### COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION MAY 2 5 2006

In the matter of:

PUELIC SERVICE COMMISSION

THE APPLICATION OF EAST KENTUCKY NETWORK ) LIMITED LIABILITY COMPANY FOR THE ISSUANCE ) OF A CERTIFICATE OF PUBLIC CONVENIENCE AND ) C NECESSITY TO CONSTRUCT A TOWER IN LETCHER ) COUNTY, KENTUCKY).

) CASE No 2006-00133

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 Letcher 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 Gordon, Kentucky. The proposed tower will be a 180 foot self-supporting tower plus antenna, lightning rod located on a ridgeline fifteen hundred feet north of the Pine Mountain Overthrust Fault, between Valley Branch and Line Fork of the North Fork of the Kentucky River, three miles west of Gordon in Letcher County, Kentucky. 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 and final approval will be provided to you as soon as it is issued. 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 Dielectric Tower Operations, Inc. of Newburgh, IN 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 <u>according to the property valuation administrator's record</u> 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. Letcher County has no formal local planning unit. In absence of this unit the Letcher 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	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 May 9 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 second & third weeks of May in The Mountain Eagle in Letcher County, Kentucky. Enclosed is a copy of that notice in Exhibit 1. The Mountain Eagle is the newspaper with the largest circulation in Letcher 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.

DATE: 5-23-06 SUBMITTED BY

Gerald Robinette, General Manager

#### **Contacts:**

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

Janice Robinson, Technical Site Coordinator <u>Phone: (606) 791-2375, Ext. 166</u> Email: <u>jrobinson@ekn.com</u>

#### **Mailing Address:**

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



# ST KENTUCKY NETWORK, LLC u/b/a APPALACHIAN WIRELESS

### GORDON CELLTOWER SITE Letcher County, KY

### (CASE # 2006-00133)`

EXHIB	BIT	ITEM
	1)	NOTIFICATION: County Judge. / Public Notice
	2)	List of Property Owners / Public Notice Letters
	3)	Universal Letter: Soil Bearing Analysis/Geotechnical Report
	4)	Kentucky Airport Zoning Commission Application
	5)	Tower and Foundation Design.
	6)	FAA Approval / Notice of Proposed Construction.
	7)	2004 Audited Financial Statements.
	8)	Driving Directions from County Seat to Site / Map.
	9)	Deed of Conveyance or Lease Agreement of Proposed Property.
	10)	Site Development: (1) Survey Map signed and sealed by P.E. / (2) Vertical Profile Sketch of Tower.

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





То:	The Mountain Eagle	From:	JANICE ROBINSON		
Fax:	606-633-2843	Phone:	606-791-2375, Ext. 166		
Phone:	606-633-2252	Pages:	1 Pages (INCLUDING COVER		
Re:	PUBLIC NOTICE ADVERTISEMENT	Date:	May 9, 2006		

#### Nancy,

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

#### **PUBLIC NOTICE:**

**RE:** Public Service Commission of Kentucky (CASE NO. 2006-00133)

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 Gordon in Letcher County. The proposed tower will be a 180-foot self-supporting tower. The proposed tower site is situated on a ridgeline, fifteen hundred feet north of the Pine Mountain Overthrust Fault, between Valley Branch and Line Fork of the North Fork of the Kentucky River, three miles west of Gordon in Letcher County, Kentucky.

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. 2006-00133

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

Thank you,

Ganice 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.

#### Next Generation Communications

#### LIST OF PROPERTY OWNERS

GORDON TOWER SITE (Case # 2006-00133)

(Within 500')

Irene Cornett 95 Clydsdale Drive Gordon, KY 41819

Edgar Darrell Cornett 2900 Fairgrounds Road Brandenburg, KY 40108

> Mavis J. Miniard 79 Happy Lane Gordon, KY 41819

Nally & Haydon Cumberland General Delivery Gordon, KY 41819

> Ottis & Doris Gilliam General Delivery Gordon, KY 41819

May 9, 2006

Carroll Smith, Judge/Executive Letcher County Court House 156 Main St. Suite 107 Whitesburg, KY 41858

606-633-2129

Dear Judge Smith:

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2006-00133)

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 180-foot self-supported tower, plus attached antennas extending upwards, and an equipment shelter to be located on a ridgeline , fifteen hundred feet north of the Pine Mountain Overthrust Fault, between Valley Branch and Line Fork of the North Fork of the Kentucky River, three miles west of Gordon in Letcher County, Kentucky This notice is being sent to you because you are the Judge Executive of Letcher County, Kentucky..

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. 2006-00133 in your correspondence.

Sincerely,

Janice Robinson Technical Site Coordinator enclosure



#### PUBLIC NOTICE

May 9, 2006

Ottis & Doris Gilliam General Delivery Gordon, KY 41819

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

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Sincerely,

Janice Robinson Technical Site Coordinator

Enclosure: (1) map.

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May 9, 2006

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Sincerely,

Janice Robinson Technical Site Coordinator

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Janice Robinson Technical Site Coordinator

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May 9, 2006

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Sincerely,

Janice Robinson Technical Site Coordinator

Enclosure: (1) map.

