# EAST KENTUCKY NETWORK

d/b/a

APPALACHIAN WIRELESSS

# BLACKEY CELLULAR TOWER APPLICATION

Letcher County, Kentucky

P.S.C. CASE # 2008-00089

# RECEIVED

MAR 26 2008

PUBLIC SERVICE COMMISSION

( 1

1	Notification/Response from County.	
	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.	
7.7	Audited Financial Statements	
00	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 State of Kentucky.	
111	Site Survey Map with Property Owners identified in Accordance with PVA of County.	
12	Vertical Profile Sketch of Proposed Tower.	





# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the matter of:

PUBLIC SERVICE COMMISSION

THE APPLICATION OF EAST KENTUCKY NETWORK	)
LIMITED LIABILITY COMPANY FOR THE ISSUANCE	)
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND	) CASE No 2008-00089
NECESSITY TO CONSTRUCT A TOWER IN LETCHER	)
COUNTY KENTUCKY).	

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

In an effort to improve service in 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 Blackey. The proposed tower will be a 300 foot self-supporting tower located on a ridge between Orchard Branch and Bull Creek, approximately one and three quarter miles northwest of Blackey in Letcher County, Kentucky ( 37° 9' 20.7" N, 83° 0' 7.5"W). A map and detailed directions to the site can be found in Exhibit 8.

East Kentucky 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 a copy of the application is included 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 Allstate Tower, Inc and will be constructed under their supervision. Their qualifications are evidenced in Exhibit 5 by the seal and signature of the registered professional engineer responsible for this project.

The tower will be erected by 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 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 according to the property valuation administrator's record who reside or own property within 500 feet of the proposed tower in accordance with the Public Valuation Administrator'. No other properties are contiguous with East Kentucky's property.

Exhibit 12, back of folder, 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.

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 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

Two notice signs meeting the requirements prescribed by 807 KAR 5:063, Section 1(2), measuring at least two (2) feet in height and four (4) feet in width and containing all required language in letters of required height, have been posted, one at a visible location on the proposed site and one on the nearest public road. The two signs were posted on March 14, 2008 and will remain posted for at least two weeks after filing of this application as specified.

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

Notice of the location of the proposed construction was published on the first last 2 weeks of March in the Mountain Eagle. 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 East Kentucky Network, LLC d/b/a Appalachian Wireless, 101 Technology Trail, Ivel, KY 41642.

SUBMITTED BY:  Janio	ee Robinson, Cell Site Coordinator	date: <u>03-14-08</u>
APPROVED BY:	Gerald Robinette, General Manager	DATE:

#### **Contacts:**

Gerald Robinette, General Manager

<u>Phone: (606) 791-2375, Ext. 111</u> <u>Email: grobinette110@ekn.com</u>

Janice Robinson, Technical Site Coordinator

Phone: (606) 791-2375, Ext. 166 Email: <u>jrobinson166a@ekn.com</u>

#### **Mailing Address:**

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

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



#### VIA: U.S. CERTIFIED MAIL

March 14, 2008

Jim Ward, Judge/Executive 156 Main Street, Suite 107 Whitesburg, KY 41858

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00089)

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 ridge between Orchard Branch and Bull Creek, approximately one and three quarter miles northwest of Blackey in Letcher County, Kentucky (37° 9' 20.7" N, 83° 0' 7.5"W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the County Judge Executive of Letcher 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

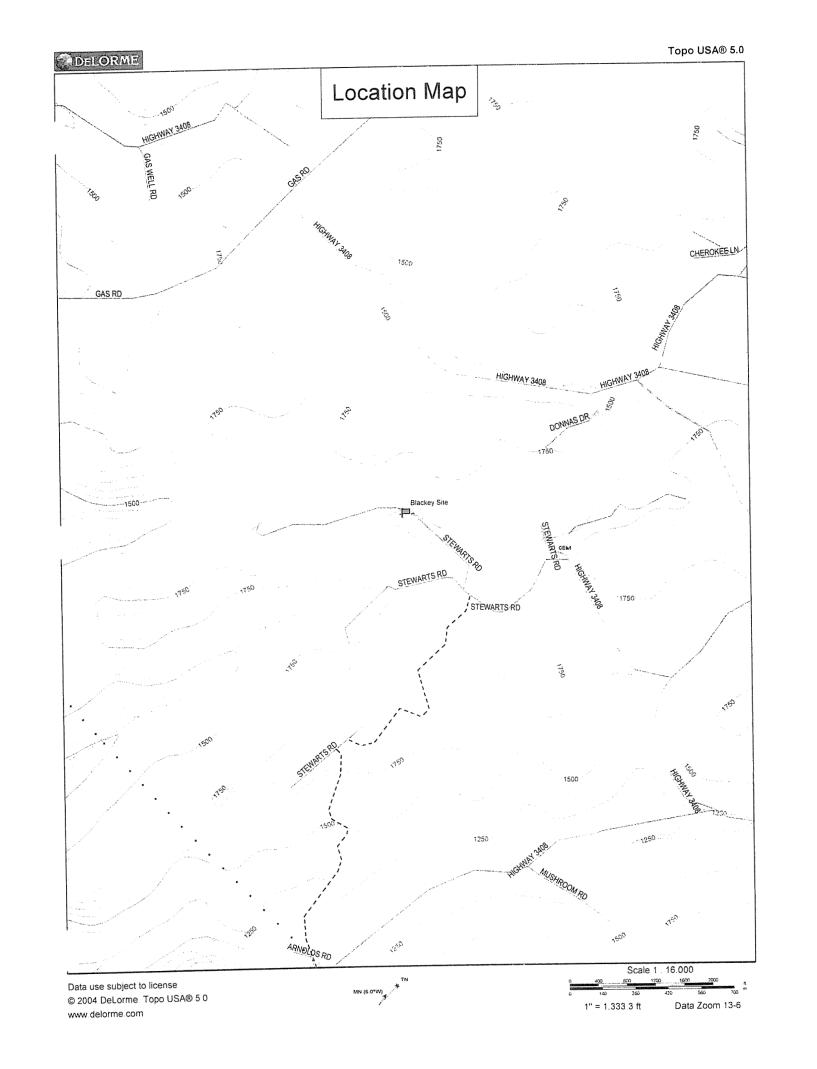
Your comments and request for intervent Director's Office, Public Service Commi 40602. Please refer to Case No. 2008-00

Janice Robinson

Technical Site Coordinator

enclosure

	should be addressed to: Executive on of Kentucky, P.O. Box 615, Frankfort, KY in your correspondence.	



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



# Fax

То:	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:	March 14, 2008

#### 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. 2008-00089)

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 Blackey, in Letcher County. The proposed tower will be a 300-foot self-supporting tower. The proposed tower site is situated on a ridge between Orchard Branch and Bull Creek, approximately one and three quarter miles northwest of Blackey in Letcher County, Kentucky (37° 9' 20.7" N, 83° 0' 7.5"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. 2008-00089

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.

Next Generation Communications

\* \* \* Communication Result Report (Mar. 14. 2008 11:24AM) \* \* \*

e/Time: Mar. 14. 2008 11:23AM

File No. Mode	Destination	Pg(s)	Result	Page Not Sent
0656 Memory TX	6332843	P. 1	OK	

Reason for error E. 1) Hang up or line fail E. 3) No answer E. 5) Exceeded max. E-mail size

E. 2) Busy E. 4) No facsimile connection

P. 1



#### Fax

To: The Mountain Eagle		Fram:	JANICE ROBINSON
Fax	606-833-2843	Phones	608-791-2375, Ext. 186
Phone:	608-633-2252	Pagest	1 Pages (INCLUDING COVER
Ro:	PUBLIC NOTICE ADVERTISEMENT	Dates	March 14, 2008

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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 my problems with this fax, please call 008/866-8007.

The message above and the information contained in the documents transmitted are contained 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 problemed. If you have needing this communication in own, please notify us immediately by telephone and refur the original message to used the address feted above via regular mail. Thank you.

