

Memo

JE
FYI

To: Cecile de Jongh
From: Jermaine Ruan
Cc: Emad, Cecilia, Darren
Date: 2/11/05
Re: Fiber Optic Project: Meeting with S & R Telecommunications

On February 9, 2005 via conference call, Emad, Robert Petersen and I discussed the options for voice over IP and Video Conferencing. We reviewed Mr. Petersen's proposal after we provided him with the scope of work for the project.

This proposal outlines supplies, configuring, and installation of the equipment needed to provide LSJ with Fiber Optic Cable light.

Hence, this would allow any ISP (Internet Service Provider) to attach and provide LSJ with a gateway. The proposal suggests that LSJ would own the equipment and the gateway. Additionally, LSJ can rent out bandwidth to the ISP.

On February 10, 2005, I took an on site tour of Drury Capital to view their videoconference room and the associated equipment. I was very impressed with their End User Equipment (Polycom Camera and Phones with Panasonic HDD, LCD 40 inch monitor) in terms of quality and performance, which S & R Telecommunications installed.

I have requested that Mr. Petersen provide a detailed cost estimate for the LSJ project.



WILLIAM M. KARR & ASSOCIATES, INC.

Fax

To: Emag Hanna **From:** Aron Romans

Fax: 1-212-750-2408 **Pages:** 3

Date: 2/7/2005

Re: Fiber Optic Proposal **CC:** Bill Karr

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

• Comments:

As per your request – See attached

Aron Romans

William M. Karr & Associates

att: Paul Gandy



S&R Telecommunications Inc.

January 25, 2005

Dear Sir or Madam:

Proposal Little St. James:

1. Regarding the Fiber Optic Cable that was put underwater between Little St. James and the location next to the Ritz Carlton Hotel:

A. In Order to Activate this cable several things must happen: Media Conversion equipment would need to be purchased and installed at the St. Thomas end to connect to Innovatives copper wire, through which you could connect to the carrier of your choice AT&T, Sprint, MCI etc. S & R Telecommunications assumes that with the noted success of Mr. Epstein's enterprises this is a necessary and viable option, backup or primary communication link.

B. S & R Telecommunications will provide approximate costs on the fiber equipment. If there is interest a formal contract can be drafted within 3 days and submitted.

2. It was expressed that there has been complaints about the current phone system on Little St. James, such as low volume on calls, disconnects, interference etc. Robert Petersen spoke to Jason Ackley about this and Jason said Ackley's equipment worked perfect and that the problem must be in the telephone equipment that Steve Scully installed. It is the opinion of S&R Telecommunications that this equipment should be tested and adjusted if needed or replaced all together. S & R Telecommunications would be willing to perform this task at a rate of \$75 per hr and make appropriate recommendations.

3. The capability to connect all of Mr. Epstein's telephone systems via the internet exists (Voice over internet protocol) The intelligent and most efficient way for this to happen is for all equipment to match if possible (equipment at offices, residence, etc) this would result in picking up a phone pressing a button and being connected to (Red hook office, N.Y, Little St. James) Again S & R Telecommunications would like the opportunity to formally provide a bid to provide these systems, we have seen the current phone systems on Little St. James and in the offices in Red Hook and both of these systems are way outdated and do not possess the capabilities. Specifications such as the amount of extensions & lines needed in each location would be needed to provide formal pricing.



January 25, 2005
Page 2

4. Approximate cost for media conversion equipment at Little St. James and at St Thomas hub:

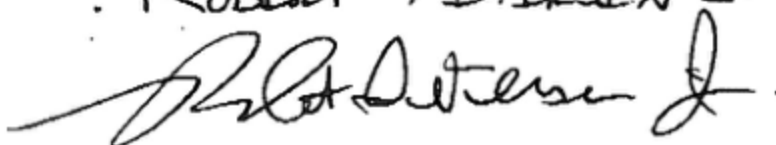
This includes voice and data gateways, environmental enclosures with battery-backed power for all equipment, multiple channel routers, power service from WAPA at St. Thomas end would be needed, (meaning a separate power drop off Mr. Epstein's current transformer) fiber cable to extend to building on Little St. James, splice enclosures, all labor and various materials.