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May 9, 2006

Edgar Darrell Cornett 2900 Gairgrounds Road Brandenburg, KY 40108

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Sincerely,

Janice Robinson Technical Site Coordinator

Enclosure: (1) map.

N .....

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

March 5, 2005

Gordon Tower Site

#### Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Letcher County near Gordon, 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. An excavator and a dozer were used to expose the bedrock material. It is one and one half feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.) The terrain in Letcher County is moderately to very steep. The tower site is located on a ridgeline, fifteen hundred feet north of the Pine Mountain Overthrust Fault, between Valley Branch and Line Fork of the North Fork of the Kentucky River, three miles west of Gordon in Letcher County. The sandstone formation below the tower site is approximately sixty 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 R. Ho rofession

## WENDELL R. HOLMES, P.G.

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

## **Geologist Log**

Location: Gordon Tower Site

Unit Thickness	Total depth	Strata	Description
1.50′	1.50′	Soil	Yellow, Brown, with Sandstone Fragments
2.00′	3.50′	Sandstone	Brown, Weathered and Broken
60.00′	63.50′	Sandstone	Brown and Gray
15.00′	78.50′	Sandy Shale	Brown and Gray

## LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1650 Tysons Boulevard, Suite 1500 McLean, Virginia 22102 703 584 8678 • 703 584 8696 Fax

WWW FCCLAW COM

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

ALI KUZEHKANANI LEROY A ADAM LEILA REZANAVAZ SUMEET K BHALOTIA OF COUNSEL JOHN J MCAVOY\* J K. HAGE III\* LEONARD S KOLSKY\* HON. GERALD S MCGOWAN\*

CONSULTING ENGINEERS

\* Not Арміттер ін VA Writers Direct Dial (703) 584-8667 akuzehkanani@:fcclaw.com

April 24, 2006

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 or Alteration) for a new 200' communications tower structure (180' tower plus 20' antenna/lightning rod) near Gordon (Letcher County), Kentucky. The site ("Gordon") is approximately 0.75 miles west of the town. The site has an existing FAA Determination for a 270' structure. The proposed filing is to reduce the overall height from 270' to 200'.

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky 10 - Powell Rural Service Area (KY10B RSA), Market No 452B Transmit technology to be employed at this station is CDMA in the Cellular Band B frequency band (880 -890 MHz and 891 - 894 MHz); the maximum ERP is 100 Watts

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

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

Sincerely,

zehkanden

Director of Engineering

Enclosure

cc: East Kentucky Network, LLC Attention: Marty Thacker and Gerald Robinett

Kentucky Transportation Cabinet. Kentucky Airport Zoning Commission. 200 Mero Si APPLICATION FOR PERMIT TO CONSTRUCT OR ALTER A INSTRUCTIONS INCLUDED	
1 APPLICANT Name, Address, Telephone, Fax, etc	9 Latitude: <u>36</u> ° <u>59</u> ' <u>27</u> <u>96</u>
East Kenlucky Network. LLC c/o Lukas. Nace. Gulierrez & Sachs. Chld 1650 Tysons Blvd, Sulte 1500 McLean, VA 22102 T: 703-584-8667 F: 703-584-8692	9       Langitude:
2       Representative of Applicant Name Address. Telephone. Fax         Ali Kuzehkanani       Lukas, Nace. Gutierrez & Sachs. Chtd         1650 Tysons Blvd, Suite 1500       McLean, VA 22102         T:       703-584-8667 F:         3       Application for:         Image: New Construction       Image: Alteration         4       Duration:         Image: Permanent       Image: Temporary (Months Days )         5       Work Schedule: Start         10       May 2006         6.       Type:         Image: Participation Formation       Image: Canade Start         10       May 2006         End       20         Mark Schedule: Start       10         Image: Participation Tower       Image: Canade Start         Image: Participation Tower       Image: Canade Start	13       Nearest Kentucky public use or Military airport:
7 Marking/Painting and/or Lighting Preferred:	<ul> <li>Description of Location: (Attach USGS 7 5 minute Quadrangle Map or an Airport layout Drawing with the precise site marked and any certified survey)</li> <li>The proposed site is 0 75 miles (1 2 km) west of Gordon (Letcher Co ). KY</li> </ul>
21 Description of Proposal:	
The lower to be constructed is a communication support structure which high antenna/lightning rod for operation of a Band B CDMA Cellular bas configuration with the maximum ERP in any direction of 100 0 Watts	ch consists of a 180-foot guyed support structure plus a 20-foot se station The Antenna system is a three-sectored directional
22 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) 티 No 이 Yes, When April 24, 2006	been filed with the Federal Avlation Administration?
CERTIFICATION: Ihereby certify that all the above statements made by me are true. con	nplete and correct to the best of my knowledge and betlef
Ali Kuzehkanani, Dir of Engineering	10111111 24 Apr 2006
Printed Name and Title	Date
PENALTIES: Persons failing to comply with Kentucky Revised Statutes (KRS 183 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183 990(3) in further penalties	
Commission Action:	nan. KAZC T Administrator. KAZC
Approved	
Disapproved	Dale







