precise site marked and any
Funed Lights and Paint	certified survey)
White - Medium Intensity	Site is 2.7 miles NW of Clay City (Powell), KY
Fl White - High Intensity F Other	
8. FAA Aeronautical Study Number	
21 Description of Proposal:	-
The proposed communications tower is a 270-foot structure consisting antenna/lightning rod for operation of a Band B Cellular base station to the state of the st	ransmitting at a maximum citi at 200 violes
Fina Fiyes When July 25, 2005	
CERTIFICATION: Thereby certify that all the above statements made by me are true,	
LeRoy A. (Art) Adam, Semiler Engr. J. Signature	Adam 25 Jul 2005 Date
Printed Hame 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	
mission Action:	airman, KAZC Administrator, KAZC
Approved ————————————————————————————————————	Date
• · · · · · · · · · · · · · · · · · · ·	



LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED 1650 TYSONS BOULEVARD **SUITE 1500** McLEAN, VA 22102

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

703-584-8678 FAX: 703-584-8696

CONSULTING ENGINEERS ALI KUZEHKANANI LEROY A. ADAM LEILA REZANAVAZ

OF COUNSEL JOHN J MCAVOY+ JK HAGE III++ LEONARD S. KOLSKY+++

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

http://www.fcclaw.com

WRITER'S DIRECT DIAL

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

July 25, 2005

Via U.S. Mail

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

Dear FAA Evaluator:

Enclosed please find one FAA Form 7460-1 (Notice of Proposed Construction) for a 270' communications tower structure (250' tower plus 20' antenna/lightning rod) proposed near Clay City (Powell County), Kentucky The proposed site is approximately 2.7 miles NW of Clay City.

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky RSA-10 (Powell), Market No. 452. Transmit frequencies to be used at this station are Cellular Band B (880-890 MHz); the maximum ERP will be 200 Watts

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

Geographic coordinates are based on 1927 North American Datum

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

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

Sincerely,

Consulting Engineer

Enclosure

East Kentucky Network, LLC cc:

> Gerald Robinette Marty Thacker



S. Department of Transportation ideral Aviation Administration

Failure To Provide All Requested Information May Delay Processing of Your Notice

FOR FAA USE ONLY
Aeronautical Study Number

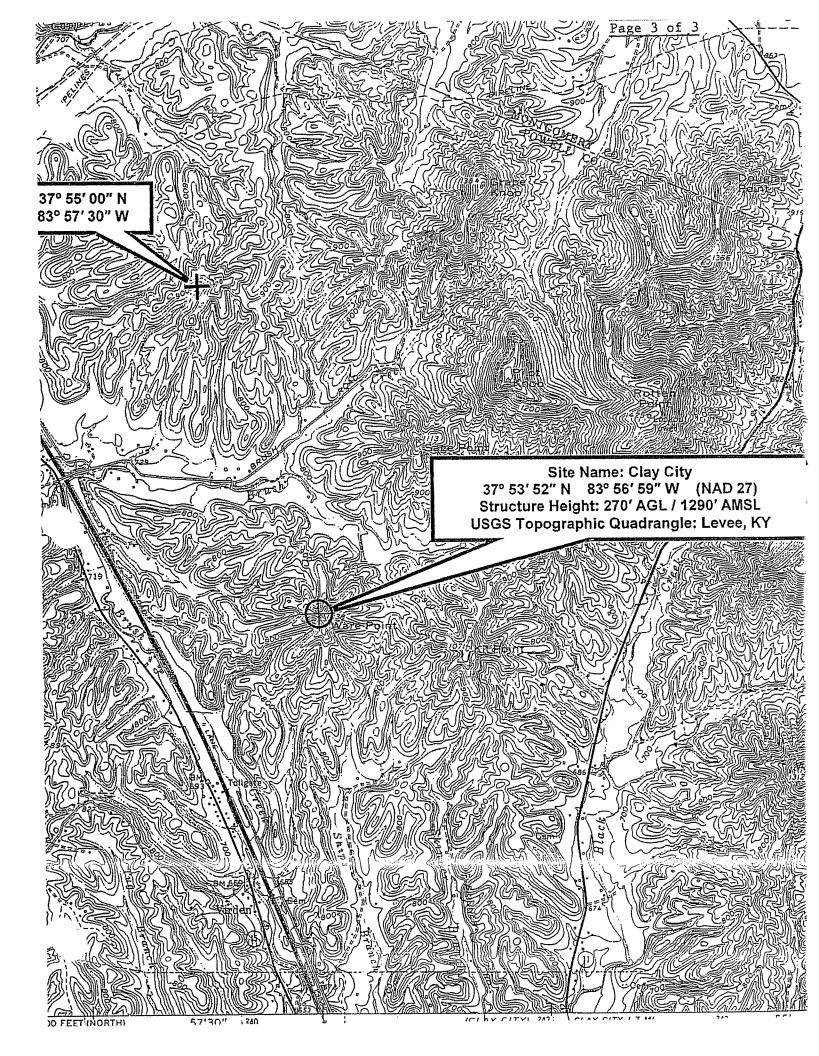
Notice of Proposed Construction or Alteration

9. Latitude: 37° 53° 52.		
9. Latitude: <u>37° 53' 52.</u>	0"	
	o**	
10. Longitude: 83° 56" 59-		
- 11. Datum: ☐ NAD 83 NAD 27 ☐ Other		
12. Nearest: City: Clay City	State:	<u>(Y</u>
13. Nearest Public-use (not private-use) or Military	Airport or He	liport:
District (IEO)		
Stanton Airport (150)		
14. Distance from #13. to Structure: 6.6 miles		
45 Direction from #13 to Structure: WNW		
15. Direction from #15. to and clare.		·
16. Site Elevation (AMSL)	1	020 <u>f</u> t.
17 Total Structure Height (AGL)	:	270 ft.
		290 ft.
		230_11.
		- OF
		0_
		I vavi
Site is 2.7 miles NW of Clay City (Powell), KY	, 00. 100	u ,
	Frequency	//Power (kW)
g of a 250-foot guyed support structure plus a 20-	880-890 MHz	0.200
station transmitting at a maximum ERP at 200		
	7	
		
