

ATTACHMENT D

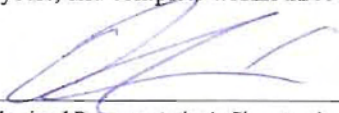
**Network Design and Implementation Plan Certification (to be complete for projects requesting more than \$1 million in federal assistance)**

**U.S. Department of Agriculture and U.S. Department of Commerce  
BIP and BTOP Program**

We the undersigned, certify that the proposed broadband system will work as described in the System Design and Network Diagram sections, and can deliver the proposed services outlined in the Service Offerings Section. Moreover, the system, as designed, can meet the proposed build-out timeframe based on the resources designated in Project Viability Section, and will be substantially complete in two years, and complete within three years.

08-11-2009

(Date)

  
(Authorized Representative's Signature)

Eng. Oscar Jiménez-Mártir

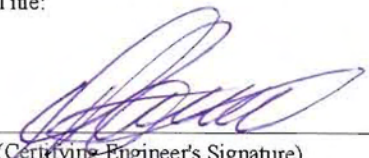
Name:

Executive President INTECO, Inc.

Title:

08-11-2009

(Date)

  
(Certifying Engineer's Signature)

Eng. Quintín Ramos-Seda

Name:

PE, MBA

Title:



## ATTACHMENT C – COMPETITOR TABLE – MIDDLE MILE

Existing Middle Mile Broadband Service Providers and Services Offered: Please complete a table describing the competing middle mile providers’ broadband service offerings being advertised in the last mile service areas associated with the proposed middle mile project. For BIP, please provide this information for each census designated community within each last mile service area. For each competitor, explain the following: a) technology; b) service tiers; c) point-to-point of the competitor’s service offering; d) speed; and e) pricing. Include any other comments to explain your findings if necessary.

<Applicant Service Area Name>							
Service Area	Middle Mile Services Provider	Technology Platform	Service Tier	Point-to-Point	Minimum Peak Load Network Bandwidth Capacity	Pricing	Other Comments
Service Area 1/ Census community 1 <b>ALL INTECO</b>	Provider A <b>CENTENNIAL</b>	MPLS Fiber Cooper	Entry Level Plan	512 Kbps	512 Kbps	\$ 300.00	
			Highest Speed Plan	1 Gbps	1 Gbps	\$ 85,000.00	\$85 per Mbps
			Other Plans (e.g., Mid-Tier Plan)	100 Mbps	100 Mbps	\$ 10,000.00	\$100 per Mbps
	Provider B <b>PREPANet</b>	MPLS Fiber	Entry Level Plan	10 Mbps	10 Mbps	\$ 18,500.00	
			Highest Speed Plan	1 Gbps	1 Gbps	\$ 100,000.00	
			Other Plans (e.g., Mid-Tier Plan)	200 Mbps	200 Mbps	\$ 28,000.00	
Service Area 2/ Census community 2	Provider A		Entry Level Plan				
			Highest Speed Plan				
			Other Plans (e.g., Mid-Tier Plan)				
	Provider B		Entry Level Plan				
			Highest Speed Plan				
			Other Plans (e.g., Mid-Tier Plan)				

### ATTACHMENT C – COMPETITOR TABLE – LAST MILE

Existing Last Mile Broadband Service Providers and Services Offered: Please complete a table describing the competing last mile providers' broadband service offerings being advertised in each proposed funded service area (BIP applicants should complete this table for each census designated community within the proposed funded service area) . For each competitor, explain the following: a) technology; b) service tiers; c) advertised speeds for residential and business; d) pricing. Include any other comments to explain your findings, if necessary.

<Applicant Service Area Name>								
Service Area	Last Mile Services Provider	Technology Platform	Service Tier	Advertised Residential		Advertised Business		Other Comments
				Downstream Speed (Mbps)	Price	Downstream Speed (Mbps)	Price	
Service Area 1/ Census community 1 <b>ALL INTECO</b>	Provider A <b>LIBERTY CABLE</b>	Cable Modem	Entry Level Plan	512 Kbps	\$ 39.98	512 Kbps	\$ 59.98	
			Highest Speed Plan	5 Mbps	\$ 149.99	15 Mbps	\$ 609.99	512 Kbps upload
			Other Plans (e.g., Mid-Tier Plan)	1 Mbps	\$ 64.99	2 Mbps	\$ 609.99	2 Mbps upload
	Provider B <b>PRT/CLARO</b>	DSL	Entry Level Plan	512 Kbps	\$ 24.95	512 Kbps	\$ 24.95	256 UL
			Highest Speed Plan	5 Mbps	\$ 84.95	5 Mbps	\$ 84.95	512 UL
			Other Plans (e.g., Mid-Tier Plan)	1 Mbps	\$ 39.95	1 Mbps	\$ 39.95	512 UL
Service Area 2/ Census community 2	Provider A		Entry Level Plan					
			Highest Speed Plan					
			Other Plans (e.g., Mid-Tier Plan)					
	Provider B		Entry Level Plan					
			Highest Speed Plan					
			Other Plans (e.g., Mid-Tier Plan)					

11/08/2009	Project Cost Estimate for INTECO Broadband Project				
ASSUMPTIONS					
Number Of Sites	23	As per Site Surveys	CPE'S	500	
Number Of Microwave Links	29	As per Site Surveys			
Number of P2P Links High Power 1+0	13	Total of 54 MW Radio Terminals	Microwave Antennas		
Number of P2P Links Standard Power 1+0	15	Total of 54 MW Radio Terminals	2ft HP Ant		
Number of P2P Links Standard Power 1+1	1	Total of 54 MW Radio Terminals	2.5ft HP Ant		
Number of P2MP Links 2.5Ghz	23	4 Sectors 1 antennas per sector	3ft HP Ant	34	
Number of P2MP Links 3.65Ghz	10	4 Sectors 1 antennas per sector	4ft HP Ant	26	
Number of P2MP Links 4.9Ghz	5	4 Sectors 1 antennas per sector	6ft HP Ant	0	
Number of Existing Sites	15	Private Owned Locations	8ft HP Ant	0	
Number of New Tower Sites for Construction	8	Chosen Sites per Site Survey	Unit Cost	Total	