Mext Generation Communications



#### **EXHIBIT II: LIST OF PROPERTY OWNERS:**

# BLACKEY TOWER SITE, LETCHER COUNTY, KENTUCKY Statement Pursuant to Section 1 (1) (I) 807 KAR 5:063

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

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

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

#### LIST OF PROPERTY OWNERS

Charles & Joyce Whitaker 14 Stewarts Rd Blackey, KY 41804

Suzanne Whitakre Madden 562 Hill Top Farm Rd Blackey, KY 41804

Francis & Stewart Whitaker 1050 Stewarts Rd Blackey, KY 41804

Ethel Polly Box 394 Elkhorn City, KY 41522

Elkhorn Hazard Coal Land Box 929 Whitesburg, KY 41858

James Robert Fields 681 Pridemore Hollow Rd Hendersonville, NC 28739

> Sandra Cowden 882 Sterwarts Rd Blackey, KY 41804

Wilma J & Hohn E Cordder 7082 N 650w Fariland, IN. 46126

Tina, Amber & Anthony Barrett C/O Brenda Halcomb 2449 HWY 3408 Blackey, KY 41804

> Sam & Kansas Mullins C/O Roy Mullins Box 542 Isom, KY 41824

Black Marlin Estate C/O Doris Wayne & Deborah Back 854 HWY 3408 Blackey, KY 41804

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



#### VIA: U.S. CERTIFIED MAIL

#### PUBLIC NOTICE

March 14, 2008

Black Marlin Estate C/O Doris Wayne & Deborah Back 854 HWY 3408 Blackey, KY 41804

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00089)

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 approximately one and three quarter miles northwest of Blackey in Letcher County, Kentucky (37° 9' 20.7" N, 83° 0' 7.5"W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

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

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2008-00089 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

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



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Sam & Kansas Mullins C/O Roy Mullins Box 542 Isom, KY 41824

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Wilma J & Hohn E. Corder 7082 N 650w Fairiland, IN 46126

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Sandra Cowden 882 Sterwarts Rd Blackey, KY 41804

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Ethel Polly
Box 394
Elkhorn City, KY 41522

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Francis & Stewart Whitaker 1050 Stewarts Rd Blackey, KY 41804

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# VIA: <u>U.S. CERTIFIED MAIL</u> PUBLIC NOTICE

March 14, 2008

Suzanne Whitaker Madden 562 Hill Top Farm Rd Blackey, KY 41804

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00089)

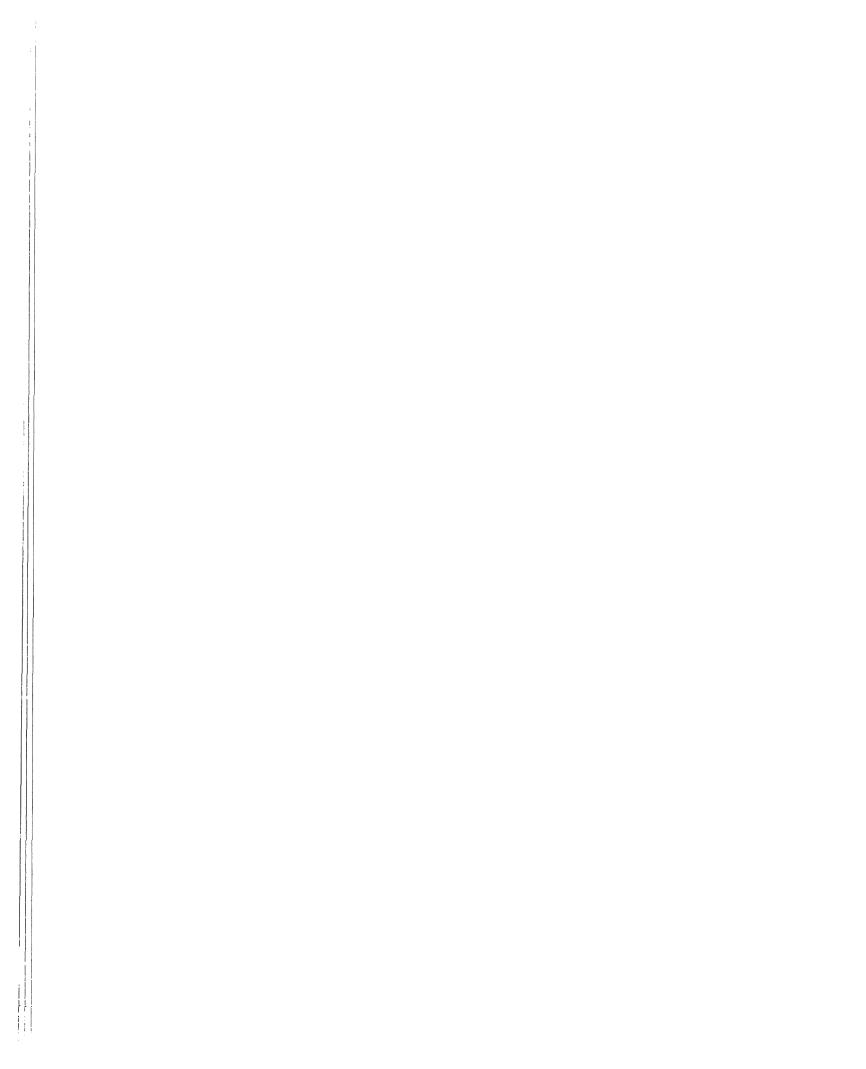
East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 300 foot self supporting tower with attached antennas extending upwards, and an equipment shelter located approximately one and three quarter miles northwest of Blackey in Letcher County, Kentucky (37° 9' 20.7" N, 83° 0' 7.5"W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

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

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2008-00089 in your correspondence.

Sincerely,

Janice Robinson
Technical Site Coordinator
Enclosure 1



EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F^Y- (606) 874-7551

INFO@EKN.COM

JITE: WWW.EKN.COM



#### VIA: U.S. CERTIFIED MAIL

#### PUBLIC NOTICE

March 14, 2008

Charles & Joyce Whitaker 14 Stewarts Rd Blackey, KKY 41804

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00089)

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 approximately one and three quarter miles northwest of Blackey in Letcher County, Kentucky (37° 9' 20.7" N, 83° 0' 7.5"W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

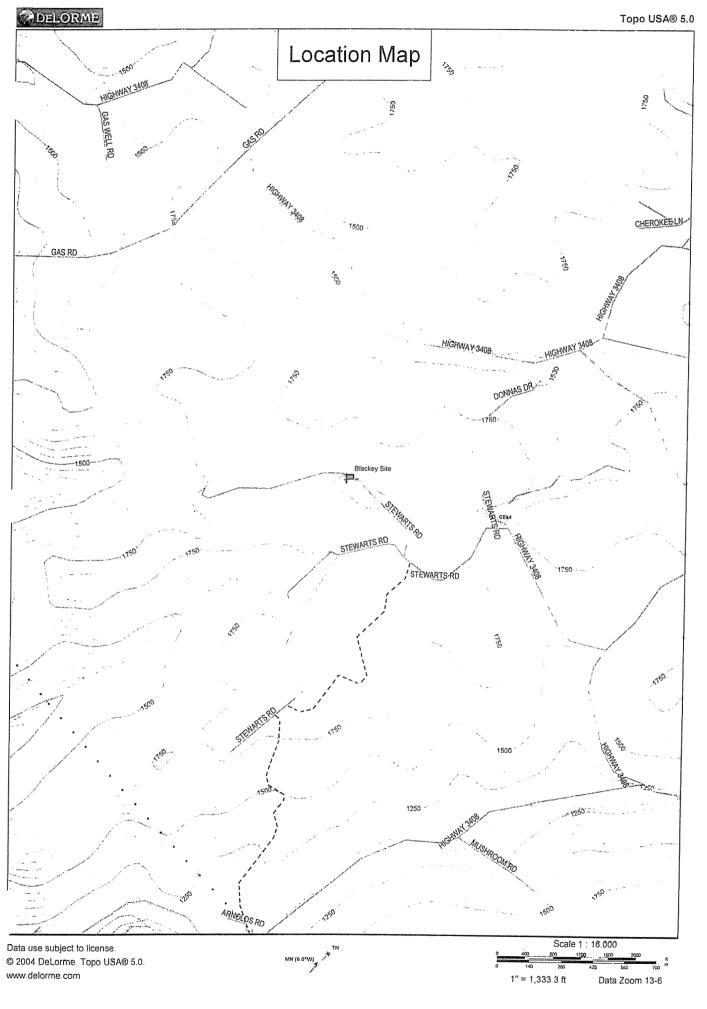
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Sincerely,

Janice Robinson

Technical Site Coordinator





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

120 Church Street Whitesburg, KY 41858 (606) 633-1511

February 14, 2008

**Blackey Tower Site** 

#### Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Letcher County near Blackey, Kentucky. The site of the proposed tower is now a forestland. The purpose of this investigation was to determine the depth to bedrock and of what type of rock the bedrock consists.

