

RECEIVED

JUL 30 2008

PUBLIC SERVICE
COMMISSION

EAST KENTUCKY NETWORK

d/b/a

APPALACHIAN WIRELESS

**DRESSEN
CELLULAR TOWER
APPLICATION**

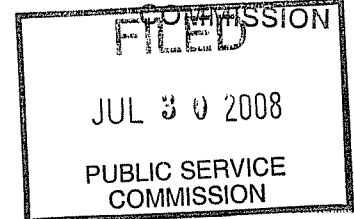
Harlan, Kentucky
P.S.C. CASE # 2008-00266

RECEIVED

JUL 30 2008

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE



In the matter of:

THE APPLICATION OF EAST KENTUCKY NETWORK)
LIMITED LIABILITY COMPANY FOR THE ISSUANCE)
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE No 2008-00266
NECESSITY TO CONSTRUCT A TOWER IN HARLAN)
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. East Kentucky Network LLC merger documents were filed with the Commission on February 2, 2001 in Case # 2001-022.

In an effort to improve service in Harlan 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 Index.. The proposed tower will be a 300 foot self-supporting tower located on a tract of land at Dressen near the city of Harlem in Harlan County, Kentucky. A map and detailed directions to the site can be found in Exhibit 8.

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 Attlstate 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.

Harlan County has no formal local planning unit. In absence of this unit the Harlan 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 July 28, 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 two weeks of August in the Harlan Daily Enterprise. Enclosed is a copy of that notice in Exhibit 1. The Harlan Daily Enterprise is the newspaper with the largest circulation in Harlan 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: Janice Robinson DATE: 01-25-08
Janice Robinson, Cell Site Coordinator

APPROVED BY: _____ DATE: _____
Gerald Robinette, General Manager

Contacts:

Gerald Robinette, General Manager

Phone: (606) 791-2375, Ext. 111

Email: grobinette110@ekn.com

Janice Robinson, Technical Site Coordinator

Phone: (606) 791-2375, Ext. 166

Email: jrobinson166a@ekn.com

Mailing Address:

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

1	Notification/Response from County.
2	Copies of Cell Site Notices.
3	Universal Soil Bearing Analysis.
4	Kentucky Airport Zoning Commission Application.
5	Tower Design.
6	FAA Approval/Notice of Proposed Construction.
7	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 State of Kentucky.
11	Site Survey Map with Property Owners identified in Accordance with PVA of County.
12	Vertical Profile Sketch of Proposed Tower.

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



VIA: U.S. CERTIFIED MAIL

July 25, 2008

Joseph A Grieshop, Judge/Executive
P. O. Box 956
Harlan, KY 40831

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00266)

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 tract of land at Dressen near the city of Harlan in Harlan County, Kentucky. 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 Harlan 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.

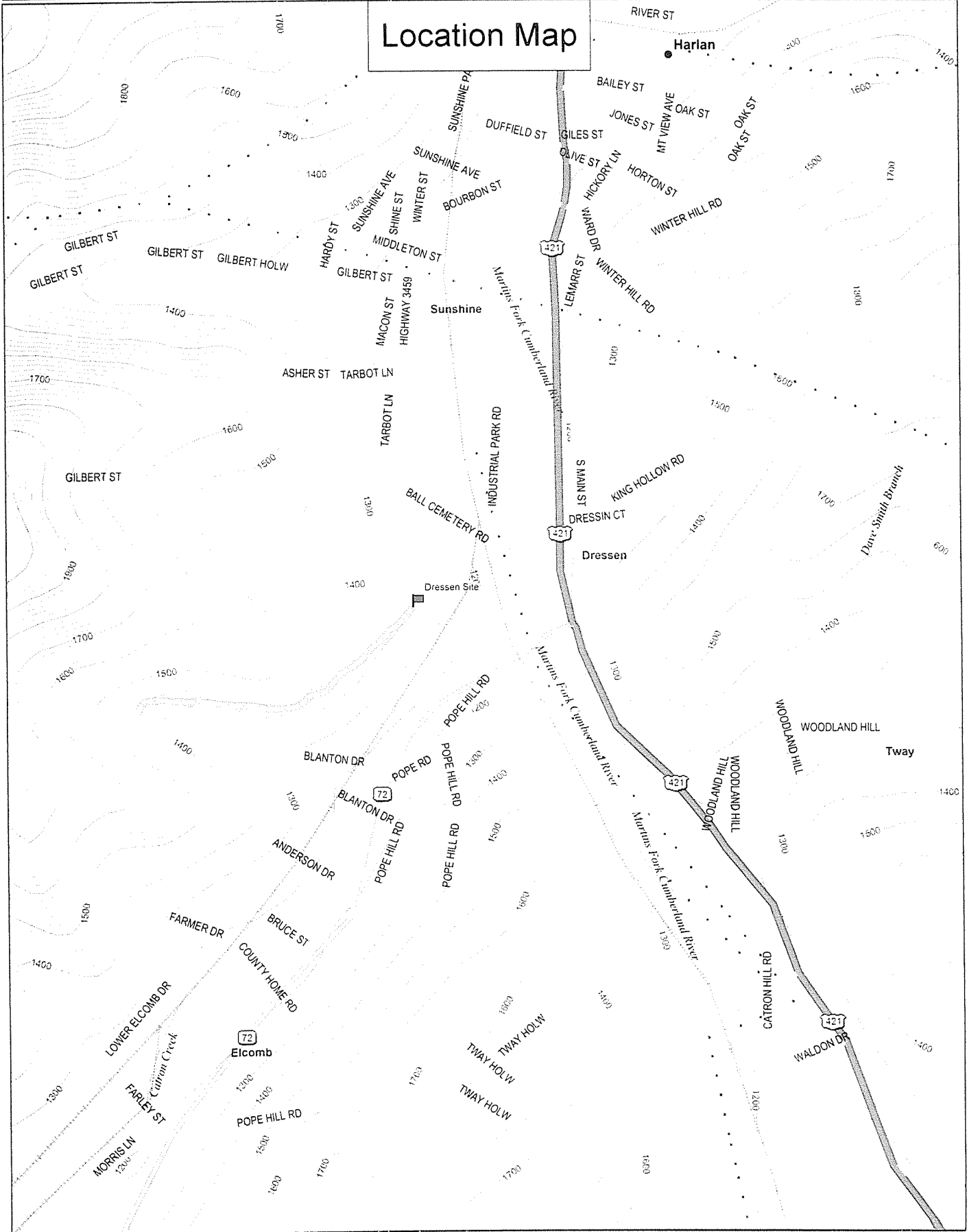
Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2008-00266 in your correspondence.

Sincerely,

A handwritten signature in cursive script that reads "Janice Robinson".

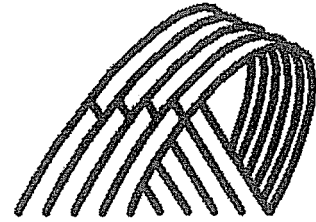
Janice Robinson
Technical Site Coordinator
enclosure

Location Map



d/b/a Appalachian Wireless
101 TECHNOLOGY TRAIL
IVEL, KY 41642
Phone: 606/874-7550
Fax: 606/791-2225

EAST KENTUCKY
NETWORK



Fax

To: Harlan Daily Enterprise
Attn: Ad Manager

From: JANICE ROBINSON
East Kentucky Network,
d/b/a Appalachian Wireless

Fax: 606-573-0042

Phone: 606-874-7550, Ext. 166

Phone: 606-573-4510

Pages: 1 Page (INCLUDING COVER)

Re: PUBLIC NOTICE ADVERTISEMENT **Date:** 07/25/08

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

PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2008-00266)

Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a tower located on a tract of land at Dressen near the city of Harlan in Harlan County, Kentucky. The proposed tower will be a 300-foot self-supporting tower. If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2008-00266.