#### Notice of Proposed Construction or Alteration (7460-1)

Project Mame: CAS1 -000033031-00	Project Name:	EAST -000039051-06
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Sponsor: East Kentucky Network, LLC

		Details for C	ase : Gordon				
Show Project Summary							
Case Status							[
ASN:	2006-ASO-	2523-0E	Date Submitted:	04/24/200	16		
Status:	Accepted		Date Accepted:	04/24/200	6		
			Date Determined:				
			Letters:	None			
Construction	I / Alterati	ion Information	Structure Summa	ary			
Notice Of:		Alteration	Structure Name:	Gordon	analari (1997) (1997) (1998) (1997) (1997)	-1 gauge 1	
Duration:		Permanent	Structure Type:	Tower			
if	Temporary	: Months: Days:	Othe	er:			
Work Schedule	e - Start:	05/10/2006	FCC Number:				
Work Schedule	e - End:	05/20/2006	Prior ASN:	2004~ASO-	5462-OE		1
State Filing:		Filed with State					
Structure De	tails		Common Frequer	ncy Bands			
Latitude:		36° 59' 27.96" N	Low Freq 869	High Freq 894	Freq Unit MHz	ERP 500	ERP Unit W
Longitude:		83° 2' 13.99" W	605	054	PIETZ	500	**
Horizontal Dat	tum:	NAD83	Specific Frequence	cies			1
Horizontal Acc	uracy:	None					
Site Elevation	(SE):	1900 (nearest foot)					
Structure Heig	ht (AGL):	200 (nearest foot)					
Marking/Light	ing:	None					
	Other :						
Nearest City:		Gordon					
Nearest State:	:	Kentucky					
Traverseway:		No Traverseway					
Description of Location:		The proposed site is 0.75 miles (1.2 km.) west of Gordon (Letcher Co.), KY					
Description of Proposal:		A 180-foot tower with top-mounted 20-foot antenna/lightning rod operating in the 800-900 MHz Band. Operating ERP will be 100 watts.					

#### Janue Robinson

From: Marty Thacker [m.thacker@tgtel.com]

Sent: Wednesday, May 10, 2006 11:06 AM

To: Janice Robinson

Subject: Fw: 678 - KAZC study request for proposed Gordon Site

Janice, The attachments on this Email are the FAA and KAZC filings

Thanks

Marty ----- Original Message -----From: <u>Ali Kuzehkanani</u> To: <u>Houlihan, John (KYTC)</u> Cc: <u>grobinette@ekn.com</u>; <u>Marty Thacker</u> Sent: Monday, April 24, 2006 4:57 PM Subject: 678 - KAZC study request for proposed Gordon Site

Dear John:

Forwarded herewith in accordance with KRS 183.990 and Chapter 50 of Title 602 of the Kentucky Administrative ns, is an "Application for Permit to Construct or Alter a Structure" (Form TC 56-50) for a communications support structure proposed near Gordon (Letcher Co.), KY. The site is located approximately 0.75 miles (1.2 km) west of Gordon (Letcher), KY at geographic coordinates (NAD83) N 37-59-27.96; W 83-02-13.99.

Attached is a copy of the electronic FAA 7460-1 filing. A copy of the final FAA determination will be provided to you as soon as it is issued.

Please let me know if you have any questions or require any additional information.

Thank you in advance for your help in this matter.

Regards

#### Ali Kuzehkanani

Director of Engineering Lukas, Nace, Gutierrez & Sachs 1650 Tysons Boulevard, Suite 1500 McLean, VA 22102 Tel (703) 584-8667 Fax (703) 584-8692 Email <u>ali@fcclaw.com</u> Email <u>akuzehkanani@fcclaw.com</u>

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## EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

FINANCIAL REPORT

\_. December 31, 2004

Iones, Nale & Certified Public Accountants

#### 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, doa 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.

Joner Male & Mattingly Pic

Louisville, Kentucky February 18, 2005

42 South Fourth Avenue, Suite 300 ouisville, Kentucky 40202-9975 502) 583-0248 • FAX (502) 589-1680 \_\_\_\_\_.

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

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

ASSETS	2004	
CURRENT ASSETS Cash and cash equivalents Short-term investments Accounts receivable, less allowance for doubtful	\$ 2,115,534 100,000	<u>\$</u> 2
accounts of \$378,680 in 2004 and \$280,280 in 2003 Accounts receivable, members (Notes 6 and 7) Inventory	1,481,900 54,397 826,636	1
Prepaid expenses Total current assets	148,558 \$ 4,727,025	S
PROPERTY, PLANT AND EQUIPMENT (Note 4)		
<ul> <li>Plant in service:</li> <li>General support</li> <li>MTSO equipment</li> <li>Cell equipment</li> </ul>	\$ 7,536,872 10,925,458 31,817,505 3,309,174	s - 2
Paging equipment Fiber ring Unfinished plant	4,484,626 1.708,762 \$ 59,782,397	<u><u> </u></u>
Less accumulated depreciation	<u>23.457,869</u> <u>\$ 36.324,528</u>	<u>S</u> :
OTHER ASSETS Investment in affiliated company, RTFC (Note 4)	- S 873,368	5
Intangible assets, net of accumulated amortization of \$1,741,672 in 2004 and \$1,301,347 in 2003 (Note 2)	4,762 <b>,67</b> 8 787 <b>,2</b> 86	
Goodwill Other	29.788 S 6.453.120	5
•	<u>\$ 47.504.673</u>	