		ļ
		
	1	
OUSC. Section 44718 Persons who knowingly and vibe notice is received, pursuant to 49 USC., section 46	villingly violate	e the notice
	12. Nearest: City: Clay City 13. Nearest Public-use (not private-use) or Military Stanton Airport (I50) 14. Distance from #13. to Structure: 6.6 miles 15. Direction from #13. to Structure: WNW 16. Site Elevation (AMSL): 17. Total Structure Height (AGL): 18. Overall height (#16. + #17.) (AMSL): 19. Previous FAA Aeronautical Study Number (IIII) N/A 20. Description of Location: (Attach a USGS 7.5) Quadrangle Map with the precise site marked and a	12. Nearest: City: Clay City State: 13. Nearest Public-use (not private-use) or Military Airport or He Stanton Airport (I50) 14. Distance from #13. to Structure: 6.6 miles 15. Direction from #13. to Structure: WNW 16. Site Elevation (AMSL): 1 17. Total Structure Height (AGL): 1 18. Overall height (#16. + #17.) (AMSL): 1 19. Previous FAA Aeronautical Study Number (if applicable): N/A 20. Description of Location: (Attach a USGS 7.5 minute Quadrangle Map with the precise site marked and any certified s Site is 2.7 miles NW of Clay City (Powell), KY Frequency 880-890 MHz

Typed or Printed name and Title of Person Filing Notice

Signature

1 1.



Appendix C

Not Applicable

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

В

Submarket

0

Phase

2

Dates

Grant

08/28/2001

Expiration

10/01/2011

Effective

10/19/2004

Cancellation

Five Year Buildout Date

10/17/1996

Control Points

.

US Route 23, FLOYD, Harold, KY

P: (606)478-2355

Licensee

FRN

0001786607

Type

Limited Liability Company

į

Licensee

East Kentucky Network, LLC d/b/a Appalachian Wireless

PO Box 405

ky network, tic dybya Apparacinan whe

P:(606)886-6007 F:(606)886-0206

Prestonsburg, KY 41653

Contact

LUKAS, NACE, GUTTERREZ & SACHS, CHARTERED

Pamela L Gist Esq

1650 Tysons Blvd., Suite 1500

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

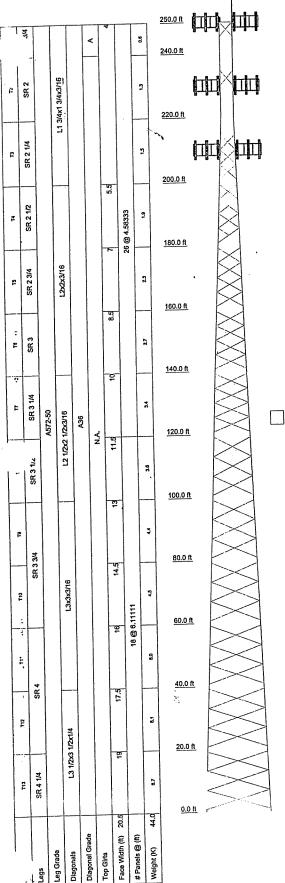
The Applicant answered "No" to each of the Basic Qualification questions.

Demographics

Race

Ethnicity

Gender



APPURTENANCES

TYPE	ELEVATION	TYPE	ELEVATION
(3) 1' x 5' Panel Antenna	250	(3) 1' x 5' Panel Antenna	230
(3) 1' x 5' Panel Antenna	250	PIROD 10' Lightweight T-Frame	230
(3) 1' x 5' Panel Antenna	250	PIROD 10' Lightweight T-Frame	230
10' lightning rad extension with 5' rad	250	PIROD 10' Lightweight T-Frame	230
Top Mounted Beacon Plate	250	(3) 1' x 5' Panel Antenna	210
PIROD 10' Lightweight T-Frame	250	(3) 1' x 5' Panel Antenna	210
PIROD 10' Lightweight T-Frame	250	(3) 1' x 5' Panel Antenna	210
PIROD 10' Lightweight T-Frame	250	PiROD 10' Lightweight T-Frame	210
(3) 1' x 5' Panel Antenna	230	PIROD 10' Lightweight T-Frame	210
(3) 1' x 5' Panel Antenna	230	PiROD 10' Lightweight T-Frame	210

SYMBOL LIST

ſ	MARK	SIZE	MARK	SIZE
1	Α	L1 3/4x1 3/4x3/16		•

. MATERIAL STRENGTH

GRADE	Fy	Fu	GRADE	Fy	Fu
A572-50	50 ksl	65 ksl	A36	36 ksl .	58 ksi

TOWER DESIGN NOTES

- 1. Tower designed for a 70 mph basic wind in accordance with the TIA/EIA-222-F Standard
- 2. Tower is also designed for a 61 mph basic wind with 0.50 in ice.
- 3. Deflections are based upon a 50 mph wind.
- 4. All legs are 50 KSI, Diagonals are 36 KSI
- 5. TOWER RATING: 93.7%



