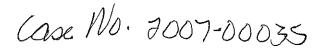
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PUBLIC SERVICE COMMISSION

EAST KENTUCKY NETWORK

d/b/a
APPALACHIAN WIRELESSS

TINA CELLULAR TOWER APPLICATION

KNOTT COUNTY, KY 26-Jan-07

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION RECEIVED

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In the matter of:

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FEB 16 2007 PUBLIC SERVICE

COMMISSION

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

) CASE No 2007-00035

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

In an effort to improve service in Knott County, East Kentucky Network, LLC Pursuant to KRS 278.020 Subsection 1 and 807 KAR 5:001 Section 9 is seeking the Commission's approval to construct a tower at Tina near Emmalena in Knott County, Kentucky. The proposed tower will be a 300 foot self supporting tower with attached antennas extending upwards, and an equipment shelter located on a reclaimed mountain top removal mine site at Tina near Emmalena, Kentucky (37-21-02.0 N 83-01-35.0 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 and final approval is included within this application. 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 Tower Innovations 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 near or 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 Sections1 (1)(L) and Section 1(1)(n)(1) all affected property owners according to the property valuation administrator's record who reside or own property within 500 feet of the proposed Tower were notified by certified mail return receipt requested of East Kentucky Network, LLC's proposed construction and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 2 is a copy of that notification. Knott County has no formal local planning unit. In absence of this unit the Knott County Judge Executive's office was notified by certified mail, return receipt requested of East Kentucky Network Limited Liability Company's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 1 is a copy of that notification.

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

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

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A sign 24" X 48" which conforms to the Public Service Commissions guidelines issued on September 3, 1997 was posted on the site on June 16, 2006 and will remain posted for at least two weeks after filing of this application as specified by the PSC guidelines. A second such sign was posted at the nearest public road, and will remain posted two weeks after this filing.

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

Notice of the location of the proposed construction was published on the first 2 weeks of February in the Troublesome Creek Times. Enclosed is a copy of that notice in Exhibit 1. The Troublesome Creek Times is the newspaper with the largest circulation in Knott County.

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

Due to the steep hillside surrounding the proposed site, the property in close proximity is unsuitable for any type of development. East Kentucky Network LLC's operation will not affect the use of nearby land nor its value. No more suitable site exists in the area. A copy of the search area map is enclosed in Exhibit 8. No other tower capable of supporting East Kentucky Network LLC's load exists in the general area; therefore, there is no opportunity for co-location of our facilities with anyone else. 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 East Kentucky Network, LLC d/b/a Appalachian Wireless, P. O. Box 405, Prestonsburg, KY 41653.

SUBMITTED BY: Janice Robinson DATE: 02-13-07

Janice Robinson, Cell Site Coordinator

APPROVED BY:

DATE:

Gerald Robinette, General Manager

Contacts:

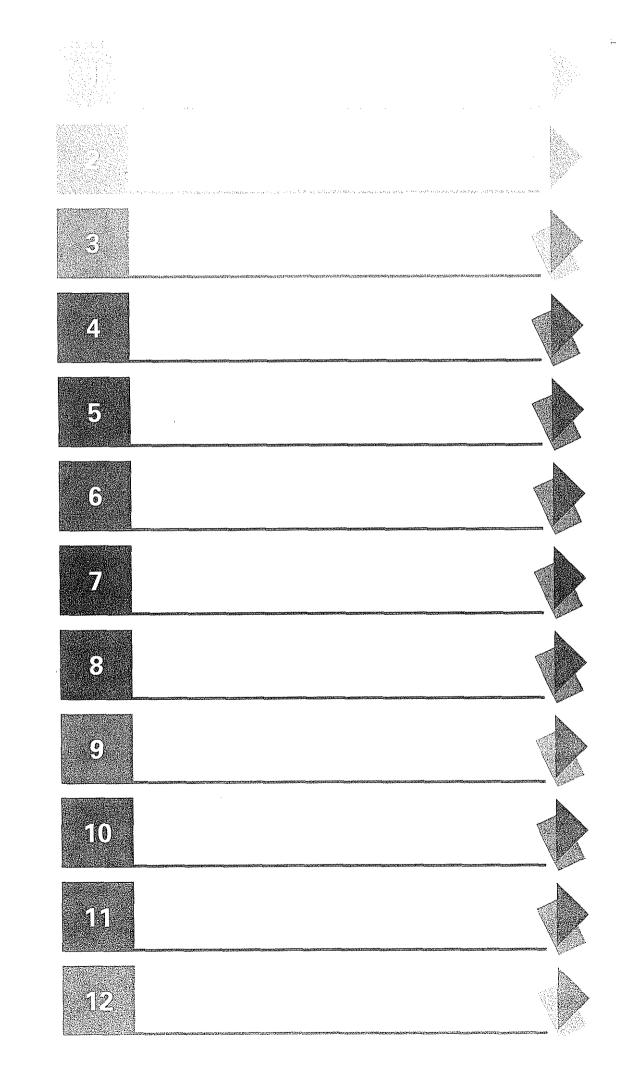
Gerald Robinette, General Manager

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

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 101 Technology Trail Ivel, KY 41642



12NSRD

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

<u>EXHIBIT</u>	ITEM
1)	NOTIFICATION/RESPONSE FROM COUNTY.
2)	COPIES OF CELL SITE NOTICES.
3)	UNIVERSAL LETTER OF SOIL BEARING ANALYSIS.
4)	KENTUCKY AIRPORT ZONING COMMISSION APPLICATION.
5)	TOWER DESIGN.
6)	FAA APPROVAL/NOTICE OF PROPOSED CONSTRUCTION.
7)	2004 AUDITED FINANCIAL STATEMENTS.
8)	DRIVING DIRECTIONS AND MAP TO SUITABLE SCALE.
9)	DEED/LEASE AGREEMENT FOR PROPOSED SITE.
10)	SURVEY OF SITE SIGNED/SEALED BY PROFESSIONAL ENGINEER REGISTERED IN KENTUCKY.

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

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VIA: U.S. CERTIFIED MAIL

January 26, 2007

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

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00035

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 300 foot self supporting tower with attached antennas extending upwards, and an equipment shelter located on a reclaimed mountain top removal mine site at Tina near Émmalena, Kentucky (37-21-02.0 N 83-01-35.0 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the present County Judge Executive of Knott County.

