RECEIVED

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

SEP 15 2009

PUBLIC SERVICE COMMISSION

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 2009-00351
NECESSITY TO CONSTRUCT A TOWER IN CLAY)
COUNTY, KENTUCKY).	

East Kentucky Network, LLC, d/b/a Appalachian Wireless, was granted authorization to provide Personal Communications Service ("PCS") in the Corbin, KY Basic Trading Area (BTA098) by the Federal Communications Commission (FCC). FCC license is included as Exhibit 1. 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 Clay 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 300 foot self-supporting tower on a tract of land approximately 2.9 miles southeast of Manchester in Clay County, Kentucky (37°07'52.6"N 83°43'03.5"W). A map and detailed directions to the site can be found in Exhibit 8.

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.

Pursuant to 807 KAR 5:063 Section 1 (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.

Clay County has no formal local planning unit. In absence of this unit the Clay 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 3 is a

copy of that notification.

Notice of the location of the proposed construction was published in the Manchester Enterprise's September 17th & 24th weekly editions. Enclosed is a copy of that notice in Exhibit 3. The Manchester Enterprise is the newspaper with the largest circulation in Clay County.

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 4.

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 S & S Tower Services of St. Albans, West Virginia. S & S Tower Services has vast experience in the erection of communications towers.

FAA and Kentucky Airport Zoning Commission approvals are included as Exhibit 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.

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

Estimated Cost of Construction \$ 350,000.00 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 September 14, 2009 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 lease agreement with deed description to the site.

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.

Enclosed, and filed as Exhibit 10 is a survey of the proposed tower site signed by a Kentucky registered professional engineer.

Exhibit 12 contains a vertical sketch of the tower supplied by Coleman Engineering.

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 the Accounting Department of East Kentucky Network, LLC d/b/a Appalachian Wireless. All related questions or correspondence concerning this filing should be mailed to the attention of Gerald Robinette at East Kentucky Network, LLC d/b/a/ Appalachian Wireless, 101 Technology Trail, Ivel, KY 41642.

SUBMITTED BY:

Lynn Haney, Staff Accountant

APPROVED BY:

Gerald Robinette, General Manager

CONTACT INFORMATION:

Gerald Robinette, General Manager Phone: (606) 791-2375, Ext. 110 Email: grobinette110@ekn.com

Lynn Haney, Staff Accountant Phone: (606) 791-2375, Ext. 1007

Email: lhaney@ekn.com

Mailing Address:

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

	FCC License	
	Copies of Cell Site Notices to Land Owners	
3	Notification of County Judge Executive and Newspaper	
4	Universal Soil Bearing Analysis	
5	Tower Design	
6	FAA & Kentucky Airport Zoning Commission Approvals/Notice of Proposed Construction	F
7	Audited Financial Statements	
	Driving Directions from County Court House 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	

MAYER



FCC Home | Search | Updates | E-Filing | Initiatives | For Consumers | Find People



Universal Licensing System

FCC > WTB > ULS > Online Systems > License Search

FCC Site Map

7 HELP

ULS License

PCS Broadband License - WQHG464 - East Kentucky Network, LLC d/b/a Appalachian Wireless

Q New Search Q Refine Search Return to Results Printable Page Reference Copy 💠 Map License

ADMIN MARKET BAIN

WQHG464 Call Sign

Radio Service

CW - PCS Broadband

Status

Active

Auth Type

Regular

Market

Market

Submarket

BTA098 - Corbin, KY

Channel Block

F

Associated Frequencies 001890.00000000-001895.00000000 001970.00000000-001975.00000000

(MHz)

Dates

Grant

07/23/2007

Expiration

07/23/2017

Effective

11/27/2007

Cancellation

Buildout Deadlines

1st

07/23/2012

2nd

07/23/2017

Notification Dates

1st

2nd

Licensee

FRN

0001786607

(View Ownership Filing)

Type

Limited Liability Company

Licensee

East Kentucky Network, LLC d/b/a Appalachian

Wireless

101 Technology Trail

Ivel, KY 41642

ATTN Gerald Robinette, Manager

P:(606)477-2355 F:(606)874-7551

Contact

Lukas, Nace, Gutierrez & Sachs, Chtd. David L Nace Esq

1650 Tysons Blvd., Suite 1500

McLean, VA 22102

P:(703)584-8661 E:dnace@fcclaw.com

8/7/2009 10:09 AM

Ownership and Qualifications

Radio Service Type Fixed, Mobile

Regulatory Status Common Carrier, Interconnected Yes

Non-Common Carrier

Alien Ownership

The Applicant answered "No" to each of the Alien Ownership questions.

Basic Qualifications

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

Tribal Land Bidding Credits

This license did not have tribal land bidding credits.

Demographics

Race

Ethnicity Gender

ULS Glossary - FAQ - Online Help - Technical Support - Licensing Support

ULS Online Systems CORES - ULS Online Filing - License Search - Application Search - Archive License

<u>Search</u>

About ULS Privacy Statement - About ULS - ULS Home

Basic Search By Call Sign = SEARCH

FCC | Wireless | ULS | CORES

Federal Communications Commission 445 12th Street SW

Washington, DC 20554

Help | Tech Support

Phone: 1-877-480-3201 TTY: 1-717-338-2824 Submit Help Request

N.		

EXHIBIT II: LIST OF PROPERTY OWNERS:

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

<u>Section 1 (1)(I) 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)(1) 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)(1) 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

Dennis & Ruth Ann Bradford P.O. Box 703 Manchester, KY 40962

> Maurice Smith, ET AL P.O. Box 75 Garrard, KY 40941

Teddy & Cathy Smith 729 Hwy 149 Manchester, KY 40962

Alvin C. & Claudette Grub 649 Stacy Branch Road Manchester, KY 40962

Glendon Woods 665 Stacy Branch Road Manchester, KY 40962

Grubb Cemetery General Delivery Manchester, KY 40962 EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

FAX: (606) 874-7551

L: INFO@EKN.COM

.: BSITE: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

September 14, 2009

Dennis & Ruth Ann Bradford P.O. Box 703 Manchester, KY 40962

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2009-00351)

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 in Clay County. 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 approximately 2.9 miles southeast of Manchester in Clay County, Kentucky. 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. 2009-00351 in your correspondence.