MAX PIER FORCES: DOWN: 238 K UPLIFT: -216 K SHEAR: 21 K

AXIAL
73 K

SHEAR
51 K

TOPOUE 3 kin-ft

TORQUE 3 kip-ft 61 mph WIND - 0.5000 in ICE AXIAL

SHEAR 39 K

TORQUE 3 kip-ft REACTIONS - 70 mph WIND

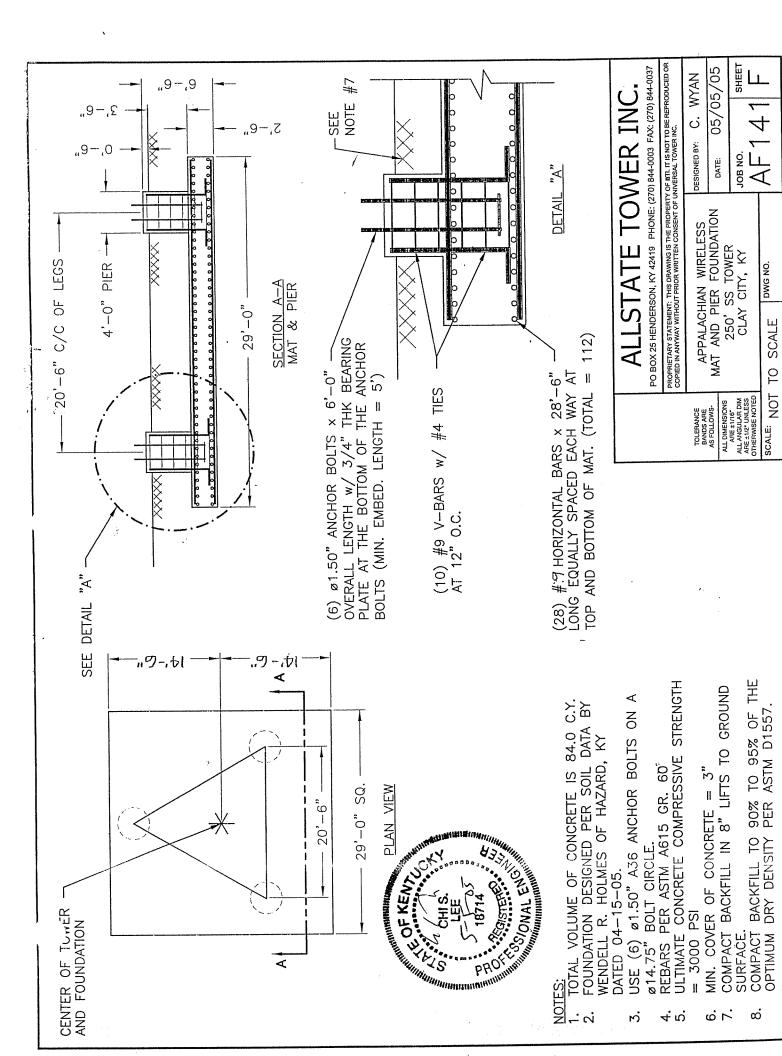
> Allstate Tower, Inc. PO Box 25 Henderson, KY

Henderson, KY Phone: (270) 533-6000 FAX: (270) 533-6888

Job:	2501	CCT	Tower	_ #378

Project: Gorgon Site		
Client: Appalachian Wireless	Drawn by: C. Wyan	App'd:
Code: TIA/EIA-222-F	Date: 05/04/05	Scale: N
10000.		Dwg No.

4 7



LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED 1650 TYSONS BOULEVARD **SUITE 1500 MCLEAN, VA 22102**

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

703-584-8678 FAX: 703-584-8696

CONSULTING ENGINEERS ALI KUZEHKANANI LEROY A ADAM LEILA REZANAVAZ

OF COUNSEL JOHNJ MCAVOY+ J.K. HAGE III++ LEONARDS KOLSKY+++

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

http://www.fcclaw.com

WRITER'S DIRECT DIAL

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

July 25, 2005

Via U.S. Mail

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

Dear FAA Evaluator:

Enclosed please find one FAA Form 7460-1 (Notice of Proposed Construction) for a 270' communications tower structure (250' tower plus 20' antenna/lightning rod) proposed near Clay City (Powell County), Kentucky The proposed site is approximately 2.7 miles NW of Clay City.

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky RSA-10 (Powell), Market No. 452. Transmit frequencies to be used at this station are Cellular Band B (880-890 MHz); the maximum ERP will be 200 Watts

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

Geographic coordinates are based on 1927 North American Datum

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

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

Sincerely.

Consulting Engineer

Enclosure

East Kentucky Network, LLC cc:

Gerald Robinette Marty Thacker



J S. Department of Transportation Tederal Aviation Administration

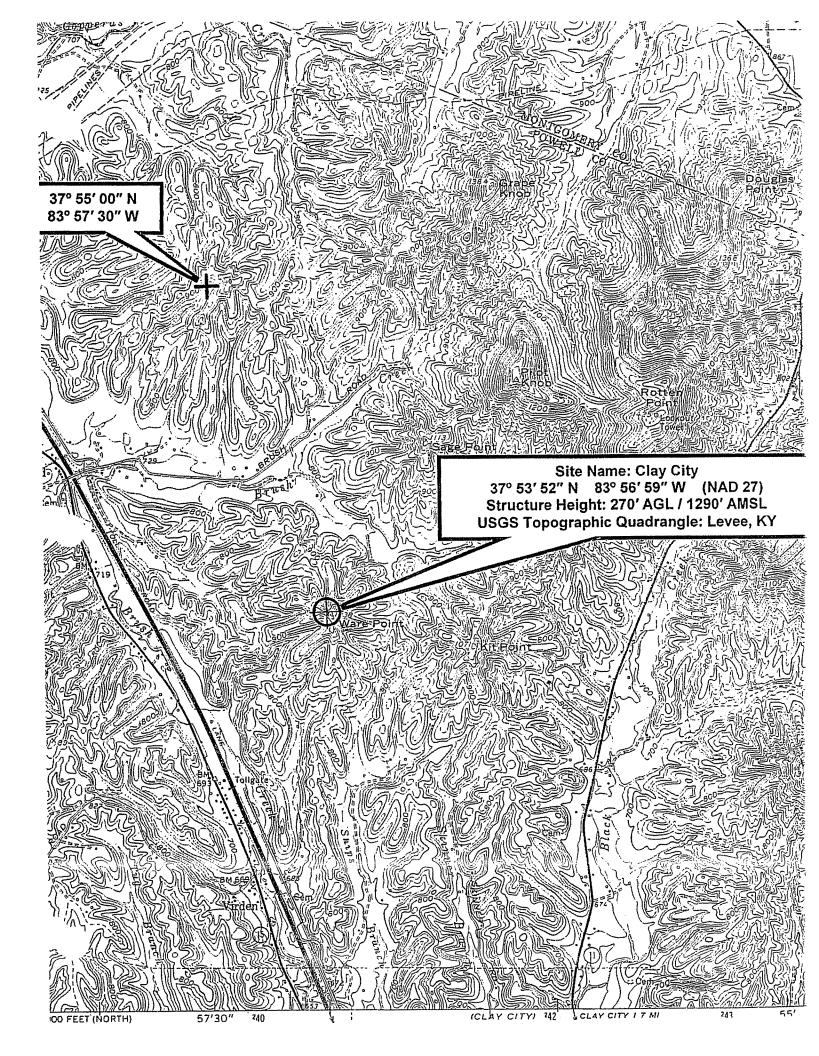
Failure To Provide All Requested Information May Delay Processing of Your Notice