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

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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 1,1774,425 152,350 \$ 3,717,525	<b>S</b> 2,200,0 798,0 662,3 6,1 780,5 <u>164,1</u> <b>S</b> 4,611,2
LONG-TERM DEBT, less current maturities (Note 4)	9,880,604	<b>7,</b> 408,9
MEMBERS' EQUITY	33,906,544	<b>30,</b> 338,€

\$ 42.358 \$ 47.504.673

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

|                                                                                                                                                                                                                                                                                                                                                                    |   | 2004                                                                                                                                                                                                                                                                   | 2003                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVENUE<br>Retail<br>Roamer<br>Long distance<br>Paging<br>Equipment sales, cellular<br>Equipment sales, paging<br>Other<br>Total revenue                                                                                                                                                                                                                           | • | \$ 18,777,436<br>4,693,531<br>168,585<br>1,282,952<br>1,571,027<br>79,573<br>2.308,826<br>\$ 28,881,930                                                                                                                                                                | \$ 16,436,35<br>3,784,72<br>178,9<br>1,606,35<br>1,365,23<br>87,92<br>1.908,72<br>\$ 25,368,32                                                                                                                                      |
| EXPENSES<br>Cost of cellular service<br>Cost of paging service<br>Cost of equipment sales, cellular<br>Cost of equipment sales, paging<br>Customer service<br>Billing<br>Selling<br>Maintenance<br>Utilities<br>Bad debts<br>Cell site rental<br>Taxes<br>Advertising<br>General and administrative<br>Occupancy<br>Depreciation<br>Amortization<br>Total expenses |   | <pre>\$ 7,155,982<br/>589,260<br/>3,202,000<br/>101,331<br/>1,004,290<br/>1,100,361<br/>1,598,369<br/>873,613<br/>306,593<br/>698,471<br/>120,866<br/>243,180<br/>688,001<br/>1,868,518<br/>452,041<br/>4,084,043<br/>507,010<br/>\$ 24,593,929<br/>\$ 4,288,001</pre> | <pre>\$ 7,019,19<br/>629,90<br/>2,256,11<br/>140,39<br/>950,50<br/>1,016,6<br/>1,337,9<br/>705,7<br/>303,4<br/>937,2<br/>127,3<br/>241,5<br/>470,7<br/>1,473,0<br/>253,7<br/>3,481,7<br/>609.7<br/>\$ 21.954.0<br/>\$ 3.414.1</pre> |
| OTHER INCOME (EXPENSE)<br>Interest income<br>Interest expense                                                                                                                                                                                                                                                                                                      |   | S 29,556<br>(574,654)<br>S (545,098)                                                                                                                                                                                                                                   | S 35,<br>(591.<br>S (552.                                                                                                                                                                                                           |
| Net income                                                                                                                                                                                                                                                                                                                                                         |   | <u>  5                                   </u>                                                                                                                                                                                                                          | <u>S 2.861</u>                                                                                                                                                                                                                      |

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

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

|                            |                     |                  |                     |                        | Peoples<br>Rural   |                        |
|----------------------------|---------------------|------------------|---------------------|------------------------|--------------------|------------------------|
|                            |                     | Gearbart         | Mountain            |                        | Telephone<br>Coop- |                        |
|                            |                     | Communi-         | Tele-               | Thacker-               | erative            |                        |
| •                          | Cellular            | cations          | communi-            | Grigsby                | Corp-              |                        |
|                            | Services,<br>Inc.   | Company,<br>Inc. | cations,<br>Inc.    | Telephone<br>Co., Inc. | oration,<br>Inc.   | Total                  |
| · _                        | 1110.               |                  |                     |                        |                    |                        |
| Balance, January 1, 2003   | <b>\$</b> 4,995,363 | \$ 4,995,362     | <b>S 4,995,36</b> 2 | \$ 4,995,363           | \$ 4,995,363       | <b>\$24,976,</b> 813   |
| Net income                 | 572,366             | 572,366          | 572,366             | 572,365                | 572,365            | <b>2,861,8</b> 23      |
| Capital contributions      | 500,000             | 500,000          | 500,000             | 500,000                | 500,000            | 2,500,000              |
| Balance, December 31, 2003 | \$ 6,067,729        | \$ 6,067,728     | \$ 6,067,728        | \$ 6,067,728           | \$ 6,067,728       | . <b>\$30,33</b> 8,641 |
| Net income                 | 748,580             | 748,581          | 748,581             | 748,581                | 748,580            | <b>3,742,</b> 903      |
| Capital distributions      | (35,000)            | (35,000)         | (35,000)            | (35,000)               | (35,000)           | <b>(175,0</b> 00)      |
| Balance, December 31, 2004 | S 6.781.309         | \$ 6.781.309     | S 6.781.309         | <u>\$ 6.781.309</u>    | S 6,781.308        | \$33.906.544           |
|                            |                     |                  |                     |                        |                    |                        |