#### Site Investigation:

The trenching method was used to determine the type of bedrock material at the proposed tower site. A Caterpillar 320 excavator was used to expose the bedrock material. It is approximately 7.00 feet to the sandy shale 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 ridge between Orchard Branch and Bull Creek, both being tributaries of the North Fork of the Kentucky River, approximately one and three quarter miles northwest of Blackey in Letcher County. The sandstone formation below the tower site is approximately 10.00 feet thick, based on the information obtained from the site investigation and geological maps of the area.

#### Conclusions:

The proposed tower site is located on a ridge in the area. The sandy shale bedrock on the proposed tower site is part of the Breathitt Formation, and is middle to lower Pennsylvanian in age. Tests were not conducted to determine the load-bearing strength of the bedrock. However, it is apparent that the tower will be constructed on the sandstone bedrock formation.

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



# WENDELL R. HOLMES, P.G.

## 120 Church Street Apartment 3 Whitesburg, Ky. 41858 (606)633-1511

# **Geologist Log**

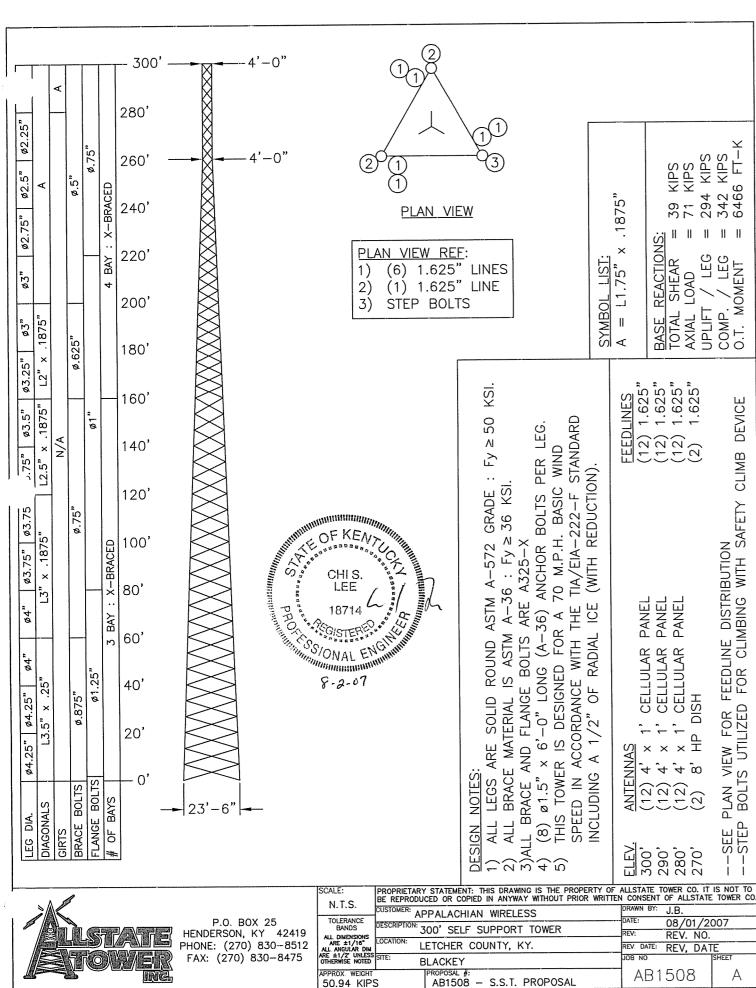
Location: Blackey Tower Site

Unit Thickness	Total depth	Strata	Description
2.00′	2.00′	Soil	Yellow and Brown, with Shale Fragments
5.00′	7.00′	shale	Brown, gray and Weathered
10.00′	17.00′	Sandy shale	Brown and Gray

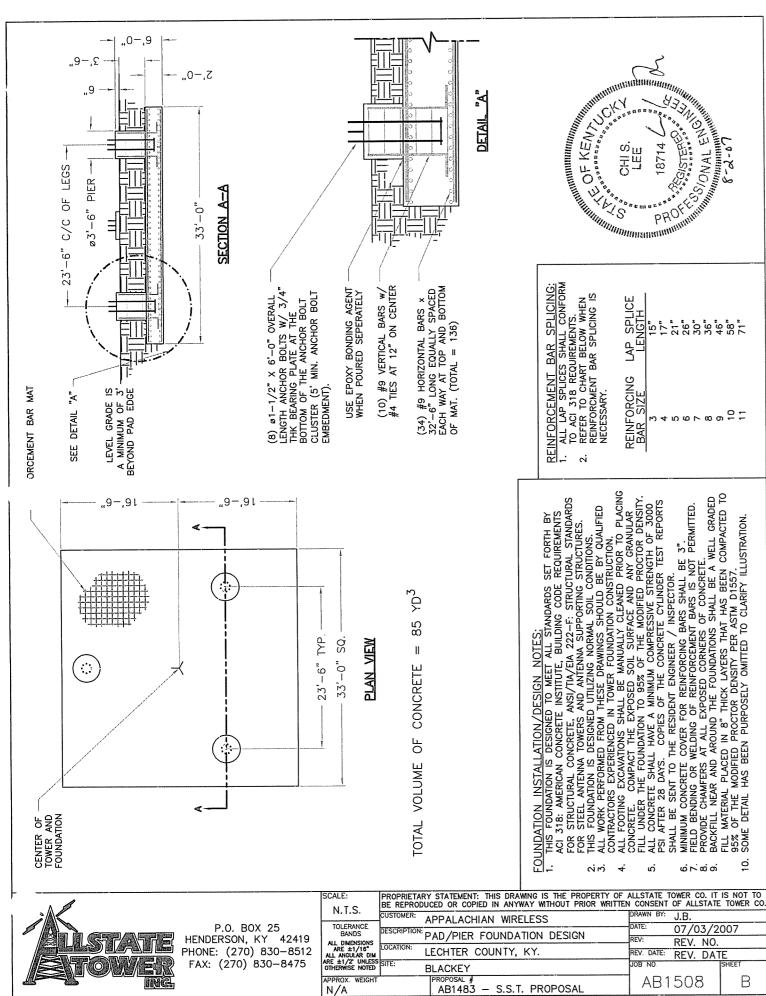


TC 56-50E (Rev. 02/05)