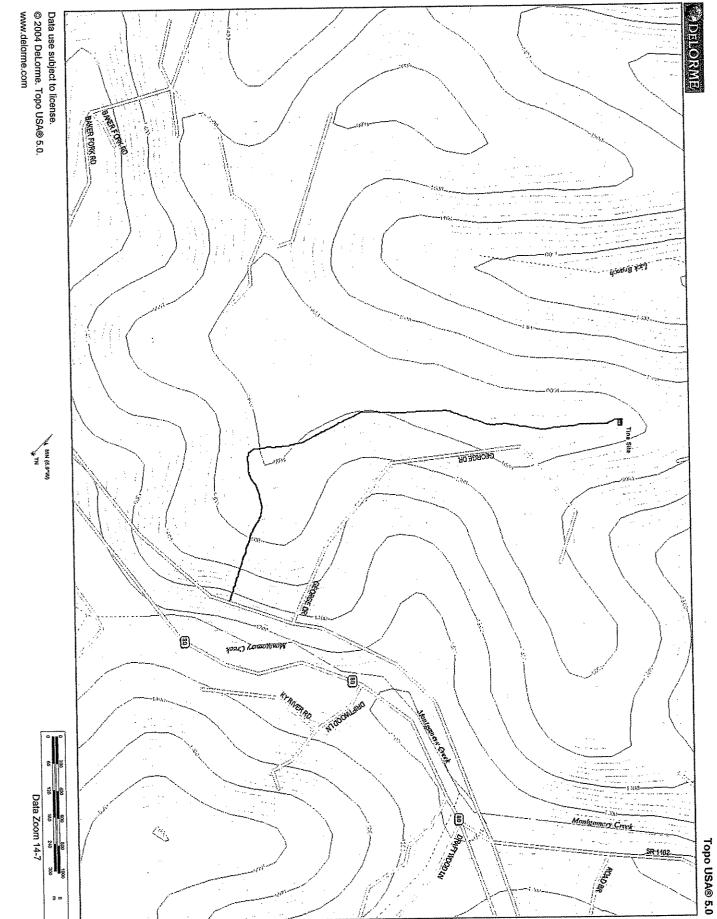
The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00035 in your correspondence.

Sincerely,

anice Robinson

Jániće Robinson Technical Site Coordinator enclosure



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



Phone: 606/874-7550 Fax: 606/791-2225

Fax

То:	Troublesome Creek Times	From:	JANICE ROBINSON
	ATT: Public Notice Advertising		Accounting Department
Fax:	606-785-0105	Phone:	606-874-7550, Ext.166
Phone:	606-785-5134	Pages:	1 Pages (INCLUDING COVER
Re:	PUBLIC NOTICE ADVERTISEMENT	Date:	January 26, 2007

Nancy,

We would like to have the following public notice printed in **The Troublesome Creek** Times for the next two weeks. **Please note our new billing address above*.

The notice should state the following:

PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2007-00035)

Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a tower in Knott County on a reclaimed mountain top removal mine site at Tina near Emmalena, Kentucky. The proposed tower will be a 300 foott self supporting tower with attached antennas extending upwards, and an equipment shelter (37-21-02.0 N 83-01-35.0 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. 2007-00035.

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

Thank you, Janice Robinson

Accounting Department If you have any problems with this fax, please call 606/886-6007. The message above and the information contained in the documents transmitted are confidential and intended only for the person(s) named above. Dissemination, distribution or copying of this communication by anyone other than the person(s) named above is prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the address listed above via regular mail. Thank you.

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			1	Pax: 608/761-2225				
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				ATT: Public Notice Adv Forc 605-785-0105	verlising Phone:	Accounting Department 605-874-7550, Ext.166		
				Phone: 606-785-5134	Pages:	Pages (INCLUDING COVER		
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				If you have questions ab call me at 605-791-2375, e Thank you, Janic	xt. 166.	the above mentioned notice, ple	989	
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LIST OF PROPERTY OWNERS Within (or near) 500 Feet

TINA TOWER SITE

Nick Patrick 615 Montgomery Cr. Emmalena, KY 41740

Richard & Bonnie Freeze 368 Baker Fork Rd. Emmalena, KY 41740

Dewey & Mary Mosley 370 Baker Fork Rd. Box 533 Hindman, KY 41822

Archie W. Everage P O Box 98 Hindman, KY 41822

Cynthia D. Everage 145 Sylvester Br. Rd Emmalena, KY 41740

Stanley Shepherd 221 Baker Fork Rd. Emmalena, KY 41740

Thelma Patrick 4605 Byron Rd. Fairborn, OH 45320

R & M Mining Co. P O Box 170 Bulan, KY 41722 EAST KENTUCKY NETWORK 101 TECHNOLOGY TRAIL IVEL, KY 41642 PHONE: (606) 874-7550 FAX: (606) 874-7551 INFO@EKN.COM (E: WWW.EKN.COM

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VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

January 30, 2007

Dewey & Mary Mosley 370 Baker Fork Rd. Box 533 Hindman, KY 41822

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00035)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 300-foot self-supported tower, with attached antennas extending upwards, and an equipment shelter to be located in Knott County on a reclaimed mountain top removal mine site at Tina near Emmalena, Kentucky. A map showing the exact 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. 2007-00035 in your correspondence.

Sincerely,

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Janice Robinson Technical Site Coordinator

Enclosure: (1)

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

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VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

January 30, 2007

Cynthia D. Everage 145 Sylveser Br. Rd Emmalena, KY 41740

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00035)

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VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

January 30, 2007

Archie W. Everage P O Box 98 Hindman, KY 41822

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Sincerely,

Janice Robinson Technical Site Coordinator

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Enclosure: (1)

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VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

January 30, 2007

Stanley Shepherd 221 Baker Fork Rd Emmalena, KY 41740

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Janice Robinson Technical Site Coordinator

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VIA: U.S. CERTIFIED MAIL

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Thelma Patrick 4605 Byron Rd Fairborn, OH 45320

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Janice Robinson Technical Site Coordinator

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anice Robinson

Janice Robinson Technical Site Coordinator

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VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

January 30, 2007

Nick Patrick 615 Montgomery Cr. Emmalena, KY 41740

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Janice Robinson Technical Site Coordinator

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VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

January 30, 2007

Richard & Bonnie Freeze 368 Baker Fork Rd. Emmalena, KY 41740

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00035)

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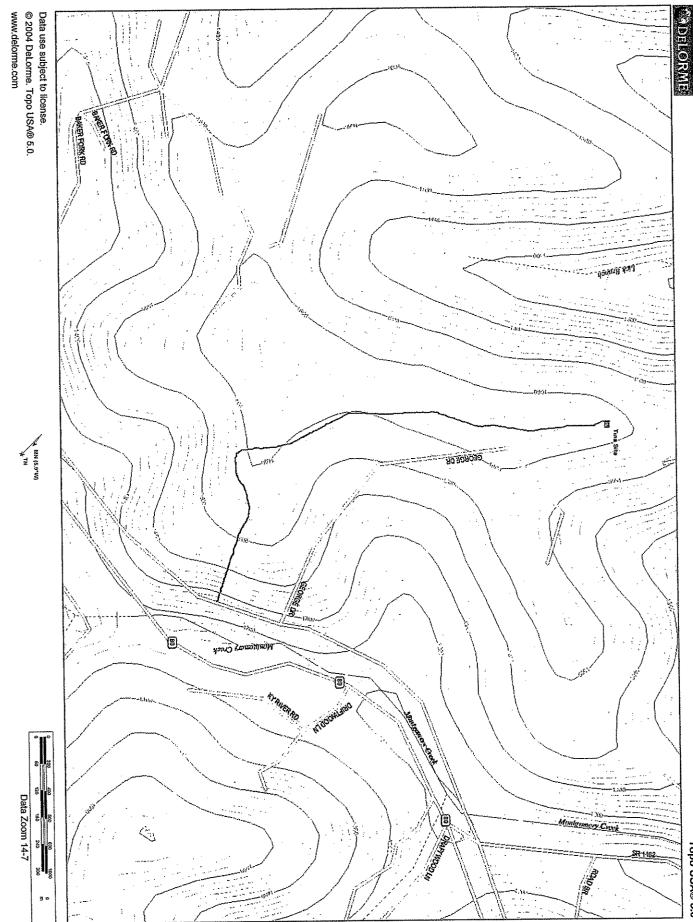
Sincerely,

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Janice Robinson Technical Site Coordinator

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Enclosure: (1)



Topo USA® 5.0

WENDELL R. HOLMES, P.G. 120 Church Street Whitesburg, KY 41858 (606) 633-1511

March 13, 2006

Montgomery Creek Tower Site

Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Knott County near Emmalena, Kentucky. The site of the proposed tower is now a reclaimed mountain top removal mine site. The purpose of this investigation was to determine the depth of material and of what type of rock the fill material consists.