Again if there is interest a much more formal quote and contract will be provided.

Total estimated cost ----- \$172,225.00

Addendum: It has been determined that Ackley communications has voice and data gateway capacity at the Crown Mountain facility, if we can use Ackley's gateway we can reduce the cost by \$30,000. The cost reduction is contingent on acquiring an agreement with Ackley communications for use of the voice and data gateway.

New Total ----- \$ 142,225.00

ROBERT PETERSEN JR.


At S&R we offer the highest quality personalized service and usually the best prices.

Sincerely,

Robert Petersen Jr.
Vice President/ Partner

Emad Hanna

From: [REDACTED]
it: Friday, February 04, 2005 10:35 AM
To: Emad Hanna
Subject: 2.04.05 - WT1.5 Re: [Bulk] 2.03.05 Re: [Bulk] 2.03.05 - Re: [Bulk] 2.03.05 -Re: 2.01.05 - Little St. James - VoIP / Data solutionsRE: LSJ Requirements

Possible Duplicated Message

----- Forwarded by Terry Highfield/Business Solutions/EmCOM on 02/04/2005 11:40 AM -----

Terry Highfield
02/04/2005 11:33 AM

To: [REDACTED]
cc: [REDACTED], William Chow/EmCOM@EmCOM, Richard Wright/EmCOM@EmCOM, "Mirek" <[REDACTED]> (bcc: Terry Highfield/Business Solutions/EmCOM)

Subject: 2.04.05 - WT1.5 Re: [Bulk] 2.03.05 Re: [Bulk] 2.03.05 - Re: [Bulk] 2.03.05 -Re: 2.01.05 - Little St. James - VoIP / Data solutionsRE: LSJ Requirements

Thanks Mirek.

Urmaine: As promised....LAN wireless T1.5 VoIP gateway solution.

Terry

Let's start with the 8 lines example:

- CO side ---> AudioCodes MP108 analog 8 ports FXS gateway
(SIP) for \$ 1,239.--
- Customer side ---> AudioCodes MP108 analog 8 ports FXO gateway
(SIP) for \$ 1,275.--

Then let's get 24 port gateway on the CO (our) side:

- CO side ---> AudioCodes MP 124FXS 24 ports gateway
(SIP) for \$ 2,375.--

now we have a way of delivering 25 telephone lines.

Next step is the customer to buy more of MP108 units at \$ 1,275.-- a'piece.

The connection between FXO and FXS units is pure IP , so we can use Canopy or any other (like T1) connections.

The customer gateways have 8 standard RJ11 analog ports, allowing to plug-in 8 standard telephone sets.

The CO site gateways (FXS) have either 8 or 24 ports that can be used. In case of MP124 unit there are number of standard connectors including 50 lines (for example 50-pin Telco), or Octal RJ11, QuadRJ11.

Mirek



Terry Highfield



Memorandum

February 4, 2005

Via Email:



Financial Trust Company
c/o Cecil DeJongh
6100 Red Hook Quarter B-3
St. Thomas, USVI 00802

Dear Mrs. DeJongh:

The following quotation is for service from Great Bay to ICC TELCO switch.

- The Owner pays for the F/O-copper interface cabinet installation near Great Bay landing and the extension of overhead F/O cable from the existing LSJ electrical metering cabinet at Great Bay to the new F/O-copper interface cabinet – 1200', including all cable terminations
- Permission to install the overhead F/O cable on VIWAPA poles for the distance of 1200' would be granted under Innovative existing agreements with VIWAPA
- The Owner pays for installation of a new F/O-copper interface cabinet on LSJ for connection of LSJ landlines to the network
- The new F/O-copper interface cabinet would be located adjacent to a VIWAPA pole and would be environmentally controlled to protect the internal electronics
- Innovative will make service connections to the Great Bay F/O-copper terminal cabinet from the existing copper network as part of the service initiation
- The Owner retains the rights to the submarine and landside fiber optic cable strands between LSJ and Great Bay

Total time for implementation following signed agreement with Innovative is approximately 90 days.