Kentucky Transportation Cabinet, Kentucky Airport Zoning Commission, 200 Mero APPLICATION FOR PERMIT TO CONSTRUCT OR ALTEF INSTRUCTIONS INCLUDED	
1 **LICANT Name. Address, Telephone, Fax, etc	9 Latitude:
3 Application for: ⊠ New Construction ☐ Alteration ☐ Existing 4. Duration: ☑ Permanent ☐ Temporary (Months	16 Site Elevation (AMSL):  17 Total Structure Height (AGL):  18 Overall Height (#16 + #17) (AMSL):  2,350.00 Feet  19 Previous FAA and/or Kentucky Aeronautical Study Number(s):  20 Description of Location: (Attach USGS 7 5 minute Quadrangle Map or an Airport layout Drawing with the precise site marked and any certified survey)  Site is located approx 1 4 mi (2 3 km) NNW of Lakey (Letcher), KY
The structure will include a 300' tower with top-mounted antennas (overall 22. Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1 No Yes, When March 10, 2008  CERTIFICATION: I hereby certify that all the above statements made by me are Ali Kuzehkanani/ Dir of Engineering  Printed Name and Title  PENALTIES: Persons failing to comply with Kentucky Revised Statutes (KRS 18 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183 990(3) in further penalties  Commission Action:	been filed with the Federal Aviation Administration?  true. complete and correct to the best of my knowledge and belief  3/10/2008  Date  33.861 through 183 990) and Kentucky Administrative Regulations (602 KAR)
roved	Date







PROPOSAL # AB1483 — S.S.T. PROPOSAL

В

AB1508



# LUKAS, NACE, GUTIERREZ & SACHS

ARTERED

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
TODD SLAMOWITZ\*
B LYNN F RATNAVALE\*
STEVEN M CHERNOFF\*
KATHERINE PATSAS\*

CONSULTING ENGINEERS

ALI KUZEHKANANI

LEILA REZANAVAZ

OF COUNSEL

LEONARD S KOLSKY\*

JOHN CIMKO\*

J K HAGE III\*

JOHN J MCAVOY\*

HON GERALD S MCGOWAN\*

TAMARA DAVIS-BROWN\*

\*NOT ADMITTED IN VA

Writers Direct Dial (703) 58 48667 akuzehkanani@fcclaw.com

March 10, 2008

#### 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 320' communications tower structure (300' tower plus 20' antenna) near Blakey (Letcher), Kentucky. The site ("Blakey") is approximately 1.4 mi (2.3 kilometers) NNW of town of Blakey

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 500 Watts.

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

Sincerely,

Director of Engineering

Luze Manuni

Enclosure

cc: East Kentucky Network, LLC

Attention: Marty Thacker and Gerald Robinett

# Notice of Proposed Construction or Alteration - Off Airport

Project Name: EAST -000089915-08 Sponsor: East Kentucky Network, LLC

Details for Case : Blakey

Show Project Summary

Case Status

ASN: 2008-ASO-1274-OE

Accepted Status:

Date Accepted:

03/10/2008

None

Tower

Date Determined:

Letters:

**Construction / Alteration Information** 

Notice Of: **Duration:** 

Construction Permanent

if Temporary: Months: Days: Work Schedule - Start: 04/01/2008

Work Schedule - End: State Filing:

04/15/2008 Filed with State

**Structure Details** 

37° 9' 20.7" N Latitude: 83° 0' 7.5" W

NAD83 **Horizontal Datum:** Site Elevation (SE):

2030 (nearest foot) Structure Height (AGL): 320 (nearest foot)

Marking/Lighting:

Other: learest City:

Nearest State: Kentucky

Description of

Location: Description of

Blackey

Dual-red and medium intensity

Site is located approx. 1.4 mi (2.3 km) NNW of Blakey (Letcher), KY

A new 300' tower plus top-mounted antennas (overall height of 320' AGL).

**Structure Summary** 

Structure Type: Structure Name:

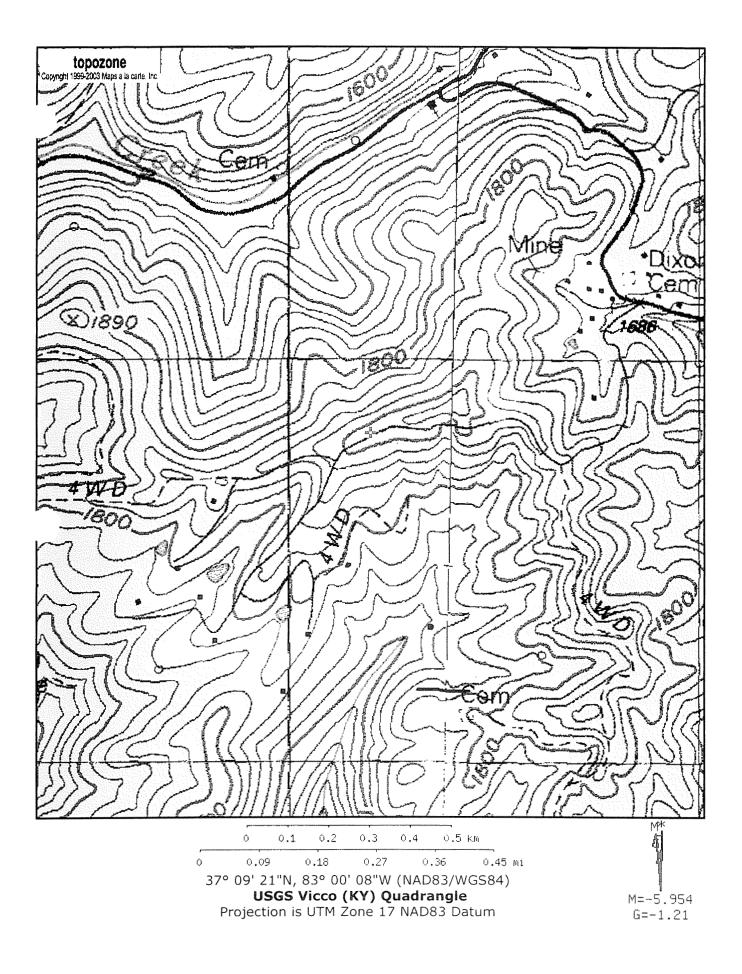
Blakey

FCC Number: Prior ASN:

**Common Frequency Bands** 

Low Freq 806 824 851 869 896 901 930 931 932 935 940 1850 1930 2305 2345 High Freq 824 849 866 894 901 902 931 932 932.5 940 941 1910 2310 2360 ERP Unit 500 500 500 500 500 7 3500 3500 17 1000 3500 1640 1640 2000 2000

**Specific Frequencies** 



EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS FINANCIAL REPORT December 31, 2006

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#### INDEPENDENT AUDITOR'S REPORT

To the Members East Kentucky Network, LLC dba Appalachian Wireless Ivel, Kentucky 41642

We have audited the accompanying balance sheets of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2006 and 2005 and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Jones. Male & Mattingly Pic

Louisville, Kentucky March 15, 2007

South Fourth Avenue, Suite 300 Louisville, Kontucky 40202-9975 [502] 583-0248 • FAX (502) 589-1680



# BALANCE SHEETS December 31, 2006 and 2005

ASSETS	2006	2005
CURRENT ASSETS  Cash and cash equivalents  Short-term investments  Accounts receivable, less allowance for doubtful	\$ 2,818,346 46,271	\$ 1,046,669 43,803
accounts of \$567,790 in 2006 and \$375,856 in 2005 Accounts receivable, members (Notes 5 and 6) USF receivable (Note 7)	2,802,673 37,612	1,560,267 3,149 589,913 1,056,766
Inventory Prepaid expenses Total current assets	1,584,039 173,657 \$ 7,462,598	1,036,766 143,547 \$ 4,444,114.
PROPERTY, PLANT AND EQUIPMENT (Note 3) Plant in service:		
General support MTSO equipment Cell equipment	\$ 18,914,927 13,354,875 39,339,797	\$ 10,633,736 11,934,434 34,785,982
Paging equipment Fiber ring Unfinished plant	3,321,068 6,471,128 657,524	3,320,416 6,245,412 3,992,696
Less accumulated depreciation	\$ 82,059,319 33,358,066 \$ 48,701,253	\$ 70,912,676 27,810,940 \$ 43,101,736
OTHER ASSETS Investment in affiliated company, RTFC (Note 3)	\$ 862,394	\$ 875,133
Intangible assets, net of accumulated amortization of \$2,646,913 in 2006 and \$2,179,654 in 2005 (Note 2) Other	4,497,032 27,550	4,623,855 28,669
	\$ 5,386,976 \$ 61.550.827	\$ 5,527,657 \$ 53,073,507