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

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

|                                                                                |      | 2004               |    | 2003                 |
|--------------------------------------------------------------------------------|------|--------------------|----|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                                           |      |                    |    |                      |
| Net income                                                                     | S    | 3,742,903          | \$ | 2,861,828            |
| Adjustments to reconcile net income to net cash provided                       |      |                    |    |                      |
| by operating activities:                                                       |      |                    |    |                      |
| Depreciation                                                                   |      | 4,084,043          |    | 3,481,218            |
| Amortization                                                                   |      | 507,010            |    | 609,215              |
| Changes in assets and liabilities, net of the effects                          |      |                    |    |                      |
| of investing and financing activities:                                         |      |                    |    |                      |
| (Increase) decrease in accounts receivable                                     |      | (276,339)          |    | 261,472              |
| (Increase) decrease in accounts receivable, members                            |      | 23,313             |    | (77,710)             |
| (Increase) decrease in inventory                                               |      | (406,781)          |    | 437,460              |
| (Increase) in prepaid expenses                                                 |      | (41,233)           |    | (20,127)             |
| Decrease in other assets                                                       |      | 1,121              |    | 1,119<br>22,942      |
| Increase in accounts payable                                                   |      | 480,443            |    | (45,077)             |
| (Decrease) in accounts payable, member                                         |      | (5,574)<br>393,916 |    | 107,040              |
| Increase in accrued expenses                                                   |      | (11,842)           |    | 47,660               |
| Increase (decrease) in customer deposits                                       | \$   |                    | 5  | 7,687,040            |
| Net cash provided by operating activities                                      |      |                    |    |                      |
| H FLOWS FROM INVESTING ACTIVITIES                                              |      |                    |    |                      |
| Purchase of property, plant and equipment                                      | · •S | (12,214,324)       | S  | (4,933,301           |
| Proceeds from sale of short-term investments                                   | -    | 2,517,468          |    |                      |
| Purchase of short-term investments                                             |      |                    |    | (2,517,458           |
| Purchase of RTFC equity certificates                                           |      | (5,619)            |    | (3.352               |
| Net cash (used in) investing activities                                        | S    | (9,702,475)        | S  | (7.454.121           |
|                                                                                |      | _ ·                |    |                      |
| CASH FLOWS FROM FINANCING ACTIVITIES                                           |      |                    | -  |                      |
| · · Proceeds from capital contributions                                        | S    |                    | S  | 2,500,000            |
| Capital distributions                                                          |      | (175,000)          |    | -                    |
| Net borrowings (payments) on notes payable                                     |      | 1,500,000          |    | (500,000<br>(728.75) |
| Payments on long-term borrowings                                               |      | (779,000)          | S  | 1.271.25             |
| Net cash provided by financing activities                                      | S    | 546,000            | 3  | 1.271.25             |
| Net increase (decrease) in cash and cash equivalents                           | S    | (665,495)          | Ś  | 1,504,16             |
| Cash and cash equivalents:                                                     |      |                    |    |                      |
| Beginning                                                                      |      | 2.781.029          |    | 1.276.86             |
| Degiminig                                                                      |      |                    |    |                      |
| Ending                                                                         | S    | 2.115.534          |    | 2 781.02             |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION<br>Cash payments for interest | S    | 619 <b>,257</b>    | S  | 531,51               |
|                                                                                |      |                    |    |                      |

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

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# 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.

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# Note 2. Intangible Assets

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

|                        |    | Gross                | Accumulated    |
|------------------------|----|----------------------|----------------|
|                        |    | Amount               | Amortization   |
| Customer lists         |    | S 5,363 <b>,5</b> 30 | \$ (1,438,317) |
| Non-compete agreements |    | 220,348              | (92,218)       |
| FCC licenses           |    | 841,593              | (198,350)      |
| Use of name            |    | 10,000               | (3,001)        |
| · Other                |    | 68,879               | (9,786)        |
|                        | •. | S 6,504,350          | \$ (1,741,672) |

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

|                                                                                  | Gross Accumulated<br>Amount Amortization                                                                                           |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Customer lists<br>Non-compete agreements<br>FCC licenses<br>Use of name<br>Other | \$ 5,363,530 \$ (1,080,021)   220,343 (77,498)   841,593 (132,073)   10,000 (2,333)   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 | S   | 500,000 |
|------|-----|---------|
| 2005 |     | 500,000 |
| 2007 | *   | 500,000 |
| 2008 |     | 500,000 |
| 2009 | · · | 500,000 |

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Note 3. Notes Payable

Notes payable consist of the following:

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

(a) The Company has a line of credit agreement with Rural Telephone Finance Cooperative (RTFC) that provides for borrowings up to \$5,000,000. The outstanding balance at December 31, 2004 and 2003 was \$3,300,000 and \$1,800,000, respectively. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and was renewed June 28, 2004 for 24 months. Accordingly, the note is presented in the financial statements as long-term debt at December 31, 2004 (see Note 4).

(b) The Company issued two promissory notes in connection with the acquisition of certain paging assets. Both notes were due in one year with interest at a rate of 4%. The remaining note with a balance of \$400,000 is currently due, but the Company is negotiating the amount based upon the purchased customer lists.