If you have questions about the placement of the above mentioned notice, please call me at 606-874-7550, ext. 166.

Thank you, **Janice Robinson, Technical Site Coordinator**

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.

* * * Communication Result Report (Jul. 25. 2008 3:57PM) * * *

1) E k n
2)

Time: Jul. 25. 2008 3:55PM

File No.	Mode	Destination	Pg(s)	Result	Page Not Sent
0834	Memory TX	6065730042	P. 1	OK	

Reason for error

M. 1) Hang up or line fail	E. 2) Busy
M. 3) No answer	E. 4) No facsimile connection
M. 5) Exceeded max. E-mail size	

dba Appalachian Wireless
101 TECHNOLOGY TRAIL
IVEL, KY 41042
Phone: 606/874-7550
Fax: 606/791-2225



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Attn: Ad Manager East Kentucky Network,
dba Appalachian Wireless

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Harlan Daily Enterprise

P. O. Box 1155
Harlan, KY 40831

Harlan County

Phone: (606) 573-4510

Fax: (606) 573-0042

Newspaper Personnel

Publisher *Pat Lay*

Editor *John Henson*

Ad Manager *Wylene Miniard*

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thru
Saturday

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www.harlandaily.com

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KPA neither owns nor operates any newspaper.

EXHIBIT II : LIST OF PROPERTY OWNERS:

Statement Pursuant to Section 1 (1) (I) 807 KAR 5:063

Section 1 (1)(I) 1. 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.,

Section 1 (1) I 2. 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

Section 1 (1) I 3. 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

Sally M. Barr et. Al
C/O Clayton W. Ray
223 Scarlett Drive
Lafollette TN 37766

Brothers Construction, Inc.
P O Box 512
Harlan, KY 40831

Jim & Arlene Blanton
2550 W HWY 72 S
Suite 202
Harlan, KY 40831

Edward & Racheal Parsons
P o box 919
Harlan, KY 40831

Abdulkader Dahnan
120 Professional Lane
Harlan, KY 40831

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

EAST KENTUCKY
NETWORK



VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

July 25, 2008

Abdulkader Dahnan
120 Professional Lane
Harlan, KY 40831

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

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. 2008-00266 in your correspondence.

Sincerely,

Janice Robinson
Technical Site Coordinator
Enclosure 1

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P O Box 919
Harlan, KY 40831

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Janice Robinson
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2250 W HWY 72 S
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P O Box 512
Harlan, KY 408311

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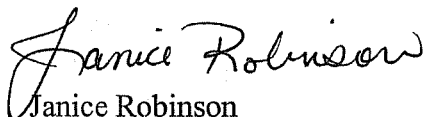
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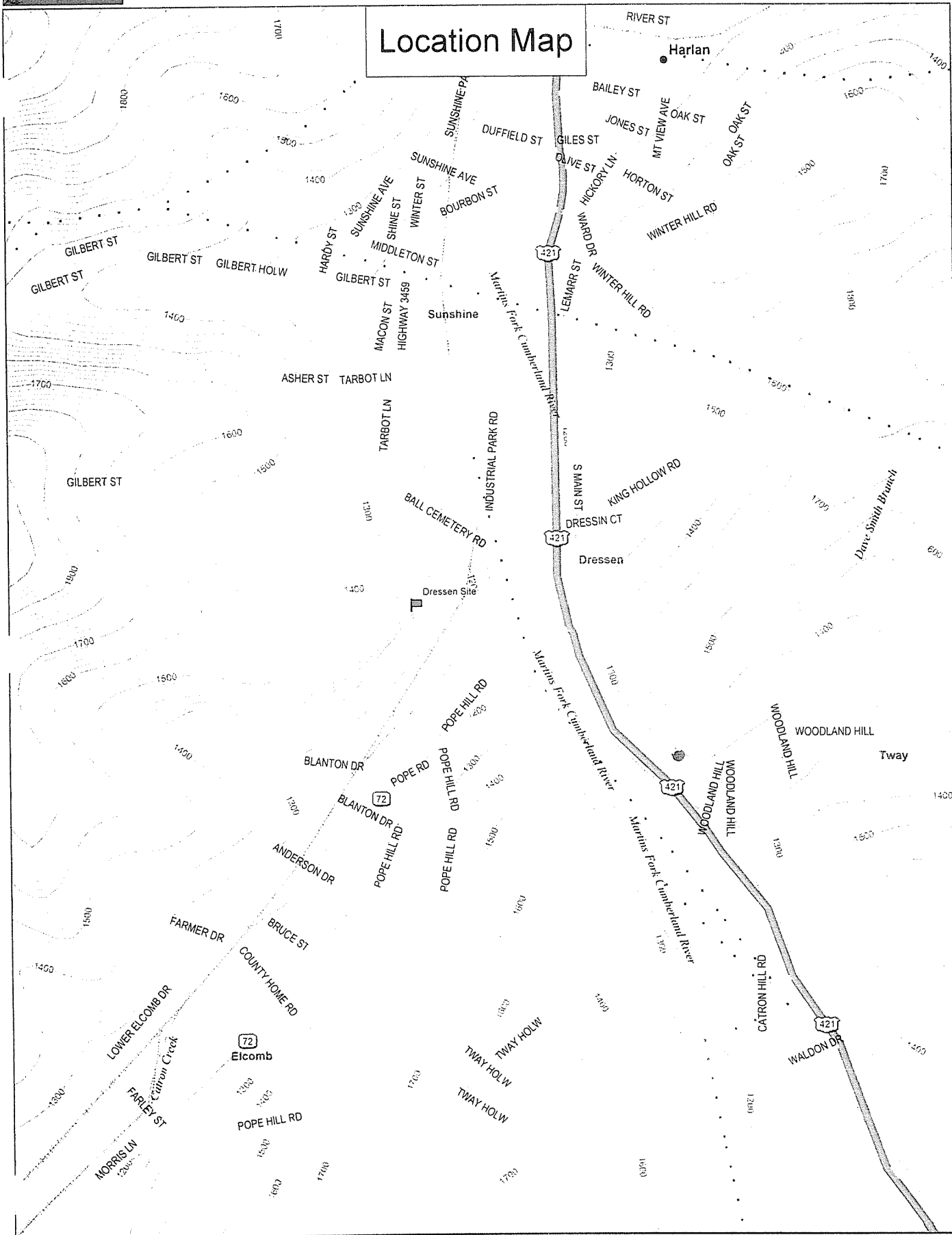
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Sincerely,


Janice Robinson
Technical Site Coordinator
Enclosure 1

Location Map



WENDELL R. HOLMES, P.G.

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

June 6, 2008

Harlan Tower Site

Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Harlan County in the City of Harlan, Kentucky. The site of the proposed tower is now forestland property. 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 at what depth and what type of bedrock material is present at the proposed tower site. A Caterpillar Excavator was used to expose the bedrock material. It is approximately 1.00 feet to the sandstone bedrock. (See attachments for location and descriptions of materials encountered.)