Sincerely,

Lynn Haney Staff Accountant

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

FAX: (606) 874-7551

: INFO@EKN.COM



VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

September 14, 2009

Maurice Smith, ET AL P.O. Box 75 Garrard, KY 40941

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2009-00351)

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Sincerely,

Lynn Haney Staff Accountant

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FAX: (606) 874-7551

INFO@EKN.COM

Valuation: INFO@EKN.COM



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

PUBLIC NOTICE

September 14, 2009

Teddy & Cathy Smith 729 Hwy 149 Manchester, KY 40962

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2009-00351)

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Sincerely,

Lynn Haney Staff Accountant

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EAST KENTUCKY NETWORK

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: INFO@EKN.COM

W.LUSITE: WWW.EKN.COM



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

PUBLIC NOTICE

September 14, 2009

Alvin C. & Claudette Grub 649 Stacy Branch Road Manchester, KY 40962

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2009-00351)

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Sincerely,

Lynn Haney Staff Accountant

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:: INFO@EKN.COM



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

PUBLIC NOTICE

September 14, 2009

Glendon Woods 665 Stacy Branch Road Manchester, KY 40962

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Sincerely,

Lynn Haney Staff Accountant

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IVEL, KY 41642
PHONE: (606) 874-7550
FAX: (606) 874-7551
: INFO@EKN.COM



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

PUBLIC NOTICE

September 14, 2009

Grubb Cemetary General Delivery Manchester, KY 40962

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2009-00351)

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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. 2009-00351 in your correspondence.

Sincerely,

Lynn Haney Staff Accountant

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WEDSITE: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

September 14, 2009

Carl Sizemore, Judge Executive 102 Richmond Road, Suite 201 Manchester, KY 40962

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2009-00351)

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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. 2009-00351 in your correspondence.

Sincerely,

Lynn Haney

Staff Accountant

dba Appalachian Wireless 101 Technology Trail Ivel, KY 41642

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





To: Manchester Enterprise		From:	Lynn Haney
Aller Announce and Announce A	Attn: Ad Manager		Staff Accountant – Fixed Assets
Fax:		Date:	September 10, 2009
Re:	PUBLIC NOTICE ADVERTISEMENT	Pages:	1 (including this cover)

Please place the following Public Notice Advertisement in the Manchester Enterprise for the next two weeks.

PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2009-00351)

Public Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a cellular telecommunications tower on a tract of land located approximately 2.9 miles SE of Manchester in Clay County, Kentucky. The proposed tower will be a 300 foot self-supporting tower with attached antennas. 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. 2009-00351.

If you have any questions about the placement of the above mentioned notice, please call me at 606-791-2375, ext. 1007.

Thank you,

Lynn Haney Staff Accountant – Fixed Assets

If you have any problems with this fax, please call 606-791-2375, ext. 1007.

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.

Lynn Haney

From:

Rodney Miller [rmiller@themanchesterenterprise.com]

Sent:

Thursday, September 10, 2009 4:50 PM

To:

Lynn Haney

Subject: Re: Public Notice Advertisement for Appalachian Wireless

Lynn, Just received your Public Notice ad to be placed in the Manchester Enterprise 9/17 and 9/24/09. The cost for the ad 3C x 2" box ad will be \$48.00 per run for a total of \$96.00 for the two weeks. Thanks so much, Rodney

On Thu, Sep 10, 2009 at 4:44 PM, Lynn Haney < lhaney@ekn.com > wrote:

I had intended to fax the public notice advertisement, so it is on a fax cover sheet.

If you have any questions, feel free to contact me.

Thank you,

Lynn Haney

Staff Accountant-Fixed Assets

East Kentucky Network, LLC

dba Appalachian Wireless

(606) 791-2375 ext. 1007

(606) 791-2225 (fax)

WENDELL R. HOLMES, P.G.

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

July 21,2009

Manchester East Tower Site

Purpose:

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

Site Investigation:

The trenching method was used to determine at what depth and what type of bedrock material at the proposed tower site. A trench was dug with a Caterpillar 315 Excavator to expose the bedrock material. It is approximately 8.00 feet to the shale bedrock. (See attachments for location and descriptions of materials encountered.) The terrain in Clay County is slightly to moderately steep. The tower site is located on a ridge south of Paces Creek, a tributary of the South Fork of the Kentucky River. The location is approximately one and one half miles east of Garrad in Clay County. The shale formation below the tower site is approximately five 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 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 shale bedrock formation.

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

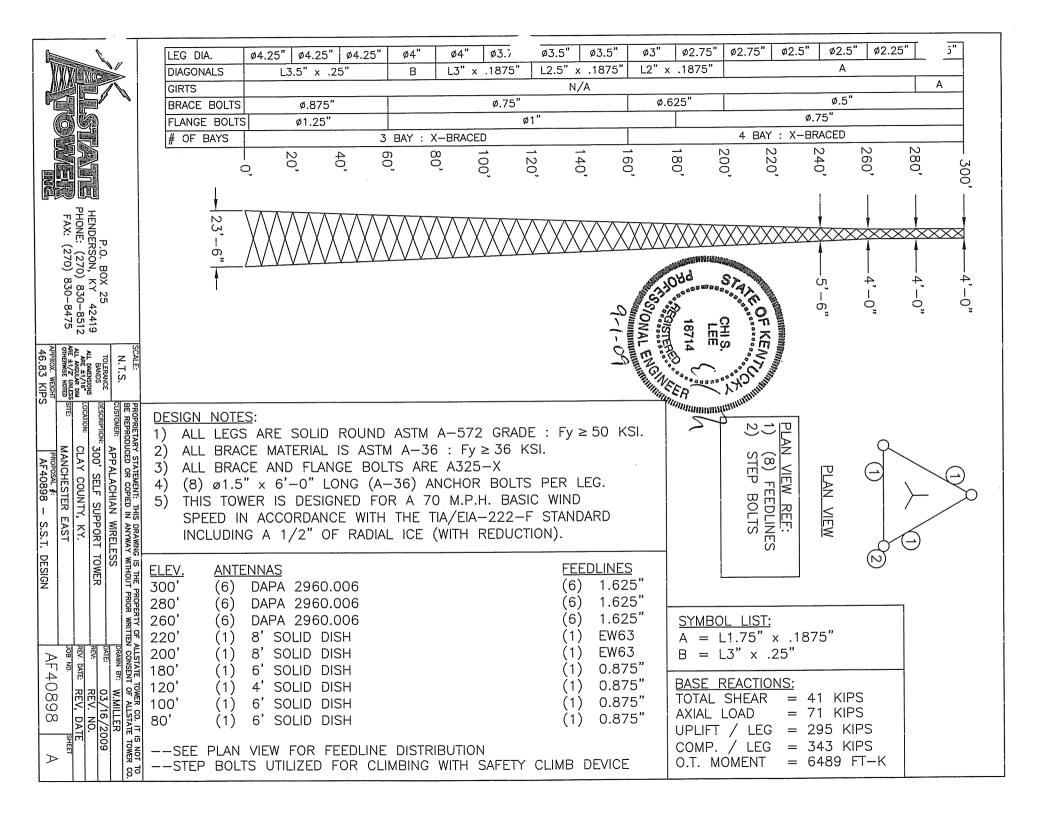
WENDELL R. HOLMES, P.G. 120 Church Street