Site Investigation:

Mine mapping and a site investigation was used to determine the type of material at the proposed tower site. There is approximately forty feet of mine spoil on which the tower will be located. The area was mined by the mountain top removal method and backfilled, with the material which was overlying the coal (overburden), approximately twenty years ago. The material consists of fragments of sandstone and shale which is generally associated with the overburden of the Hazard No. 9 coal bed. (See attached page for descriptions of materials encountered.)

The terrain in Knott County is moderately to very steep. The tower site is located on a ridge between Montgomery Creek of Troublesome Creek and Lick Fork of Troublesome Creek, both being tributaries of the North Fork of the Kentucky River, approximately two miles west of Emmalena in Knott County. The fill material below the tower site is approximately 40.00 feet thick, based on the information obtained from the site investigation, mine maps and geological maps of the area.

Conclusions:

The proposed tower site is located on a ridge in the area. The fill material has been in place for approximately twenty years. Tests were not conducted to determine the load-bearing strength of the fill material. However, it is apparent that the tower will be constructed on the fill material.

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



WENDELL R. HOLMES, P.G.

120 Church Street Apartment 3 Whitesburg, Ky. 41858

Geologist Log

Location: Montgomery Creek Tower Site

Unit Thickness	Total depth	Strata	Description
40.00′	40.00′	Mine Fill	Brown and Gray, Sandstone and Shale Fragments



.

March 14, 2006

APPROVAL OF APPLICATION

APPLICANT: East Kentucky Network, LLC Leroy A Adam, Senior Engineer C/O Lukas, Nace, Gutierrez, & Sachs, Chartered 1650 Tyson Blvd., Suite 1500 MCLEAN, VA 22102

SUBJECT: AS-060-K20-06-029

STRUCTURE:Antenna TowerLOCATION:Carrie, KYCOORDINATES:37-21-02.0 N / 83-01-35.0 WHEIGHT:315'AGL/1961'AMSL

The Kentucky Airport Zoning Commission has approved your application for a permit to construct 315'AGL/1961'AMSL Antenna Tower near Carrie, KY 37-21-02.0 N / 83-01-35.0 W.

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

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

Dual obstruction lighting is required in accordance with 602 KAR 50:100.

n Houlihan, Administrator



CONSTRUCTION/ALTERATION STATUS REPORT

March 14, 2006

AERONAUTICAL STUDY NUMBER: AS-060-K20-06-029

East Kentucky Network, LLC Leroy A Adam, Senior Engineer C/O Lukas, Nace, Gutierrez, & Sachs, Chartered 1650 Tyson Blvd., Suite 1500 MCLEAN, VA 22102

This concerns the permit which was issued to you by the Kentucky Airport Zoning Commission on March 9, 2006. This permit is valid for a period of 18 Month(s) from its date of issuance. If construction is not completed within the said 18-Month period, this permit shall lapse and be void, and no work shall be performed without the issuance of a new permit. When appropriate, please indicate the status of the project in the place below and return this letter to John Houlihan, Administrator, Kentucky Airport Zoning Commission, 200 Mero Street, Frankfort, KY 40622 (502) 564-4480.

STRUCTURE:	Antenna Tower
LOCATION:	Carrie, KY
COORDINATES:	37-21-02.0 N / 83-01-35.0 W
HEIGHT:	315'AGL/1961'AMSL

CONSTRUCTION/ALTERATION STATUS

1. The project () is abandoned. () is not abandoned.

2. Construction status is as follows: Structure reached its greatest height of ______ft. AGL ______ft. AMSL on ______(date).

Date construction was completed

Type of obstruction marking/painting.

Type of obstruction lighting.

As built coordinates

Miscellaneous Information:

DATE_____

SIGNATURE/TITLE_____

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entucky		TC 55-	50E (Rev. 02/0
Kentucky Transportation Cabinet, Kentucky Airport Zoning Commission. 200 Mero S APPLICATION FOR PERMIT TO CONSTRUCT OR ALTER INSTRUCTIONS INCLUDED		Kentucky Aeronautical S AS- B66-1C21	
1 APPLICANT – Name, Address. Telephone, Fex. etc East Kentucky Network, LLC c/o Lukas, Nace, Gullerrez & Sachs, Chid. 1650 Tysons Blvd, Suite 1500 McLean, VA 22102 T: 703-584-8678 F: 703-584-8692	11 Datum: TNAD83 T	21 02 0 01 35 0 RNAD27 R Other Carrie County Kn	* *****
 Representative of Applicant – Name. Address. Telephone. Fax LeRoy A (Art) Adam Lukas, Nace, Gutierrez & Sachs, Chtd 1650 Tysons Bivd, Suite 1500 McLean, VA 22102 T: 703-584-8669 F: 703-584-8692 		ort ("K20") ucture: <u>13.2</u> ucture: <u>ESE</u>	
 3 Application for: FI New Construction F Alteration F Existing 4 Duration: F Permanent F Temporary (Months Days) 5 Work Schedule: Start <u>D3 Apr.2006</u> End <u>22 Apr.2006</u> 6. Type: F Antenna Tower F Crane F Building Power Line F Landfill F Water Tank Other 7 Marking/Painting and/or Lighting Preferred: Red Lights and Paint F Dual - Red & Medium Intensity White White - Medium Intensity F Dual - Red & High Intensity White White - High Intensity F Other 8. FAA Aeronautical Study Number <u>TBD</u> 21 Description of Proposal: The tower to be constructed is a communications support structure white degrees) with a maximum ERP of 200 Watts 	 17 Total Structure Height (# 18 Overall Height (#16 + #1 19 Previous FAA and/or Ke N/A 20 Description of Localion: or an Airport layout Drav certified survey) Site is 1.4 miles NNE of 0 	17) (AMSL):1 Intucky Aeronautical Study Nu (Atlach USGS 7 5 minute Qu wing with the precise site mart Carrie (Knott), KY	mber(s): adrangle Map ked and any
	amplete and correct to the best of my 	/knowledge and belief 03 Apr Date Itucky Administrative Reputa	lons (602 KAR



(502) 564-4480 fax: (502) 564-7953 No.: AS-060-K20-06-029

March 14, 2006

APPROVAL OF APPLICATION

APPLICANT: East Kentucky Network, LLC Leroy A Adam, Senior Engineer C/O Lukas, Nace, Gutierrez, & Sachs, Chartered 1650 Tyson Blvd., Suite 1500 MCLEAN, VA 22102

SUBJECT: AS-060-K20-06-029

STRUCTURE:Antenna TowerLOCATION:Carrie, KYCOORDINATES:37-21-02.0 N / 83-01-35.0 WHEIGHT:315'AGL/1961'AMSL

The Kentucky Airport Zoning Commission has approved your application for a permit to construct 315'AGL/1961'AMSL Antenna Tower near Carrie, KY 37-21-02.0 N / 83-01-35.0 W.