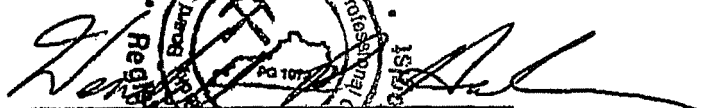
The terrain in Harlan County is slightly to moderately steep. The tower site is located on a point above the confluence of Catron Creek and Martin Fork, both being tributaries of the Cumberland River, approximately two tenths of a mile west of the junction of KY 72 and US 421 in Harlan County. The sandstone 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 point in the area. The sandstone bedrock on the proposed tower site is part of the Hance Formation, and is lower to middle 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
Registered Professional Geologist
No. 10777
Ky. Board of Registration for Professional Geologists
1918



WENDELL R. HOLMES, P.G.

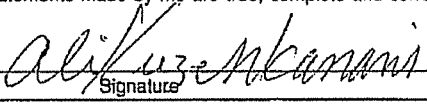
120 Church Street

Whitesburg, Ky. 41858

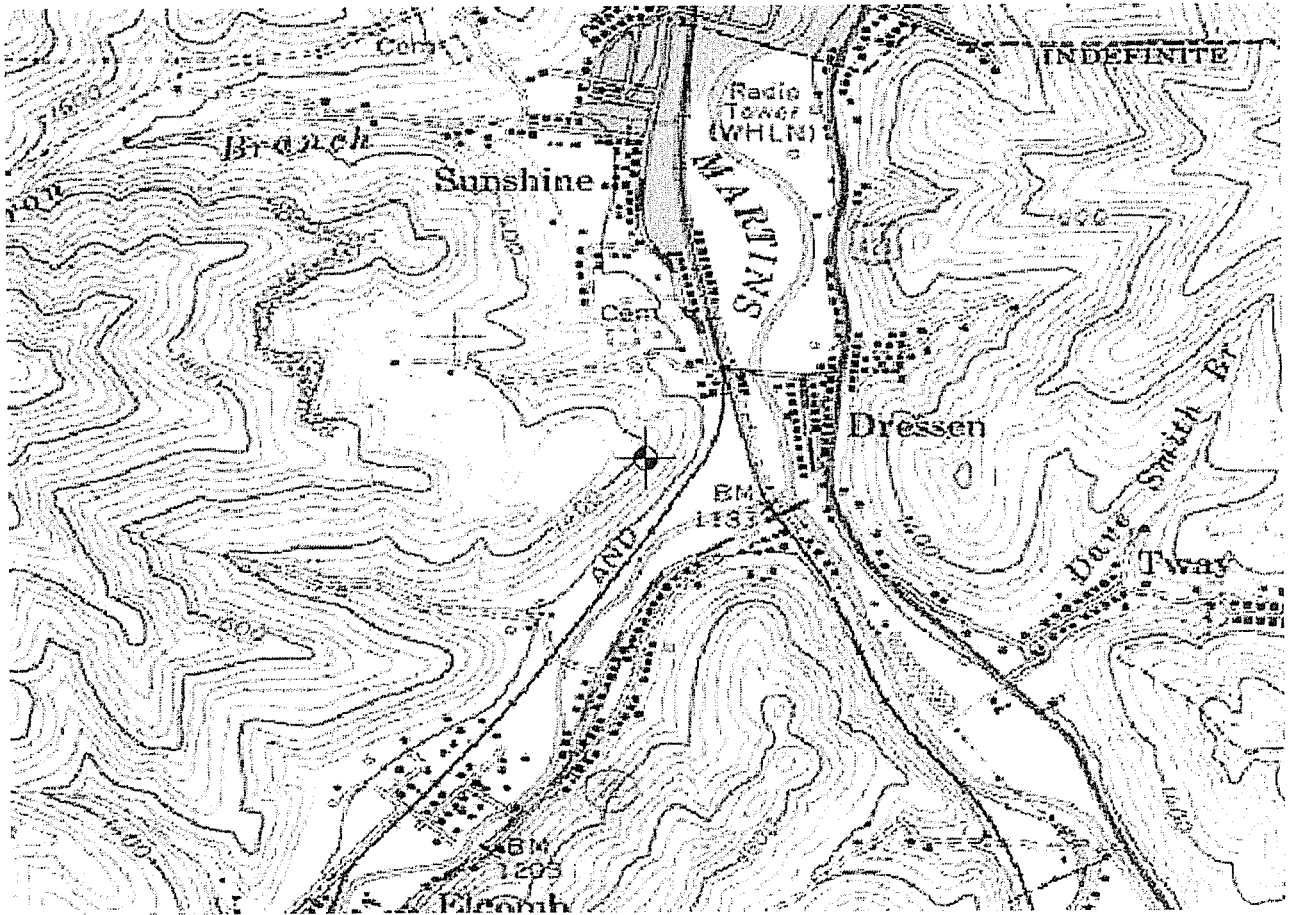
Geologist Log

Location: Harlan Tower Site

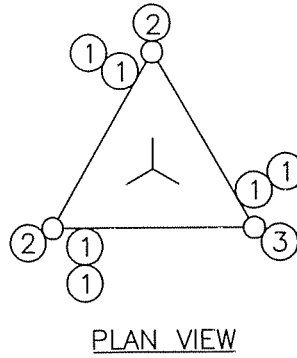
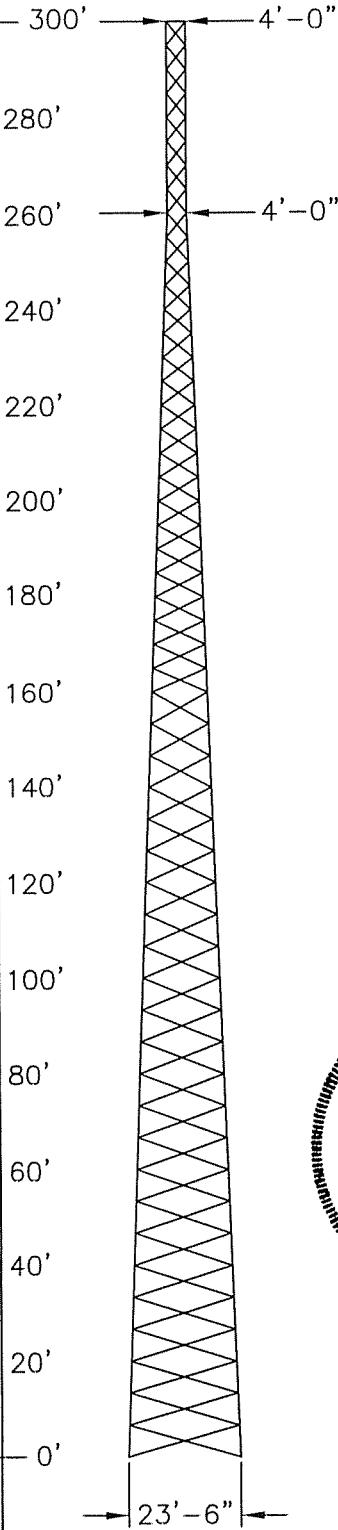
Unit Thickness	Total depth	Strata	Description
1.00'	1.00'	Soil	Yellowish Brown with plant and rock fragments
5.00'	6.00'	Sandstone	Brown and Weathered
5.00'	11.00'	Sandstone with Shale streaks	Gray and Brown