Notice of Proposed Construction or Alteration

FOR FAA	USE	ONLY
Aeronautical	Study	Number
_	_	

		•
onsor (person, company, etc. proposing this action):	9. Latitude: 37° 53' 52.	0**
Art Adam		
Name. East Kentucky Network, LLC	10. Longitude: 83° 56° 59.	0**
Address: C/O Lukas, Nace, Gutierrez & Sachs, Chtd.		
650 Tysons Blvd; Suite 1500	11. Datum: NAD 83 NAD 27 Dother	
City: McLean State: VA Zip: 22102 Felephone: 703-584-8669 Fax: 703-584-8692	12. Nearest: City: Clay City	State:KY
Giephone. Fee de Leine	13. Nearest Public-use (not private-use) or Military	Airport or Heliport:
2. Sponsor's Representative (if other than #1).	Stanton Airport (I50)	
Attn of: LeRoy A. (Art) Adam		
Name: Lukas, Nace, Gutierrez & Sachs	14. Distance from #13. to Structure: 6.6 miles	_
Address: 1650 Tysons Blvd; Suite 1500	15. Direction from #13. to Structure: WNW	······································
City: McLean State: VA Zip: 22102	16. Site Elevation (AMSL).	1020ft
Felephone: 703-584-8669 Fax: 703-584-8692	17. Total Structure Helght (AGL):	ft.
Notice of:	18. Overall height (#16. + #17.) (AMSL):	<u>1290</u> ft.
Duration: ☑ Permanent ☐ Temporary	19. Previous FAA Aeronautical Study Number (if	fapplicable):
months, days)	N/A	- OE
Work Schedule: Beginning 08/29/05 End 09/09/05 Type: ☑ Antenna Tower ☐ Crane ☐ Building ☐ Power Line	20. Description of Location: (Atlach a USGS 7.5) Quadrangle Map with the precise site marked and a	minute any certified survey)
Landfill Water Tank Other	Site is 2.7 miles NW of Clay City (Powell), KY	
nrking/Painting and/or Lighting Preferred: ights and Paint		
3. FCC Antenna Structure Registration Number (if applicable):		
TBD		
11. Complete Description of Proposal:		Frequency/Power (kW)
11. Complete Description of Proposal: The proposed communications tower is a 270-foot structure consisting oot high antenna/lightning rod for operation of a Band B Cellular base s Vatts.	of a 250-foot quyed support structure plus a 20-	Frequency/Power (kW) 880-890 MHz 0.200
The proposed communications tower is a 270-foot structure consisting oot high antenna/lightning rod for operation of a Band B Cellular base s	of a 250-foot quyed support structure plus a 20-	880-890 0.200
The proposed communications tower is a 270-foot structure consisting oot high antenna/lightning rod for operation of a Band B Cellular base s	of a 250-foot quyed support structure plus a 20-	880-890 0.200
The proposed communications tower is a 270-foot structure consisting oot high antenna/lightning rod for operation of a Band B Cellular base s Vatts.	of a 250-foot quyed support structure plus a 20-	880-890 0.200
The proposed communications tower is a 270-foot structure consisting oot high antenna/lightning rod for operation of a Band B Cellular base s Vatts.	of a 250-foot quyed support structure plus a 20-	880-890 0.200
The proposed communications tower is a 270-foot structure consisting oot high antenna/lightning rod for operation of a Band B Cellular base s Vatts.	of a 250-foot quyed support structure plus a 20-	880-890 0.200
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The proposed communications tower is a 270-foot structure consisting oot high antenna/lightning rod for operation of a Band B Cellular base s Vatts.	of a 250-foot quyed support structure plus a 20-	880-890 0.200

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 nark and/or light the structure in accordance with established marking and lighting standards as necessary.