<b>NETWORK &amp; ACCESS EQUIPMENT</b>	\$ 5205,351.00
<b>OUTSIDE PLANT</b>	\$ 1254,003.50
<b>BUILDING AND LAND</b>	\$ 2026,650.00
<b>CUSTOMER PREMISE</b>	\$ 371,250.00
<b>BILLING &amp; OPERATIONAL SUPPORT SYSTEMS</b>	\$ 270,846.00
<b>OPERATING EQUIPMENT</b>	\$ 307,050.00
<b>PROFESSIONAL SERVICES</b>	\$ 581,000.00
<b>TESTING</b>	\$ 395,507.00
<b>SITE PREPARATION</b>	\$ 1790,700.00
Sub Total=====>	\$ 12202,357.50
Tax 7% (labor exempt)====>	\$ 728,816.03
GRAND TOTAL=====>	\$ 12931,173.53



11/08/2009		Project Cost Estimate for INTECO Broadband Project					
ASSUMPTIONS							
Number Of Sites		23	As per Site Surveys		CPE'S	500	
Number Of Microwave Links		29	As per Site Surveys		Schools		
Number of P2P Links High Power 1+0		13	Total of 54 MW Radio Terminals		Microwave Antennas		
Number of P2P Links Standard Power 1+0		15	Total of 54 MW Radio Terminals		2ft HP Ant		
Number of P2P Links Standard Power 1+1		1	Total of 54 MW Radio Terminals		2.5ft HP Ant		
Number of P2MP Links 2.5Ghz		23	4 Sectors 1 antennas per sector		3ft HP Ant	34	
Number of P2MP Links 3.65Ghz		10	4 Sectors 1 antennas per sector		4ft HP Ant	26	
Number of P2MP Links 4.9Ghz		5	4 Sectors 1 antennas per sector		6ft HP Ant		
Number of Existing Sites		15	Private Owned Locations		8ft HP Ant		
Number of New Tower Sites for Construction		8	Chosen Sites per Site Survey		Unit Cost	Total	
		Requirement	Qty	Description	Including Freigh andTaxes		
NETWORK & ACCESS EQUIPMENT	RADIO 1	RADIO TERMINAL, 11 GHz, Non Protected, <b>High Power</b> , Split Mount, Licensed for 155 Mbit/s in 30 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	26	P-to-P Radios (One Radio)	\$ 10,000.00	\$ 260,000.00	\$ 260,000 00
	RADIO 2	RADIO TERMINAL, 11 GHz, Non Protected, <b>Standard Power</b> , Split Mount, Licensed for 155 Mbit/s in 28 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	30	P-to-P Radios (One Radio)	\$ 9,900.00	\$ 297,000.00	\$ 297,000 00
	RADIO 3	Proteus AMT M-Series, 11 GHz, <b>Hot Standby Protected, Standard Power</b> , Split Mount, Licensed for 155 Mbit/s in 28 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	2	P-to-P Radios (One Radio)	\$ 19,900.00	\$ 39,800.00	\$ 39,800 00
	Licens e P-to-P	Licensing, Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	58	FCC Licensing Fees per P-to-P Radios	\$ 1,500.00	\$ 87,000.00	\$ 87,000 00
	Router	Router Switch	23	Cisco ME C3750 Switch - 24 10/100 + 2 SFP, DC Power, W/Metro IP Access. Cisco ME C3750 Advanced IP feature license	\$ 18,441.00	\$ 424,143.00	\$ 424,143 00
	2.5 GHz P2MP RADIO	Point to Multipoint 2.5GHz Radio				There is an assumption that we will need a total of 23 BTS to cover all the region	
		Base Station Equipment - Standard Configuration (23 Total)					
		SDR-A-CTC-1	92	ATCA SDR Blade		\$ 10,496.00	\$ 965,632.00
		SCRT-1-25T-1	92	SCRT 2.5GHz TDD (connectorised)		\$ 4,800.00	\$ 441,600.00
		SFP-768-1	92	768Mbps Multimode SFP Module		\$ 128.00	\$ 11,776.00
ATCA-5-B-1		23	5-Slot ATCA Chassis kit (Type B)		\$ 6,742.00	\$ 155,066.00	
ATCA-SC-B-1		23	ATCA Shelf Manager (type B)		\$ 3,057.00	\$ 70,311.00	
GPS for 2.5GHz and 3.65GHz Sites				Good for ALL P2MP Systems			
	GPSR-R-19-ANT-1	23	19" Rack Mount GPS Receiver & External Antenna for HiperMAX		\$ 7,986.00	\$ 183,678.00	\$ 1828,063.00
3.65 GHz P2MP RADIO	Point to Multipoint 3.65GHz Radio				There is an assumption that we will need a total of 23 BTS to cover all the region		
	Base Station Equipment - Standard Configuration ( 10 Total)						
	SDR-A-CTC-1	40	ATCA SDR Blade		\$ 10,496.00	\$ 419,840.00	
	SCRT-1-365T-1	40	SCRT 3.6 - 3.7GHz TDD (connectorised)		\$ 3,877.00	\$ 155,080.00	
	SFP-768-1	40	768Mbps Multimode SFP Module		\$ 128.00	\$ 5,120.00	
	ATCA-5-B-1	10	5-Slot ATCA Chassis kit (Type B)		\$ 6,742.00	\$ 67,420.00	
	ATCA-SC-B-1	10	ATCA Shelf Manager (type B)		\$ 3,057.00	\$ 30,570.00	
	GPS for Site (Included Above)				Good for ALL P2MP Systems		\$ 678,030 00