Note 4. Long-Term Debt

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

|                               | December 31, 2004 |          |     |         |                                       |             |
|-------------------------------|-------------------|----------|-----|---------|---------------------------------------|-------------|
|                               | B                 | alance   | (   | Current | L                                     | ong-Term    |
| Notes payable, RTFC:          | <b></b>           |          |     | -       |                                       |             |
| Dated 11/13/97, variable rate |                   |          |     |         |                                       |             |
| (6.15% at 12/31/04)           | S                 | 218,285  | S   | 22,714  | S                                     | 195,571     |
| Dated 11/13/97, variable rate |                   |          |     |         |                                       |             |
| (6.15% at 12/31/04)           |                   | 999,575  |     | 104,012 |                                       | 895,563     |
| Dated 11/13/97, fixed rate    |                   |          |     |         |                                       | • •         |
| (7.20% at 12/31/04)           |                   | 813,493  |     | 81,476  |                                       | 732,017     |
| Dated 12/31/98, fixed rate    |                   |          |     |         |                                       |             |
| (7.25% at 12/31/04)           |                   | 677,532  |     | 55,516  |                                       | 622,016     |
| Dated 0?/13/01, variable rate |                   |          |     |         |                                       |             |
| (5.85% at 12/31/01)           |                   | 861,952  |     | 80,750  |                                       | 781,209     |
| Dated 02/13/01, variable rate |                   |          |     |         |                                       |             |
| (5.85% at 12/31/04)           | 1                 | ,011,829 |     | 94,791  |                                       | 917,038     |
| Dated 07/27/01, variable rate |                   |          |     | •       |                                       | o (07.100   |
| (5.85% at 12/31/04)           | 2                 | ,845,311 |     | 40S,121 |                                       | 2,437,190   |
| Line of credit, variable rate |                   | •        |     |         | •                                     | 0 000 000   |
| (6.40% at 12/31/04)           |                   | ,300,000 |     |         | · · · · · · · · · · · · · · · · · · · | 3,300,000   |
|                               |                   | 777 084  | - S | 847.380 | 5                                     | 9,880,604 🔤 |

Note 4. Long-Term Debt (Continued)

|                               | I            | December 31, 2003 |                 |  |  |
|-------------------------------|--------------|-------------------|-----------------|--|--|
|                               | Balance      | Balance Current   |                 |  |  |
| Notes payable, RTFC:          |              |                   |                 |  |  |
| Dated 11/13/97, variable rate |              |                   |                 |  |  |
| (4.40% at 12/31/03)           | S 240,199    | \$ 20,054         | S 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 <b>,982</b> |  |  |
| 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).

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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:

| <b>0</b> | 5 847,380 |
|----------|-----------|
| 2005     | 0 647,260 |
| 2006     | 4,200,418 |
| 2007     | 956,799.  |
| 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 lended December 131,12004 and 2003 respectively. The Company also leased offices and warehouse space from two members. The cleases are for an unspecified length of time. The monthly lease payments total approximately \$7,000. The addition, the Company incurred interconnection charges from its members aggregating \$812,794 and \$765,004 for the years lended 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.

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# 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<br>Accumulated depreciation | 4,484,626<br>(563,677) | 3,987,697<br>(355,090) |
| •                                      | \$ 3,920,949           | \$ 3,632,607           |

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

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

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

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

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# **Directions to Gordon Site**

From the court house in Whitesburg Ky. Inter North Webb St. and go .1 miles. Turn right onto Bentley Avenue and go 1 mile. Turn North onto Rt. 15. Go .4 Miles and turn onto Hwy. 931 South . Take Hwy 931 for 10.3 miles to Route 160. At route 160 Turn left (South) for 7.8 miles to Valley Branch Road. Turn Right onto Valley Br. Road and go 1.1 mile to the Gordon Tower Site.

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**Directions were written by** 

Marty Thacker Appalachian Wireless 606-634-9505 Cell Phone 606-853-9505 Pager <u>m.thacker@tgtel.com</u> E mail





# DEED OF CONVEYANCE

THIS DEED OF CONVEYANCE, entered into this  $\frac{23}{23}$  day of  $\frac{Apr_1}{2}$ .2004,

between Edgar Darrell Cornett and Sandi Cornett, his wife, of 2900 Fairgrounds

Road, Brandenberg, Kentucky 40108, GRANTORS, and East Kentucky Network, LLC,

d/b/a Appalachian Cellular, P.O. Box 405, Prestonsburg, Kentucky, GRANTEE.

# WITNESSETH:

That said Grantors for and in consideration of the sum of Sixteen Thousand Dollars (\$16,000.00), 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 Kermit Cornett, single, Marvis June Miniard, single, Ruby Jean Roark and Ray Roark, her husband, to Edgar Darrell Cornett and Carolyn Cornett, his wife, dated July 19, 1974, of record in Deed Book 205, Page 179; by Affidavit of Descent of Susie Cornett dated July 19, 1974 of record in Deed Book 205, Page 178, Letcher County Clerk's Office; and evidenced by the Last Will & Testament of Carolyn Sue Cornett dated July 26, 1983, recorded in Will Book J, Page 694, Meade County Clerk's Office.