Kentucky Transportation Cabinet. Kentucky Airport Zoning Commission, 200 Mero Street, Frankfort, KY 40622 APPLICATION FOR PERMIT TO CONSTRUCT OR ALTER A STRUCTURE INSTRUCTIONS INCLUDED		Kentucky Aeronautical Study Number
1 APPLICANT -- Name, Address, Telephone, Fax, etc East Kentucky Network, LLC c/o Lukas, Nace, Gutierrez & Sachs, Chtd 1650 Tysons Blvd, Suite 1500 McLean, VA 22102 T: 703-584-8667 F: 703-584-8692	9. Latitude: <u>36</u> ° <u>49</u> ' <u>50</u> " <u>6</u> " 10. Longitude: <u>83</u> ° <u>19</u> ' <u>44</u> " <u>5</u> " 11. Datum: <input checked="" type="checkbox"/> NAD83 <input type="checkbox"/> NAD27 <input type="checkbox"/> Other _____ 12. Nearest Kentucky City: <u>Dressen</u> County <u>Harlan</u> 13. Nearest Kentucky public use or Military airport: <u>Tucker Guthrie Memorial Airport</u> 14. Distance from #13 to Structure: <u>2.5</u> mi 15. Direction from #13 to Structure: <u>SE</u> 16. Site Elevation (AMSL): <u>1,400.00</u> Feet 17. Total Structure Height (AGL): <u>315.00</u> Feet 18. Overall Height (#16 + #17) (AMSL): <u>1,715.00</u> 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 0.3 mi (0.5 km) west of Dressen (Harlan), KY	
2. Representative of Applicant -- Name, Address, Telephone, Fax Ali KuzeHkanani Lukas, Nace, Gutierrez & Sachs, Chtd 1650 Tysons Blvd, Suite 1500 McLean, VA 22102 T: 703-584-8667 F: 703-584-8692	3. Application for: <input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Alteration <input type="checkbox"/> Existing 4. Duration: <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Temporary (Months _____ Days _____) 5. Work Schedule: Start <u>7/1/2008</u> End <u>7/15/2008</u> 6. Type: <input checked="" type="checkbox"/> Antenna Tower <input type="checkbox"/> Crane <input type="checkbox"/> Building <input type="checkbox"/> Power Line <input type="checkbox"/> Landfill <input type="checkbox"/> Water Tank <input type="checkbox"/> Other _____ 7. Marking/Painting and/or Lighting Preferred: <input type="checkbox"/> Red Lights and Paint <input checked="" type="checkbox"/> Dual - Red & Medium Intensity White <input type="checkbox"/> White - Medium Intensity <input type="checkbox"/> Dual - Red & High Intensity White <input type="checkbox"/> White - High Intensity <input type="checkbox"/> Other _____ 8. FAA Aeronautical Study Number _____	
21. Description of Proposal: The structure will include a 300' tower with top-mounted antennas (overall height of 315' AGL) The ERP will be 500 watts		
22. Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, When <u>June 19, 2008</u>		
CERTIFICATION: I hereby certify that all the above statements made by me are true, complete and correct to the best of my knowledge and belief		
Ali Kuzehkanani/Dir of Engineering Printed Name and Title	 Signature	6/19/2008 Date
PENALTIES: 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: <input type="checkbox"/> Chairman. KAZC <input type="checkbox"/> Administrator. KAZC <input type="checkbox"/> Approved _____ <input type="checkbox"/> Disapproved _____ Date _____		

Close Print

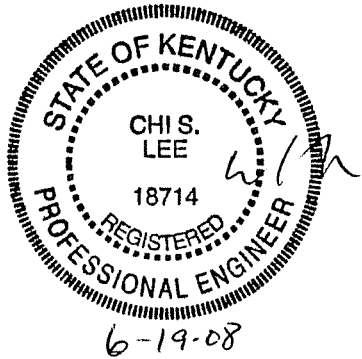


LEG DIA.	ø4.25"	ø4.25"	ø4"	ø3.75"	ø3.75"	ø3.75"	ø3.5"	ø3.25"	ø3"	ø3"	ø2.75"	ø2.5"	ø2.25"	ø2"
DIAGONALS	L3.5" x .25"		L3" x .1875"	L2.5" x .1875"	L2" x .1875"	L2" x .1875"	A							
GIRTS	N/A													
BRACE BOLTS	ø.875"		ø.75"		ø.625"									
FLANGE BOLTS	ø1.25"		ø1"											
# OF BAYS	3 BAY : X-BRACED			4 BAY : X-BRACED										



PLAN VIEW REF:
 1) (6) 1.625" LINES
 2) (1) 1.625" LINE
 3) STEP BOLTS

SYMBOL LIST:	
A	= L1.75" x .1875"
BASE REACTIONS:	
TOTAL SHEAR	= 39 KIPS
AXIAL LOAD	= 71 KIPS
UPLIFT / LEG	= 294 KIPS
COMP. / LEG	= 342 KIPS
O.T. MOMENT	= 6466 FT-K



DESIGN NOTES:
 1) ALL LEGS ARE SOLID ROUND ASTM A-572 GRADE : $F_y \geq 50$ KSI.
 2) ALL BRACE MATERIAL IS ASTM A-36 : $F_y \geq 36$ KSI.
 3) ALL BRACE AND FLANGE BOLTS ARE A325-X
 4) (8) ø1.5" x 6'-0" LONG (A-36) ANCHOR BOLTS PER LEG.
 5) THIS TOWER IS DESIGNED FOR A 70 M.P.H. BASIC WIND SPEED IN ACCORDANCE WITH THE TIA/EIA-222-F STANDARD INCLUDING A 1/2" OF RADIAL ICE (WITH REDUCTION).

ELEV.	ANTENNAS	FEEDLINES
300'	(12) 4' x 1' CELLULAR PANEL	(12) 1.625"
290'	(12) 4' x 1' CELLULAR PANEL	(12) 1.625"
280'	(12) 4' x 1' CELLULAR PANEL	(12) 1.625"
270'	(2) 8' HP DISH	(2) 1.625"
--SEE PLAN VIEW FOR FEEDLINE DISTRIBUTION		
--STEP BOLTS UTILIZED FOR CLIMBING WITH SAFETY CLIMB DEVICE		