NETWORK & ACCESS EQUIPMENT	4.9 GHz P2MP RADIO	Point to Multipoint 4.9GHz Radio			There is an assumption that we will need a total of 23 BTS to cover all the region			
		Base Station Equipment - Standard Configuration (4 Total)						
		SDR-A-CTC-1	20	ATCA SDR Blade	\$	10,496.00	\$	209,920.00
		SCRT-1-365T-1	20	SCRT 4.9GHz TDD (connectorised)	\$	3,877.00	\$	77,540.00
		SFP-768-1	20	768Mbps Multimode SFP Module	\$	128.00	\$	2,560.00
		ATCA-5-B-1	5	5-Slot ATCA Chassis kit (Type B)	\$	6,742.00	\$	33,710.00
		ATCA-SC-B-1	5	ATCA Shelf Manager (type B)	\$	3,057.00	\$	15,285.00
		GPS for Site (Included Above)			Good for ALL P2MP Systems		\$	339,015 00
	WiFi Metro Mesh	Wireless Controller (100 AP)	3	MC4100. Installed at the NOC.	\$	30,000.00	\$	90,000.00
		Software License Upgrade	3	For MC4100 Controllers	\$	10,000.00	\$	30,000.00
		Single radio 802.11n AP	400	For schools	\$	795.00	\$	318,000.00
		Tropos 5210	32	City Centers	\$	1,500.00	\$	48,000.00
		Hardware for Installation	32	City centers	\$	500.00	\$	16,000.00
		1st year support	1	For Controllers and AP's	\$	19,500.00	\$	19,500.00
							\$	521,500 00
	Auxiliary For Network Access	Rectifier Chassis (N+1) Protected	23	Rectifier Chassis (45Amp Capacity)	\$	3,000.00	\$	69,000.00
		Batteries	184	8 Batteries/Site	\$	450.00	\$	82,800.00
		Outdoor Cabinet For P2P Radios, Rectifier, Batteries, Fuse Panels, others 40RU's	23	Equipment Rack 80"-40RU's w/Air Conditioner	\$	7,500.00	\$	172,500.00
		Fuse Panel A/B, 60A	23	Fuse Panel, 1UR, 20 Position,	\$	500.00	\$	11,500.00
						\$	335,800 00	
	Iron Port	Cisco Iron Port	4	For the Egress point. (Prepanet)	\$	94,000.00	\$	376,000.00
							\$	376,000 00
	License P2MP	Licensing, Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	38	FCC Licensing Fees P2MP 2.50GHz and 3.65GHz Radios	\$	500.00	\$	19,000.00
						\$	19,000 00	
						\$	5205,351.00	
T	P-to-I Antenna 1	3FT Antenna	34	HPD3-1111RS High Performance, 11 Ghz, Dual Polarized 3ft diameter	\$	1,800.00	\$	61,200.00
		Antenna Mount Tower or Tripode	34	Tripode or HD Wall Z-Mount	\$	1,100.00	\$	37,400.00
		Flex - I Twist	34	ODU to Antenna Connection	\$	450.00	\$	15,300.00
		Swaybars	34	SWY-HP3	\$	290.00	\$	9,860.00
						\$	123,760 00	
	P-to-P Antenna 2	4FT Antenna	26	HPD4-11RSHigh Performance, 11 Ghz, Dual Polarized 4ft diameter	\$	2,700.00	\$	70,200.00
		Antenna Mount Tower or Tripode	26	Tripode or HD Wall Z-Mount	\$	1,100.00	\$	28,600.00
		Flex - Twist	26	ODU to Antenna Connection	\$	450.00	\$	11 700.00
		Swaybars	52	SWY-HP4	\$	390.00	\$	20,280.00
						\$	130,780 00	
	P2P Antennas	HARDWARE MATERIAL AND ACCESSORIES FOR P2P RADIOS						
		HARDWARE	29	Includes LMR-400 cable, Connectors, Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2P Radios	\$	700.00	\$	20,300.00
		Ant. Lightning Protector NM-NF	60	One per Antenna Cable	\$	125.00	\$	7,500.00
						\$	27,800 00	
	2.5 GHz P2MP ANTENNAS	2.5GHz Outside Plant - Standard Configuration (23 Total Sites)						
		Antennas	92	2.5GHz	\$	1,000.00	\$	92,000.00
		Antenna Jumpers	0	3m Coax Cables	\$	125.00	\$	-
		SEC90V-SCRT-2.5-RC-2	92	2.5GHz90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$	498.50	\$	45,862.00
		FIB-30- NST-1	92	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$	480.00	\$	44,160.00
		PWR-30-INST-2	92	30m -48vdc Power Cable Kit for HiperMAX	\$	258.00	\$	23,736.00
		FIB-PIGMNT-19-1	23	19" Rack Mount Plate For Fibre Pigtail Cables	\$	66.50	\$	1,529.50
		FIB-2-INT-LC-ODC-1	92	2M multimode fibre pigtail cable - ODC - LC connectors	\$	340.50	\$	31,326.00