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

LIABILITIES AND MEMBERS' EQUITY	2006	2005
CURRENT LIABILITIES  Current maturities of long-term debt (Note 3) Accounts payable Accounts payable, member (Notes 5 and 6) Accrued expenses Accrued state corporation taxes Customer deposits  Total current liabilities	\$ 1,200,000 1,166,909 2,899 2,113,530 232,157 317,603 \$ 5,033,098	\$ 48,033 851,643 2,936 1,457,463 85,989 291,380 \$ 2,737,444
LONG-TERM DEBT, less current maturities (Note 3)	13,000,000	13,297,220
MEMBERS' EQUITY	43,517,729	37,038,843

<u>\$ 61,550.827</u> <u>\$ 53.073.507</u>



# STATEMENTS OF INCOME Years Ended December 31, 2006 and 2005

	2006	2005
REVENUE	h 01156000	# 00 00B 570
Retail	\$ 24,156,320	\$ 20,908,570 6,868,904
Roamer	6,964,309 155,046	177,350
Long distance	852,011	1,039,429
Paging	2,922,817	2,152,962
Equipment sales, cellular	27,894	57,632
Equipment sales, paging Other	3,065,078	2,359,809
Total revenue	\$ 38,143,475	\$ 33,564,656
EXPENSES		
Cost of cellular service	\$ 7,888,446	\$ 7,924,553
Cost of paging service	411,177	510,665
Cost of equipment sales, cellular	6,813,457	4,912,998
Cost of equipment sales, paging	58,755	78,428
Customer service	1,330,573	1,208,726
Billing	1,097,834	1,200,135
Selling	2,703,570	2,131,009
Maintenance	1,267,034	1,042,844
Utilities	454,008	354,870
Bad debts	800,268	672,263
Recovery of bad debts	(90,925)	(120,673)
Cell site rental	158,500	135,012
Taxes	565,271	257,247 1,139,697
Advertising	1,574,298	2,249,226
General and administrative	2,238,348	359,928
Occupancy	334,981 5,541,628	4,635,200
Depreciation	508,526	495,241
Amortization	\$ 33,655,749	\$ 29,187,369
Total expenses		
Income from operations	\$ 4,487,726	\$ 4,377,287
OTHER INCOME (EXPENSE)		
Interest income	\$ 49,052	\$ 23,915
Interest expense	(821,277)	(795,898)
Universal Service Fund income (Note 7)	3,716,602	589,913
Impairment of goodwill (Note 8)		(331,286)
, -	\$ 2,944,377	\$ (513,356)
Income before taxes	\$ 7,432,103	\$ 3,863,931
Kentucky corporation tax expense	399,157	170,197
Net income	\$ 7,032,946	\$ 3.693,734

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

- 3 -



# STATEMENTS OF MEMBERS' EQUITY Years Ended December 31, 2006 and 2005

					Peoples Rural	
					Telephone	
		Gearhart	Mountain		Coop-	
		Communi-	Tele-	Thacker-	erative	
	Cellular	cations	communi-	Grigsby	Corp-	
	Services,	Company,	cations,	Telephone	oration,	
	Inc.	Inc.	Inc.	Co., Inc.	Inc.	Total
Balance, January 1, 2005	\$ 6,781,309	\$ 6,781,309	\$ 6,781,309	\$ 6,781,309	\$ 6,781,308	\$33,906,544
Net income	738,747	738,747	738,747	738,746	738,747	3,693,734
Capital distributions	(112,287)	(112,287)	(112,287)	(112,287)	(112,287)	(561,435)
·Balance, December 31, 2005	\$ 7,407,769	\$ 7,407,769	\$ 7,407,769	\$ 7,407,768	\$ 7,407,768	\$37,038,843
Net income	1,406,589	1,406,589	1,406,589	1,406,590	1,406,589	7,032,946
Capital distributions	(110,812)	(110,812)	(110,812)	(110,812)	(110,812)	(554,060)
Balance, December 31, 2006	\$ 8,703,546	\$ 8,703,546	\$ 8,703,546	\$ 8,703,546	\$ 8,703,545	\$43,517,729

# STATEMENTS OF CASH FLOWS Years Ended December 31, 2006 and 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 7,032,946	\$ 3,693,734
Adjustments to reconcile net income to net cash provided		
by operating activities:		
Depreciation	5,541,628	4,635,200
Amortization	508,526	495,241
Impairment of goodwill		331,286
Changes in assets and liabilities, net of the effects		
of investing and financing activities:	(4 - 1 - 1 - 1 - 1	(70.0(7)
(Increase) in accounts receivable	(1,242,406)	(78,367)
Decrease in accounts receivable, members	(34,463)	51,248
(Increase) decrease in USF receivable	589,913	(589,913)
(Increase) in inventory	(527,273)	(230,130)
(Increase) decrease in prepaid expenses	(30,110)	5,012
(Increase) decrease in other assets	13,858	(646)
Increase (decrease) in accounts payable	315,266	(291,123)
Increase (decrease) in accounts payable, member	(37)	2,332
. Increase in accrued expenses	656,067	339,038
Increase in accrued state corporation taxes	146,168	85,989
Increase in customer deposits	26,223	139,030
Net cash provided by operating activities	\$ 12,996,306	\$ 8,587,931
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	\$ (11,182,411)	\$ (11,469,668)
Purchase of intangible assets	(340,437)	(299,159)
Proceeds from sale of short-term investments	(2,468)	56,197
Net cash (used in) investing activities	\$ (11,525,316)	\$ (11,712,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions	\$ (554,060)	\$ (561,435)
Proceeds from long-term borrowings	14,200,000	3,450,000
Payments on long-term borrowings	(13,345,253)	(832,731)
Net cash provided by financing activities	\$ 300,687	\$ 2,055,834
Net increase (decrease) in cash and cash equivalents	\$ 1,771,677	\$ (1,068,865)
Cash and cash equivalents:		
Beginning	1,046,669	2,115,534
Ending	<u>\$ 2.818.346</u>	<u>\$ 1.046,669</u>

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

# STATEMENTS OF CASH FLOWS (Continued) Years Ended December 31, 2006 and 2005

	2006	2005
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION  Cash payments for interest	\$ 866,941	\$ 788,610
Cash payments for state corporation taxes	\$ 167,000	<u>\$ 84,207</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES Settlement of note payable from impairment of goodwill	\$	\$ 400,000
Settlement of accrued interest from impairment of goodwill	\$	\$ 56,000

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

#### NOTES TO FINANCIAL STATEMENTS

#### · Note 1. Summary of Significant Accounting Policies

#### Nature of operations

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

#### Cash

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

#### Cash equivalents

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

#### Short-term investments

Certificates of deposit having original maturities between three and nine months are classified as short-term investments, are carried at cost, 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.

-7-

#### 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. During the prior year, the Company expensed the remaining balance of goodwill as an impairment (see Note 8).

#### 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, 2006 and 2005, these costs were \$1,574,298 and \$1,139,697, respectively.

#### Income taxes

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the members for income tax purposes. Accordingly, no provision for federal income taxes has been provided for in the accompanying financial statements. Effective for years beginning on or after January 1, 2005, the State of Kentucky enacted legislation which now provides for the taxation of limited liability companies' at the entity level. The accompanying financial statements include the related state tax liability under the new regulations.