Whitesburg, Ky. 41858 Geologist Log

Location: Manchester East Tower Site

Unit Thickness	Total Depth	Strata	Description
4.00′	4.00′	Soil	Yellow & brown plant and rock fragments
2.00′	6.00′	Shale	Gray & Weathered
2.00′	8.00′	Coal	Black, weathered, broken
5.00′	13.00′	Shale	Gray

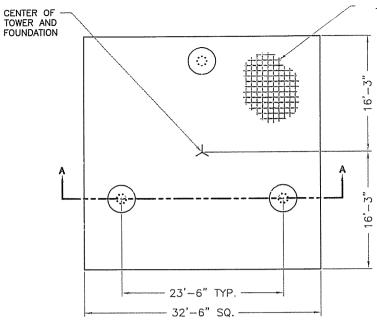
7				





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

N.T.S. MANCHESTER CLAY COUNTY, PAD/PIER FOUNDATION CED OR COPIED IN ALACHIAN EAST WIRELESS ANYWAY **FOUNDATION** 즛 S IS THE TUOHTIN DESIGN DESIGN PROPERTY OF ALLSTATE T BY: 4089 OF ALLSTATE TOWER [8]E $\overline{\infty}$ ϖ ಕಿತ



PLAN VIEW

TOTAL VOLUME OF CONCRETE = 81 YD^3

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.

THIS FOUNDATION IS DESIGNED UTILIZING THE GEOTECHNICAL REPORT PERFORMED BY WENDELL HOLMES, P.G.; DATED 07-21-09. THE FOUNDATION CONTRACTOR SHALL INSTALL THE FOUNDATIONS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GEOTECHNICAL REPORT.

ALL WORK PERFORMED FROM THESE DRAWINGS SHOULD BE BY QUALIFIED CONTRACTORS EXPERIENCED IN TOWER FOUNDATION CONSTRUCTION.

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.

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.

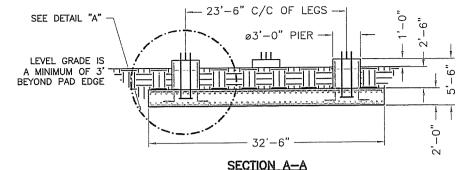
MINIMUM CONCRETE COVER FOR REINFORCING BARS SHALL BE 3".
FIELD BENDING OR WELDING OF REINFORCEMENT BARS IS NOT PERMITTED.

PROVIDE CHAMFERS AT ALL EXPOSED CORNERS OF CONCRETE.

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. 11. ALL REBAR TO MEET THE ASTM A615 GRADE 60 SPECIFICATION.

INFORCEMENT BAR MAT

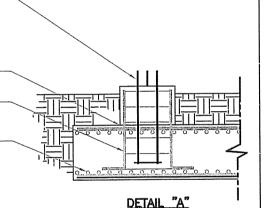


(8) ø1-1/2" X 6'-0" OVERALL LENGTH ANCHOR BOLTS W/ 3/4" THK BEARING PLATE AT THE BOTTOM OF THE ANCHOR BOLT CLUSTER (5' MIN. ANCHOR BOLT EMBEDMENT).

> USE EPOXY BONDING AGENT WHEN POURED SEPERATELY

(10) #9 VERTICAL BARS w/ #4 TIES AT 14" ON CENTER

(36) #9 HORIZONTAL BARS x 32'-0" LONG EQUALLY SPACED EACH WAY AT TOP AND BOTTOM OF MAT. (TOTAL = 144)

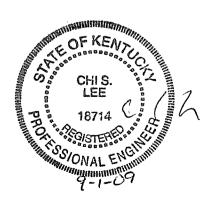


REINFORCEMENT BAR SPLICING:

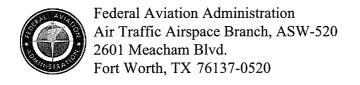
ALL LAP SPLICES SHALL CONFORM TO ACI 318 REQUIREMENTS.

REFER TO CHART BELOW WHEN REINFORCMENT 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"



1			
r			



Issued Date: 04/30/2009

Ali Kuzehkanani East Kentucky Network, LLC 1650 Tysons Boulevard, Suite 1500 McLean, VA 22102

** DETERMINATION OF NO HAZARD TO AIR NAVIGATION **

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

Structure: Tower East Manchester

Location: Manchester, KY

Latitude: 37-07-52.60N NAD 83

Longitude: 83-43-03.50W

Heights: 315 feet above ground level (AGL)

1865 feet above mean sea level (AMSL)

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

As a condition to this Determination, the structure is marked and/or lighted in accordance with FAA Advisory circular 70/7460-1 K Change 2, Obstruction Marking and Lighting, a med-dual system - Chapters 4,8(M-Dual),&12.

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

	At least 10 days prior to start of construction (7460-2, Part I)	
X	Within 5 days after the construction reaches its greatest height (7460-2, Part 1	(I)

This determination expires on 10/30/2010 unless:

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

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE POSTMARKED OR DELIVERED TO THIS OFFICE AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE.

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

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

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

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

If we can be of further assistance, please contact our office at (847) 294 8084. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2009-ASO-972-OE.