OUTSIDE PLANT	GPS Outside Plant	Good for ALL P2MP Systems			
		CBL-GPS-TNC-16-1	23	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ 2,293.10
		PMK-GPS-1	23	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ 9,149.40
OUTSIDE PLANT	3.65 GHz P2MP ANTENNAS	3.65GHZ Outside Plant - Standard Configuration (10 Total Sites)			
		Antennas	40	3.6 - 3.7GHz	\$ 1,000.00 \$ 40,000.00
		Antenna Jumpers	0	3m Coax Cables	\$ 125.00 \$ -
		SEC90V-SCRT-3.5-RC-1	40	3.5GHz90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498.50 \$ 19,940.00
		FIB-30- NST-1	40	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480.00 \$ 19,200.00
		PWR-30-INST-2	40	30m -48vdc Power Cable Kit for HiperMAX	\$ 258.00 \$ 10,320.00
		FIB-PIGMNT-19-1	10	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66.50 \$ 665.00
		FIB-2-INT-LC-ODC-1	40	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340.50 \$ 13,620.00
		GPS Outside Plant (Included Above)			Good for ALL P2MP Systems
		CBL-GPS-TNC-16-1	0	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ -
		PMK-GPS-1	0	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ -
	4.9 GHz P2MP ANTENNAS	4.9GHZ Outside Plant - Standard Configuration (4 Total Sites)			
		Antennas	20	4.9Ghz	\$ 1,000.00 \$ 20,000.00
		Antenna Jumpers	0	3m Coax Cables	\$ 125.00 \$ -
		SEC90V-SCRT-3.5-RC-1	20	4.9GHz 90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498.50 \$ 9,970.00
		FIB-30- NST-1	20	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480.00 \$ 9,600.00
		PWR-30-INST-2	20	30m -48vdc Power Cable Kit for HiperMAX	\$ 258.00 \$ 5,160.00
		FIB-PIGMNT-19-1	5	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66.50 \$ 332.50
		FIB-2-INT-LC-ODC-1	20	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340.50 \$ 6,810.00
		GPS Outside Plant (Included Above)			Good for ALL P2MP Systems
		CBL-GPS-TNC-16-1	0	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ -
		PMK-GPS-1	0	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ -
OUTSIDE PLANT	P2MP Antennas	HARDWARE MATERIAL AND ACCESSORIES FOR P2MP RADIOS			
		HARDWARE	38	Includes Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2MP Radios	\$ 700.00 \$ 26,600.00
		Ant. Lightning Protector NM-NF	152	One per Antenna Cable	\$ 125.00 \$ 19,000.00
		Tower and/or Roof-Top Sector Mounts and Accessories	38	3 sectors, 1 to 2 Antennas per Sector (4-6 total)	\$ 3,200.00 \$ 121,600.00
	PREPAnet	PREPA F.O. install			
		Cayey Quoted Fiber Install	1	F.O. PREPAnet	\$ 84,000.00 \$ 84,000.00
		4th egress Quoted Fiber Install	1	F.O. PREPAnet	\$ 96,000.00 \$ 96,000.00
		Juncos Quoted Fiber Install	1	F.O. PREPAnet	\$ 60,000.00 \$ 60,000.00
		Naguabo Quoted Fiber Install	1	F.O. PREPAnet	\$ 96,000.00 \$ 96,000.00

BUILDING AND LAND	Auxiliary	Auxiliary Fuse & Cabinet Acc					
		Fuses (20 fuses)	460	For Fuse Panel	\$ 5.00	\$ 2,300.00	
		Cabinet Anchor Kits	23	4 each/ Expansiones y Tornillos	\$ 150.00	\$ 3,450.00	
		Fuse and Cabinet Accessories	23	For Auxiliaries	\$ 1,000.00	\$ 23,000.00	\$ 28,750 00
	DC Power	Power Rectification Accessories					
		Load Breakers	161	5Amps (7) per site	\$ 20.00	\$ 3,220.00	
		Load Breakers	69	10Amps (3) per site	\$ 20.00	\$ 1,380.00	
		Battery Shelves	46	Heavy Duty (Hold 4 Baterries)	\$ 240.00	\$ 11,040.00	
		Battery Accessories	92	Battery Cables (Kit of 4), Interconnection Cables	\$ 200.00	\$ 18,400.00	\$ 34,040 00 \$ 1254,003.50
	Poles	New Construction, Improvements, Renovations & Lease			NEW FACILITIES		
		Monopole & Site Materials					
		New 120ft Monopole Structure	8	Includes: Transportation, Monopole, Foundation, Accessories, Permit Costs and Equipment Rental, Insurance	\$ 123,400 00	\$ 987,200.00	
		New 40ft guyed tower	1	For NOC	\$ 2,400.00	\$ 2,400.00	
		Secure Perimeter Fencing w/ pads	8	Includes Pads, 4'x6' and 4'x8' & Fence on NEW SITES	\$ 14,000.00	\$ 112,000.00	\$ 1101,600 00
	NEW SITE GROUNDING	New Site Grounding Materials			NEW FACILITIES		
		Materials	8	Includes: Grounding Rods, Stranded 2-0 cable, Ground Bars, Buss Bars Anchors, Lighting Rods for towers, Accessories and Equipment Grounding	\$ 6,750.00	\$ 54,000.00	\$ 54,000 00
	New Sites AC Power	New Site AC Power Materials			NEW FACILITIES		
		Materials for New Sites	8	Includes: Installation Frame, Surge suppressor, Breaker Dist. Pannel, AC Cables, PVC Tubing, Lugs and Others	\$ 5,500.00	\$ 44,000.00	\$ 44,000 00
	PADS	EXISTING FACILITIES					
		Concrete Pad for Generators	15	4ft x 8ft Existing Sites	\$ 2,000.00	\$ 30,000 00	
		Concrete Pad for Cabinets	15	4ft x 6ft Existing Sites	\$ 1,500.00	\$ 22,500.00	\$ 52,500 00
	EXISTING SITE GROUNDING	Existing Site Grounding Materials			EXISTING FACILITIES		
		Materials	15	Includes: Grounding Rods, Stranded 2-0 cable, Ground Bars, Buss Bars Anchors, Lighting Rods for towers, Accessories and Equipment Grounding	\$ 2,000.00	\$ 30,000.00	\$ 30,000 00
	Existing Sites AC Power	Existing Site AC Power Materials			EXISTING FACILITIES		
		Materials for Existing Sites	15	Includes: Surge suppressor, Breaker Dist. Pannel, AC Cables, PVC Tubing, Lugs and Others	\$ 3,100.00	\$ 46,500.00	\$ 46,500 00
	Emergency Generator	Emergency Generators	23	For all sites. New and Existing	\$ 25,000.00	\$ 575,000.00	\$ 575,000 00
	Tower Accessories	Tower Accessories		ALL FACILITIES			
		Ice Bridge	46	10ft sections, 20ft/site	\$ 1,500.00	\$ 69,000.00	
		Ice Bridge Accessories	23	Corners/Joints Accessories	\$ 250.00	\$ 5,750.00	
		Tower Cable Ladder Run (20"x12") New and Existing Sites	69	Each section 20ft, 3 sections per tower	\$ 300.00	\$ 20,700.00	
		Installation Accessories	46	For Roof and Ice Bridge. Includes HD Epoxy paste, Ice Bridge foundation Material	\$ 600.00	\$ 27,600.00	\$ 123,050 00 \$ 2026,650.00
	Customer Premise	CPE's and Power					
		PST260T-14V-1 (CPE)	250	ProST 2 5 - 2.69 GHz TDD - 14dBi Vert (excluding SDA)	\$ 500.00	\$ 125,000.00	
		PST370T-17V-1(CPE)	250	ProST 3 6 - 3.8GHz TDD - 17dBi Vert (excluding SDA)	\$ 500.00	\$ 125,000.00	
		PST490T-17V-1(CPE)	50	ProST 4 9GHz TDD - 17dBi Vert (excluding SDA)	\$ 500.00	\$ 25,000.00	
		SDA-4S-2-US	550	SDA-4S Type II - US (for ProST / BSR)	\$ 50.00	\$ 27,500.00	
		CPE Mounts and Accessories	550	For 2.5 - 2.69 GHz & 3.6 - 3.8 GHz	\$ 125.00	\$ 68,750.00	\$ 371,250 00 \$ 371,250.00