#### 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.

- 8 -



# Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2006:

	Gross	Accumulated
	 Amount	Amortization
Customer lists	\$ 5,363,530	\$ (2,152,951)
Non-compete agreements	220,348	(121,577)
FCC licenses	1,141,593	(330,542)
Use of name	10,000	(4,334)
Other	408,474	(37,509)
	\$ 7,143,945	\$ (2,646,913)

Intangible assets consist of the following at December 31, 2005:

•	 Gross Amount	Accumulated Amortization
Customer lists Non-compete agreements FCC licenses Use of name Other	\$ 5,363,530 220,348 1,141,593 10,000 68,038 6,803,509	\$ (1,795,634) (106,898) (264,446) (3,668) (9,008) \$ (2,179,654)

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2006 and 2005 totaled \$467,259 and \$437,982, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

# Year ending December 31:

2006	\$ 450,000
2007	450,000
2008	450,000
2009	450,000
2010	450,000

Note 3. Long-Term Debt

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

	2006_	2005
Note payable, Fifth Third Bank (a)		
Dated 02/28/06, variable rate		
(5.41% at 12/31/06)	\$ 14,200,000	\$
Notes payable, RTFC (b)		
Dated 11/13/97, variable rate		
Paid in full 03/01/06		194,957
Dated 11/13/97, variable rate		
Paid in full 03/01/06		899,406
Dated 11/13/97, fixed rate		
Paid in full 03/01/06		727,521
Dated 12/31/98, fixed rate		
Paid in full 03/01/06		618,521
Dated 02/13/01, variable rate		
Paid in full 03/01/06	mai est	786,457
Dated 02/13/01, variable rate		
Paid in full 03/01/06		932,200
Dated 07/27/01, variable rate		
Paid in full 03/01/06		2,845,311
Lines of Credit, RTFC		
Line of credit, variable rate (c)		
Paid in full 03/01/06		5,000,000
Line of credit, variable rate (d)		
Paid in full 03/01/06		1,750,000
Line of Credit, Fifth Third Bank (e)		
Due 03/28/08, variable rate		
(5.41% at 12/31/06)		
•	<u> </u>	\$ 13,754,373

- (a) On February 28, 2006, the Company borrowed \$14,200,000 to restructure its debt. The note is payable in 10 annual installments of \$1,200,000 for 2007, \$1,400,000 for 2008 through 2012, and \$1,500,000 for 2013 through 2016, with a variable interest rate. The note is collateralized by the assets of the Company.
- (b) The notes payable to Rural Telephone Finance Cooperative (RTFC) were secured by mortgage and security agreements that include substantially all of the assets of the Company. In addition, the Company was required to purchase equity certificates in RTFC equal to 5% of the total amounts borrowed. The notes were payable in quarterly installments over 15 years with interest at variable or fixed rates set by RTFC. The notes were paid in full on March 1, 2006.

#### Note 3. Long-Term Debt (Continued)

- (c) The line of credit agreement with RTFC provided for borrowings up to \$5,000,000. The agreement carried an interest rate at prime, plus one and one-half percent, was unsecured and was renewed June 28, 2004 for 24 months. The line of credit was paid in full on March 1, 2006.
- (d) The line of credit agreement with RTFC provided for borrowings up to \$2,000,000. The agreement carried an interest rate at prime, plus one and one-half percent, was unsecured and due May 16, 2006. The line of credit was paid in full on March 1, 2006.
- (e) The line of credit agreement with Fifth Third Bank provides for borrowing up to \$3,000,000. The agreement carries a variable interest rate, is secured by certain assets of the company, and is due March 28, 2008.

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:

2006	\$ 1,200,000
2007	1,400,000
2008	1,400,000
2009	1,400,000
2010	1,400,000

#### Note 4. 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 \$73,607 and \$67,460 matching funds for its 401(k) plan during the years ended December 31, 2006 and 2005, 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 \$259,859 and \$221,669 to its retirement savings plan during the years ended December 31, 2006 and 2005, respectively.

#### Note 5. Related Party Transactions

The Company shares personnel with one of its members. The Company paid \$114,996 and \$132,681 for shared personnel during the years ended December 31, 2006 and 2005 respectively. The Company also leased offices and warehouse space from two members. The leases are for an unspecified length of time. The monthly lease payments total approximately \$7,000. In addition, the Company incurred interconnection and telephone charges from its members aggregating \$752,095 and \$786,283 for the years ended December 31, 2006 and 2005, 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.

The Company pays commissions to two of it members for phone sales to customers. The amount of commissions paid to related parties was \$45,484 and \$43,873 for 2006 and 2005 respectively.

#### Note 6. 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 \$1,130,809 and \$1,254,902 for the years ended December 31, 2006 and 2005, respectively. Rental income earned from the Company's members from these leases was \$631,789 and \$713,599 for the years ended December 31, 2006 and 2005, respectively.

Investments in operating leases are as follows at December 31:

	******	2006	 2005
Fiber ring	\$	6,471,128	\$ 6,245,412
Accumulated depreciation		(982,379)	(773,028)
	\$	5,488,749	\$ 5,472,384

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.

#### Note 6. Operating Leases (Continued)

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 \$194,083 and \$33,329 for the years ended December 31, 2006 and 2005, respectively. The future minimum lease payments required under these lease agreements for each of the succeeding five years are \$115,734 each year.

#### Note 7. Eligible Telecommunication Carrier

During the prior year, the Company was granted Eligible Telecommuniation Carrier (ETC) status by the Kentucky Public Service Commission. As an ETC, the Company receives funding from the federal Universal Service Fund (USF) to support the high cost of providing local telephone service in rural areas. USF payments amounted to \$3,716,602 and \$589,913 for 2006 and 2005 respectively.

#### Note 8. Impairment of Goodwill

During 2005, the Company completed its annual valuation of the acquired goodwill related to paging acquisitions. Pursuant to the valuation, the Company expensed the remaining balance of goodwill. In management's judgment, the underlying assets associated with the goodwill were determined to be of substantially less value than the amount originally paid. The Company disputed the amount based upon the estimated current market value of the purchased customer lists, which approximates the current amortized book value. Accordingly, the entire balance of the remaining note payable issued as part of the acquisitions, along with the related accrued interest, has been written off due to the impairment of goodwill.

The following is a summary of the impairment of goodwill expense included in the financial statements for the year ended December 31, 2005:

Goodwill	\$ 787,286
Note payable	(400,000)
Accrued interest	 (56,000)
	\$ 331,286

#### DIRECTIONS TO THE BLACKEY TOWER SITE

Beginning in front of the Letcher County Court House at Whitesburg , Kentucky go east on Main Street one block to the junction of North Webb Street.

Turn right on North Webb Street and go one tenth .1 mile to the junction of Ky Route 15.

Turn left on Ky Route 15 North and follow that road for 8.6 miles to the junction of Rout 7 South.

Turn left on Route 7 South and go 8.3 miles to the junction of Route 3408 (Elk Creek).

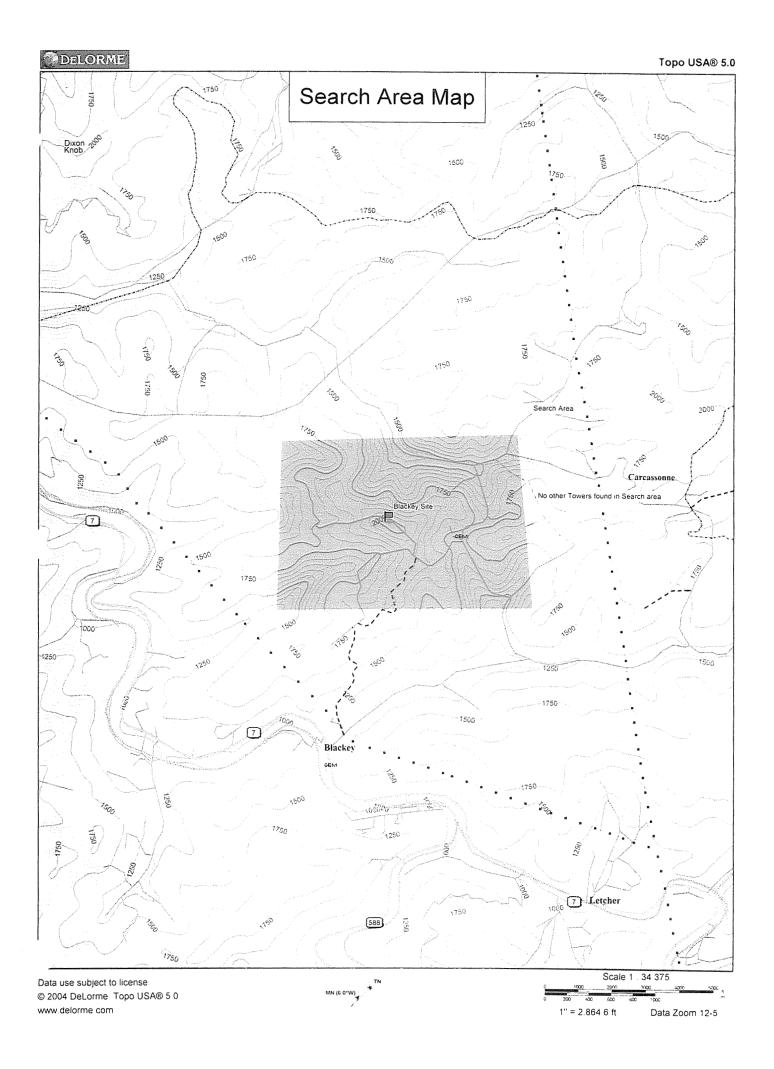
Turn right on Route 3408 and go 2.5 miles to the top of the mountain and the junction with Stewarts Road.