Signature Control No: 621102-109266726

(DNE)

Carole Bernacchi Technician

Attachment(s)
Frequency Data

Frequency Data for ASN 2009-ASO-972-OE

LOW	HIGH	FREQUENCY		ERP
FREQUENCY	FREQUENCY	UNIT	ERP	UNIT
806	824	MHz	500	W
824	849	MHz	500	W
851	866	MHz	500	W
869	894	MHz	500	\mathbf{W}
896	901	MHz	500	W
901	902	MHz	7	W
930	931	MHz	3500	\mathbf{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



KENTUCKY AIRPORT ZONING COMMISSION

Steven Beshear Governor

90 Airport Road, Bldg 400 FRANKFORT, KY www.transportation.ky.gov/aviation 502 564-4480

May 20, 2009

APPROVAL OF APPLICATION

APPLICANT:

East Kentucky Network, LLC. East Kentucky Network, LLC. c/o Lukas, Nace, Gutierrez & Sachs, Chtd|1650 Tysons Blvd, Suite 1500 Mc Lean, VA 22102

SUBJECT: AS-026-LOZ-2009-076

STRUCTURE:

Antenna Tower

LOCATION:

Manchester, KY

COORDINATES: 37° 7' 52.6" N / 83° 43' 3.5" W

HEIGHT:

315' AGL/1865'AMSL

The Kentucky Airport Zoning Commission has approved your application for a permit to construct 315'AGL/1865'AMSL Antenna Tower near Manchester, KY 37° 7' 52.6" N / 83° 43' 3.5" W.

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

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

John Houlihan Administrator



An Equal Opportunity Employer M/F/D

EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS

FINANCIAL REPORT

December 31, 2008

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2008 and 2007 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, 2008 and 2007 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.

Louisville, Kentucky

Jones Male: Mattingly Pic

March 6, 2009



BALANCE SHEETS December 31, 2008 and 2007

ASSETS	2008	2007
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,078,319	\$ 1,751,689
Short-term investments	166,846	127,015
Accounts receivable, less allowance for doubtful		
accounts of \$1,054,283 in 2008 and \$803,092 in 2007	4,359,740	3,541,622
Accounts receivable, members (Notes 5 and 6)	88,078	79,803
Inventory	3,053,445	2,979,257
Prepaid expenses	411,948	431,859
Total current assets	\$ 13,158,376	\$ 8,911,245
PROPERTY, PLANT AND EQUIPMENT (Note 3)		
Plant in service:		
General support	\$ 25,370,575	\$ 22,417,029
MTSO equipment	20,505,774	15,068,558
Cell equipment	55,340,782	45,543,309
Paging equipment	3,321,068	3,321,068
Fiber ring	7,429,057	6,606,546
Unfinished plant	1,960,503	1,825,466
	\$113,927,759	\$ 94,781,976
Less accumulated depreciation	48,072,427	40,355,585
	\$ 65,855,332	\$ 54,426,391
OTHER ASSETS		
Investment in affiliated company, RTFC	\$ 112,712	\$ 112,653
Intangible assets, net of accumulated amortization		
of \$3,697,725 in 2008 and \$3,122,139 in 2007 (Note 2)	5,255,760	4,242,306
Other	25,403	26,431
	\$ 5,393,875	\$ 4,381,390
	\$ 84,407,583	\$ 67,719,026

LIABILITIES AND MEMBERS' EQUITY	2008	2007
CURRENT LIABILITIES		
Current maturities of long-term debt (Note 3)	\$ 3,852,381	\$ 1,400,000
Accounts payable	1,772,238	938,193
Capital distributions payable		615,383
Accounts payable, member (Notes 5 and 6)	49,579	45,267
Accrued expenses	1,208,138	1,123,649
Customer deposits	600,872	453,470
Total current liabilities	\$ 7,483,208	\$ 4,575,962
LONG-TERM DEBT, less current maturities (Note 3)	\$ 16,388,735	\$ 12,350,000
INTEREST RATE SWAPS (Note 8)	\$ 2,067,821	\$ 572,632
MEMBERS' EQUITY		
Members' capital accounts	\$ 60,535,640	\$ 50,793,064
Accumulated other comprehensive (loss)	(2,067,821)	(572,632)
	\$ 58,467,819	\$ 50,220,432

\$ 84,407,583

\$ 67,719,026

STATEMENTS OF INCOME Years Ended December 31, 2008 and 2007

	2008	2007
REVENUE		
Retail	\$ 35,590,860	\$ 29,480,700
Roamer	12,592,115	9,239,822
Long distance	214,296	196,787
Paging	566,677	684,064
Equipment sales, cellular	2,248,939	3,006,173
Equipment sales, paging	35,777	33,862
Other	7,916,897_	4,513,769
Total revenue	\$ 59,165,561	\$ 47,155,177
EXPENSES		
Cost of cellular service	\$ 12,861,903	\$ 9,010,171
Cost of paging service	332,386	309,524
Cost of equipment sales, cellular	11,656,367	9,978,249
Cost of equipment sales, paging	56,705	59,307
Customer service	1,313,033	1,424,197
Billing	1,383,121	1,086,540
Selling	3,731,205	2,760,702
Maintenance	1,838,940	1,597,342
Utilities	711,446	562,455
Bad debts	802,158	1,165,669
Cell site rental	237,540	175,720
Taxes and licenses	965,327	873,366
Advertising	2,968,190	1,774,317
General and administrative	3,106,380	2,635,470
Occupancy	403,800	353,641
Depreciation	7,703,016	6,987,459
Amortization	670,464	528,232
Total expenses	\$ 50,741,981	\$ 41,282,361
Income from operations	\$ 8,423,580	\$ 5,872,816
OTHER INCOME (EXPENSE)		
Interest income	\$ 56,023	\$ 42,847
Interest expense	(1,242,505)	(885,156)
Universal Service Fund income (Note 7)	6,680,698	4,910,497
Office Parage Land Income (Lone 1)	\$ 5,494,216	\$ 4,068,188
Net income	\$ 13,917,796	\$ 9,941,004
NET IIICOME	Ψ 13,717,770	Ψ 2,211,004