MS	SYSTEMS	IT Systems HW & SW					
		BackOffice Servers	3	Includes Hardware Factory Database Setup, Auxilliary Alarm Cables 0-299 - Perpetual	\$ 10,000.00	\$ 30,000 00	
		UPS	1	1HR Backup	\$ 3,000.00	\$ 3,000 00	

BILLING & OPERATIONAL SUPPORT SYSTEM	IT	SW Programs	8	Window Base SW	\$ 1,500.00	\$ 12,000 00	\$ 45,000 00	
		Billing/Accounting SW						
	Billing Software	Billing SW Standard	1	For Customer Billing	\$ 20,000.00	\$ 20,000 00	\$ 20,000 00	
	NOC & Customer support	NOC Computers / AV Equipment	1		\$ 75,000 00	\$ 75,000 00		
		AAA RADIUS Server	1	AAA Server	\$ 4,000.00	\$ 4,000 00		
							\$ 79,000 00	
	NMS P2P	NMS (Management System) (P2P Radios) Microwaves	1	To include Hardware, Software, Factory Database Setup, Auxilliary Alarm Cables Capable for 500 elements	\$ 35,000.00	\$ 35,000 00	\$ 35,000 00	
	NMS P2MP	NMS (Management System) (P2MP Radios) 2.5 GHz	92	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 55,591 00		
		NMS (Management System) (P2MP Radios) 3.65GHz	40	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 24,170 00		
		NMS (Management System) (P2MP Radios) 4.9GHz	20	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 12,085 00	\$ 91,846 00	\$ 270,846.00
OPERATING EQUIPMENT	VEHICLES	Vehicle Fleet for Network Maintenance Preventive and on-going	3	US Made vehicle, 4 x 4 required for Site Visits	\$ 35,000.00	\$ 105,000.00	\$ 105,000 00	
	Lap Tops	For Systems Operations	3	Technical Roughtbook Laptop	\$ 3,000.00	\$ 9,000 00	\$ 9,000 00	
	Test Equipment	RF Power Meter	3		\$ 7,000.00	\$ 21,000.00		
		RF Drive test tools	1	For Drive test	\$ 3,000.00	\$ 3,000.00		
		Camera	3		\$ 400.00	\$ 1,200.00		
		GPS	3		\$ 400.00	\$ 1,200.00		
		Tandem Compass/Inclinometer	3		\$ 250.00	\$ 750.00		
		RF Power Sensor	3		\$ 3,000.00	\$ 9,000.00		
		Frequency Counter	3		\$ 7,000.00	\$ 21,000.00		
		Ethernet/FO Analyzer	3	Sunrise telecom	\$ 10,000.00	\$ 30,000.00		
		Tools (Digital Multi-Tester and Tools)	3		\$ 1 200.00	\$ 3 600.00	\$ 90,750 00	
	OFFICE EQUIPMENT	Desk and Accessories	5	Desks, Chairs Floor Mats & Other	\$ 10,000.00	\$ 50,000 00		
		Desktop Computers	5	Hardware, Monitor, Key Pad, Mouse & Software	\$ 1,500.00	\$ 7,500 00		
		Copiers	2	Office	\$ 1,200.00	\$ 2,400 00		
		Printers	2	Centralize Printers	\$ 1,200.00	\$ 2,400 00	\$ 62,300 00	
	Office Building Prep	Office Leasehold Improvements	1	A/C System	\$ 10,000.00	\$ 10,000 00		
		Office Partitions, Doors and Windows	1	General Office Area	\$ 20,000.00	\$ 20,000 00		
		Carpets, Visitors Chairs, Center Tables & Others	1	General Office Area	\$ 10,000.00	\$ 10,000 00	\$ 40,000 00	\$ 307,050.00
SERVICES	CONSULTING	Grant Preparation						
		Feasibility Study	0	Phase One	\$ 120,000 00	\$ -		
		Network Design	1	EDA Grant	\$ 110,000 00	\$ 110,000.00	\$ 110,000 00	