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

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

Dual obstruction lighting is required in accordance with 602 KAR 50:100.

in Houlihan, Administrator



CONSTRUCTION/ALTERATION STATUS REPORT

March 14, 2006

AERONAUTICAL STUDY NUMBER: AS-060-K20-06-029

East Kentucky Network, LLC Leroy A Adam, Senior Engineer C/O Lukas, Nace, Gutierrez, & Sachs, Chartered 1650 Tyson Blvd., Suite 1500 MCLEAN, VA 22102

This concerns the permit which was issued to you by the Kentucky Airport Zoning Commission on March 9, 2006 This permit is valid for a period of 18 Month(s) from its date of issuance. If construction is not completed within the said 18-Month period, this permit shall lapse and be void, and no work shall be performed without the issuance of a new permit. When appropriate, please indicate the status of the project in the place below and return this letter to John Houlihan, Administrator, Kentucky Airport Zoning Commission, 200 Mero Street, Frankfort, KY 40622 (502) 564-4480.

STRUCTURE:	Antenna Tower
LOCATION:	Carrie, KY
COORDINATES:	37-21-02.0 N / 83-01-35-0 W
HEIGHT:	315'AGL/1961'AMSL

CONSTRUCTION/ALTERATION STATUS

- 1 The project () is abandoned () is not abandoned.
- 2 Construction status is as follows: Structure reached its greatest height of ______ft. AGL ______ft. AMSL on ______(date).

Date construction was completed

Type of obstruction marking/painting.