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

STATEMENTS OF MEMBERS' EQUITY Years Ended December 31, 2008 and 2007

	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, 2007 Comprehensive income:	\$ 8,667,881	\$ 8,667,881	\$ 8,667,881	\$ 8,667,880	\$ 8,667,880	\$43,339,403
Net income Change in fair value of	1,988,201	1,988,201	1,988,200	1,988,201	1,988,201	9,941,004
interest rate swaps	(78,861)	(78,861)	(78,862)	(78,861)	(78,861)	(394,306)
Total comprehensive income	\$ 1,909,340	\$ 1,909,340	\$ 1,909,338	\$ 1,909,340	\$ 1,909,340	\$ 9,546,698
Capital distributions	(533,134)	(533,134)	(533,133)	(533,134)	(533,134)	(2,665,669)
Balance, December 31, 2007 Comprehensive income:	\$10,044,087	\$10,044,087	\$10,044,086	\$10,044,086	\$10,044,086	\$50,220,432
Net income Change in fair value of	2,783,559	2,783,559	2,783,559	2,783,560	2,783,559	13,917,796
interest rate swaps	(299,038)	(299,038)	(299,038)	(299,038)	(299,037)	(1,495,189)
Total comprehensive income	\$ 2,484,521	\$ 2,484,521	\$ 2,484,521	\$ 2,484,522	\$ 2,484,522	\$12,422,607
Capital distributions	(835,044)	(835,044)	(835,044)	(835,044)	(835,044)	(4,175,220)
Balance, December 31, 2008	<u>\$11,693,564</u>	\$11,693,564	\$11,693,563	\$11,693,564	\$11,693,564	\$58,467,819

STATEMENTS OF CASH FLOWS Years Ended December 31, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 13,917,796	\$ 9,941,004
Adjustments to reconcile net income to net cash provided		
by operating activities:		
Depreciation	7,703,016	6,987,459
Amortization	670,464	528,232
Changes in assets and liabilities, net of the effects		
of investing and financing activities:		
(Increase) in accounts receivable	(818,118)	(738,949)
(Increase) in accounts receivable, members	(8,275)	(42,191)
(Increase) in inventory	(74,188)	(1,395,218)
(Increase) decrease in prepaid expenses	19,911	(358,202)
Decrease in other assets	969	750,860
Increase (decrease) in accounts payable	834,045	(183,899)
Increase (decrease) in accounts payable, member	4,312	(2,449)
Increase (decrease) in accrued expenses	84,489	(1,222,038)
Increase in customer deposits	147,402	135,867
Net cash provided by operating activities	\$ 22,481,823	\$ 14,400,476
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	\$ (19,165,600)	\$ (12,765,603)
Purchase of intangible assets	(1,650,275)	(120,500)
Proceeds from sale of short-term investments	(39,831)	(80,744)
Net cash (used in) investing activities	\$ (20,855,706)	\$ (12,966,847)
CASH FLOWS FROM FINANCING ACTIVITIES	/h // maa /aa)	A (0.0 0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0
Capital distributions	\$ (4,790,603)	\$ (2,050,286)
Proceeds from long-term borrowings	8,250,000	1,000,000
Payments on long-term borrowings	(1,758,884)	(1,450,000)
Net cash provided by (used in) financing activities	\$ 1,700,513	\$ (2,500,286)
Net increase (decrease) in cash and cash equivalents	\$ 3,326,630	\$ (1,066,657)
Cash and cash equivalents:		
Beginning	1,751,689	2,818,346
Ending	\$ 5,078,319	<u>\$ 1,751,689</u>

STATEMENTS OF CASH FLOWS (Continued) Years Ended December 31, 2008 and 2007

	2008	2007
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash payments for interest	\$ 1,178,953	\$ 885,156
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Capital distributions declared	\$	\$ 615,383

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 may exceed the 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. Fair value is determined by quoted prices for similar certificates of deposit in active markets.

Inventory

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

Property, plant and equipment

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

Investment

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

Note 1. Summary of Significant Accounting Policies (Continued)

Intangible assets

The customer lists, non-compete agreements, FCC licenses, bond issuance costs, loan fees and use of name are recorded at cost and are being amortized over the life of the asset by the straight-line method.

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, 2008 and 2007, these costs were \$2,968,190 and \$1,774,317, 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.

The Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, on January 1, 2008. The Company had no prior unrecognized tax benefits as a result of the implementation of Interpretation 48. There are no tax positions for which the ultimate deductibility is highly uncertain included in the balance sheet at December 31, 2008.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2008 and 2007 the Company did not recognize any interest or penalties.

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.

Comprehensive income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes the change in fair value of interest rate swaps which is also recognized as a separate component of equity.

Note 1. Summary of Significant Accounting Policies (Continued)

Reclassification

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

Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2008:

	Gross	Accumulated
	Amount	Amortization
Customer lists	\$ 5,363,530	\$ (2,868,565)
Non-compete agreements	220,348	(150,977)
FCC licenses	2,452,368	(544,730)
Use of name	10,000	(5,669)
Other	907,239	(127,784)
	\$ 8,953,485	\$ (3,697,725)

Intangible assets consist of the following at December 31, 2007:

	Gross	Accumulated
	Amount	Amortization
Customer lists	\$ 5,363,530	\$ (2,510,268)
Non-compete agreements	220,348	(136,257)
FCC licenses	1,262,093	(399,017)
Use of name	10,000	(5,001)
Other	508,474	(71,596)
	\$ 7,364,445	\$ (3,122,139)

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Note 2. Intangible Assets (Continued)

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2008 and 2007 totaled \$575,586 and \$475,226, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

Year ending December 31:

2009	\$ 625,000
2010	625,000
2011	625,000
2012	625,000
2013	625,000

Note 3. Long-Term Debt

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

	2008	2007
Note payable, Fifth Third Bank (a)	\$ 11,600,000	\$ 13,000,000
Line of credit, Fifth Third Bank (b)		750,000
Note payable, Fifth Third Bank (c)	8,641,116	
	\$ 20,241,116	\$ 13,750,000

(a) On February 28, 2006, the Company issued \$14,200,000 in adjustable rate notes to restructure its debt. The notes were issued pursuant to a trust indenture between the Company and U.S. Bank National Association. Principal and interest on the notes are paid from funds drawn by the Trustee under an irrevocable letter of credit issued by Fifth Third Bank. The Notes are collateralized by the assets of the Company and mature on February 1, 2016. The Notes bear interest at a floating interest rate as determined by U.S. Bank National Association (4.60% at 12/31/08). However, the Company entered into an interest rate swap contract (original notional amount of \$14,200,000) that effectively converts its floating-rate debt into a fixed-rate of 5.32% (see Note 8). 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.