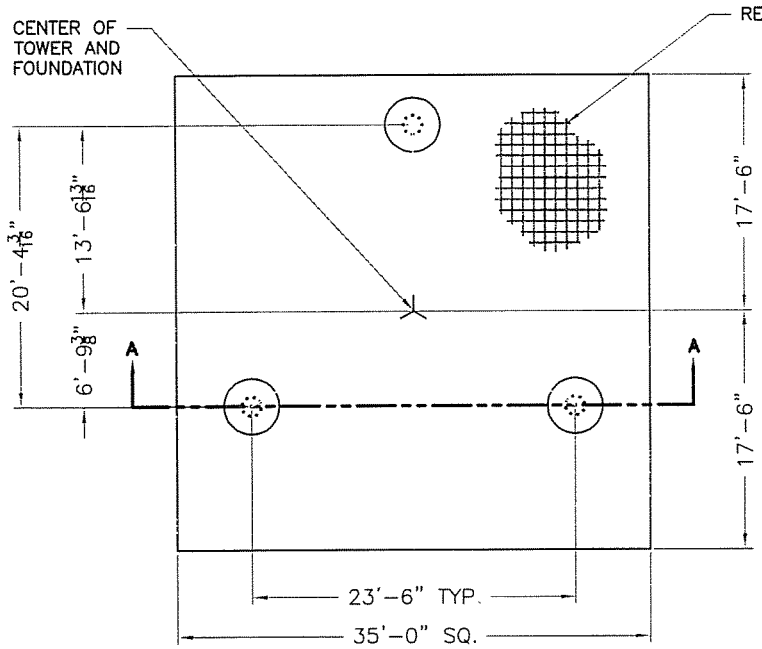


P.O. BOX 25
 HENDERSON, KY 42419
 PHONE: (270) 830-8512
 FAX: (270) 830-8475

SCALE: N.T.S.	PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ALLSTATE TOWER CO. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER CO.
TOLERANCE BANDS: ALL DIMENSIONS ARE ±1/16" ALL ANGULAR DIM ARE ±1/2" UNLESS OTHERWISE NOTED	CUSTOMER: APPALACHIAN WIRELESS
APPROX WEIGHT: 50.94 KIPS	DESCRIPTION: 300' SELF SUPPORT TOWER
PROPOSAL #: AB1709 - SELF SUPPORT TOWER	LOCATION: HARLAN COUNTY, KY.
	SITE: DRESSEN
	DRAWN BY: W.MILLER
	DATE: 06/13/2008
	REV: REV. NO.
	REV. DATE: REV. DATE
	JOB NO: AF40850
	SHEET: A

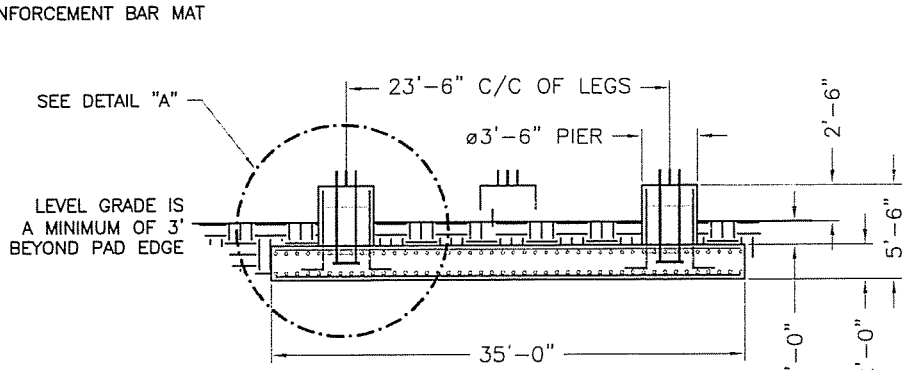


P.O. BOX 25
 HENDERSON, KY 42419
 PHONE: (270) 830-8512
 FAX: (270) 830-8475



PLAN VIEW

TOTAL VOLUME OF CONCRETE = 94-1/2 YD³



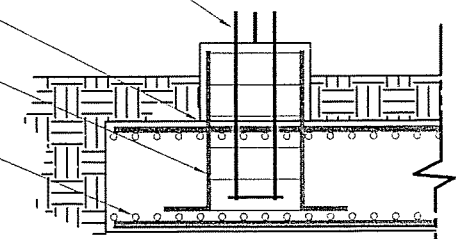
SECTION A-A

(8) ϕ 1-1/2" X 6'-0" OVERALL LENGTH ANCHOR BOLTS W/ 3/4" THK BEARING PLATE AT THE BOTTOM OF THE ANCHOR BOLT CLUSTER (5' MIN. ANCHOR BOLT EMBEDMENT).

USE EPOXY BONDING AGENT WHEN POURED SEPERATELY

(10) #9 VERTICAL BARS w/ #4 TIES AT 12" ON CENTER

(42) #9 HORIZONTAL BARS X 34'-6" LONG EQUALLY SPACED EACH WAY AT TOP AND BOTTOM OF MAT. (TOTAL = 168)



DETAIL "A"

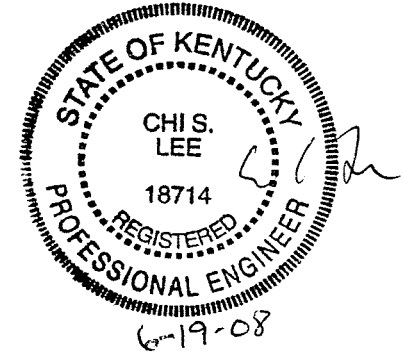
FOUNDATION INSTALLATION/DESIGN NOTES:

1. THIS FOUNDATION IS DESIGNED TO MEET ALL STANDARDS SET FORTH BY ACI 318: AMERICAN CONCRETE INSTITUTE, BUILDING CODE REQUIREMENTS FOR STRUCTURAL CONCRETE, ANSI/TIA/EIA 222-F: STRUCTURAL STANDARDS FOR STEEL ANTENNA TOWERS AND ANTENNA SUPPORTING STRUCTURES.
2. THIS FOUNDATION IS DESIGNED UTILIZING THE GEOTECHNICAL REPORT PERFORMED BY WENDELL R. HOLMES, P.G.; DATED 6-6-08; THE FOUNDATION CONTRACTOR SHALL INSTALL THE FOUNDATIONS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GEOTECHNICAL REPORT.
3. ALL WORK PERFORMED FROM THESE DRAWINGS SHOULD BE BY QUALIFIED CONTRACTORS EXPERIENCED IN TOWER FOUNDATION CONSTRUCTION.
4. ALL FOOTING EXCAVATIONS SHALL BE MANUALLY CLEANED PRIOR TO PLACING CONCRETE. COMPACT THE EXPOSED SOIL SURFACE AND ANY GRANULAR FILL UNDER THE FOUNDATION TO 95% OF THE MODIFIED PROCTOR DENSITY.
5. ALL CONCRETE SHALL HAVE A MINIMUM COMPRESSIVE STRENGTH OF 3000 PSI AFTER 28 DAYS. COPIES OF THE CONCRETE CYLINDER TEST REPORTS SHALL BE SENT TO THE RESIDENT ENGINEER / INSPECTOR.
6. MINIMUM CONCRETE COVER FOR REINFORCING BARS SHALL BE 3".
7. FIELD BENDING OR WELDING OF REINFORCEMENT BARS IS NOT PERMITTED.
8. PROVIDE CHAMFERS AT ALL EXPOSED CORNERS OF CONCRETE.
9. BACKFILL NEAR AND AROUND THE FOUNDATIONS SHALL BE A WELL GRADED FILL MATERIAL PLACED IN 8" THICK LAYERS THAT HAS BEEN COMPACTED TO 95% OF THE MODIFIED PROCTOR DENSITY PER ASTM D1557.
10. SOME DETAIL HAS BEEN PURPOSELY OMITTED TO CLARIFY ILLUSTRATION.

REINFORCEMENT BAR SPLICING:

1. ALL LAP SPLICES SHALL CONFORM TO ACI 318 REQUIREMENTS.
2. REFER TO CHART BELOW WHEN REINFORCEMENT BAR SPLICING IS NECESSARY.