	<u>Installation</u>	<u>Monthly</u>
▪ 3 – T1	\$5,334.45	\$3,946.20
▪ 50 DID numbers	\$ 250.00	\$ 350.00

(Internet LD, Frame Relay and PtP are available on T1.5 circuits.)

When orders are received, the monthly service includes the \$117.20 additional charge per line for the distance factor from Nazareth Bay to the Great Bay demarcation point. Additional mileage may be added at the rate of \$117.20 per mile if the actual distances are greater.

The price quoted does *not* include end user fees and universal service charges at the current rate.

Please note the minimum lease period for T1 circuits is 24 months. When placing an order please provide all billing information, nearest number where the line will be installed, contact person and contact telephone number.

If you have any questions or if I may be of further assistance, please contact me at [REDACTED] or by email: [REDACTED]

Sincerely,

Terry Highfield
Manager of Business Solutions

Emad Hanna

From: Bill Karr ([REDACTED])
S Tuesday, February 08, 2005 12:36 PM
To: Cathlyn Gumbs; Emad Hanna
Subject: Invoice

Dear Emad:

I have gone over the \$44,000 deposit issue with our accountant.

The \$44k was identified to be paid off and would be credited to the owner during the final payment phase.

The final payment phase is the Construction Oversight Phase.

How we intend to credit the Owner is that the final \$64,598.00 for the Construction Oversight Phase would be paid off with equal payments of \$64,598 divided by the number of construction schedule months(18) = \$3,588.77 per month billing.

With each construction billing month, the Owner would be credited with:
\$44,000 divided by the number of constructio schedule months (18) = \$2,444.44 per billing month.

Hence; when construction commences, we would bill \$3,588.77 minus \$2,444.44 = \$1,144.33 per month with \$2,444.44 being credited against the \$44,000.00 deposit.

Sincerely - Bill Karr

2/8/2005

EFTA00600383

MEMORANDUM*Globaltech, Inc.*

TO: Darren Indyke, Esq./NYSG
Cecilia deJongh/FTC
Terry Highfield/IT

FROM: Paul Gandy/Globaltech, Inc.

DATE: 1/12/2005

SUBJECT: LSJ – Innovative Telephone Service Alternatives

Following discussions with Mr. Bill Hopper/Innovative Telephone, we identified two alternatives for activating telephone broadband service through the fiber optic cable between St. Thomas and LSJ. Our next step was to have a direct meeting and some substantive discussions on the details of the service arrangement to nail down a commitment.

Mr. Hopper indicated to me yesterday that intended to write a letter of understanding to Mr. David Sharp/President of Innovative Telephone describing the alternative service proposals; I am not sure if that letter was ever sent. Perhaps this will form a basis for having a meeting between the Owner's representatives and Innovative Telephone to get things kicked off.

The two alternatives presently being considered are discussed below. Following the alternatives descriptions is a summary of the monthly service and startup charges for the telephone and broadband service.

We are basing the service on the provision of three (3) T1 service lines which will provide a minimum of 50 telephone lines and 500mbs upload/download broadband service per line. We would anticipate having the broadband and telephone service on separate lines. The third line may be for future capacity, redundancy, or omitted altogether at this time.

