



Making homes perform.

OSBEE INDUSTRIES, INC.

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HARRISON, NY 10528

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9TH FLOOR
NEW YORK, NY 10017

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info@osbee.com
P: 914.777.6611
F: 914.777.6723

Control Systems and Software

Audio/Video Distribution

Home Theaters

Lighting Automation

Climate Control

Shade and Drapery Systems

Security and Surveillance

Telecommunications

Low-Voltage Wiring

Data Networks

Computer and IT Consulting

Epstein Residence

Little St. James Island, USVI

Jeffrey,

Please see the attached proposals and drawing for your outdoor Pool Area audio system. We worked with California Audio Technology, Inc. (CAT) to develop a system that would deliver "Vegas night club" levels of audio in an outdoor environment. CAT has extensive experience building custom speakers and audio systems for studios, theaters, and yachts, so they are experts in creating loud, balanced audio and very familiar with the challenges associated with outdoor, marine environments.

Each of the two attached proposals contain the following:

- **(4) CAT Custom-built speakers with Marine-grade enclosures**
 - o Weighing in at 800 to 1200 pounds, each speaker features (7) individual drivers ranging in size from a 1" tweeter for high frequencies to a 22" subwoofer for the ultimate bass. These speakers are capable of playing incredibly flat across the entire audible frequency range, and are able to achieve 145 decibels (dB) of volume. For comparison, your current speakers are rated by the manufacturer to have a maximum volume of 129 dB, which was likely achieved with distortion levels that would be uncomfortable to listen to. I only measured 95 dB peak at 1 meter. Without getting too technical, due to the logarithmic form of the decibel, a 16+ dB increase in volume is a much greater difference than it may appear on paper (every 3 dB gain requires a doubling of power).
 - o The speakers in the "Option A" proposal feature polished stainless steel baffles for improved appearance and improved heat dissipation. This accounts for the weight increase over the "Option B" speakers. Either speaker will be suitable to stay outside so that you can enjoy your music at any time.

- **(8) CAT 2-Channel Power Amplifiers**
 - o CAT designed and built these amplifiers with no compromises. From the chassis to the power supply to the transistors, every component is the best of its type available. What this means for you is stable output power even if the incoming power is "dirty", protection circuitry that will prevent damage to the amp even if the speaker wires are shorted, and low-impedance stability that allows for tremendous amounts of power to the speakers.
 - o Approximately 80,000W total power in Option A
 - o Approximately 50,000W total power in Option B

- **(2) CAT 8-Channel Digital Signal Processors**
 - o High-end digital signal processors (DSP) will be used to ensure that the frequencies are optimally divided between each driver in each speaker.

- **CAT Off-Site & On-Site Engineering**
 - o Since each system is custom-designed, CAT will use Osbee's survey information to perform a data analysis and optimize the speaker design for the environment. They will pre-program the DSPs off-site, then travel to the site with their calibration equipment to perfect the speaker placement and DSP settings.



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- **Rotel Stereo Preamp / Audio Processor**

- o This preamp features a USB input that will allow a complete digital path from your iMac to the preamp. The high-quality D-to-A conversion of the Rotel preamp will ensure that a clean audio signal is fed into the CAT audio system.

- **Additional equipment and labor**

- o Osbee will also provide wire (to be run by others), equipment racks, supplies, and the labor required for the survey, design, installation, and calibration of this audio system.

The attached drawing illustrates the approximate difference between your current audio system and the systems that we are proposing. The patterns are estimated based on the available speaker specifications; however, there are many environmental factors that are not taken into account. CAT believes that they can achieve 110 dB at the center of the pool, which will far exceed the current system's output while remaining much more balanced with plenty of bass. If you are interested in some of the more technical details and calculations, then I can have one of my engineers or one of the CAT engineers speak with you.

I am sure that this system is a big jump in price from your current system. If you are a car guy, then you may be able to equate the difference to upgrading from a Mustang to a Bugatti. The Mustang is fast for the price, but the Bugatti will be much faster, more refined, better controlled, and far superior overall.