Turn left on Stewarts Road, (a gravel road), and go seven tenths, .7 miles to the tower site.

The total miles are 20.2.

Direction given by;

Dennis Shepherd Thacker-Grigsby Telephone Co. P O BOX 789 Hindman, Ky 41822 Phone; 606-785-2215 Cell Phone; 606-791-6263



#### LEASE AGREEMENT

WITNESSETH:

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

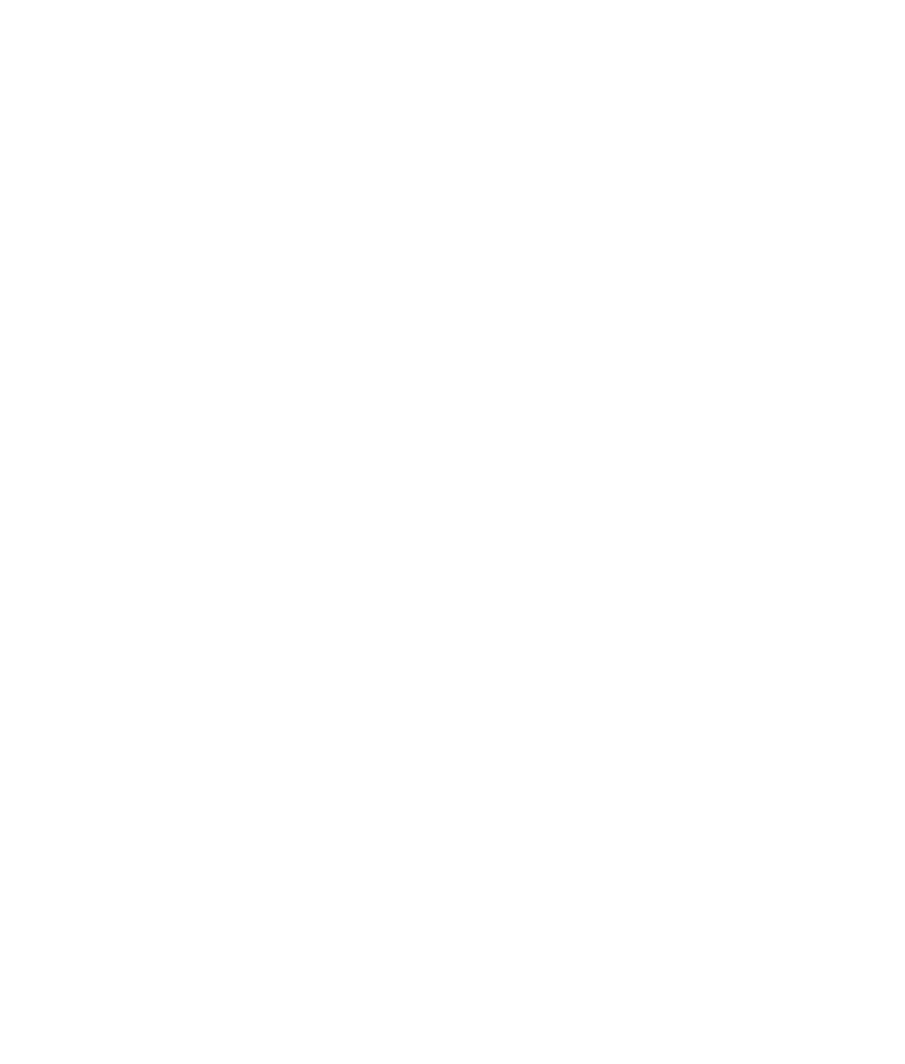
BEING a part of the same property conveyed to Lessors by a Deed of Conveyance from Charlie L. Whitaker and Joyce Whitaker, his wife, to Suzanne Whitaker Madden dated July 2, 2004 of record in Deed Book 372, Page 605, Letcher County Clerk's Office.

The Lessors grant unto Lessee full and complete right of ingress, egress and regress over roads located upon this property controlled by Lessors to and from the Leased Premises, and the non-exclusive right to use any existing road located on this property. In the event the Lessee desires to relocate all or any portion of an existing roadway or to

construct another access road to the Leased Premises, the location of such roadway shall be mutually agreed upon by Lessors and Lessee. Lessors further grant to the Lessee a right of way and easement to construct and maintain and operate telephone and power transmission lines over Lessor's remaining property to the Leased Premises for service of the tower and related facilities only, said lines to be located where feasible along the access road to the Leased Premises, with Lessors having input as to location of said power transmission lines in the event Lessee changes the location of its access road. Lessee shall have the right to trim or remove trees, limbs or underbrush which interferes with its access road or power/telephone lines wherever such road and lines are located. Lessee shall help maintain the existing road with gravel and any needed repairs.

This Lease is made on the following terms and conditions:

- 1. TERM OF LEASE. The term of this lease shall be for a period of twenty-five (25) years from and after the date hereof (the "Initial Term"), with the exclusive option of Lessee to extend the Leasehold period for an additional term of twenty-five (25) years (the "Additional Term"). In the event that Lessee desires to extend this Lease Agreement, it shall give Lessors notice of such intention in writing at least six (6) months before expiration of the Initial Term.
- 2. CANCELLATION. Lessee shall have the right to terminate this Lease and abandon the Premises at any time under its sole discretion, upon six (6) month written notice to Lessors' of its intention to do so. In the event of termination by Lessee, the Lessors shall have no obligation to refund all or any portion of the annual Leasehold rental payment that has been paid. Upon termination of this Lease, Lessee shall have one hundred eight (180) days thereafter to remove all structures it has erected upon the Leased Premises,



and to reclaim the premises. Payment shall continue until said structures are removed.

- 3. RENTAL INITIAL LEASE TERM. As rental for the Leased Premises, Lessee shall pay to Lessors annually and in advance the sum of Six Thousand Dollars (\$6,000.00) per annum beginning with the date of execution of this Lease Agreement by the parties, with the same sum being due and payable thereafter on each anniversary date that this D.S. Hoenty F. Ve. Sww. Lease Agreement is in effect through and including the first five (5) years of the Initial Term of this Lease Agreement.
- 4. RENTAL ADDITIONAL TERM. In the event this Lease Agreement is extended for an additional term of twenty-five (25) years, the annual rental in the sum of Six Thousand Dollars (\$6,000.00) will be due and payable per annum on each anniversary date that this Lease Agreement is in effect.
- 5. USE OF PREMISES. Lessee shall have the exclusive rights and privileges of the use of the Leased Premises for the purpose of constructing buildings, towers, and other related facilities, including, but not limited to telephone lines, coaxial lines, power lines and the installation of any and all other equipment deemed necessary by Lessee to receive and transmit any and all electronic signals in the rural service area now or hereafter to be served by the facility. The parties hereto recognize that technology in the communications field is advancing at a rapid rate and that this site may be used for any other purpose now in the development stage or which may later be developed in the communications industry to carry out the objectives of Lessee, that being to transmit and receive signals and communications by wire, fiber optics, radio and satellite. Lessee shall not use the Leased Premises for purposes other than maintenance or use as a site for communications by the use of methods now or hereafter known.