Alternative 1 – Owner's Connection Cabinet Near Great Bay

Innovative has proposed this option to allow interface of the new F/O cable with the existing copper T1 service in the Great Bay area. They have proposed this as a more immediate solution that would not require installation of overhead F/O from Great Bay to the Nazareth Bay central facility (a distance of two miles). It would be necessary however to extend the F/O cable from the new LSJ electrical metering cabinet at Great Bay overhead for a distance of approximately 1200' north on Cabrita Point Rd. to gain higher elevation above sea level and set a new F/O-copper interface cabinet at that point. This is needed to afford some

protection of the cabinet in a storm surge situation. The following are the key points of this alternative:

- The Owner pays for the F/O-copper interface cabinet installation near Great Bay landing and the extension of overhead F/O cable from the existing LSJ electrical metering cabinet at Great Bay to the new F/O-copper interface cabinet – 1200', including all cable terminations
- Permission to install the overhead F/O cable on VIWAPA poles for the distance of 1200' would be granted under Innovative's existing agreements with VIWAPA
- The Owner pays for installation of a new F/O-copper interface cabinet on LSJ for connection of LSJ landlines to the network
- The new F/O-copper interface cabinet would be located adjacent to a VIWAPA pole and would be environmentally controlled to protect the internal electronics
- Innovative will make service connections to the Great Bay F/O-copper terminal cabinet from the existing copper network as part of the service initiation
- The Owner retains the rights to the submarine and landside fiber optic cable strands between LSJ and Great Bay

Total time for implementation following signed agreement with Innovative is approximately 90 days.

Alternative 2 – Innovative Turnkey Service; Nazareth Center to LSJ

This alternative provides for a direct connection of the Owner's fiber optic cable, via overhead lines, to Innovative's central switching facility at Nazareth Bay. This alternative has the advantage that there would be no exposed exterior F/O-copper interface cabinet at Great Bay and would be a more hardened system. Also, Innovative would install (at the Owner's expense) all of the F/O-copper interface equipment at both Nazareth Bay and LSJ. The owner would be responsible for connection of telephone and network lines to the cabinet on LSJ. The disadvantage of this alternative is that Innovative would require the Owner to relinquish control of all F/O strands of the submarine cable to Innovative. Their concern is that without this arrangement someone may have direct access to the F/O network for resale/redistribution without their permission. Under this scenario the Owner will want to have future access to the unused F/O strands included in any agreement. The Owner would be required to pay for the entire installation and Innovative would hire all subcontractors and provide all of the equipment.

Total time for implementation following signed agreement with Innovative is approximately 4 months but is heavily dependent on Innovative's schedule.

MEMORANDUM
Darren Indyke, Esq.
01/12/2005
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Monthly Service

Initial startup and programming of three T1 lines at \$1778.15 each = \$5334.45

Monthly service for three T1 lines at \$1315.40 each = \$3946.20 per month

Block of 50 telephone (DID) numbers = \$350 per month

The monthly service includes the \$117.20 additional charge per line for the distance factor from Nazareth Bay to the Great Bay demarcation point.

An additional charge of \$59.95 per month will be required if a VI Powernet internet account is needed.

The above service charges do not include taxes and other fees and are irrespective of any service agreements that may come about as a result of negotiations on the relinquishment of the remaining submarine fiber optic strands.

Innovative Telephone also offers direct connection of two T1 points on the network (i.e., LSJ to Central Facility to FTC at American Yacht Harbor) for a connection fee of \$929.15 and a monthly service fee of \$639.60. No additional details were available on the details of this service at the time this memo was prepared.



Lauren

From: Paul Gandy [REDACTED]
Sent: Saturday, September 18, 2004 6:25 PM
To: Darren Indyke, Esq.
Subject: Innovative Telephone Service

Darren,

Attached is a memo and spreadsheets (two sheets) summarizing the service alternatives and costs for placing the F/O cable into service. I learned late Friday that Bill Hopper has been made a lucrative offer to relocate to the Gulf Coast and supervise reconstruction of the telephone service network following Ivan. He appears to be seriously considering it and may not be in USVI much longer. This will definitely complicate things from the standpoint of continuity. We may want to get an approved agreement in place as soon as possible.