REINFORCING BAR SIZE	LAP SPLICE LENGTH
3	15"
4	17"
5	21"
6	26"
7	30"
8	36"
9	46"
10	58"
11	71"



SCALE: N.T.S.	TOLERANCE BANDS: ALL DIMENSIONS ARE 1/8" UNLESS OTHERWISE NOTED	DESCRIPTION: PAD/PIER FOUNDATION DESIGN	CUSTOMER: APPALACHIAN WIRELESS	DATE: 06/18/2008	DRAWN BY: J.B.
PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ALLSTATE TOWER CO. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER CO.	APPROX WEIGHT: N/A	LOCATION: HARLAN COUNTY, KY.	PROPOSAL: AB1709 - SELF SUPPORT TOWER	REV. NO.:	REV. DATE:
		SITE: DRESSEN		JOB NO.:	REV. DATE:
				AF40850	
					SHEET: B

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1650 TYSONS BOULEVARD, SUITE 1500
MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX

WWW.FCCLAW.COM

RUSSELL D LUKAS
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THOMAS GUTIERREZ*
ELIZABETH R SACHS*
GEORGE L LYON, JR
PAMELA L GIST
DAVID A LAFURIA
TODD SLAMOWITZ*
B LYNN F RATNAVALE*
STEVEN M CHERNOFF*
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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) 584-8667
akuzehkanani@fcclaw.com

June 19, 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:

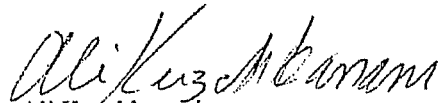
Enclosed is an FAA Form 7460-1 (Notice of Proposed Construction or Alteration) for a new 315' communications tower structure (300' tower plus 15' antenna/lightning rod) near Dressen (Harlan), Kentucky. The site ("Dressen") is located 0.3 mi (0.5 km) west of Dressen Branch.

The proponent, East Kentucky Network, I.L.C, is the licensee for PCS Block A service in a portion of the Knoxville, TN Metropolitan Statistical Area ("Knoxville MTA"), Market No. 44A12. Transmit technology to be employed at this station is CDMA in the PCS Band A frequency band (1850 - 1860 MHz and 1930 - 1940 MHz); the maximum ERP is 500 Watts.

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

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

Sincerely,


Ali Kuzehkanani
Director of Engineering

Enclosure

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

Notice of Proposed Construction or Alteration - Off Airport

Project Name: EAST -000097370-08

Sponsor: East Kentucky Network, LLC

Details for Case : Dressen

Show Project Summary

Case Status

ASN: 2008-ASO-3428-OE
Status: Accepted

Date Accepted: 06/19/2008
Date Determined:
Letters: None

Construction / Alteration Information

Notice Of: Construction
Duration: Permanent
if Temporary: Months: Days:
Work Schedule - Start: 07/01/2008
Work Schedule - End: 07/15/2008
State Filing: Filed with State

Structure Summary

Structure Type: Tower
Structure Name: Dressen
FCC Number:
Prior ASN:

Structure Details

Latitude: 36° 49' 50.60" N
Longitude: 83° 19' 44.50" W
Horizontal Datum: NAD83
Site Elevation (SE): 1400 (nearest foot)
Structure Height (AGL): 315 (nearest foot)
Marking/Lighting: Dual-red and medium intensity
Other:
Nearest City: Dressen
Nearest State: Kentucky
Description of Location: Site is located approx. 0.3 mi (0.5 km) west of Dressen (Harlan), KY
Description of Proposal: A new 300' tower plus top-mounted antennas (overall height of 315' AGL)

Common Frequency Bands

Low Freq	High Freq	Freq Unit	ERP	ERP Unit
806	824	MHz	500	W
824	849	MHz	500	W
851	866	MHz	500	W
869	894	MHz	500	W
896	901	MHz	500	W
901	902	MHz	7	W
930	931	MHz	3500	W
931	932	MHz	3500	W
932	932.5	MHz	17	dBW
935	940	MHz	1000	W
940	941	MHz	3500	W
1850	1910	MHz	1640	W
1930	1990	MHz	1640	W
2305	2310	MHz	2000	W
2345	2360	MHz	2000	W

Specific Frequencies

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Statements of cash flows	5-6
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SUPPLEMENTARY INFORMATION	
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EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

FINANCIAL REPORT

December 31, 2006

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, Nale & Mattingly PLC

Louisville, Kentucky
March 15, 2007

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

**BALANCE SHEETS
December 31, 2006 and 2005**

ASSETS	<u>2006</u>	<u>2005</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,818,346	\$ 1,046,669
Short-term investments	46,271	43,803
Accounts receivable, less allowance for doubtful accounts of \$567,790 in 2006 and \$375,856 in 2005	2,802,673	1,560,267
Accounts receivable, members (Notes 5 and 6)	37,612	3,149
USF receivable (Note 7)	--	589,913
Inventory	1,584,039	1,056,766
Prepaid expenses	<u>173,657</u>	<u>143,547</u>
Total current assets	<u>\$ 7,462,598</u>	<u>\$ 4,444,114</u>
 PROPERTY, PLANT AND EQUIPMENT (Note 3)		
Plant in service:		
General support	\$ 18,914,927	\$ 10,633,736
MTSO equipment	13,354,875	11,934,434
Cell equipment	39,339,797	34,785,982
Paging equipment	3,321,068	3,320,416
Fiber ring	6,471,128	6,245,412
Unfinished plant	<u>657,524</u>	<u>3,992,696</u>
	\$ 82,059,319	\$ 70,912,676
Less accumulated depreciation	<u>33,358,066</u>	<u>27,810,940</u>
	<u>\$ 48,701,253</u>	<u>\$ 43,101,736</u>
 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)	4,497,032	4,623,855
Other	<u>27,550</u>	<u>28,669</u>
	<u>\$ 5,386,976</u>	<u>\$ 5,527,657</u>
	<u>\$ 61,550,827</u>	<u>\$ 53,073,507</u>

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

LIABILITIES AND MEMBERS' EQUITY	<u>2006</u>	<u>2005</u>
CURRENT LIABILITIES		
Current maturities of long-term debt (Note 3)	\$ 1,200,000	\$ 48,033
Accounts payable	1,166,909	851,643
Accounts payable, member (Notes 5 and 6)	2,899	2,936
Accrued expenses	2,113,530	1,457,463
Accrued state corporation taxes	232,157	85,989
Customer deposits	<u>317,603</u>	<u>291,380</u>
Total current liabilities	\$ 5,033,098	\$ 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>

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME
Years Ended December 31, 2006 and 2005

	2006	2005
REVENUE		
Retail	\$ 24,156,320	\$ 20,908,570
Roamer	6,964,309	6,868,904
Long distance	155,046	177,350
Paging	852,011	1,039,429
Equipment sales, cellular	2,922,817	2,152,962
Equipment sales, paging	27,894	57,632
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
Advertising	1,574,298	1,139,697
General and administrative	2,238,348	2,249,226
Occupancy	334,981	359,928
Depreciation	5,541,628	4,635,200
Amortization	508,526	495,241
Total expenses	\$ 33,655,749	\$ 29,187,369
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.