Type of obstruction lighting.		
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As built coordinates.		
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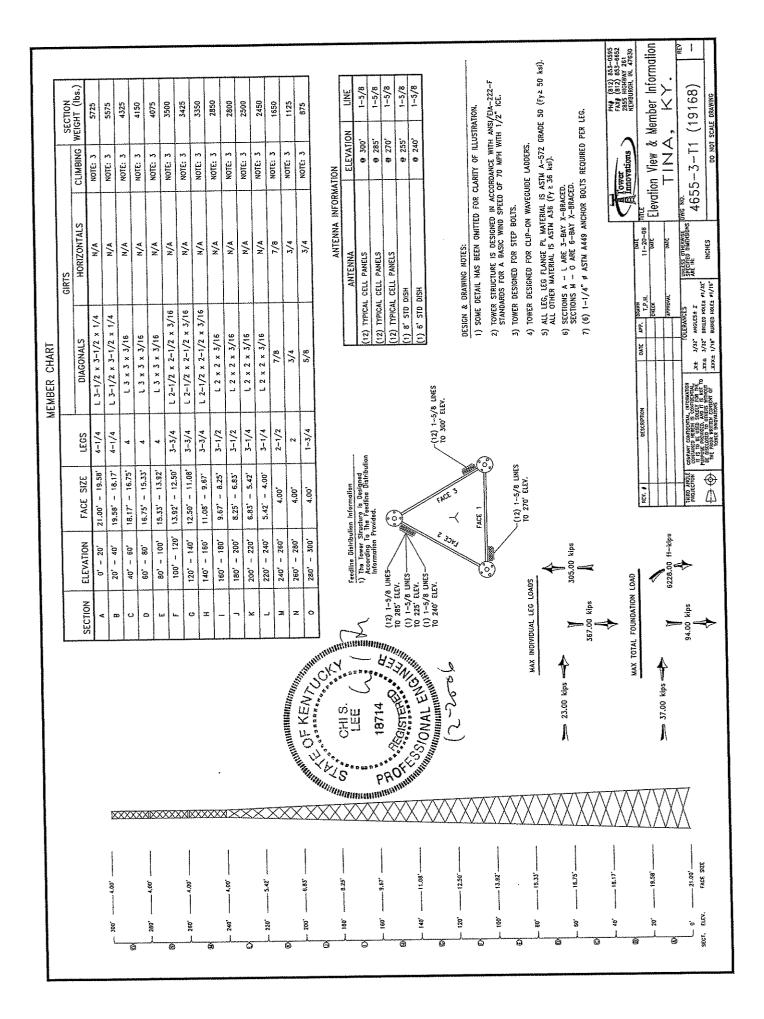
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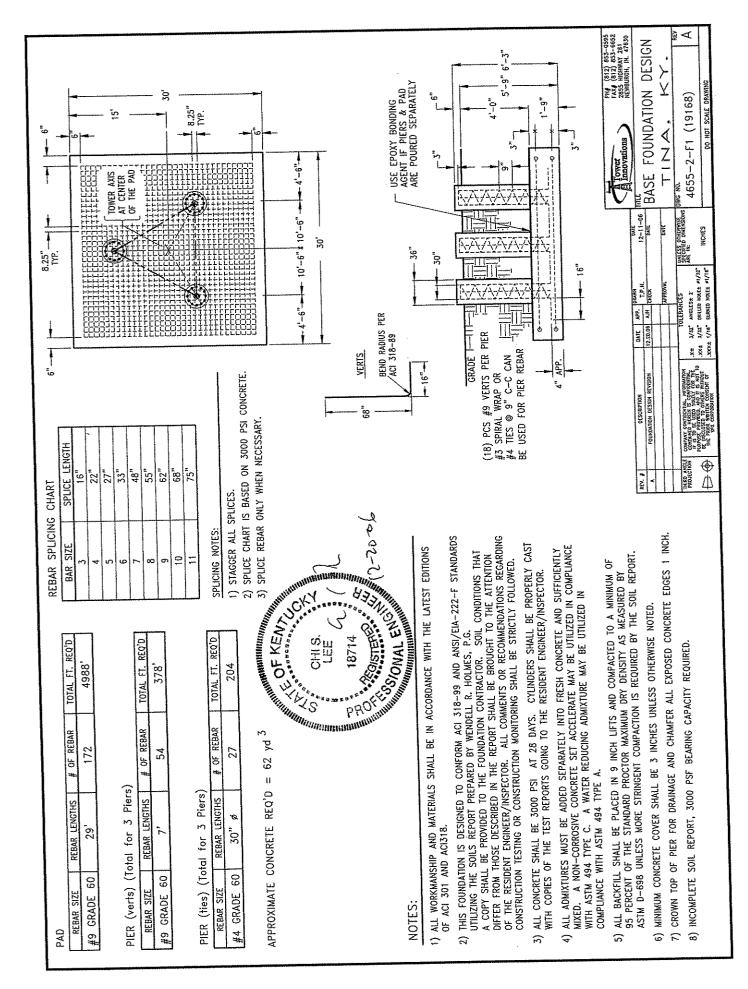
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T: 703-584-8678 F: 703-584-8692 11 Datum: F NAD83 FINAD27 F Other 2: Representative of Applicent – Name. Address. Telephone. Fax 12 Nenrest Kentucky City: Catting	1650 Tysons Blvd, Suite 1500	10 Longitude: <u>83</u>	01350
12 Nearest Kenucky City: SättleCounty Koell		11 Datum: TNAD83	NAD27 POther
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Representative of Applicant – Name. Address. Telephone. Fax ERPoy A (AT) Adam Lukes, Nace, Guilgersz & Sachs, Chtd 1560 Y (sond Stud, Suite 1500 Molean, VA 22102 T: 703-564-8669 F: 703-584-8692 14 Distance from #13 to Structure:		13 Nearest Kenlucky public	use or Military airport:
Lukes, Nace, Gulferez & Sachs, Chtd 1650 Tysots Bird, Suite 1500 McLean, VA 22102 1 Distance from #13 to Structure:			. ,
1650 Tysons Bivd, Suide 1500 14 Distance from #13 to Structure: 13.2 14 Distance from #13 to Structure: 13.2 15 Direction from #13 to Structure: ESE 16 Opplication for: F1 New Construction F Alteration F1 Existing 17 Total Structure: 13.2 18 Direction from #13 to Structure: ESE 19 Previous FAA and/or Kentucky Aeronautical Study Number(s): 14 Distance from #13 to Structure: 13.2 15 Work Schedule: Start 03.4pt 2006 16 Data Structure: Meight (AGL): 136.00 18 Overall Height (#16 + #17) (AMSL): 136.00 19 Previous FAA and/or Kentucky Aeronautical Study Number(s): 10 White - Height Intensity F0 Dual - Red & Medium Intensity White 17 Red Lights and Paint F0 Dual - Red & Medium Intensity White 17 Nota - Height Intensity F0 Dual - Red & High Intensity White 18 Description of Location: (Attach USGS 7 5 minute Quadrangle Map or an Apon tayout Drawing with the precise alls marked and any carified survery) 17 Total Structure: Plus a 15-foot top-mounted antennafichthing rod for operation of a Band B cellular base station. The antenna is omni-directional (beamwidth 350 degrees) with a maximum ERP of 200 Watts<			
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Fi Landfill Fi Water Tank F Other 7 Marking/Painting and/or Lighting Preferred: 7 Red Lights and Paint F Dual - Red & Medium Intensity While 11 While - Medium Intensity F Dual - Red & High Intensity While 12 While - Medium Intensity F Dual - Red & High Intensity While 12 While - High Intensity F Dual - Red & High Intensity While 12 While - High Intensity F Other 13 FAA Aeronautical Study Number TBD 21 Description of Proposal: The tower to be constructed is a communications support structure which consists of a 300-foot tower structure plus a 15-foot top-mounted antennalightning rod for operation of a Band B cellular base station The antenna is omni-directional (bearwidth 360 degrees) with a maximum ERP of 200 Waits 22 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? 12 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? 13 No Files, When April 103, 2006 CERTFIFICATION: Ihereby certify thatalithe above statements made by me are true. complete and correct to the bastofmyknowledge and bellef LeRoy A. (Art) Adam, Senior Engineer Date Printed Name	5 Work Schedule: Start 03 Apr 2006 End 22 Apr 2006	19 Previous FAA and/or Ke	ntucky Aeronautical Study Number(s):
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8. FAA Aeronautical Study Number TBD 21 Description of Proposal: The tower to be constructed is a communications support structure which consists of a 300-foot tower structure plus a 15-foot top-mountide antennal/lightning rod for operation of a Band B cellular-base station. The antenna is omni-directional (beamwidth 360 degrees) with a maximum ERP of 200 Watts 22 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? PINo Pres, When April 03, 2006 CERTIFICATION: Ihereby certify that all the above statements made by me are true. complete and correct to the best of myknowledge and bellef LeRoy A. (Art) Adam, Senior Engineer Diale Printed Name and Tille Date PENAL TIES: Parsons failing to comply with Kentucky Revised Statules (KRS 183 861 through 183 990) and Kentucky Administration Regulations (602 KAR 003) Non-compliance with Federal Aviation Administration Regulations (602 KAR 003) sense and/or limptisonment as set forth in KRS 183 990(3) Non-compliance with Federal Aviation Administration Regulations may result in further penalties Commission Action: FI Chairman. KAZC FI Administrator. KAZC FI Approved THE WAWA TH-WG			
21 Description of Proposal: 22 Description of Proposal: 23 The tower to be constructed is a communications support structure which consists of a 300-foot tower structure plus a 15-fool top-mounted antenna/lightning rod for operation of a Band B cellular base station. The antenna is omni-directional (beamwidth 360 degrees) with a maximum ERP of 200 Watts 23 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? 24 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? 25 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? 26 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? 27 In to File State and Tile	I White - High Intensity Coner		1
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The tower to be constructed is a communications support structure which consists of a 300-foot tower structure plus a 15-fool top-mounted antenna/lightning rod for operation of a Band B cellular-base station. The antenna is omni-directional (beamwidth 360 degrees) with a maximum ERP of 200 Watts 22 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? Image: No File Yes, When April 03, 2005 CERTIFICATION: Ihereby certify that all the above statements made by me are true. complete and correct to the best of myknowledge and belief LeRoy A. (Art) Adam, Senior Engineer D3 Apr 2006 Printed Name and Title D3 Apr 2006 PENAL TIES: Persons failing to comply with Kentucky Revised Statutes (KRS 183 861 through 183 990) and Kentucky Administration Regulations (602 XAR 050) Series) are liable tor fines and/or imprisonment as set forth in KRS 183 990(3) Non-compliance with Federal Aviation Administration Regulations may result in further penaltiles Commission Action: Im Chairman. KAZC PI Approved Madministration	21 Description of Proposal:		
Image: Non Figues, When April 03, 2006 CERTIFICATION: Thereby certify that all the above statements made by me are true. complete and correct to the best of myknowledge and bellef LeRoy A. (Art) Adam, Senior Engineer 03 Apr 2006 Printed Name and Title 03 Apr 2006 PENAL TIES: Persons falling to comply with Kentucky Revised Statutes (KRS 183.861 through 183.990) and Kentucky Administrative Regulations (602 KAR 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3). Non-compliance with Federal Aviation Administration Regulations may result in further penalties Commission Action: Image: Chairman. KAZC Mapproved Different. KAZC	top-mounted antenna/lightning rod for operation of a Band B cellular b	ich consists of a 300-foot towe ase station. The antenna is om	r structure plus a 15-foot ni-directional (beamwidth 360
LeRoy A. (Art) Adam, Senior Engineer Correct Addition O3 Abr 2006 Printed Name and Title Date Date PENAL TIES: Persons falling to comply with Kentucky Revised Statutes (KRS 183.861 through 183 990) and Kentucky Administrative Regulations (602 KAR 050:Series) are liable for lines and/or imprisonment as set forth in KRS 183.990(3). Non-compliance with Federal Aviation Administration Regulations may result in further penalties Commission Action: File Chairman. KAZC PLAdministrator. KAZC M Approved Tothe House Ho		1) been filed with the Federal Avia	tlon Administration?
Printed Name and Title Date PENAL TIES: Persons falling to comply with Kentucky Revised Statutes (KRS 183.861 through 183.990) and Kentucky Administrative Regulations (602 KAR 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3) Non-compliance with Federal Aviation Administration Regulations may result in further penalties Commission Action: If Chairman. KAZC M Approved To HW HOWH HOWH HOWH HOWH HOWH ADD	CERTIFICATION: I hereby certify that all the above statements made by me are true. c	omplete and correct to the best of my	knowledge and belief
Printed Name and Title Date PENAL TIES: Persons falling to comply with Kentucky Revised Statutes (KRS 183.861 through 183.990) and Kentucky Administrative Regulations (602 KAR 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3) Non-compliance with Federal Aviation Administration Regulations may result in further penalties Commission Action: If Chairman. KAZC M Approved To HW HOWH HOWH HOWH HOWH HOWH ADD	10 K	11	
PENAL TIES: Persons failing to comply with Kentucky Revised Statutes (KRS 183.861 through 183.990) and Kentucky Administrative Regulations (602 KAR 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3). Non-compliance with Federal Aviation Administration Regulations may result in further penalties Commission Action: Approved Approved Approved Approve		Adam	
MApproved Albrein Totto HOULIHAN 2-14-06	PENAL TIES: Persons failing to comply with Kentucky Revised Statutes (KRS 1) 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183 990(3	83.861 through 183 990) and Ken I) Non-compliance with Federal A	lucky Administrative Regulations (602 KAR
FI Approved Allowing John Houri HAN 2-14-06	Commission Action: A A Pictus	frman, KAZO PLAdre	inistrator. KAZC
FI Disapproved Athon JoHN HOULIHAN Date 3-14-06			
FI Disapproved	MUKANA ISLED FOUL	LIHAN	2-14-06
	T Disapproved	Date	