On February 2, 2009, the Company refinanced the remaining \$10,200,000 of the note with a new note payable that matures November 1, 2013, and renegotiated the terms of the interest rate swap contract.

(b) The line of credit agreement with Fifth Third Bank provides for borrowing up to \$2,000,000. The agreement carries a variable interest rate (4.90% at 12/31/08), is secured by the assets of the Company, and is due September 1, 2010.

Note 3. Long-Term Debt (Continued)

(c) On September 1, 2008, the Company borrowed \$9,000,000 to restructure existing debt, purchase new equipment and upgrade existing equipment. The note is collateralized by the assets of the Company. Interest on the note is floating at monthly LIBOR plus 3.00% as determined by Fifth Third Securities, Inc (4.90% at 12/31/08). The Company also entered into an interest rate swap contract (original notional amount of \$9,000,000) that effectively converts its floating-rate debt into a fixed rate of 7.20% (see Note 8). The note is payable in monthly installments of \$107,143 plus interest with a balloon payment due on September 1, 2013.

Under terms of the Notes, the Company has also agreed, among other things, to maintain minimum debt service coverage and minimum debt to tangible worth ratios.

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:

2009)	\$ 3,852,381
2010)	2,685,714
201		2,685,714
2012	2	2,769,048
2013	3	8,248,258

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 \$112,235 and \$81,606 matching funds for its 401(k) plan during the years ended December 31, 2008 and 2007, 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 \$371,105 and \$355,059 to its retirement savings plan during the years ended December 31, 2008 and 2007, respectively.

Note 5. Related Party Transactions

The Company shares personnel with four of its members. The Company paid \$157,825 and \$137,799 for shared personnel during the years ended December 31, 2008 and 2007, respectively. The Company also leased offices and warehouse space from three members. The leases are for an unspecified length of time. The annual lease expense related to these leases was \$20,301 and \$18,642 during the years ended December 31, 2008 and 2007, respectively.

Note 5. Related Party Transactions (Continued)

The Company incurred interconnection, telephone, cable and internet access charges from its members aggregating \$1,047,239 and \$892,626 for the years ended December 31, 2008 and 2007, respectively.

The Company leases two cellular tower sites from the officers and majority shareholders of a member. The annual lease expense related to these leases was \$2,400 for the years ended December 31, 2008 and 2007. The leases are for an unspecified length of time. The Company also pays part of an annual lease for sharing a tower with a member for an annual fee of \$450. In addition, the Company leases one other site from a company owned by a member for an annual fee of \$3,600. The Company leases cellular tower sites from the parent company of one of its other members. The annual lease expense related to these leases was \$12,463 for the years ended December 31, 2008 and 2007. 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 during the years ended December 31, 2008 and 2007 was \$51,872 and \$43,644, respectively.

The Company pays fees to companies owned by its members for advertisement in telephone directories, television and on local billboards. The amount of advertising paid to related parties was \$98,276 and \$18,885 for the years ended December 31, 2008 and 2007, 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 was \$1,612,227 and \$1,267,544 for the years ended December 31, 2008 and 2007, respectively. Rental income earned from the Company's members from these leases was \$780,931 and \$607,789 for the years ended December 31, 2008 and 2007, respectively.

Investments in operating leases are as follows at December 31:

	2008	2007
Fiber ring	\$ 7,429,057	\$ 6,606,546
Accumulated depreciation	(2,143,096)	(1,687,693)
	\$ 5,285,961	\$ 4,918,853

The future minimum rental payments expected to be received under these lease agreements for each of the succeeding five years are approximately \$1,500,000 each year.

Note 6. Operating Leases (Continued)

The Company has also entered into lease agreements to obtain fiber optic transmission and digital microwave transmission services; and to rent retail office facilities. The terms of these leases are between 5 and 15 years. Total rental expense incurred from these operating lease commitments included in the statements of income was \$805,277 and \$646,474 for the years ended December 31, 2008 and 2007, respectively. Rental expense incurred from the Company's members from these leases was \$291,461 and \$188,539 for the years ended December 31, 2008 and 2007, respectively. The future minimum lease payments required under these lease agreements for each of the succeeding five years are \$800,000 each year.

Note 7. Eligible Telecommunication Carrier

During 2005, 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 \$6,680,698 and \$4,910,497 for 2008 and 2007, respectively.

Note 8. Derivative Financial Instruments, Interest Rate Swaps

The Company entered into two interest rate swap contracts with Fifth Third Bank for the purpose of converting floating-rate interest on its long-term debt to fixed rates. The interest rate swap effectively fixed \$14,200,000 at a rate of 5.32% until February 1, 2016 and fixed \$9,000,000 at a rate of 7.20% until September 1, 2013.

Under the swap contracts, the Company pays interest at 5.32% and 4.20% on the notional amounts and receives interest at LIBOR observed weekly (1.075% at December 31, 2008) and LIBOR observed monthly (1.90% at December 31, 2008), respectively. The interest rate swaps qualify as, and are designated as, cash flow hedges. The swaps are designed to hedge the risk of changes in interest payments on the notes caused by changes in LIBOR. The notional amounts do not represent actual amounts exchanged by the parties, but instead represent the amounts on which the contracts are based.

The swaps were issued at market terms so that they had no fair value or carrying value at their inception. The carrying amount of the swaps has been adjusted to their fair value at the end of the year, which because of changes in forecasted levels of LIBOR, resulted in reporting a liability for the fair value of the future net payments forecasted under the swaps. The swap contracts permit settlement prior to maturity only through termination by the Company. The settlement amounts are determined based on forecasted changes in interest rates required under fixed and variable legs of the swaps. The Company believes the settlement amounts are the best representation of the fair value of the swaps and has adjusted their carrying amounts to the settlement amounts at the end of the year.

Note 8. Derivative Financial Instruments, Interest Rate Swaps (Continued)

The carrying amounts of the swaps are classified as noncurrent since management does not intend to terminate the swaps during 2009. Since the critical terms of the swaps and the notes are approximately the same, the swaps are assumed to be effective as hedges, and none of the changes in fair values are included in income. Accordingly, all of the adjustment of the swaps' carrying amount is reported as other comprehensive income or loss in the accompanying statements of members' equity. If the swaps are terminated early, the corresponding carrying amount would be reclassified into earnings. The Company does not hold or issue interest rate swaps or other financial instruments for trading purposes.