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EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

FINANCIAL REPORT

December 31, 2004



INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Jones. Male : Mattingly Pic

Louisville, Kentucky February 18, 2005

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

BALANCE SHEETS / December 31, 2004 and 2003

	, *	
	2004	2003
AŠSETS	200.	
CURRENT ASSETS	\$ 2,115,534	\$ 2,781,029
Cash and cash equivalents	100,000	2,617,468
Short-term investments	100,000	
Accounts receivable, less allowance for doubtful	1,481,900	1,205,561
accounts of \$378,680 in 2004 and \$280,280 in 2003	54,397	77,710
Accounts receivable, members (Notes 6 and 7)	826,636	419,855
Inventory	148,558_	107,325
Prepaid expenses	\$ 4,727,025	\$ 7,208,948
Total current assets	\$ 4,121,023	<u>₩ 7,200,540</u>
그는 그는 그는 사람이 그렇게 보았다고 있는 그는 사람들은 회에 이렇게 되었다.		
PROPERTY, PLANT AND EQUIPMENT (Note 4)		
· Plant in service:	· c · 7 526 972	\$ 7,021,97
General support	\$ 7,536,872	6,265,23
MTSO equipment	10,925,458	25,509,79
Cell equipment	31,817,505	3,300,442
Paging equipment	3,309,174	3,987,69
Fiber ring	4,484,626	1,520,31
Unfinished plant	1,708,762	\$ 47,605,45
	\$ 59,782,397	19,301,48
Less accumulated depreciation	23,457,869	\$ 28,303,97
	\$ 36,324,528	\$ 20,505,77
OTHER ASSETS	e 072.269	\$ 867,74
Investment in affiliated company, RTFC (Note 4)	\$ 873,368	Ψ 007,7
Internal blanesets net of accumulated amortization	4,762,678	5,159,96
of \$1,741,672 in 2004 and \$1,301,347 in 2003 (Note 2)		787,2
Goodwill	787,286 29,788	30,9
Other		\$ 6,845,9
	\$ 6,453,120	\$ 0,013,5
	e 47 504 472	\$ 42.358.8
	\$ 47,504,673	<u>Ψ 72,550,0</u>

LIABILITIES AND MEMBERS' EQUITY	2004	2003
CURRENT LIABILITIES Notes payable (Note 3) Current maturities of long-term debt (Note 4) Accounts payable Accounts payable, member (Notes 6 and 7) Accrued expenses Customer deposits Total current liabilities	\$ 400,000 847,380 1,142,766 604 1,174,425 152,350 \$ 3,717,525	\$ 2,200,000 798,055 662,323 6,178 780,509 164,192 \$ 4,611,257
LONG-TERM DEBT, less current maturities (Note 4) MEMBERS' EQUITY	9,880,604 33,906,544	7,408,929 30,338,641

\$ 47,504,673 \$ 42,358,827

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME Years Ended December 31, 2004 and 2003

	_	
	2004	2003
REVENUE		
Retail	\$ 18,777,436	\$ 16,436,390
Roamer	4,693,531	3,784,721
Long distance	168,585	178,971
Paging Paging	1,282,952	1,606,370
Equipment sales, cellular	1,571,027	1,365,233
Equipment sales, paging	79,573	87,928
Other	2,308,826	1,908,727
Total revenue	\$ 28,881,930	\$ 25,368,340
Total levelide	\$ 20,001,750	\$ 23,300,340
	A COLOR	. 8
TAX DENIGEO		1100
EXPENSES	\$ 7,155,982	\$ 7,019,191
Cost of cellular service		629,904
Cost of paging service	589,260	
Cost of equipment sales, cellular	3,202,000	2,256,150
Cost of equipment sales, paging	101,331	140,398
Customer service	1,004,290	950,566
Billing	1,100,361	1,016,679
Selling	1,598,369	1,337,980
Maintenance	873,613	705,705
Utilities	306,593	303,426
Bad debts	698,471	937,244
Cell site rental	120,866	127,313
Taxes	243,180	241,575
Advertising	_ 688,001	470,732
General and administrative	1,868,518	1,473,026
Occupancy	452,041	253,738
Depreciation	4,084,043	3,481,218
Amortization	507,010	609,215
Total expenses	\$ 24,593,929	\$ 21,954,060
Income from operations	\$ 4,288,001	\$ 3,414,280
	, j	
OTHER INCOME (EXPENSE)		
Interest income	\$ 29,556	\$ 38,725
Interest expense	(574,654)	(591,177)
	\$ (545,098)	\$ (552,452)

Net income	\$ 3,742,903	\$ 2,861,828
; Net income		

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

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

					Peoples	
	Cellular Services,	Gearhart Communi- cations Company,	Mountain Tele- communi- cations,	Thacker- Grigsby Telephone	Rural Telephone Coop- erative Corp- oration,	
· ·	Inc.	Inc.	Inc.	Co., Inc.	Inc.	Total
Balance, January 1, 2003 Net income Capital contributions	\$ 4,995,363 572,366 500,000	\$ 4,995,362 572,366 500,000	\$ 4,995,362 572,366 500,000	\$ 4,995,363 572,365	\$ 4,995,363 572,365	\$24,976,813 2,861,828
Balance, December 31, 2003 Net income Capital distributions Balance, December 31, 2004	\$ 6,067,729 748,580 (35,000) \$ 6,781,309	\$ 6,067,728 748,581 (35,000)	\$ 6,067,728 748,581 (35,000)	\$ 6,067,728 \$ 748,581 \$ (35,000)	500,000 \$ 6,067,728 748,580 (35,000)	2,500,000 \$30,338,641 3,742,903 (175,000)
2004 31, 2004	<u>\$ 0,781,309</u>	\$ 6,781,309	\$ 6,781,309	\$ 6,781,309	5 6,781,308	\$33,906,544