If you have any questions or if you would like to discuss the proposals in more detail, please feel free to call me (914-777-6611) or e-mail me ([REDACTED]) at any time. If you would prefer to meet in person, I am also more than willing to meet with you in New York, Palm Beach, or on your island whenever it is convenient for you. I may be able to fly in one of the CAT engineers as well.

Sincerely,

David Raines
President



99 Calvert Street, Suite 100
Harrison, NY 10528
914-777.6611 / 914-777.6723 Fax



Price Quote

INVOICE NO: JESTUSVI005
DATE: Wednesday, September 17, 2014

Bill To:

Jeffrey Epstein
6100 Red Hook Quarter, Suite B3
St. Thomas, USVI 00802
340-514-7647

Ship To:

Jeffrey Epstein
6100 Red Hook Quarter, Suite B3
St. Thomas, USVI 00802

Written By	Job Description	Deposit	Terms
Shaun	Pool Area Outdoor Speakers – Option A – Revision 1	75 / 100%	

Qty.	Description	Unit Price	Amount
1	<p>California Audio Technology (CAT) Custom Outdoor Speaker System:</p> <ul style="list-style-type: none"> • (4) Custom Marine-Grade Speakers each consisting of the following: <ul style="list-style-type: none"> ○ (1) MBX 2014 Tahoe-Marine 316L Loudspeaker with: <ul style="list-style-type: none"> ▪ (1) Industry-Leading 1" Titanium Dome Tweeter ▪ (2) Curvilinear Aluminum 6" Midrange Drivers ▪ (2) Curvilinear Aluminum 9" Midrange Drivers ▪ Bi-Amp Inputs ○ (1) MBX 2014 Miramar-Marine 316L Subwoofer with: <ul style="list-style-type: none"> ▪ (1) Curvilinear Aluminum 12" Subwoofer ○ (1) MBX 2014 S11-Marine Subwoofer with: <ul style="list-style-type: none"> ▪ (1) Curvilinear Aluminum 22" Subwoofer ○ Polished Stainless Steel front baffle for maximum heat dissipation & improved appearance ○ Marine-grade enclosures with 1" thick enclosure ○ Frequency Response: 14 Hz to 22 KHz (+ / - 2 dB) ○ Maximum Output: 145 dB @ 1m ○ Impedance: Approximately 1Ω (Per speaker section) ○ Dimensions: 25.5"W x 58.25"H x 23"D ○ Weight: Approximately 1200 lbs. • (8) MBX1200.2FD Fully Differential Power Amplifier <ul style="list-style-type: none"> ○ No compromise construction and design ○ Over-built power supply stable to 0.5Ω ○ Advanced protection circuitry – Shorted wires will not damage the amp ○ Power Output: 2-Channels x 1,200 Watts @ 4Ω 2-Channels x 4,800 Watts @ 1Ω ○ Power Requirement: Approx. 6A ○ Power Input: 110V / 220V • (2) MBXDSP8x8XLR Digital Signal Processors <ul style="list-style-type: none"> ○ Equalizer with 8 discrete outputs for different frequency bands • Manufacturer Off-Site Engineering <ul style="list-style-type: none"> ○ Includes custom design of speakers specifically for the environment ○ Includes data analysis and system design • Manufacturer On-Site Engineering <ul style="list-style-type: none"> ○ Includes approximate travel expenses and labor to travel to the jobsite, test the system with calibrated, high-precision meters, and optimize the crossover settings and speaker placement 	\$ 797,980.00	\$ 797,980.00

PLEASE MAKE ALL CHECKS PAYABLE TO: OSBEE INDUSTRIES, INC.