Directions to Manchester East Site

Starting from the courthouse in Clay County Ky. Take Hwy 421 South 4.1 miles to Stacey Branch Rd. Turn Left onto Stacy Branch road and go .7 miles to red gate. After the red gate take the first right turn. As soon as you make the right turn their will be a green gate and a gravel road going up the hill. Take this road .6 miles to the site.

Directions were written by:

Marty Thacker Appalachian Wireless 606-634-9505 Cell Phone 606-785-2203 Office m.thacker@tgtel.com email

1" = 2.343 8 ft

Data Zoom 12-7

www delorme com

LEASE AGREEMENT

W-I-T-N-E-S-S-E-T-H:

That for and in consideration of the rents and other considerations hereinafter set out and subject to the terms and conditions therefore, Lessor does 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:

A portion of the property lying on Stacy Branch of Lockards Creek in Clay County, Kentucky near Daniel Boone Parkway east of Manchester. Being a portion of the property conveyed by deed from Alvin C. Grubb and Claudette Grubb, his wife to Dennis J. Bradford and Ruth Ann Bradford, husband and wife, and recorded in Deed Book 269, Page 60 of the Clay County Courthouse, and also being a portion of the property conveyed by deed of correction from Alvin C. Grubb and Claudette Grubb, his wife, to Dennis J. Bradford and Ruth Ann Bradford, husband and wife, and recorded in Deed Book 269 page 208 of the Clay County Courthouse.

Unless stated otherwise, any monument referred to herein as "set iron pin with cap" is a set ½" diameter rebar, at least eighteen (18") in length, with a plastic cap stamped "LS-2259". All bearings stated herein are referred to the NAD83 KY South State Plane north. This survey performed by James W. Caudill, LS2259, on January 19, 2009.

Lot A1

Beginning on a set iron pin with cap marked LS2259 on top of the ridge between Paces Creek and Stacy Branch of Lockards Creek, said point being on the center of the ridge at a small knob corner on the line of Maurice Smith. Et., Al. (Book 163 Page 16 and Book 214 Page 163) and on the line of Dennis and Ruth Ann Bradford (Book 269 Pages 60 and 208); thence running with the ridge and the dividing line between Maurice Smith and Dennis Bradford South 49 deg 38 min 33 sec East, 109.79 feet to a set iron pin with cap marked LS2259 on the ridge; thence leaving the Smith line and severing the property of Dennis and Ruth Ann Bradford and running over the hillside into Stacy Branch South 22 deg 05 min 37 sec West, 105.26 feet to a set iron pin with cap marked LS2259 on the hillside; thence running around the hillside North 73 deg 54 min 05 sec West, 103.34 feet to a set iron pin with cap marked LS2259 on the hillside; thence running up the hill at an angle to the left North 39 deg 13 min 45 sec West, 113.28 feet to a set iron pin with cap marked LS2259 on the ridge; thence running with the ridge and the line of Dennis and Ruth Ann Bradford and Maurice Smith North 67 deg 37 min 34 sec East, 137.18 feet to the beginning. Containing a calculated area of 20663 sq ft or 0.47 acres.

This according to a survey by James W. Caudill, PLS #2259, on January 19, 2009.

The Lessor grants unto Lessee full and complete right on ingress, egress and regress over roads located upon this property controlled by Lessor 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 Lessor and Lessee. Lessor further grants 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 Lessor having input as to the 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 or may damage tower if they fall. 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 25 years from the date of this Lease Agreement with the option to renew at the end of said term for an additional 25 years, by giving written notice to the Lessee at least sixty (60) days prior to the expiration of said 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) months written notice to Lessor of its intention to do so. In the event of termination by Lessee, the Lessor 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 eighty (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:** As rental for the Leased Premises, Lessee shall pay to Lessor as follows: \$4,200.00 per year, to be paid on the 1st day of January of each year for the term of the lease. An increase of Five (5%) Percent will be added to the monthly rent at

the beginning of each new five (5) year period (year 6, 11, 16, 21, etc.). If East Kentucky Network rents space on this tower to any other carrier, then the Lessor will be paid Forty (40%) Percent of the rent that East Kentucky Network collects. This will be in addition to the regular rent paid to the Lessor.

4. **USE OF PREMISES:** Lessee shall have the exclusive rights and privileges of the use of the Lease 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 developmental 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 have the right to relocate the road to the site at Lessee's expense, at a mutually agreed upon route, so as long as Lessor has the right to use the new road, which use by Lessor 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 net and orderly manner.

5. **INDEMNITY:** Lessee agrees to indemnify and save harmless the Lessor 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). Lessor shall not be held liable for personal injury or property damage on the Leased Premises whether or not associated with Lessee.

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

LESSOR:

RUTH ANN BRADFORD

LESSEE:

EAST KENTUCKY NETWORK, LLC.,

DBA, APPALACHIAN WIRELESS

BT.

TS: GENERAL MANAGER

STATE OF KENTUCKY,
COUNTY OF Clay,
Subscribed and acknowledged to before me by RUTH ANN BRADFORD this day of February, 2009. NOTARY PUBLIC, STATE AT LARGE My commission expires: Oct. 22-2009
STATE OF KENTUCKY,
COUNTY OF Floy d.
Subscribed and acknowledged to before me by Gevald F Robinstle as
OF EAST KENTUCKY NETWORK, LLC., DBA, APPALACHIAN WIRELESS, this 5 day of February, 2009. NOTARY PUBLIC, STATE AT LARGE My commission expires: OCT: 22-2009
PREPARED BY:
Clin Harris, alty
2 (Bankers Alley!
mombally 40962
Clin Harris alty 2 (Bon pers Alley! Montostoty 46962 Tregard at Director of Losses with Contosto provided by Losses

DEED DESCRIPTION FOR SUBDIVISION OF

Property of **DENNIS & RUTH ANN BRADFORD** P.O. Box 703, Manchester, KY 40962 Stacy Branch of Lockards Creek Near Daniel Boone Parkway January 19, 2009

A protion of the property lying on Stacy Branch of Lockards Creek in Clay County Kentucky, near Daniel Boone Parkway east of Manchester. Being a portion of the property conveyed by deed from Alvin C. Grubb & Claudette Grubb, his wife to Dennis J. Bradford and Ruth Ann Bradford, husband & wife, and recorded in Deed Book 269 Page 60 of the Clay County Court House, and also being a portion of the property conveyed by deed of correction from Alvin C. Grubb & Claudette Grubb, his wife to Dennis J. Bradford and Ruth Ann Bradford, husband & wife, and recorded in Deed Book 269 page 208 of the Clay county Court House.