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

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

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES	200-7	2003
Net income	\$ 3,742,903	\$ 2,861,828
Adjustments to reconcile net income to net cash provided	4 0y . 12 y 5 00	
by operating activities:		
Depreciation	4,084,043	3,481,218
Amortization	507,010	609,215
Changes in assets and liabilities, net of the effects		
of investing and financing activities:		
(Increase) decrease in accounts receivable	(276,339)	261,472
(Increase) decrease in accounts receivable, members	23,313	(77,710)
(Increase) decrease in inventory	(406,781)	437,460
(Increase) in prepaid expenses	(41,233)	(20,127)
Decrease in other assets	1,121	1,119
Increase in accounts payable	480,443	22,942
(Decrease) in accounts payable, member	(5,574)	(45,077)
Increase in accrued expenses	393,916	107,040
Increase (decrease) in customer deposits	(11,842)	47,660
Net cash provided by operating activities	\$ 8,490,980	\$ 7,687,040
	以上,但其中接到 在	
H FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	\$ (12,214,324)	\$ (4,933,301)
Proceeds from sale of short-term investments	2,517,468	
Purchase of short-term investments	**	(2,517,468)
Purchase of RTFC equity certificates	(5,619)	(3,352)
Net cash (used in) investing activities	\$ (9,702,475)	\$ (7,454,121)
THE STATE OF THE S		- ·
CASH FLOWS FROM FINANCING ACTIVITIES	\$	\$ 2,500,000
Proceeds from capital contributions	(175,000)	# 12,500,000
Capital distributions	1,500,000	(500,000)
Net borrowings (payments) on notes payable	(779,000)	(728,750)
Payments on long-term borrowings	\$ 546,000	\$ 1,271,250
Net cash provided by financing activities	3 340,000	ψ 1,271,230
Net increase (decrease) in cash and cash equivalents	\$ (665,495)	\$ 1,504,169
Cash and cash equivalents:		
Beginning	2,781,029	1,276,860
2-8		
Ending	\$ 2,115,534	\$ 2.781,029
	·	
		•
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		e en en
Cash payments for interest	\$ 619,257	\$ 531,577

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

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of operations

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

Cash

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

Cash equivalents

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

Short-term investments

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

Inventory

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

Property, plant and equipment

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

Investment

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

Note 1. Summary of Significant Accounting Policies (Continued)

Intangible assets

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

Recognition of revenue

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

Advertising

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

Income taxes

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

Use of estimates

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

Reclassification

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

Note 2. Intangible Assets

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

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

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

하는 것으로 되었습니다. 그런 이 보고 그 바로 그를 바라왔습니다. 교육을 보고 있는 것이 하는 그런 그렇게 되었습니다.	Gross	Accumulated
	Amount	Amortization
Customer lists	\$ (5,363,530	\$ (1,080,021)
Non-compete agreements	220,348	(77,498)
FCC licenses	841,593	(132,073)
Use of name	10,000	(2,333)
Other	25,839	(9,422)
	\$ 6,461,310	\$ (1,301,347)

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

Year ending December 31:

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

Note 3. Notes Payable

Notes payable consist of the following:

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

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

Note 4. Long-Term Debt

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

		and the second s	
	De	cember 31, 2004	
	Balance	Current	Long-Term
Notes payable, RTFC:			建
Dated 11/13/97, variable rate		e dije dist	tyritera i efter e T
(6.15% at 12/31/04)	\$ 218,285	\$ 22,714	\$ 195,571
Dated 11/13/97, variable rate			
(6.15% at 12/31/04)	999,575	104,012	895,563
Dated 11/13/97, fixed rate	•		TO SEE SEE SEE
(7.20% at 12/31/04)	813,493	81,476	732,017
Dated 12/31/98, fixed rate	•	4 · •	
(7.25% at 12/31/04)	677,532	55,516	622,016
Dated 02/13/01, variable rate			
(5.85% at 12/31/04)	861,959	80,750	781,209
Dated 02/13/01, variable rate		1 2	
(5.85% at 12/31/04)	1,011,829	94,791	917,038
Dated 07/27/01, variable rate			
(5.85% at 12/31/04)	2,845,311	408,121	2,437,190
Line of credit, variable rate			
(6.40% at 12/31/04)	3,300,000		3,300,000
	\$10,727,984	\$ 847,380	\$ 9,880,604
2.2.2.2.2.2.4.1.2.1.2.1.2.2.2.2.2.4.4.4.3.2.2.2.2.2.2.2.2.2.2.2	上海的大学生,但是他们的大学的大学的大学的大学的大学的大学的大学的大学的大学的大学	The second of th	

Note 4. Long-Term Debt (Continued)

and the state of t	· I	December 31, 200	03
	Balance	Current	Long-Term
Notes payable, RTFC:	•		
Dated 11/13/97, variable rate			
(4.40% at 12/31/03)	\$ 240,199	\$ 20,054	\$ 220,145
Dated 11/13/97, variable rate			
(4.40% at 12/31/03)	1,093,351	95,994	997,357
Dated 11/13/97, fixed rate			
(7.20% at 12/31/03)	893,978	73,946	820,032
Dated 12/31/98, fixed rate			
(7.25% at 12/31/03)	733,212	52,230	680,982
Dated 02/13/01, variable rate			
(4.20% at 12/31/03)	932,054	76,974	855,080
Dated 02/13/01, variable rate			
(4.20% at 12/31/03)	1,094,112	90,358	1,003,754
Dated 07/27/01, variable rate			
(4.20% at 12/31/03)	3,220,078	388,499	2,831,579
	\$ 8,206,984	\$ 798,055	\$ 7,408,929

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

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

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

Year ending December 31:

2005		\$ 847,380
2006	-	4,200,418
2007	4 1	9 56 ,7 99
2008		1,016,735
2009		1,080,451

Note 5. Retirement Plans

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

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

Note 6. Related Party Transactions

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

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

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

A Spire

Note 7. Operating Leases

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

Total rental income earned from these operating lease commitments included in the statements of income were \$1,442,016 and \$1,157,527 for the years ended December 31, 2004 and 2003, respectively. Rental income earned from the Company's members from these leases was \$1,132,545 and \$858,714 for the years ended December 32, 2004 and 2003, respectively.