1	Equipment: <ul style="list-style-type: none"> (1) Rotel RC-1570 Stereo Preamp / Audio Processor (1) Middle Atlantic UPS-2200R-8IP Uninterruptible Power Supply w/ IP Control (18) AudioQuest XLR Balanced Audio Cables 	\$ 7,002.80	\$ 7,002.80
1	Wire Speakers (Includes cost of wire only; Wire to be run by others)¹: <ul style="list-style-type: none"> (6) Liberty 12-2C-DB-BLK 12/2 Direct Burial Speaker Cable, 1,000' Spools <p>¹ – Includes estimated quantity of wire to be run by others. If additional wire is required, additional charges will apply.</p>	\$ 5,416.98	\$ 5,416.98
1	Middle Atlantic Equipment Rack & Accessories: <ul style="list-style-type: none"> (2) BGR-4527LRD – 45-Space, 27" Deep BGR Equipment Rack (2) BGR-RDC45 – 45-Space Cable Entry Rear Doors for BGR-4527 (2) BGR-RR45 – Rear Rack Rails for BGR-4527 (4) RLNK-SW820R-SP – Rack-Mount Power Distribution w/ IP Controllable Outlets (2) CBS-BGR – Skirted Caster Base for BGR Rack (1) BSPN-45-27 – Side Panels for BGR-4527 (2) BGR-552FT-FC – Fan Top with Thermostatic Controller (2) PBL1-ID – Identification Blank Panel (2) BL1-H – Handle Panels (2) D3 – 3-Space Rack Drawer Includes blank panels, vent panels, and rack accessories 	\$ 12,711.04	\$ 12,711.04
1	Supplies: <ul style="list-style-type: none"> Screws, zip ties, interconnect cables, heat shrink labels 	\$ 500.00	\$ 500.00
1	Design, Engineering, & Project Management²: <ul style="list-style-type: none"> Includes on-site survey of Pool Area Includes coordination with CAT on the design of the speaker system Includes coordination with the client, millworker, and/or other trades for the demolition of the current equipment cabinet Includes coordination with the client, millworker, electrician, and/or other trades for the electrical, ventilation, and space requirements for the equipment racks Includes coordination with the client's staff for the outdoor wiring requirements Includes coordination with the client's staff for the transport, delivery, and placement of equipment 	\$ 10,500.00	\$ 10,500.00
40	Hours Labor²: <ul style="list-style-type: none"> Assemble equipment racks at Osbee Facility Wire racks internally with managed and labeled interconnects Wrap and protect equipment racks and components for transport Coordinate freight pickup with client Wire manage head end Lace all wires in rack and terminate connection points behind rack Coordinate speaker placement and delivery with client's staff Connect speakers to amplifiers Troubleshoot and testing <p>² – This section includes an estimated time that should be sufficient for the scope described above. If the estimated time is exceeded, additional labor will be charged at Osbee Industries, Inc.'s standard labor rate of \$175 per hour. Likewise, credits will be given for any unused time at the completion of the project. Monthly statements will be provided.</p>	\$ 175.00	\$ 7,000.00
1	Allowance – Travel Expenses to Project Site <ul style="list-style-type: none"> Multiple site visits will be required for the detailed site survey, installation, & calibration Actual travel expenses and meals will be billed at the completion of the project. Travel Site: 6100 Red Hook Quarter, Suite B3 St. Thomas, USVI 00802 Transport to / from Little St. James Island must be provided by client 	\$ 7,500.00	\$ 7,500.00

PLEASE MAKE ALL CHECKS PAYABLE TO: OSBEE INDUSTRIES, INC.



0	Freight Charges: <ul style="list-style-type: none"> All freight charges to be arranged by and billed directly to the client Freight charges from the manufacturer may apply 	\$ 0.00	\$ 0.00
		SUBTOTAL	\$ 848,610.82
		Labor Sales Tax (OUT-OF-STATE ³)	\$ 0.00
		TOTAL DUE	\$ 848,610.82

³ – Applicable sales taxes may apply.

By signing this agreement, both parties agree to abide by the terms set forth in this contract:

Client:

Osbee Industries, Inc.:

Signature: _____

Signature: _____

Print: _____

Print: David L Raines - President

Date: _____

Date: _____

PLEASE MAKE ALL CHECKS PAYABLE TO: OSBEE INDUSTRIES, INC.