Please review and let me know if you have comments.

Regards,

Paul Gandy, PE

President

Globaltech, Inc.



9/20/2004

EFTA00600387

MEMORANDUM*Globaltech, Inc.*

TO: Darren Indyke, Esq./NYSG
FROM: Paul Gandy/Globaltech, Inc.
DATE: 9/20/2004
SUBJECT: LSJ – Innovative Telephone Service Alternatives

Following discussions with Mr. Bill Hopper/Innovative Telephone, we have identified two alternatives for activating telephone broadband service through the fiber optic cable between St. Thomas and LSJ. Please note that these alternatives may vary somewhat from what we have been discussing due to the fact that Innovative continues to vary their position on providing a direct fiber optic (F/O) connection to their network. Likely it will take a direct meeting and some substantive discussions on the details of the service arrangement to nail down a commitment.

Mr. Hopper indicated to me yesterday that he intends to write a letter of understanding to Mr. David Sharp/President of Innovative Telephone describing the alternative service proposals by Tuesday of next week. Perhaps this will form a basis for having a meeting between the Owner's representatives and Innovative Telephone to get things kicked off.

The two alternatives presently being considered are discussed below with associated costs and schedule. Attached to this memo are spreadsheets showing the cost estimate for each alternative. Following the alternatives descriptions is a summary of the monthly service and startup charges for the telephone and broadband service.

We are basing the service on the provision of three (3) T1 service lines which will provide a minimum of 50 telephone lines and 500mbs upload/download broadband service per line. We would anticipate having the broadband and telephone service on separate lines. The third line may be for future capacity, redundancy, or omitted altogether at this time.

Alternative 1 – Owner's Connection Cabinet Near Great Bay

Innovative has proposed this option to allow interface of the new F/O cable with the existing copper T1 service in the Great Bay area. They have proposed this as a more immediate solution since it would not be necessary to install overhead F/O from Great Bay to the Nazareth Bay central facility (a distance of two miles). It would be necessary however to extend the F/O cable from the new LSJ electrical metering cabinet at Great Bay overhead for a distance of approximately 1200' north on Cabrita Point Rd. to gain higher elevation above

sea level and set a new F/O-copper interface cabinet at that point. This is needed to afford some protection of the cabinet in a storm surge situation. The following are the key points of this alternative:

- The Owner pays for the F/O-copper interface cabinet installation near Great Bay landing and the extension of overhead F/O cable from the existing LSJ electrical metering cabinet at Great Bay to the new F/O-copper interface cabinet – 1200', including all cable terminations
- Permission to install the overhead F/O cable on VIWAPA poles for the distance of 1200' would be granted under Innovative's existing agreements with VIWAPA
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- Innovative will make service connections to the Great Bay F/O-copper terminal cabinet from the existing copper network as part of the service initiation
- The Owner retains the rights to the submarine and landside fiber optic cable strands between LSJ and Great Bay

Total Cost for this alternative is \$163,500 (see attached breakdown). Total time for implementation following signed agreement with Innovative is approximately 90 days.

Alternative 2 – Innovative Turnkey Service; Nazareth Center to LSJ

This alternative provides for a direct connection of the Owner's fiber optic cable, via overhead lines, to Innovative's central switching facility at Nazareth Bay. This alternative has the advantage that there would be no exposed exterior F/O-copper interface cabinet at Great Bay and would be a more hardened system. Also, Innovative would install (at the Owner's expense) all of the F/O-copper interface equipment at both Nazareth Bay and LSJ. The owner would be responsible for connection of telephone and network lines to the cabinet on LSJ. The disadvantage of this alternative is that Innovative would require the Owner to relinquish control of all F/O strands of the submarine cable to Innovative. Their concern is that without this arrangement someone may have direct access to the F/O network for resale/redistribution without their permission. Under this scenario the Owner will want to have future access to the unused F/O strands included in any agreement. The Owner would be required to pay for the entire installation and Innovative would hire all subcontractors and provide all of the equipment.