Note 7. Operating Leases (Continued)

Investments in operating leases are as follows at December 31:

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

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

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

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

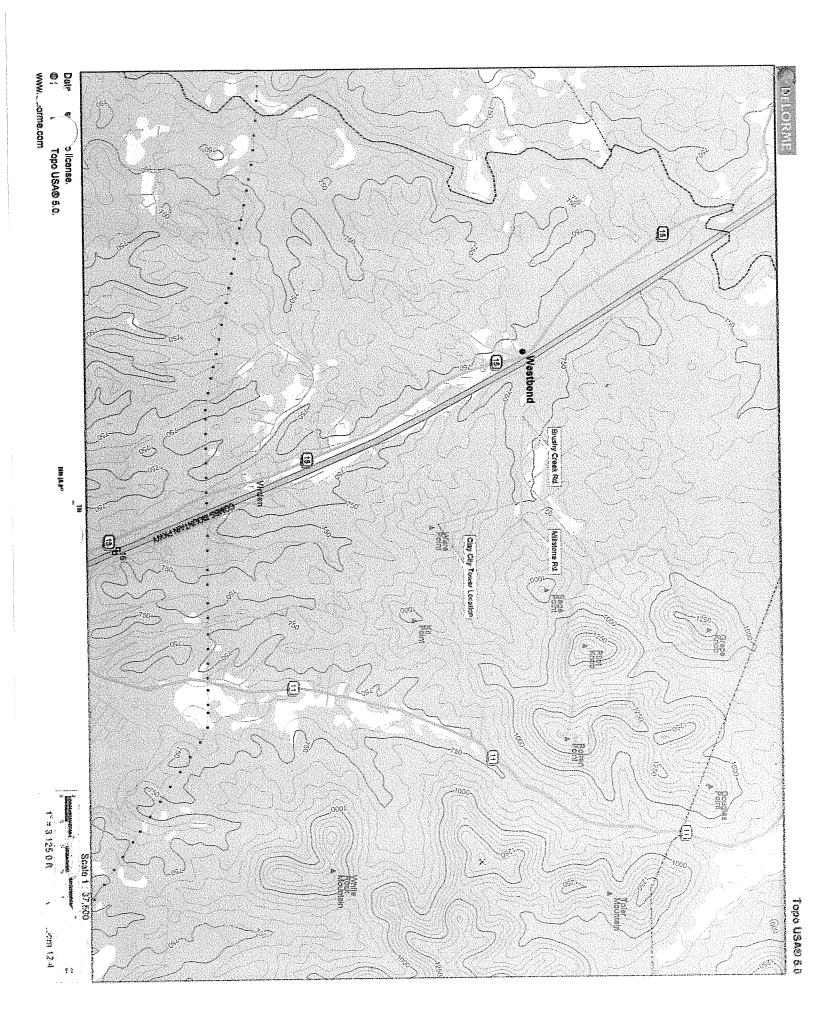
The future minimum lease payments required under these lease agreements for each of the succeeding five years are \$115,734 each year.

Directions to Clay City Site

Starting from the Powell County Court House located on Washington Street in Stanton Ky. Take Washington Street .7 miles to College Ave. Turn left onto College Ave. and go .2 miles to Hwy 213 South. Turn onto Hwy. 213 South and go .2 miles to the Bert T Combs Mountain Parkway. Turn west onto the Bert T. Combs Mountain Parkway and go 6 miles to Exit 16. Exit 16 off ramp will take you to Hwy 82. Turn west (left) onto Hwy 82 west go .1 miles to Hwy 15 North and 3.1 miles to Brushy Creek Rd. turn right (the first bridge that crosses the Bert T. Combs Mountain Parkway after turning onto Hwy 15 North). Take Brushy Creek Rd. .7 miles and turn right onto Millstone Rd. and go .3 miles to gravel road that turns up the hill. Tower is located at 644 Millstone Rd.

Ş .

Directions were written by.
Marty Thacker
Appalachian Wireless
606-634-9505 Cell Phone
606-438-2355 Ext 111 Office
m.thacker@tgtel.com E mail



LEASE AGREEMENT

THIS LEASE is made and executed on the day of Feli way, 2005 by and between Henry Pettit and Sandra Pettit, with a mailing address of 1250 Lofty Heights Road, Clay City, Kentucky 40312, hereinafter referred to as "LESSORS", and East Kentucky Network, LLC, d/b/a Appalachian Wireless, P.O. Box 405, Prestonsburg, Kentucky 41653, hereinafter referred to as "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 Lessee's 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 a part of the same property conveyed to Lessors by the following instruments: Michael Arnett and Linda Arnett, his wife, to Henry Pettit and Sandra Pettit, his wife, by deed-dated May 13, 1993, recorded in Deed Book 115, Page 150, and by deed December 8, 1995, from The Estate of Killes Wilson, et al, to Henry Pettit and Sandra Pettit, his wife, recorded in Deed Book 124, Page 179, both recorded in the office of the Powell County Clerk.

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 27" day of Jan, 2005, prepared by Michard G. Brown, Licensed Professional Land Surveyor, and attached hereto and made a part hereof as Exhibit "B."

FEB 0 4 2005
POWELL COUNTY
RHONDA ALLEN BARNETT

Lessors further grants unto Lessee, the right of ingress and egress to the Leased Premises, together with the right to build or place facilities thereon and/or a pad for



housing or containing equipment and facilities, including a utility pole, together with other equipment to secure such facilities. Lessors agree to provide conduit and dig the ditch, at their cost, so that the powerline and any other lines can be run underground to the tower site. Lessee shall bear the normal costs of extending the power line charged by the power company. Lessee shall further have the right to run additional power lines, telephone lines, coaxial lines, to and from the Leased Premises and to improve and maintain any existing road over and across Lessors' remaining property for Lessee's access to the Leased Premises, and at its own costs to bury any such lines thus run or extended. In the event Lessors lease or sell other property to another cellular provider, such entity shall be required to reimburse Lessee for one-half (1/2) of the costs of road construction and one-half (1/2) the costs of powerline extension, if and only if, such road and powerlines are used by such provider. If the other provider uses a road and powerlines located elsewhere on Lessors' property, then Lessee shall not be entitled to such reimbursement from such provider. Any existing road used by Lessee for access to and from the Leased Premises will be left open for Lessors' use, unless Lessee gates its access road in which case Lessors shall be furnished a key therefor.