99 Calvert Street, Suite 100
Harrison, NY 10528
914.777.6611 / 914.777.6723 Fax



Price Quote

INVOICE NO: JESTUSVI005
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Ship To:

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St. Thomas, USVI 00802

Written By	Job Description	Deposit	Terms
Shaun	Pool Area Outdoor Speakers – Option B – Revision 1	75 / 100%	

Qty.	Description	Unit Price	Amount
1	<p>California Audio Technology (CAT) Custom Outdoor Speaker System:</p> <ul style="list-style-type: none"> • (4) Custom Marine-Grade Speakers each consisting of the following: <ul style="list-style-type: none"> ○ (1) MBX 2014 1000-Series Marine Loudspeaker with: <ul style="list-style-type: none"> ▪ (1) Industry-Leading 1" Titanium Dome Tweeter ▪ (2) Curvilinear Aluminum 6" Midrange Drivers ▪ (2) Curvilinear Aluminum 9" Midrange Drivers ▪ Bi-Amp Inputs ○ (1) MBX 2014 S8-Marine Subwoofer with: <ul style="list-style-type: none"> ▪ (1) Curvilinear Aluminum 12" Subwoofer ○ (1) MBX 2014 S11-Marine Subwoofer with: <ul style="list-style-type: none"> ▪ (1) Curvilinear Aluminum 22" Subwoofer ○ Marine-grade enclosures with 1" thick enclosure ○ Frequency Response: 14 Hz to 22 KHz (+ / - 2 dB) ○ Maximum Output: 145 dB @ 1m ○ Impedance: Approximately 1Ω (Per speaker section) ○ Dimensions: 25.5"W x 58.25"H x 23"D ○ Weight: Approximately 1200 lbs. • (2) MBX1200.2FD Fully Differential Power Amplifier <ul style="list-style-type: none"> ○ No compromise construction and design ○ Over-built power supply stable to 0.5Ω ○ Advanced protection circuitry – Shorted wires will not damage the amp ○ Power Output: 2-Channels x 1,200 Watts @ 4Ω 2-Channels x 4,800 Watts @ 1Ω ○ Power Requirement: Approx. 6A ○ Power Input: 110V / 220V • (6) MBX700.2FD Fully Differential Power Amplifier <ul style="list-style-type: none"> ○ No compromise construction and design ○ Over-built power supply stable to 0.5Ω ○ Advanced protection circuitry – Shorted wires will not damage the amp ○ Power Output: 2-Channels x 700 Watts @ 4Ω 2-Channels x 2,800 Watts @ 1Ω ○ Power Input: 110V / 220V • (2) MBXDSP8x8XLR Digital Signal Processors <ul style="list-style-type: none"> ○ Equalizer with 8 discrete outputs for different frequency bands • Manufacturer Off-Site Engineering <ul style="list-style-type: none"> ○ Includes custom design of speakers specifically for the environment ○ Includes data analysis and system design 	\$ 579,000.00	\$ 579,000.00

PLEASE MAKE ALL CHECKS PAYABLE TO: OSBEE INDUSTRIES, INC.