PROFESSIONAL	Intermodulation & Interference Study	RF Intermodulation and interference Study (Optimization)								
		Interference study and Optimization	23	RF Planning, Maps, services, Etc. for all Inteco Area.	\$ 5,000.00	\$ 115,000.00	\$	115,000 00		
	PROJECT MANAGEMENT	Project Management Services Outside Services								
		Inteco Professional Services	2	Two (2) year duration	\$ 100,000 00	\$ 200,000.00				
Base Rate Estimate 10 hours per week for 24 months		1040	Additional	\$ 150.00	\$ 156,000.00	\$	356,000 00	\$ 581,000.00		
TESTING	P2P RADIO SPARES	63-11TRTR-0xx11-6100	4	ODU, SP, AMT-M/L, 11GHz, Tx/Rx Spacing: 'TRTR' MHz, Tx Low	\$5,891	\$ 23,562.00				
		63-11TRTR-1xx11-6100	4	ODU, SP, AMT-M/L, 11GHz, Tx/Rx Spacing: 'TRTR' MHz, Tx High	\$5,891	\$ 23,562.00				
		8209340-PP	2	1+1 SPU (1RU) - Ph 2, generic (define input voltage)	\$4,373	\$ 8,745.00				
		8209339-11	2	LIM, GigE - 4 x 1000BT	\$2,625	\$ 5,250.00				
		8209316-11	2	LSM,GE,E,AMT-M	\$924	\$ 1,848.00				
		8209315-01	2	Redundant Switch Unit (RSU), AMT-M	\$1,320	\$ 2,640.00	\$	65,607 00		
	P2MP Spares	NCLUDING: P2MP	1	Estimated	\$ 200,000 00	\$ 200,000 00	\$	200,000.00		
	WiFi Spares	NCLUDING:WiFi	1	Estimated	\$ 18,900 00	\$ 18,900.00	\$	18,900 00		
	DC Power Spares	NCLUDING:DC POWER	1	Estimated	\$ 15,000 00	\$ 15,000.00	\$	15,000 00		
	Equipment Training	Equipment Training P2P per Person	10	Local Training for Users	\$ 1,800.00	\$ 18,000.00	\$	18,000.00		
	Equipment Training	Equipment Training P2MP per Person	10	Local Training for Users	\$ 2,000.00	\$ 20,000.00	\$	20,000 00		
	Equipment Training	WiFi Equipment Traning	10	Local Training for Users	\$ 2,000.00	\$ 20,000.00	\$	20,000.00		
	Equipment Training	Software Training	10	Local Training for Users	\$ 1,800.00	\$ 18,000.00	\$	18,000.00		
	Equipment Training	Other Software and Equipment Training	10	Local Training for Users	\$ 2,000.00	\$ 20,000.00	\$	20,000 00	\$ 395,507.00	
SITE PREPARATION	SERVICES	SITE PREPARATION								
		P2P Microwave Radio and 3ft HP Antenna Installation Also Includes: All Auxiliary Equipment, (Per Radio)	34	Radio and 3ft HP Antenna Installation (Including: Auxiliary Equipment and Accessories) (Per Radio)	\$ 5,000.00	\$ 170,000.00				
		P2P Microwave Radio and 4ft HP Antenna Installation Also Includes: All Auxiliary Equip, (Per Radio)	26	Radio and 4ft HP Antenna Installation (Including: Auxiliary Equipment and Accessories) (Per Radio)	\$ 7,000.00	\$ 182,000.00				
		P2MP BTS Installation (Including: 3 sector Antenna Installation and Accessories) (Per Radio)	38	BTS to Cabinet, 3 Sector Antenna with Mounting Hardware and Line run from Antennas to BTS	\$ 12,000.00	\$ 456,000.00				
		NOC Tower installation	1	40ft tower installation	\$ 1,600.00	\$ 1,600.00				
		System Integration & Test	1	PIp, PtmP Factory Asistance Integration and Support	\$ 150,000 00	\$ 150,000.00				
		System Integration & Test	1	For WiFi system	\$ 20,000.00	\$ 20,000.00				
		CPE Installation (Customers)	500	250 for 2.5GHz and 250 for 3.65 GHz	\$ 250.00	\$ 125,000.00				
		Iron Port Installation & Commissioning	1	Iron Port Installation,Comissioning and test	\$ 40,000.00	\$ 40,000.00				
		Metro Ethernet Installation & Commissioning	1	Metro Eternet Installation, Comissioning and test	\$ 46,000.00	\$ 46,000.00				
		City Center WiFi Installation	32	Plazas	\$ 1,000.00	\$ 32,000.00				
		DC Power Installation	23	DC	\$ 2,500.00	\$ 57,500.00				
		AC Power Installation	15	AC Existing Towers	\$ 3,000.00	\$ 45,000.00				
		AC Power Installation	8	New Facilities	\$ 5,000.00	\$ 40,000.00				
		Ice Bridge Installation	46	Tower To Cabinet	\$ 1,200.00	\$ 55,200.00				
		New Sites Grounding Installation	8	New Towers	\$ 7,000.00	\$ 56,000.00				
		Existing Sites Grounding Installation	15	Sites with Existing Towers	\$ 2,000.00	\$ 30,000.00				
		Rental Equipment	38	Crane or Lift	\$ 2,500.00	\$ 95,000.00				
		Cable Ladder Installation	23	To be install in all Towers	\$ 1,000.00	\$ 23,000.00				
		Concreted Pad 4ft x 8ft Installation	15	Existing Tower Sites	\$ 660.00	\$ 9,900.00				
		Concrete Pad 4ft x 6ft Installation	15	Existing Tower Sites	\$ 500.00	\$ 7,500.00				
		Perimeter Fencing Installation	8	Includes 2 pads and fence (New Tower)	\$ 2,500.00	\$ 20,000.00				
		120ft Monopole Installation (Erection)	8	New Locations	\$ 13,000.00	\$ 104,000.00				
		NOC Integration of HW, SW (NMS)	1	All Locations	\$ 25,000.00	\$ 25,000.00	\$	1790,700 00	\$ 1790,700.00	
							Equipment Grand Total	\$	10411,657.50	\$ 12202,357.50
							Excise Tax 7%	\$	728,816.03	
							Labor Total (Tax Exempt)	\$	1790,700.00	
							Grand Total	\$	12931,173.53	