RECEIVED APR 2.9 WINSTON MEADE-CLEPK LETCHER COUNTY COUPT

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 day of 4-19, 2004, prepared by Richard G. Brown, PLS, Licensed Land Surveyor, and attached hereto and made a part hereof as Exhibit "B."

Grantors grant and convey 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 Grantors'



retained surface for such purposes. Any roadway thus constructed shall follow the route of the existing road into the gap near the above described property.

Grantors 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 Grantors' retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successor and assigns.

Grantors further grant and convey unto Grantee, its successors and assigns, the right to remove any trees, tree limbs, undergrowth or obstructions upon Grantors' 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 Grantors.

TO HAVE AND TO HOLD the same with all appurtenances thereunto belonging unto 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 Sixteen Thousand Dollars (\$16,000.00).

IN TESTIMONY WHEREOF, the Grantor has hereunto subscribed its name by and through its duly authorized officers, the day and year aforesaid.

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**GRANTORS:** Edgar Darrell Cornett

# **GRANTEE:**

EAST KENTUCKY NETWORK, LLC d/b/a APPALACHIAN CELLULAR lan Phenon Jenen Manaer BY: ITS:

# STATE OF KENTUCKY

COUNTY OF <u>Floyd</u> Meade

I,  $\underline{Oennis}$  <u>Shepherd</u>, a Notary Public in and for the County and State aforesaid, do hereby certify that the foregoing Deed of Conveyance and Consideration Certificate was this day produced, acknowledged, subscribed and sworn before me in the said County and State and signed by **Edgar Darrell Cornett and Sandi Cornett, his** wife, Grantors, this <u>23</u><sup>r</sup> day of <u>April</u>, 2004.

NOTARY PUBLIC

Commission Expires:  $DC_{1}$ , 22-2005

# STATE OF KENTUCKY COUNTY OF <u>Floy</u>

I, <u>Dennis</u> <u>Shepherd</u>, a Notary Public in and for the county and state aforesaid, do hereby certify that the foregoing Deed of Conveyance and Consideration Certificate was this day produced, acknowledged, subscribe and sworn to before me in said County and State and signed by **East Kentucky Network**, LLC, d/b/a Appalachian Cellular, by <u>Lawra Phipps</u>, its <u>General Manager</u>, this <u>23</u><sup>rd</sup> day of <u>April</u>, 2004.

**NOTARY PUBLIC** 

Commission Expires: <u>Oct</u>, 2J-2005

This is to certify that this instrument was prepared by:  $1 \int \hat{U} \hat{U} = 0$ 

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

# EXHIBIT "A"

# PROPERTY DESCRIPTION EDGAR DARRELL CORNETT

Situated on the head of Valley Branch of Line Fork Creek, near Gordon, Letcher County, Kentucky and beginning at a one-half inch iron rebar with plastic cap stamped PLS 2734 set on the center of the ridge dividing the properties of Edgar Darrell Cornett and Irene Cornett: thence leaving said ridge and down the hill toward Valley Branch S 46°44' 11" E 76.97 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 8" maple; thence running along the hillside S 57°25' 17" W 138.52 feet to a onehalf inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 8" maple on the center of a small spur, also being 9 feet below a large rock; thence continuing along the hillside N 22°37' 20" W 117.02 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734, being a corner to Irene Cornett as recorded in Deed Book 256, Page 516, witnessed by a marked double chestnut oak on center of a small spur, also being 14 feet below the base of a cliff; thence with the lines of said Irene Cornett up the spur S 85°38' 51" E 82.63 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 5" maple on the center of the ridge that divides Valley Branch and Line Fork Creek; thence N 42°17' 45" E 34.60 feet to the point of beginning and containing approximately 0.234 acre, as surveyed by Richard G. Brown, PLS, of R. R. Crawford Engineering, Whitesburg, Kentucky. Said survey completed April 19, 2004.

The above described tract is a part of lands conveyed by Kermit Cornett et al to Edgar Darrell Cornett and Carolyn Cornett, his wife, by deed dated July 19, 1974, and recorded in Deed Book 205, Page 179, records of the Letcher County Court Clerk's Office.

This description was prepared on April 22, 2004, 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

Richard S. Brown

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# STATE OF KENTUCKY

# **COUNTY OF LETCHER**

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# Clerk's Certificate of Lodgment and Record

I, <u>Winter</u> <u>Neude</u>, Clerk of the County for the County and State aforesaid, certify that the foregoing Deed was on the <u>26</u> day of <u>April</u>, 2004 lodged for record, whereupon the same, with the foregoing and this certificate have been duly recorded in my office. <u>Or</u> <u>31</u> <u>Page</u> <u>597</u>

> WITNESS my hand, this <u>3</u> day of <u>Arril</u>, 2004. <u>Windto Meade</u> Clerk By <u>Carle Snith</u> D.C.

# DEED OF CONVEYANCE

THIS DEED OF CONVEYANCE, entered into this  $29^{-46}$  day of <u>April 1</u>, 2004, between **Irene Cornett, unmarried,** of 95 Clydesdale Drive, Gordon, Kentucky 41819 GRANTOR, and **East Kentucky Network, LLC**, d/b/a **Appalachian Cellular**, P.O. Box 405, Prestonsburg, Kentucky, GRANTEE.