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Federal Aviation Administration Air Traffic Airspace Branch, ASW-520 2601 Meacham Blvd. Fort Worth, TX 76137-0520 Aeronautical Study No. 2006-ASO-687-OE

Trsued Date: 03/03/2006

Art Adam East Kentucky Network, LLC 1650 Tysons Blvd; Suite 1500 McLean, VA 22102

** DETERMINATION OF NO HAZARD TO AIR NAVIGATION **

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

Structure Type:	Antenna Tower
Location:	Carrie, KY
Latitude:	37-21-2.25 NAD 83
Longitude:	83-1-34.53
Heights:	315 feet above ground level (AGL)
	1961 feet above mean sea level (AMSL)

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

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

- ___ At least 10 days prior to start of construction (7460-2, Part I)
- X___ Within 5 days after the construction reaches its greatest height (7460-2, Part II)

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

This determination expires on 09/03/2007 unless:

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

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION

MUST BE POSTMARKED OR DELIVERED TO THIS OFFICE AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE.

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

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

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

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

If we can be of further assistance, please contact our office at (817)222-5538. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2006-ASO-687-OE.

Signature Control No: 451611-443010

(DNE)

entiss Andrews Specialist

Attachment(s) Frequency Data

7460-2 Attached

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LOW	HIGH	FREQUENCY	ERP	ERP
FREQUENCY	FREQUENCY	UNIT		UNIT
869	894	MHz	500	W
880	890	MHz	300	W

•

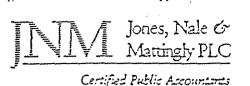
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EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

FINANCIAL REPORT

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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, de Appalachian Wireless as of December 31, 2004 and 2003 and the related statements of incommembers' equity and cash flows for the years then ended. These financial statements are to responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

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

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

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gran Mattingly Re

Louisville, Kentucky February 18, 2005

42 South Fourth Avenue, Suite 300 ouisville, Kenzucky 40202-9975

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

BALANCE SHEETS December 31, 2004 and 2003

· ·	2004
ASSETS	
CURRENT ASSETS Cash and cash equivalents	S 2,115,534 100,000
Short-term investments Accounts receivable, less allowance for doubtful	1,481,900 54,397
accounts of 3378,000 m 200 m 2	826,636 1 <u>48,558</u>
Inventory	<u>5 4.727.025</u>
Total current assets	
 PROPERTY, PLANT AND EQUIPMENT (Note 4) Plant in service: General support MTSO equipment Cell equipment Paging equipment Fiber ring Unfinished plant Less accumulated depreciation 	S 7,536,872 10,925,458 31,817,505 3,309,174 4,484,626 1.708,762 S 59,782,397 23,457,869 S 36,324,528
OTHER ASSETS	S 873,368

Investment in affiliated company, RIFC (Note 4) Investment in affiliated company, RIFC (Note 4) Intangible assets, net of accumulated amortization of \$1,741,672 in 2004 and \$1,301,347 in 2003 (Note 2) Goodwill	÷ .	762,678 787,286 29.788 453.120
Other		

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

<u>s 17.504.673</u>

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	2004	20
LIABILITIES AND MEMBERS' EQUITY	· · · · · · · · · · · · · · · · · · ·	
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	S 400,000 847,380 1,142,766 604 1,174,425 152,350 S 3,717,525	\$ 2,2 7 6 7 1 \$ 4,6
LONG-TERM DEBT, less current maturities (Note 4) MEMBERS' EQUITY	9,880,604 33,906,544	7,< 30,1
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s <u>27.504.673</u>

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EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME Years Ended December 31, 2004 and 2003

	20042003
REVENUE Retail Roamer Long distance Paging Equipment sales, cellular Equipment sales, paging Other Total revenue	$\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$

EXPENSES Cost of cellular service Cost of paging service Cost of equipment sales, cellular Cost of equipment sales, paging Customer service Billing Selling Maintenance Utilities Bad debts Cell site rental Taxes Advertising General and administrative	S	7,155,982 589,260 3,202,000 101,331 1,004,290 1,100,361 1,598,369 873,613 306,593 698,471 120,866 243,180 688,001 1,868,518 452,041 4,084,043	\$ 7,01 62 2,25 14 95 1,01 1,31 7, 3 9 1 2 2 1,2 2 3,4
Occupancy Depreciation		507.010 \$ 24.593.929	<u>5 21.5</u>
Amortization Total expenses	-		5 3.
Income from operations	-	<u>S 4,283,001</u>	<u> </u>
OTHER INCOME (EXPENSE) Interest income Interest expense		S 29,556 (574,654) S (545,098)	S (S (
		<u>\$ 3.742.903</u>	<u>S</u>

Net income

A Part of t

Financial Statements are an integral part of these statements.

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EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

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

. .

	Cellular Services, — Inc.	Gearbart Communi- cations Company, Inc.	Mountain Tele- communi- cations, Inc.	Thecker- Grigsby Telephone Co., Inc.	Peoples Rural Telephone Coop- erative Corp- oration, Inc.	Tou:
Balance, January 1, 2003	S 4,995,363	S 4,995,362	S 4,995,362	s 4,995,363 .	S 4,995,363	\$24,976,
Net income	572,366	572,366	572,366	572,365	572,365	2,851,
Capital contributions	500.000	500,000	500,000	500,000	500,000	2,500.
Balance, December 31, 2003	S 6,067,729	\$ 6,067,728	S 6,067,728	S 6,067,728	S 6,067,728	. S 30,338,
Net income	748,580	748,581	748,531	:748,581 .	743,580	3,742,
Cepital distributions	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	<u> </u>
Balance, December 31, 2004	<u>\$ 6.781.309</u>	S 6.781.309	\$ 6.781.309	<u>S 6.781.309</u>	<u>S 6.781.308</u>	<u>•\$33.906.</u>
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EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

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

.