# INTECO Reports

## M - Cash Flows

		Forecast Period										
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Beginning Cash</b>		\$ -	\$ 7,271	\$ 18,813	\$ 48,294	\$ 78,629	\$ 87,637	\$ 94,908	\$ 94,575	\$ 112,575	\$ 150,314	\$ 352,426
Cash Flows from Operating Activities	Net Income	\$ (549,970)	\$ (607,755)	\$ (143,960)	\$ 24,802	\$ 168,721	\$ 316,888	\$ 398,733	\$ 417,456	\$ 437,202	\$ 458,039	\$ 471,429
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities											
	Marketable Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Accounts Receivable	\$ -	\$ (78,462)	\$ (17,558)	\$ (9,467)	\$ (9,713)	\$ (9,616)	\$ 934	\$ 543	\$ 538	\$ 532	\$ 527
	Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Prepayments	\$ (7,759)	\$ 7,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Current Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Net Cash Provided (Used) by Operations</b>	\$ (557,729)	\$ (678,458)	\$ (161,519)	\$ 15,335	\$ 159,007	\$ 307,272	\$ 399,667	\$ 417,999	\$ 437,739	\$ 458,572	\$ 471,956
Cash Flows from Financing Activities	Notes Receivable											
	Notes Payable	\$ 565,000	\$ 690,000	\$ 191,000	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Notes Payments	\$ -	\$ -	\$ -	\$ (50,000)	\$ (150,000)	\$ (300,000)	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ (256,460)	\$ (342,402)
	New Borrowing											
	Capital Contributions - BTOP	\$ 12,931,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Additional Paid-in Capital											
	Additions to Patronage Capital Credits											
Cash Flows From Investing Activities	Payments of Dividends											
	<b>Net Cash Provided by Financing Activities</b>	\$ 13,496,173	\$ 690,000	\$ 191,000	\$ 15,000	\$ (150,000)	\$ (300,000)	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ (256,460)	\$ (342,402)
	Capital Expenditures	\$ (12,931,173)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flows From Investing Activities	Amortizable Asset (Net of Amortization)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Long-Term Investments											
<b>Net Cash Used by Investing Activities</b>		\$ (12,931,173)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Cash</b>		\$ 7,271	\$ 11,542	\$ 29,481	\$ 30,335	\$ 9,007	\$ 7,272	\$ (333)	\$ 17,999	\$ 37,739	\$ 202,112	\$ 129,554
<b>Ending Cash</b>		\$ 7,271	\$ 18,813	\$ 48,294	\$ 78,629	\$ 87,637	\$ 94,908	\$ 94,575	\$ 112,575	\$ 150,314	\$ 352,426	\$ 481,980

### M1 - Assumptions for Statement of Cash Flows

1. Notes Payable represents loans taken for working capital by INTECO
2. Principal Payments represents repayment of loans plus interest

# INTECO Reports

## L - Balance Sheet

			Historical		Forecast Period											
			Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Assets	Current Assets	Cash	\$ -	\$ -	\$ 7,271	\$ 18,813	\$ 48,294	\$ 78,629	\$ 87,637	\$ 94,908	\$ 94,575	\$ 112,575	\$ 150,314	\$ 352,426	\$ 481,980	
		Marketable Securities														
		Accounts Receivable	\$ -	\$ -	\$ -	\$ 78,462	\$ 96,021	\$ 105,488	\$ 115,201	\$ 124,817	\$ 123,883	\$ 123,340	\$ 122,803	\$ 122,270	\$ 121,743	
		Notes Receivable														
		Inventory														
		Prepayments	\$ -	\$ -	\$ 7,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Current Assets															
	Total Current Assets		\$ -	\$ -	\$ 15,030	\$ 97,275	\$ 144,315	\$ 184,117	\$ 202,838	\$ 219,726	\$ 218,459	\$ 235,915	\$ 273,117	\$ 474,696	\$ 603,723	
	Non-Current Assets	Long Term Investments														
		Amortizable Asset (Net of Amortization)														
		PP&E	Plant in Service	\$ -	\$ -	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	
			Less: Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
			Sum of PP&E	\$ -	\$ -	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	
Other		\$ -	\$ -	\$ 33,900	\$ 111,234	\$ 204,668	\$ 307,608	\$ 413,725	\$ 517,208	\$ 608,901	\$ 682,095	\$ 735,680	\$ 768,481	\$ 787,862		
Total Non-Current Assets		\$ -	\$ -	\$ 12,965,073	\$ 13,042,407	\$ 13,135,841	\$ 13,238,781	\$ 13,344,898	\$ 13,448,381	\$ 13,540,074	\$ 13,613,268	\$ 13,666,853	\$ 13,699,654	\$ 13,719,035		
Total Assets		\$ -	\$ -	\$ 12,980,103	\$ 13,139,682	\$ 13,280,156	\$ 13,422,898	\$ 13,547,735	\$ 13,668,107	\$ 13,758,532	\$ 13,849,182	\$ 13,939,970	\$ 14,174,350	\$ 14,322,759		
Liabilities and Owners' Equity	Current Liabilities	Accounts Payable														
		Notes Payable														
		Current Portion - Total RUS Debt														
		Current Portion - Other Debt														
		Other Current Liabilities														
	Total Current Liabilities		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Long Term Liabilities	Existing RUS Debt														
		Proposed RUS Debt														
		Existing non-RUS Debt														
		Proposed Other Debt		\$ -	\$ -	\$ 598,900	\$ 1,366,234	\$ 1,650,668	\$ 1,768,608	\$ 1,724,725	\$ 1,528,208	\$ 1,219,901	\$ 893,095	\$ 546,680	\$ 323,021	\$ 0
		Total Long Term Liabilities		\$ -	\$ -	\$ 598,900	\$ 1,366,234	\$ 1,650,668	\$ 1,768,608	\$ 1,724,725	\$ 1,528,208	\$ 1,219,901	\$ 893,095	\$ 546,680	\$ 323,021	\$ 0
	Owners' Equity	Capital Stock														
		Additional Paid-in Capital														
		Capital Contributions - BTOP				\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173
		Capital Contributions - State Grant														
		Capital Contributions - Other														
		Patronage Capital Credits														
Retained Earnings			\$ -	\$ (549,970)	\$ (1,157,725)	\$ (1,301,685)	\$ (1,276,883)	\$ (1,108,162)	\$ (791,274)	\$ (392,541)	\$ 24,915	\$ 462,117	\$ 920,156	\$ 1,391,585		
Total Owners' Equity		\$ -	\$ -	\$ 12,381,203	\$ 11,773,448	\$ 11,629,488	\$ 11,654,290	\$ 11,823,011	\$ 12,139,899	\$ 12,538,632	\$ 12,956,088	\$ 13,393,290	\$ 13,851,329	\$ 14,322,758		
Total Liabilities and Owners' Equity		\$ -	\$ -	\$ 12,980,103	\$ 13,139,682	\$ 13,280,156	\$ 13,422,898	\$ 13,547,735	\$ 13,668,107	\$ 13,758,532	\$ 13,849,182	\$ 13,939,970	\$ 14,174,350	\$ 14,322,759		
Check		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