	<ul style="list-style-type: none"> • Manufacturer On-Site Engineering <ul style="list-style-type: none"> ○ Includes approximate travel expenses and labor to travel to the jobsite, test the system with calibrated, high-precision meters, and optimize the crossover settings and speaker placement 		
1	Equipment: <ul style="list-style-type: none"> • (1) Rotel RC-1570 Stereo Preamp / Audio Processor • (1) Middle Atlantic UPS-2200R-8IP Uninterruptible Power Supply w/ IP Control • (18) AudioQuest XLR Balanced Audio Cables 	\$ 7,002.80	\$ 7,002.80
1	Wire Speakers (Includes cost of wire only; Wire to be run by others)¹: <ul style="list-style-type: none"> • (6) Liberty 12-2C-DB-BLK 12/2 Direct Burial Speaker Cable, 1,000' Spools <p>¹ – Includes estimated quantity of wire to be run by others. If additional wire is required, additional charges will apply.</p>	\$ 5,416.98	\$ 5,416.98
1	Middle Atlantic Equipment Rack & Accessories: <ul style="list-style-type: none"> • (2) BGR-4527LRD – 45-Space, 27" Deep BGR Equipment Rack • (2) BGR-RDC45 – 45-Space Cable Entry Rear Doors for BGR-4527 • (2) BGR-RR45 – Rear Rack Rails for BGR-4527 • (4) RLNK-SW820R-SP – Rack-Mount Power Distribution w/ IP Controllable Outlets • (2) CBS-BGR – Skirted Caster Base for BGR Rack • (1) BSPN-45-27 – Side Panels for BGR-4527 • (2) BGR-552FT-FC – Fan Top with Thermostatic Controller • (2) PBL1-ID – Identification Blank Panel • (2) BL1-H – Handle Panels • (2) D3 – 3-Space Rack Drawer • Includes blank panels, vent panels, and rack accessories 	\$ 12,711.04	\$ 12,711.04
1	Supplies: <ul style="list-style-type: none"> • Screws, zip ties, interconnect cables, heat shrink labels 	\$ 500.00	\$ 500.00
1	Design, Engineering, & Project Management²: <ul style="list-style-type: none"> • Includes on-site survey of Pool Area • Includes coordination with CAT on the design of the speaker system • Includes coordination with the client, millworker, and/or other trades for the demolition of the current equipment cabinet • Includes coordination with the client, millworker, electrician, and/or other trades for the electrical, ventilation, and space requirements for the equipment racks • Includes coordination with the client's staff for the outdoor wiring requirements • Includes coordination with the client's staff for the transport, delivery, and placement of equipment 	\$ 10,500.00	\$ 10,500.00
40	Hours Labor²: <ul style="list-style-type: none"> • Assemble equipment racks at Osbee Facility • Wire racks internally with managed and labeled interconnects • Wrap and protect equipment racks and components for transport • Coordinate freight pickup with client • Wire manage head end • Lace all wires in rack and terminate connection points behind rack • Coordinate speaker placement and delivery with client's staff • Connect speakers to amplifiers • Troubleshoot and testing <p>² – This section includes an estimated time that should be sufficient for the scope described above. If the estimated time is exceeded, additional labor will be charged at Osbee Industries, Inc.'s standard labor rate of \$175 per hour. Likewise, credits will be given for any unused time at the completion of the project. Monthly statements will be provided.</p>	\$ 175.00	\$ 7,000.00

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1	Allowance – Travel Expenses to Project Site <ul style="list-style-type: none"> Multiple site visits will be required for the detailed site survey, installation, & calibration Actual travel expenses and meals will be billed at the completion of the project. Travel Site: 6100 Red Hook Quarter, Suite B3 St. Thomas, USVI 00802 Transport to / from Little St. James Island must be provided by client 	\$ 7,500.00	\$ 7,500.00
0	Freight Charges: <ul style="list-style-type: none"> All freight charges to be arranged by and billed directly to the client Freight charges from the manufacturer may apply 	\$ 0.00	\$ 0.00
		SUBTOTAL	\$ 629,630.82
		Labor Sales Tax (OUT-OF-STATE ³)	\$ 0.00
		TOTAL DUE	\$ 629,630.82

³ – Applicable sales taxes may apply.

By signing this agreement, both parties agree to abide by the terms set forth in this contract:

Client:

Osbee Industries, Inc.:

Signature: _____

Signature: _____

Print: _____

Print: David L Raines - President

Date: _____

Date: _____

PLEASE MAKE ALL CHECKS PAYABLE TO: OSBEE INDUSTRIES, INC.