5 3 4	2004 3,742,903 4,084,043 507,010 (276,339)	S	
¢	\$,034,043 507,010	S	3,431,2
	507,010		3,431,2 609,2
	507,010		3,481,2 609,2
	507,010		
	·		609,2
	(275 330)		
	(275 330)		
	(275 220)		
	• • •		261,4
	23,313		(77,7
	(406,781)		437,4
			(20,1
			1,
	• •		22,9
			(45,
• •	-		107,
			47.
5 8	5.490.980	<u>.</u>	7,637.
· · ·		. * '	
			(4,933
•			. (4,755.
4	2,517,408		(2,517
	(5.619)		(-,-1)
5 (5	(7.45-
S		S	2,50
			(50
			(72
5	546.000	<u></u>	1.27
		<u>``</u>	
S	(655,495)	3	1,5.
	0 201 000		1.2
<u></u>	2.731.029	*	
·	<u>115534</u>	<	
-	S (1) S (1	S (12,214,324) 2,517,468 (5,619) S (9,702,475) S (175,000) 1,500,000 (779,000) S 546,000 S (655,495) 2,781,029	$\begin{array}{r} 1,121 \\ 480,443 \\ (5,574) \\ 393,916 \\ (11.842) \\ \hline \\ $ 8,490,980 \\ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

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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 Telephon. 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.

Incometaxes

:Under existing provisions of the Internel 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

Cortain amounts presented in the pilot year have been restated to call from with the odirer " year presentation.

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Note 2. Intangible Assets

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

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

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

- Intangible 25505 condition	Gross Accumulated Amount Amortization	
Oustomer lists Non-compete agreements FCC licenses Use of name Other	 $\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$	•

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

. . . .

Year ending December 31:

100,0000	S 500,000
2005	000,000
2006	500,000
,2007	500,000 .
2008	500,000
2009	2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 - 2000 -

Note 3. Notes Payable

Notes payable consist of the following:

	December 31,		
	<u></u>	2004	2003
RTFC, Line of Credit (2)	S	. 	5 .1,800,000
Curriberland Mountain Paging (0)		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).

(5) 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:

	D	ecember 31, 2004	
	Balance		
Notes payable, RTFC:		Anna an	
Dated 11/13/97, variable rate (5.15% 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)	599,575	104,012	895,563
Dated 11/10/97, 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)	861,950	٤٩,750 .	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 (5.85% at 12/31/04)	2,845,311	403,121	2,437,190
Line of credit, variable rate	3,300,000		3,300,000

Note 4. Long-Term Debt (Continued)

· · · · · · · · · · · · · · · · · · ·	December 31, 2003		
	Balance	Current	Long-Term
Notes payable, RTFC:	· ·		
Dated 11/13/97, variable rate			
(4.40% at 12/31/03)	S 240,199	5 20,054	S 220,145
Dated 11/13/97, variable rate		. ,	
(4.40% at 12/31/03)	1,093,351	95,994	597,357
Dated 11/13/97, fixed rate			
(7.20% at 12/31/03)	893 ,9 78	73,945	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
	S 8,206,984	<u>\$ 798,055</u>	<u>\$ 7,408,929</u>

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	5 847,350	
2006	4,200,418	
2007	956,759.	
2008	1,016,735	
2009	1,030,451	

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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 land 2003 respectively. The Company also leased offices and warehouse space from two members. The releases are for an unspecified length of time. The monthly lease payments total approximately \$7,000. An addition, the Company incurred interconnection charges from its members aggregating \$812,794 land \$765,004 for the years iended December \$31,2004 land \$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 rantal 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 \$\$58,714 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	4,484,626	3,987,697
Accumulated depreciation	(563,677)	(355,090)
•	\$ 3,920,949	\$ 3,632,607

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

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

....Rental expenses incurred under these operating lease commitments included in the statements tof 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.

Directions to Tina Tower Site

Starting at the Knott County Courthouse, Hindman Ky.

Take Ky. Rt. 550 East .2 miles t the Jct of Ky. Rt. 160. Turn left onto 160 (West).

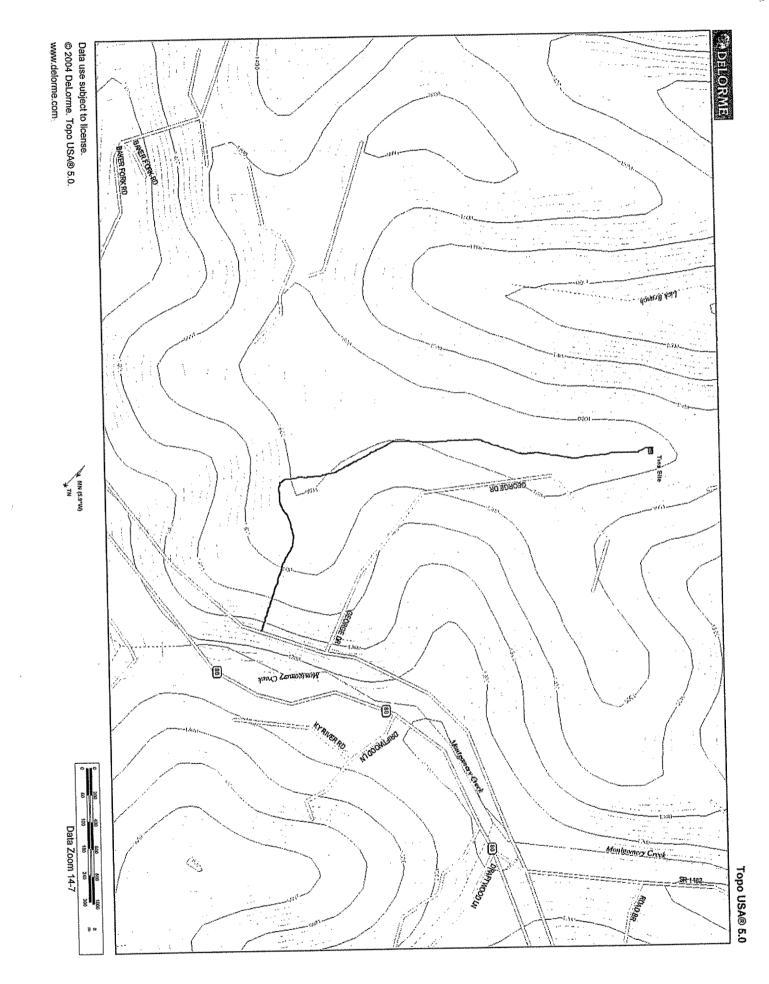
Take Ky Rt. 160 West for 1.4 miles to the Jct of Ky. Rt. 80 . Turn left onto Ky. Rt. 80 West.

Take Ky. Rt. 80 west 1.5 miles to the Jct of D K Farms Road . Turn Left onto D K Farm Rd.

Take D K Farm Rd. 1.1 Miles to the tower site.