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 twenty-five (25) years from and after the date hereof ("Initial Term"), with the exclusive of option of Lessee to extend the Leasehold for a second term of twenty-five (25) years each ("Additional Term"). In the event that Lessee desires to extend this Lease Agreement, it shall give Lessors' notice of such intention in writing at lease sixty (60) days before expiration of the Initial Term.

- 2. CANCELLATION. Lessee shall have the right to terminate this Lease and abandon the Premises at any time under its sole discretion, upon thirty (30) days written notice to Lessors' of its intention to do so. In the event of termination by Lessee, the Lessors shall have no obligation to refund all or any portion of the annual Leasehold rental payment that has been paid. Upon termination of this Lease, Lessee shall have Twelve (12) months thereafter to remove all structures it has erected upon the Leased Premises.
- 3. RENTAL. As rental for the Leased Premises during the Initial Term, Lessee shall pay to the Lessors annually and in advance the sum of Six Thousand Dollars (\$6,000.00) per annum beginning with the first payment to be made upon execution of this Lease, and due thereafter on the anniversary date hereof for each year that this Lease remains in effect.
- 4. RENTAL ADDITIONAL TERM(S). In the event this Lease Agreement is extended for an Additional Term the annual rental payable shall be increased by a sum equal to twenty five percent (25%) of the rent provided for in Numerical Paragraph 3 so that Seven Thousand Five Hundred Dollars (\$7,500.00) per annum shall be the annual rent due during the Additional Term.
- 5. 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 may gate its access road in a manner to best prevent trespassing. The gate shall be kept locked with a lock furnished by Lessee, who shall also furnish the Lessors with a key to the lock. Lessee shall not allow any persons not associated with its business to have access to the Leased Premises or its access road. Lessors will have the right to relocate the road to the site at Lessor's expense, so as long as Lessee has the right to use the new road.

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

- 6. INDEMNITY. Lessee agrees to indemnify and save harmless the Lessors 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). Lessors shall not be held liable for personal injury or property damage on the Leased Premises whether or not associated with Lessee.
- 7. NOTICES. 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 Lessors

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.

	LESSUKS:
	Henry Pettit
	Henry Pettit
(Sanley Otto 3
	Sandra Pettit
	EAST KENTUCKY NETWORK, LLC d/b/a APPALACHIAN CELLULAR WITE/855 D.S. S. M.S. BY: Managel ITS: Leneva / Managel

STATE OF KENTUCKY
COUNTY OF FOW # //

NOTARY PUBLIC

COMMISSION EXPIRES: OCT. 22-2005

COUNTY OF Floyd	
produced and acknowledged before m	was this 3rd day of February, 2005, ne by East Kentucky Network, LLC, dba a m Phipps, its General Manager, NOTARY PUBLIC COMMISSION EXPIRES: Oct. 22-2025
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 POWELL	Clerk's Certificate of Lodgment and Record
State aforesaid, certify that the forego	Clerk of the County for the County and ing Lease Agreement was on the day of cord, whereupon the same, with the foregoing and in my office.
WITNESS my hand, this _	8 day of <u>Jub.</u> , 2005.
,	By Achie Werna D.C.
	By Che Werna D.C.

"EXhibit" A"

PROPERTY DESCRIPTION HENRY & SANDRA PETTIT

Situated on the head of Brush Creek and Ships Branch, near Clay City, Powell County, Kentucky and beginning at a one-half inch iron rebar with plastic cap stamped PLS 2734 set on the southern edge of a dirt road, witnessed by 3" white oak, being approximately 90 feet southwest of the center of the knob known as Ware Point, property belonging to Henry and Sandra Pettit; thence crossing said road and center of the ridge and down the hill N 42°35' 08" E 132.58 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 18" white oak; thence running up the hillside S 80°13' 42" E 65.61 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 20" white oak on the center of a small spur, thence running down the hillside S 28° 57' 43" E 72.57 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734, witnessed by a marked 14" white oak; thence up the hill and crossing said road and ridge S 32° 28' 15" W 131.01 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 6" pine, thence N 53° 41' 46" W 147.86 feet to the point of beginning and containing approximately 0.453 acre, as surveyed by Richard G. Brown, PLS, of R. R. Crawford Engineering, Whitesburg, Kentucky. Said survey completed January 19, 2005.

The above described tract is a part of lands conveyed by Michael Arnett et al to Henry Pettit and Sandra Pettit, his wife, by deed dated May 13, 1993, and recorded in Deed Book 115, Page 150, records of the Powell County Court Clerk's Office.

This description was prepared on January 27, 2005, based on surveying conducted on the ground under my supervision. Right of ways or easements could exist on, under or through this property and not be referenced in this description.

Richard G. Brown, PLS Kentucky LS 2734

BOOK 0029 PAGE 283

STATE OF KENTUCKY COUNTY OF POWELL, I, Rhonda L. Barnett, Clerk of

I, Rhonda L. Barnett, Clerk of the County for the County and State aforesaid, do hereby certify that the proposing instrument was on the proposition of this pertificate have been proposed in ray of the

Given under n

By. M. W. Currer, D. C.

RECEIVED

AUG 3 1 2005

PUBLIC SERVICE COMMISSION

IPPALACHIAN WIREL

ERTICAL PROFILE SK

CLAY CITY TOWER