Lessee shall gate its access road in a manner to best prevent trespassing. The gate shall be kept locked with a lock furnished by Lessee, who shall also furnish the Lessors with a key to the lock. Lessee shall not allow any persons not associated with its business to have access to the Leased Premises or its access road. Lessees shall have the right to relocate the road to the site at Lessee's expense, at a mutually agreed upon route, so as long as Lessors have the right to use the new road, which use by Lessors shall not interfere with Lessee's use thereof or pose a threat to the security of Lessee's operations or the Leased Premises.

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

- 6. INDEMNITY. Lessee agrees to indemnify and save harmless the Lessors from any liability by virtue of Lessee's activities upon the Leased Premises or in the exercise of any rights and privileges granted herein, specifically including but not limited to any claim, loss, fine, penalty and costs (including reasonable attorney's fees) arising out of any violation of any environmental laws or regulations. This provision shall survive the termination of the lease. Lessee shall maintain and keep in full force and effect public liability and property damage insurance in an amount of at least One Million Dollars (\$1,000,000.00). Lessors shall not be held liable for personal injury or property damage on the Leased Premises whether or not associated with Lessee.
- 7. MISCELLANEOUS PROVISIONS. Lessee shall keep and maintain the Leased Premises and keep the site clear and free of litter.
- 8. NOTICES. All notices, demands, or other writings in this Lease Agreement provided to be given, made or sent, or which may be given or made or sent, to either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States Mail, certified and postage prepaid, to Lessors

and Lessee at the addresses stated in the caption of this Lease Agreement. Such addresses may be changed by written notice given by such party as above provided.

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

WITNESS OUR HANDS, the day and year aforesaid.

LESSORS:

Suzame Whitaker Madden

**Paxton Madden** 

LESSEE:

EAST KENTUCKY NETWORK, LLC

# STATE OF KENTUCKY **COUNTY OF LETCHER**

Madden, Lessors.

NOTARY PUBLIC

COMMISSION EXPIRES: act 22 2009

# STATE OF KENTUCKY COUNTY OF Flyd The foregoing Lease Agreement was this 13th day of June, 2007, produced and acknowledged before me by East Kentucky Network, LLC, dba Appalachian Wireless by Gerald F Robinette, its General Manager, Lessee. NOTARY PUBLIC COMMISSION EXPIRES: Oct. 21-209 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 Clerk's Certificate of **Lodgment and Record COUNTY OF LETCHER** WITNESS my hand, this <u>25</u> day of \_

# Suzanne Madden

# LOT #1

Lying and being in Letcher County near Blackey, Ky. on Orchard Branch of the North Fork of the Kentucky River and bounded as follows:

Beginning on a found metal fence post on the center of the ridge between Bull Creek and Orchard Branch, said point being the northeast corner of the Suzanne Madden tract and also a corner to Charlie Whitaker and Elkhorn-Hazard Land Corporation, thence with said Whitaker's line down the hill, SE 20°59'22", 110.01' to a found metal fence post, thence leaving said Whitaker's line and around the side of the hill SW 74°28'13", 187.69' to a #4 rebar (set/cap#2437), thence up the hill NW 48°17'32", 42.36' to a #4 rebar (set/cap#2437) on the north edge of the private road, thence NE 04°49'09", 68.51' to a #4 rebar (set/cap#2437) on the center of the ridge and the line of Elkhorn-Hazard Coal Land Corporation, thence with said Corporation's line and the center of the ridge NE 82°35'00", 73.48' to a #4 rebar (set/cap#2437), thence NE 68°23'37", 51.37' to a #4 rebar (set/cap#2437), thence NE 68°23'37", 51.37' to a #4 rebar (set/cap#2437), thence NE 58°56'24", 54.48' to the beginning containing 0.43 acres.

Randall L. Coleman PLS #2437

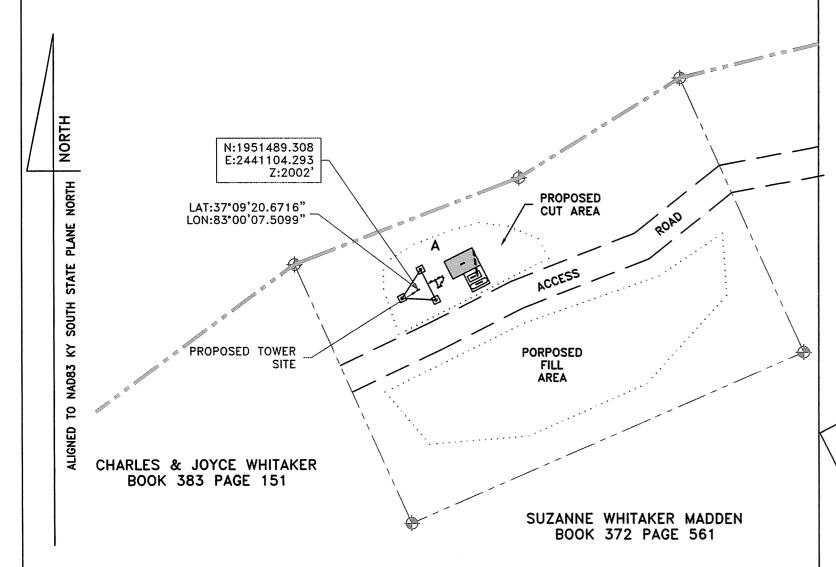
Data

"Exhibit A"

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# SITE SURVEY STRUCTURE LOCATION

BLACKEY IN LETCHER CO



SCALE 1" = 50'
50 100 150

# **LEGEND**

02/24/08

-THE PROPOSED TOWER HAS BEEN LOCATED USING DUAL FREQUENCY GPS UNIT PROCESSED BY "OPUS"
-STATE PLANE COORDINATES NAD 83 KY SOUTH ZONE N 1951489.31, E 2441104.29, EL 2002 FT MSL
-PRECISION: HORIZONTAL=0.30' VERTICAL=0.50'
-PROPERTY LINE INFORMATION TAKEN FROM DEEDS AND VERIFIED IN THE FIELD.

James W. Caudell 12305 Z-24-08
JAMES W. CAUDILL P.E. DATE

JAMES W.

CAUDILL

12905

O'

6

12

18

SCALE 1" = 6'

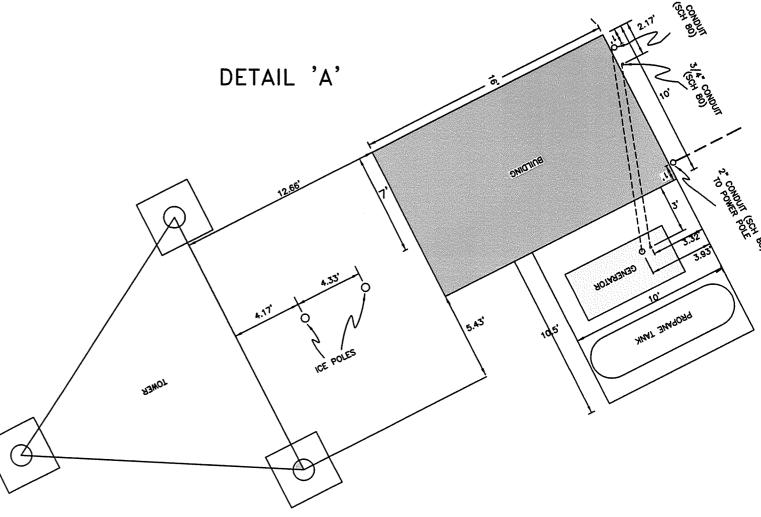
APPALACHIAN WIRELESS

101 TECHNOLOGY TRAIL

IVEL, KY. 41642

PROPOSED TOWER SITE

BLACKEY IN LETCHER CO KY



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