Directions Were Written By

Marty Thacker Appalachian Wireless 606-634-9505 Cell Phone 606-785-9500 Office 606-853-9505 Pager <u>m.thacker@tgtel.com</u> Email



DEED OF CONVEYANCE

THIS DEED OF CONVEYANCE, entered into this $\int_{0}^{5} day$ of July, 2005, between Archie W. Everage, widower, P.O. Box 98, Hindman, Kentucky 41822; Dustin B. Everage, and Jennifer Everage, his wife, P.O. Box 1504, Hindman, Kentucky 41822; and Kristin E. Clutts and John Clutts, her husband, P.O. Box 147, Combs, Kentucky 41729, Grantors, 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 Thirty Five Thousand Dollars (\$35,000.00), 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 located in Knott County, Kentucky, being situated at Left Fork of Lick Branch of Troublesome Creek and the head of Old House Branch of Montgomery Creek, to-wit:

> BEING a part of the same property conveyed to Grantors by Deed located in Deed Book 182, Page 746, and the Affidavit of Descent of Bobetta Everage, Deceased, filed in Deed Book 226, Page _____, Knott 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 Titled the "Archie Wayne Everage Lot No. 1".

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 Grantors' 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. Grantee shall install approximately 250 feet of guardrail along the roadway access location to be agreed upon by the Grantor.

Grantee shall also maintain the ditches and culverts along the access road, including keep the roadway and ditches free of obstructions and clearing out the ditches, tiles and drain openings, as necessary, and for the removal of any slips in the roadway.

Grantee shall maintain the present access roadway from the gate post at the cabin to the property herein conveyed.

Trucks, construction and tower installation equipment shall use the Ogden Road, except during dry weather or as otherwise approved by Grantors.

Employees of Grantee shall take care to exercise caution in locking all gates behind them, or leaving same as found when accessing the property.

It is understood that the right of way from Highway 80 to the access road up the north side of the hill is for use by Grantee, its employees, contractors, or invitees; said right of way is NOT transferable or assignable to any other party without the written consent of Grantors.

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, coaxial 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. The location of the power lines and related facilities over Grantors retained surface property shall be agreed upon by the parties.

Grantors further grant and convey unto Grantee, its successors and assigns, the

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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.

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 Thirty Five Thousand Dollars (\$35,000.00).

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

GRANTORS: RC GE **VERAGE** OHN CLUTTS

GRANTEE:

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

ITS:

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STATE OF K

COUNTY OF Knott

I, \underline{Dewis} <u>Shepher</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 **Archie W. Everage, widower, Grantor,** this <u>2</u> day of <u>July</u>, 2005.

NOTARY PUBLIC

Commission Expires: <u>oct: 22-2005</u>

STATE OF KY

COUNTY OF Knott

I, \underline{Dexuis} She phere, 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 **Dustin B. Everage and Jennifer Everage, his wife, Grantors,** this $\underline{1^{5/7}}$ day of \underline{July} , 2005.

NOTARY PUBLIC Commission Expires: <u>OCT: 22-20</u>65

STATE OF KENTUCKY

COUNTY OF Arry

I, $\underline{Deunissical}$, 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 **Kristin E. Clutts and John Clutts, her husband, Grantors,** this $\underline{5^{44}}$ day of \underline{Tulul} , 2005.

Unpher

NŎTARY PUBLIC Commission Expires: 001.22-2005

STATE OF KENTUCKY

COUNTY OF Floyd

I, <u>Denuis 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>Gerald RobineTte</u>, its <u>Geneval Manager</u>, this <u>6</u>⁻⁻⁻ day of <u>July</u>, 2005.

Commission Expires: <u>Oct-22-2005</u>

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 KNOTT

Clerk's Certificate of Lodgment and Record

I, _____, Clerk of the County for the County and State aforesaid, certify that the foregoing Deed was on the _____ day of ______, 2005 lodged for record, whereupon the same, with the foregoing and this certificate have been duly recorded in my office.

WITNESS my hand, this _____ day of _____, 2005

Clerk

By D.C.

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ARCHIE WAYNE EVERAGE

LOT #1

PARENT TRACT IN DEED BOOK 182, PAGE 746

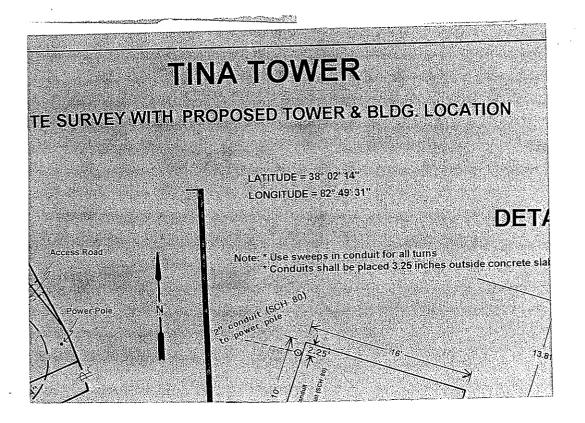
Lying and being on both the Left Fork of Lick Branch of Troublesome Creek and the head of Old House Branch of Montgomery Creek and bounded as follows;

Beginning on a #4 rebar (set/cap) on the Left Fork of Lick Branch watershed near the top of the ridge, the point being a corner to Archie Wayne Everage, witness a #4 rebar (set/cap) at the base of an 8 inch diameter maple tree SW 65 36 20, 26.23 feet, and witness a gas well on the center of the ridge SW 44 23 25, 480.26 feet, thence up the hill and across the center of the ridge with said Everage line, NW 38 21 05, 43.17 feet to a #4 rebar (set/cap) near the head of Old House Branch of Montgomery Creek, witness a nail on top of the northwest gate post SW 47 40 37, 110.54 feet, thence around the side of the hill near the center of the ridge on the Old House Branch watershed, NE 52 41 55, 153.84 feet to a #4 rebar (set/cap), thence up the hill and across the center of the ridge to the watershed of the Left Fork of Lick Branch, SE 26 40 50, 71.92 feet to a #4 rebar (set/cap), witness a #4 rebar (set/cap) at the base of an 18 inch diameter maple tree, NE 42 43 10, 557.29 feet, thence on down the hill SE 21 00 10, 47.85 feet to a #4 rebar (set/cap), thence around the side of the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill SW 65 39 56, 156.96 feet to a #4 rebar (set/cap), thence up the hill NW 02 29 00, 46.57 feet to the beginning containing 15,231 square feet.

DEED TRANSFER TAX COLLECTED	STATE OF KENTUCKY COUNTY OF KNOTT	
\$ 35.00 DATE OT.OT.OS BY CH. D.C.	KENNITH GAYHEART, KNOTT COUNTY CLERK, IN AND FOR THE COUNTY AND STATE OF AFORESAID DO CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WAS ON	a.
OVIE OF THE PLANE	THE OT DAY OF OUL 20 OF LOGGED IN MY OFFICE FOR RECORD, WHEREUPON THE SAME WITH THE FOREGOING AND THIS CERTIFICATE HAVE BEEN DULY RECORDED IN MY OFFICE.	· .
	GIVEN UNDER MY HAND THIS OM DAY OF	
	KENNITH GAYHEART, CLERK	mgt Book
	BY CRILIC Trays D.C.	Page

APPLACHIAN WIRELESS MAP SHOWS STRUCTURES AND LAND OWNERS (MITHIN 500 FEET OF THE PROPOSED TOWER)	SITE: TINA, KY.	OCATED ON THE MONTGOMERY CREEK WATERSHED	ROUTE 80	The article production control of artoria of the sections of the section section section artoria of the section section artoriant (section control of the section section control of the section section artoriant (section control of the section section section artoriant) artoriant (section control of the section section section artoriant) artoriant (section section section artoriant) artoriant (section section se
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