MEMORANDUM
Darren Indyke, Esq.
09/20/2004
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The total cost of this alternative is \$280,000 (see attached breakdown). Total time for implementation following signed agreement with Innovative is approximately 4 months but is heavily dependent on Innovative's schedule.



Fibe ptic Alternative 1 - Owner's Connection Cabii Near Great Bay

Item No.	Item	Quantity/Description	Installed by	Value ⁽¹⁾	Owner's Cost ⁽²⁾	Pricing Source	Remarks
St. Thomas/Great Bay							
1	Overhead F/O cable	Grt Bay Landing to Cab. - 1200 ft	Owner's Contractor	\$ 18,000	\$ 18,000	Bonneville	Route on existing OH poles. Includes termination at Grt Bay landing and new cabinet.
2	Switching cabinet (F/O to copper service)	NEMA 4X climate controlled cabinet (cab only, no internals)	Owner's Contractor	\$ 15,000	\$ 12,000	Estimate	To be slab mounted near base of pole at F/O-copper interface
3	Switching Cabinet internal components	HDSL repeater, pulsecom, MX2800, terminals, patch panel, misc equipmnt	Owner's Contractor	\$ 35,000	\$ 35,000	Estimate	Includes installation in cabinet. Internal material cost = \$22,000 +/-
			St. Thomas Subtotal: \$ 65,000				
LSJ							
4	F/O from vault to temporary switching cabinet	300 ft. underground cable, terminations, accessories, installed	Owner's Contractor	\$ 4,500	\$ 4,500	Estimate	
5	Switching cabinet (F/O to copper service for LSJ land lines)	NEMA 12, interior location, fan cooled (cab. Only, no internals)	Owner's Contractor	\$ 3,500	\$ 3,500	Estimate	
6	Switching Cabinet internal components	Pulsecom, MX2800, misc accessories	Owner's Contractor	\$ 14,500	\$ 14,500	Estimate	Includes installation in cabinet. Internal material cost = \$7,000 +/-
7	Local LSJ network/phone interconnect, set up	Misc connections and programming	Owner's Contractor	\$ 10,000	\$ 10,000	Estimate	
			LSJ Subtotal: \$ 32,500				
Professional Services							
8	Globaltech	Project management, installation oversight, engineering, agency coord.			\$ 35,000	Estimate	Not to exceed, per agreement
9	Biolmpact	Permitting assistance			\$ 5,000	Estimate	
10	Legal Fees				\$ 25,000	Estimate	To be confirmed
Agency Fees							
11	CZM				\$ 1,000		Permit fees
12	Corp of Engineers				\$ -		No permit fees

Total Cost = \$ 163,500

Notes: 1 Value based on estimate of costs using standard job costing methods.
 2 Owner's cost based on value estimate (or partial contribution) unless specific bid has been received or contract price has been negotiated

*OK
AK*

R. W. Wheaton Company, Inc.

P.O. Box 4017



Invoice

BILL TO

LSJ, LLC
RED HOOK PLAZA



SHIP TO

DATE	INVOICE #
2/4/2004	53242

ORDER NUMBER	OUR P.O. NUMBER	TERMS	SHIP DATE	SHIP VIA
PO QUOTE # 11304-L	46391	COD	2/4/2004	

QUANTITY	DESCRIPTION	UNIT PRICE	WEIGHT	AMOUNT
692	ASTMA 48 CL 25-30 PATTERN # 6692A 6" INSIDE DIAMETER BOLTING TYPE CABLE PROTECTORS	31.50	15,400 LBS.	21,798.00
14	STAINLESS STEEL HARDWARE CRATES	47.00	1,750 LBS.	658.00
1	FREIGHT CHARGE TO FL 33004	1,950.00		1,950.00

750

Thank you for your business.

Total

\$24,406.00

*OK FED EXED
OUT
2/12/04*