# WITNESSETH:

That said Grantor for and in consideration of the sum of Two Thousand Dollars (\$2,000.00), cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, does 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 Larry Wayne Cornett and Sue Cornett, his wife, to Irene Cornett dated April 1, 1983, recorded in Deed Book 256, Page 516, Letcher County Clerk's Office.



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 <u>19</u><sup>77</sup> day of April, 2004, prepared by Richard G. Brown, Licensed Land Surveyor, and attached hereto and made a part hereof as Exhibit "B."



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 but only on the Valley Branch Ridge if reasonably necessary to access 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's retained surface for such purposes.

Grantor grants and conveys 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's retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successor and assigns.

Grantor further grants and conveys unto Grantee, its successors and assigns, the right to remove any trees, tree limbs, undergrowth or obstructions upon Grantors' 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 of value that are removed shall be saved for the Grantor.

TO HAVE AND TO HOLD the same with all appurtenances thereunto belonging unto 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 Two Thousand Dollars (\$2,000.00).

IN TESTIMONY WHEREOF, the Grantor and Grantee have hereunto subscribed their name the day and date aforesaid.

**GRANTOR:** 

here. Connett **Irene Cornett** 

**GRANTEE:** 

EAST KENTUCKY NETWORK, LLC d/b/a APPALACHIAN CELLULAR BY:

# STATE OF KENTUCKY

COUNTY OF <u>detcher</u>

I,  $\underline{Dounts 5hepher}$ , a Notary Public in and for the County and State aforesaid, do hereby certify that the foregoing Deed of Conveyance and Consideration Certificate was this day produced, acknowledged, subscribed and sworn before me in the said County and State and signed by **Irene Cornett, unmarried, Grantor,** this  $\underline{32}$ , day of  $\underline{Apri}$ , 2004.

NOTARY PUBLIC

# NOTARY PUBLIC Commission Expires: <u>OCT-2005</u>

# STATE OF KENTUCKY COUNTY OF <u>*F*/oy</u> <u>d</u>

I, <u>Dennis</u> <u>Shepherd</u>, a Notary Public in and for the county and state aforesaid, do hereby certify that the foregoing Deed of Conveyance and Consideration Certificate was this day produced, acknowledged, subscribe and sworn to before me in said County and State and signed by **East Kentucky Network**, LLC, d/b/a Appalachian Cellular, by <u>Laura</u> <u>Phipps</u>, its <u>General</u> <u>Manager</u>, this <u>23</u> day of <u>April</u>, 2004.

NOTARY PUBLIC Commission Expires: <u>cct.</u> 22-2005

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

# EXHIBIT "A"

# PROPERTY DESCRIPTION IRENE CORNETT

Situated on the head of Valley Branch of Line Fork Creek, near Gordon, Letcher County, Kentucky and beginning at a one-half inch iron rebar with plastic cap stamped PLS 2734 set on the center of the ridge dividing the properties of Irene Cornett and Edgar Darrell Cornett; thence leaving said ridge and down the hill toward Line Fork Creek N 30°26' 20" W 77.71 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 22" black oak; thence running along the hillside S 37°31' 45" W 108.85 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734, being a corner to Edgar Darrell Cornett as recorded in Deed Book 205, Page 179, witnessed by a marked double chestnut oak on center of a small spur, also being 14 feet below the base of a cliff; thence with the lines of said Edgar Darrell Cornett up the spur S 85°38' 51" E 82.63 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 5" maple on the center of the ridge that divides Valley Branch and Line Fork Creek; thence N 42°17' 45" E 34.60 feet to the point of beginning and containing approximately 0.116 acre, as surveyed by Richard G. Brown, PLS, of R. R. Crawford Engineering, Whitesburg, Kentucky. Said survey completed April 19, 2004.

The above described tract is a part of lands conveyed by Larry Wayne Cornett et al to Irene Cornett, by deed dated April 1, 1981, and recorded in Deed Book 256, Page 516, records of the Letcher County Court Clerk's Office.

This description was prepared on April 22, 2004, 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

Richard S. Brown

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# **COUNTY OF LETCHER**

'n,

# Clerk's Certificate of Lodgment and Record

I, <u>Under Meule</u>, Clerk of the County for the County and State aforesaid, certify that the foregoing Deed was on the <u>29</u> day of <u>Apr</u>, 2004 lodged for record, whereupon the same, with the foregoing and this certificate have been duly recorded in my office. <u>Or</u> all Back <u>31</u> Rage <u>Co</u>2

WITNESS my hand, this 3 day of  $A_{pr}$ , 2004.

Winston Meade Clerk

By Carle Smith D.C.

Rill L El 8 119/06

NOTE: This is a vertical sketch indicating the proposed tower height above ground, along with relative antenna and dish elevations. No structural tower design criteria was considered in the preperation of this drawing.

Md S7

RANDALL L. COLEMAN 13,100

SOONAL S

OF KEN

SCALE: 1" = 30'



# GORDON TOWER

# VERTICAL PROFILE SKETCH

# APPLACHIAN WIRELESS