Unless stated otherwise, any monument referred to herein as "set iron pin with cap" is a set 1/2" diameter rebar, at least eighteen (18") in length, with a plastic cap stamped "LS-2259". All bearings stated herein are referred to the NAD83 KY South State Plane north. This survey preformed by James W. Caudill, LS2259, on January 19, 2009.

Lot A1

Beginning on a set iron pin with cap marked ls2259 on top of the ridge between Paces Creek and Stacy Branch of Lockards Creek, said point being on the center of the ridge at a small knob corner on the line of Maurice Smith, Et. Al. (Book 163 Page 16 and Book 214 Page 163) and on the line of Dennis & Ruth Ann Bradford (Book 269 Pages 60 & 208); thence running with the ridge and the dividing line between Maurice Smith and Dennis Bradford South 49 deg 38 min 33 sec East, 109.79 feet to a set iron pin with cap marked ls2259 on the ridge; thence leaving the Smith line and severing the property of Dennis & Ruth Ann Bradford and running over the hillside into Stacy Branch South 22 deg 05 min 37 sec West, 105.26 feet to a set iron pin with cap marked ls2259 on the hillside; thence running around the hillside North 73 deg 54 min 05 sec West, 103.34 feet to a set iron pin with cap marked ls2259 on the hillside; thence running up the hill at an angle to the left North 39 deg 13 min 45 sec West, 113.28 feet to a set iron pin with cap marked ls2259 on the ridge; thence running with the ridge and the line of Dennis & Ruth Ann Bradford and Maurice Smith North 67 deg 37 min 34 sec East, 137.18 feet to the beginning

Containing a calculated area of 20663 sq ft or 0.47 acres.

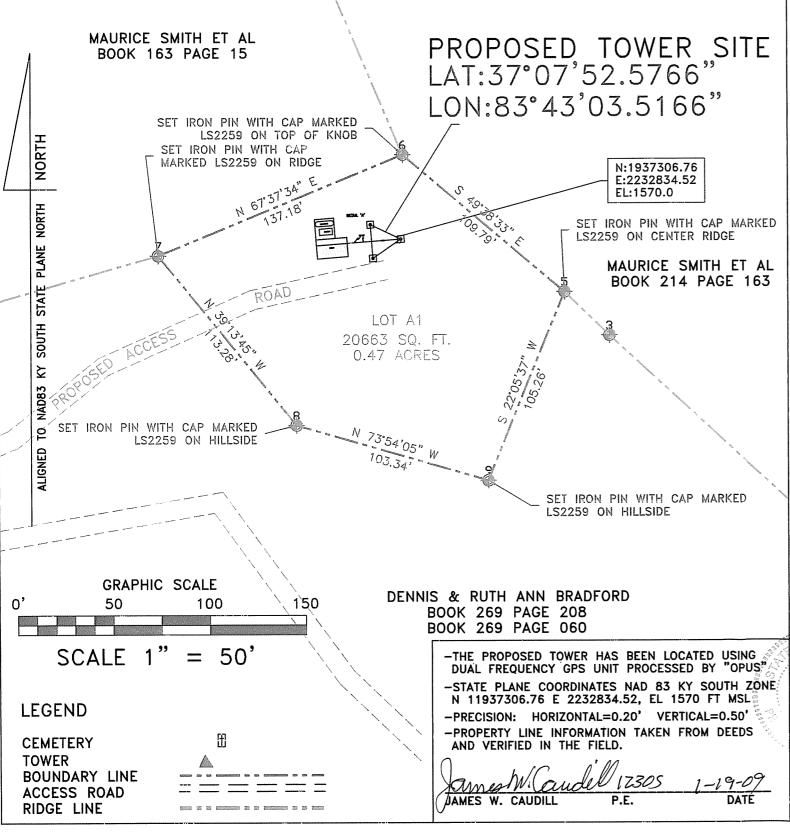
This according to a survey by James W. Caudill, PLS #2259, on January 19, 2009.

Filed on:02/05/2009 1:16:27 PM

Book: LEASE Humber: 92

Freddy Thompson , Clay County

SITE SURVEY STRUCTURE LOCATION DENNIS BRADFORD TRACT MANCHESTER EAST, CLAY CO



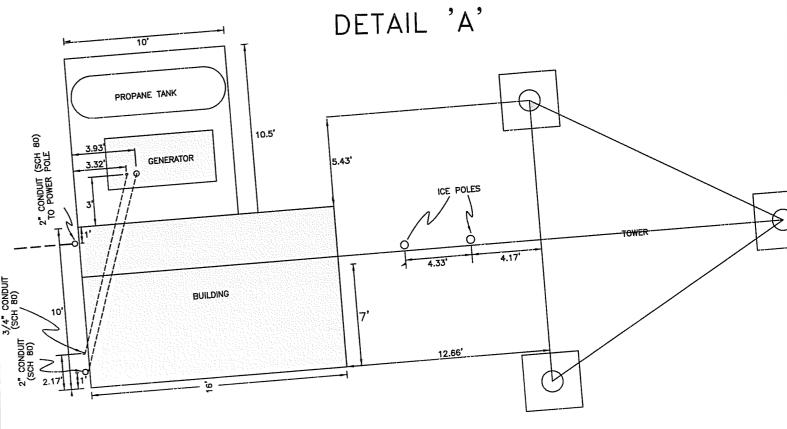
APPALACHIAN WIRELESS

101 TECHNOLOGY TRAIL

IVEL, KY. 41642

PROPOSED TOWER SITE

PROPOSED TOWER SITE DENNIS BRADFORD TRACT MANCHESTER EAST, CLAY CO



NOTE: * USE SWEEPS IN CONDUIT FOR ALL TURNS

* CONDUITS SHALL BE PLACED 3.25" OUTSIDE CONCRETE SLAB