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

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

	Cellular Services, Inc.	Gearhart Communi- cations Company, Inc.	Mountain Tele- communi- cations, Inc.	Thacker- Grigsby Telephone Co., Inc.	Peoples Rural Telephone Coop- erative Corp- oration, Inc.	Total
Balance, January 1, 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	<u>(112,287)</u>	<u>(112,287)</u>	<u>(112,287)</u>	<u>(112,287)</u>	<u>(112,287)</u>	<u>(561,435)</u>
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	<u>(110,812)</u>	<u>(110,812)</u>	<u>(110,812)</u>	<u>(110,812)</u>	<u>(110,812)</u>	<u>(554,060)</u>
Balance, December 31, 2006	<u>\$ 8,703,546</u>	<u>\$ 8,703,546</u>	<u>\$ 8,703,546</u>	<u>\$ 8,703,546</u>	<u>\$ 8,703,545</u>	<u>\$43,517,729</u>

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

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

**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:		
(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	\$ 2,818,346	\$ 1,046,669

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

EAST KENTUCKY NETWORK, LLC
DBA APPALACHIAN WIRELESS

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

	<u>2006</u>	<u>2005</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 866.941</u>	<u>\$ 788.610</u>
Cash payments for state corporation taxes	<u>\$ 167.000</u>	<u>\$ 84.207</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Settlement of note payable from impairment of goodwill	<u>\$ --</u>	<u>\$ 400.000</u>
Settlement of accrued interest from impairment of goodwill	<u>\$ --</u>	<u>\$ 56.000</u>

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of operations

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

Cash

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

Cash equivalents

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

Short-term investments

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

Inventory

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

NOTES TO FINANCIAL STATEMENTS

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).

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Advertising costs are expensed as incurred. At December 31, 2006 and 2005, these costs were \$1,574,298 and \$1,139,697, respectively.

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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.

NOTES TO FINANCIAL STATEMENTS

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FCC licenses	1,141,593	(330,542)
Use of name	10,000	(4,334)
Other	408,474	(37,509)
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FCC licenses	1,141,593	(264,446)
Use of name	10,000	(3,668)
Other	68,038	(9,008)
	\$ 6,803,509	\$ (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

NOTES TO FINANCIAL STATEMENTS

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	--	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)	--	--
	\$ --	\$ 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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 its 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.

NOTES TO FINANCIAL STATEMENTS

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 Telecommunication 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)
	<u>\$ 331,286</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of operations

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

Cash

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

Cash equivalents

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

Short-term investments

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

Inventory

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

Property, plant and equipment

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

Investment

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

NOTES TO FINANCIAL STATEMENTS

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).

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

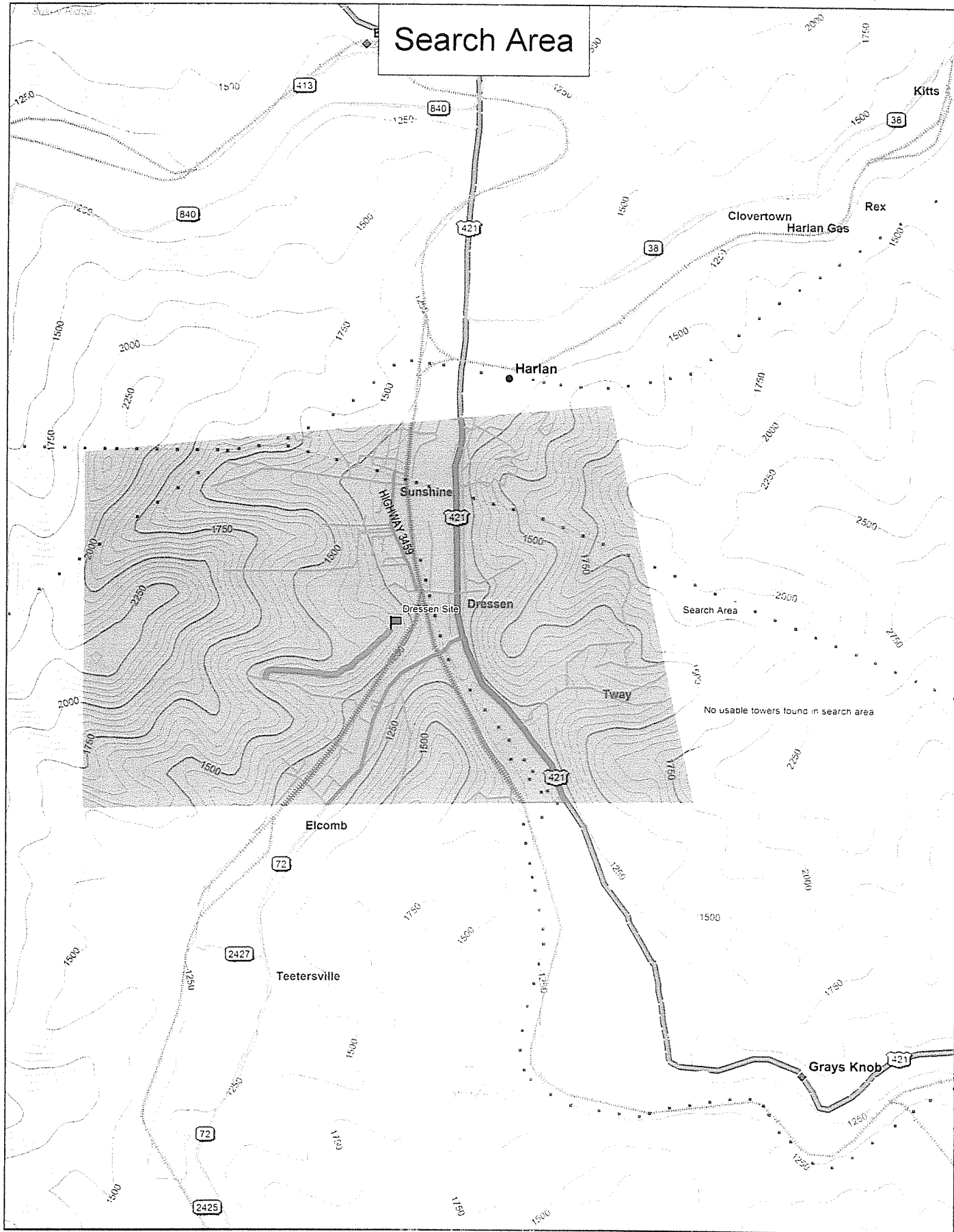
Goodwill	\$ 787,286
Note payable	(400,000)
Accrued interest	(56,000)
	<u>\$ 331,286</u>

Directions to Dressen Tower

From the Harlan County Courthouse located at the intersection of first St. and Central St. Take Central St. .1 mile to the Jct. of Central St. and 421. Turn left onto 421 and go 1.2 miles to Hwy 72. Turn Right onto Hwy. 72 and continue for .4 miles to Blanton Drive. Turn right onto Blanton Dr. and Continue for .2 miles to gravel road. Take gravel road for .9 miles to tower site.

Directions were written by,

Marty Thacker
Appalachian Wireless
606-438-2355 Ext 111 (office)
606-634-9505 (Cell Phone)
m.thacker@tgtel.com (email)



DEED OF CONVEYANCE

THIS DEED OF CONVEYANCE made and entered into this 21st day of May, 2008, by and between Brothers Hardware and Building Supply, Inc., a Kentucky Corporation, P. O. Box 512, Harlan, Kentucky 40831, referred to hereinafter as **GRANTOR**, and East Kentucky Network, LLC., a Kentucky Limited Liability Company, 101 Technology Trail, Ivel, Kentucky 41642, referred to hereinafter as **GRANTEE**.