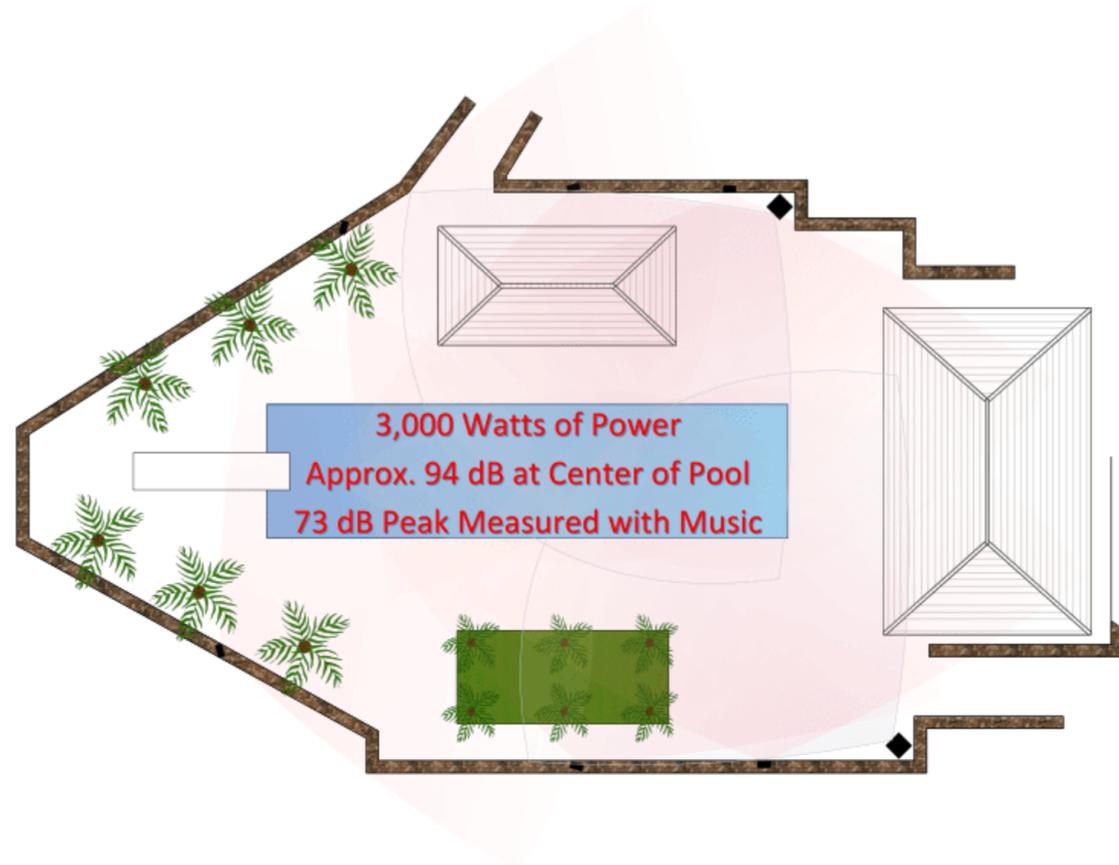
Current Speakers:

(6) 2-Way Full-Range Loudspeakers

- **Dimensions:** 20.6"W x 32.9"H x 10.5"D
- **Weight:** 90 lbs per Speaker
- **Frequency Response:** 50 Hz – 18 KHz (+/- 2 dB)
- **Drivers:** (1) 2" Horn-Loaded Compression Driver
(1) 15" Driver
- **Max Output:** 129 dB @ 1 meter (Manufacturer Rated)
- **Measured Output:** 95 dB @ 1 meter (Music)

(2) Subwoofers

- **Dimensions:** Unknown
- **Weight:** Unknown
- **Frequency Response:** Est. 32 Hz – 300 Hz
- **Drivers:** Est. (1) 18" Driver
- **Max Output:** 129 dB @ 1 meter (Manufacturer Rated)



Plans are not to scale. Sound dispersion patterns and output levels are estimated based on the speaker specifications³. Precise speaker locations will be determined.

Current Electronics:

- (1) Integra Receiver or Processor
- (1) Unknown Equalizer
- (3) Crown Amplifiers
 - **Power:** Estimated 500W/Channel @ 8Ω
- Current Speakers are 8Ω
 - **Total Power:** Estimated 3,000W
(All Speakers & Subwoofers)

Measured Output:



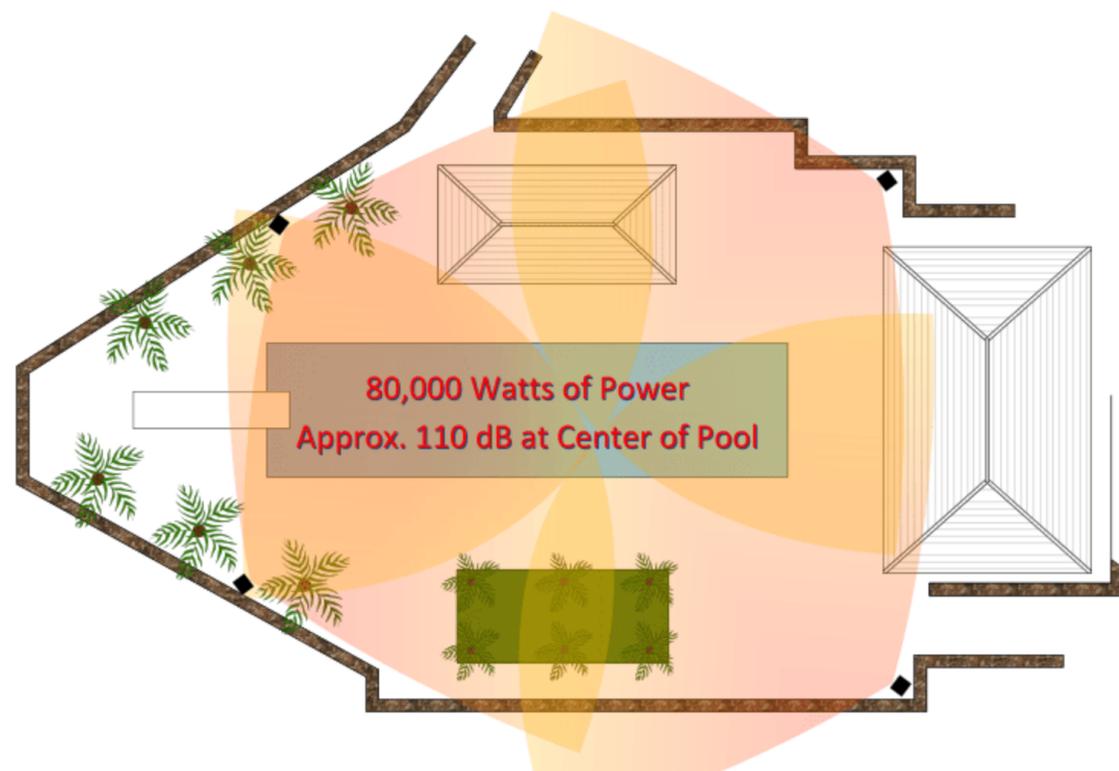
- Actual screen capture from Sound Pressure Level (SPL) meter with music playing
- Measured with meter extended over pool

Proposed Speakers:



(4) 5-Way Custom-Made Full-Range Loudspeakers w/ Built-in Subwoofers

- **Dimensions:** 25.5"W x 58.25"H x 23"D
- **Weight:** Approximately 1200 lbs. (Option A¹)
Approximately 800 lbs. (Option B¹)
- **Frequency Response:** 14 Hz – 22 KHz (+/- 2 dB)
- **Drivers:** (1) 1" High-End Titanium Dome Tweeter
(2) Curvilinear Aluminum 6" Midrange Drivers
(2) Curvilinear Aluminum 9" Midrange Drivers
(1) Curvilinear Aluminum 12" Subwoofer
(1) Curvilinear Aluminum 22" Subwoofer
- **Max Output:** 145 dB @ 1m



¹ - Option A features stainless steel speaker faceplates for improved heat dissipation and better appearance.
² - Option A amplifiers shown. Option B would have a total power to the speakers of approximately 50,000W.
³ - Environmental effects are not factored into calculations. Proposed speakers will be approximately 16dB louder over a greater area across a wider, flatter frequency range.

Proposed Electronics:



- (1) Rotel Stereo Audio Processor
- (2) CAT MBX DSP8X8XLR Digital Signal Processors
- (8) CAT MBX 1200.2 1200W x 2 Amplifiers²
 - **Power:** 1,200W/Channel @ 4Ω
- 9,600W/Channel @ 0.5Ω (0.5Ω Stable)
- Approx. 5,000W/Channel @ 1Ω
- Proposed Speakers are Approx. 1Ω
 - **Total Power:** Approx. 80,000W
(All Speakers & Subwoofers)
 - **Additional Features:**
- 110V/220V Input
- Advanced Protection Circuitry
- No Compromise Construction & Design