WITNESSETH: That for the consideration of \$40,000.00, the receipt of which is hereby acknowledged, the **GRANTOR** does hereby grant, sell and convey unto the **GRANTEE**, its successors and assigns forever, all of its right, title and interest in and to that certain tract or parcel of land lying and being in Harlan County, Kentucky, and more particularly described as follows:

A certain tract of land located in the City of Harlan, Harlan County, Kentucky, and being near the end of the Ridge North of the confluence of Catron Creek and Martins Fork of Clover Fork of the Cumberland River, and more particularly described as follows:

BEGINNING at a set T/T-Bar on the boundary line between Brothers Construction and Sally M. Barr, Charles M. Ray, Dorothy H. Kirby, Stanford Bruce Hendrickson and Carolyn H. Wilson (D.B. 316, P. 43) and being S 58° 23' 02" W 23.56' from a found Re-Bar with cap stamped DKW 2729 and having KY South NAD 83 Coordinates of N-1,830,615.17 E-2,348,907.06; thence, running down the hill and severing the land of Brothers Construction, Inc. S 31° 36' 58" E a distance of 100.00' to a Mag Nail with a metal cap stamped Summit, L.S. #2661 set in a lead plug in a rock out cropping; thence, around the hill S 58° 23' 02" W a distance of 100.00' to a set T/T-Bar; thence, up the hill N 31° 36' 58" W a distance of 100.00' to a Mag Nail with a metal cap stamped Summit, L.S. #2661 set in a rock on the line of Sally M. Barr, Charles M. Ray, Dorothy H. Kirby, Stanford Bruce Hendrickson and Carolyn H. Wilson and being on the ridge; thence, with said line down the ridge N 58° 23' 02" E a distance of 100.00' to the point of beginning and containing 0.23 acres more or less according to a survey conducted by personnel under the direct supervision of Steven E. Haywood, PLS #2661 with Summit Engineering, Inc. on April 23, 2008.

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\$ 40.00 DEED TAX PAID
DATE 5/29/08 SP

Unless stated otherwise any monument referred to herein as a T/T-Bar is a steel T-Bar having three radial arms of one-half inch and is 18 inches in length, with a metal cap stamped Summit Engineering, L.S. #2661. All bearings stated herein are Grid North and are based on a GPS observation taken at the site.

Also, granted to Grantee is a right of way easement for purposes of ingress and egress across the existing road located on property of Grantor.

1) Being part of the property conveyed by that certain deed dated December 10, 1996, from Ball Farm Incorporated, by its Successor, Har-Co Fuels, Incorporated, a Kentucky Corporation, to Brothers Construction, Inc., recorded in the office of the Harlan County Clerk, Harlan, Kentucky, in Deed Book 327, at page 359.

2) Articles of Merger effective December 31, 2000, Brothers Construction Inc. - Brothers Hardware and Building Supply, Inc., recorded in said Clerk's office in Corporation Book 20, page 667.

TO HAVE AND TO HOLD, all of the hereinabove described real property, together with the appurtenances thereunto belonging unto the **GRANTEE**, its successors and assigns forever. The **GRANTOR** hereby covenants to and with the **GRANTEE** that it is lawfully seized in fee simple of said property, that it has good right to sell and convey same as herein done, that its title to said property is clear, perfect, and unencumbered, and that it will warrant generally the said title.

IN WITNESS WHEREOF, the **GRANTOR** has hereunto executed said deed by and through its duly authorized officer as of the day and year first above written.

**BROTHERS HARDWARE AND BUILDING
SUPPLY, INC. , GRANTOR**

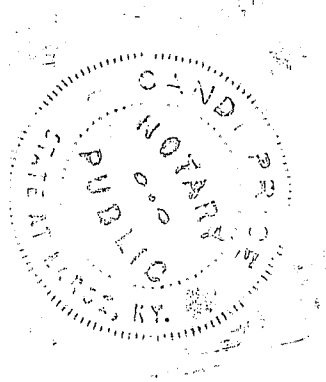
By Britt Blanton Pres
Britt Blanton, President

CONSIDERATION CERTIFICATE

We, the **GRANTOR** and **GRANTEE**, to the above Deed, hereby certify that the

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consideration paid by the **GRANTEE** to the **GRANTOR** reflected above in this deed is \$40,000.00, and is the full consideration paid for the subject property.



BROTHERS HARDWARE AND BUILDING SUPPLY, INC., GRANTOR

By *Britt Blanton Pres*
Britt Blanton, President

EAST KENTUCKY NETWORK, LLC, GRANTEE

By *Gerald F. Robinette*
Gerald F. Robinette, Manager

STATE OF KENTUCKY)

COUNTY OF HARLAN)

This Deed of Conveyance and Consideration Certificate was on this 21st day of May, 2008, produced before me and duly signed, acknowledged and sworn to by Brothers Hardware and Building Supply, Inc., a Kentucky Corporation, (successor by merger to Brothers Construction, Inc.) by and through its President, Britt Blanton, **GRANTOR** herein.

My Commission Expires: 1-28-09

Candi Price
Notary Public, State of Kentucky at Large

STATE OF KENTUCKY)

COUNTY OF FLOYD)

This Consideration Certificate in the hereinabove deed was on this 21st day of May, 2008, produced before me and duly signed, and sworn to by Gerald F. Robinette, Manager, of East Kentucky Network, LLC, a Kentucky Limited Liability Company, for and on behalf

of said limited liability company, **GRANTEE** herein.

My Commission Expires: June 22, 2009

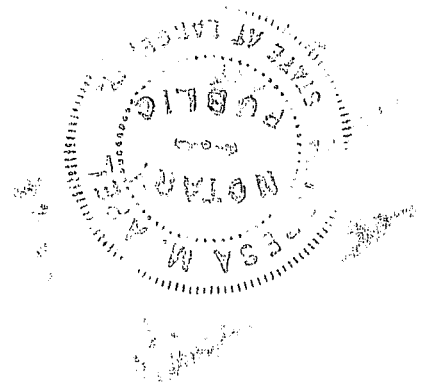
Terrence M. Appel
Notary Public, State of Kentucky at Large

THIS INSTRUMENT PREPARED
WITH BENEFIT OF TITLE
EXAMINATION BY:

Glenn L. Greene, Jr.

Glenn L. Greene, Jr.
Attorney at Law
P.O. Drawer 999
Harlan, KY 40831
(606) 573-8857

Z:\Office Files\deeds\deed brothers hardware to east kentucky network llc wpd



STATE OF KENTUCKY

COUNTY OF HARLAN

I, **Wanda S. Clem**, Clerk of the County in and for the County and State aforesaid, certify that the foregoing Deed of Conveyance, was on the 29th day of May, 2008, at 10:30 A.M., lodged for record, whereupon the same with the foregoing and this Certificate have been duly recorded in my office in Deed Book 417 Page 456.

Witness my hand this 29th day of May, 2008.

WANDA S. CLEM, HARLAN COUNTY CLERK

BY: Kimberly Parrott D.C.

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CASE NO: 2008-00266

**CONTAINS
LARGE OR OVERSIZED
MAP(S)**

RECEIVED ON: July 30, 2008