## L1 - Balance Sheet Assumptions

1. Retained Earnings = cumulative Net Income
2. Prepayments are completed for insurance
3. Depreciation not taken given non-profit status



INTECO Reports

K1 - Income Statement Assumptions

- 1. Billing fees rolled into Customer Care
- 2. No Property Tax or Depreciation given non-profit status of INTECO
- 3. No Income Tax given non-profit status
- 4. No uncollectible revenues given large customer (middle mile) sales
- 5. Additional detail assumptions below:

	Amount
Service Provider Revenue Share with INTECO	50.00%

	Assumption
Property Tax %	0.00%
Property Insurance %	0.25%
FTE Burden/Benefits Rate	30%
Backhaul (ISP) Cost per Mbps per Month	\$ 100.00
Annual Price/Fee Increase Index	3.25%
Annual Utility Cost per Square Foot of Admin/Ops Facility Space	\$ 24.00
Number of Square Feet of Admin/Ops Space per Employee	130
Annual Lease fee per Square Foot of Admin/Ops Space	\$ 16.00
Tower Electricity Cost Per Month	\$ 300.00
Existing Tower Monthly Lease Fee	\$ 2,500.00
New Tower Monthly Lease Fee	\$ 1,000.00
Annual Network Refresh and Maintenance	\$ 349,249.00
Annual INTECO marketing expenses	\$ 20,000.00

		Status	Annual Salary	Burden	Annual Burdened Cost
General and Administrative	Executive Director	FTE	\$ 90,000	30%	\$ 117,000
	Accounting and Purchasing Administrator	FTE	\$ 50,000	30%	\$ 65,000
		FTE	\$ 38,000	30%	\$ 49,400
Technical Operations	Network Manager	FTE	\$ 90,000	30%	\$ 117,000
	Field Engineer	FTE	\$ 65,000	30%	\$ 84,500
	Network Engineer	SC	\$ 60,000	0%	\$ 60,000
	Sum of Technical Operations	Σ	\$ -	\$ 215,000	60%
Sales and Marketing	Sales Account Manager	FTE	\$ 70,000	30%	\$ 91,000
	Sum of Sales and Marketing	Σ	\$ -	\$ 70,000	30%
Customer Service	Customer Service Rep	SC	\$ 38,000	0%	\$ 38,000
	Technical Support Rep	SC	\$ 24,000	0%	\$ 24,000
	Billing/Collections Rep	SC	\$ 24,000	0%	\$ 24,000
	Sum of Payroll	Σ		0%	

**K1 - Income Statement Assumptions Continued**

Operating Expense Summary

		Historical		Forecast Period										
		Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Backhaul	Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non Personnel	\$ -	\$ -	\$ 36,000	\$ 352,800	\$ 460,992	\$ 451,772	\$ 442,737	\$ 433,882	\$ 425,204	\$ 416,700	\$ 408,366	\$ 400,199	\$ 392,195
	Sum of Expense Type	\$ -	\$ -	\$ 36,000	\$ 352,800	\$ 460,992	\$ 451,772	\$ 442,737	\$ 433,882	\$ 425,204	\$ 416,700	\$ 408,366	\$ 400,199	\$ 392,195
Technical Operations and Maintenance	Personnel	\$ -	\$ -	\$ -	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500
	Non Personnel	\$ -	\$ -	\$ -	\$ 349,249	\$ 349,249	\$ 349,249	\$ 349,249	\$ 349,249	\$ 349,249	\$ 349,249	\$ 349,249	\$ 349,249	\$ 349,249
	Sum of Expense Type	\$ -	\$ -	\$ -	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749
Utilities	Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non Personnel	\$ -	\$ -	\$ 70,320	\$ 106,320	\$ 98,520	\$ 98,520	\$ 98,520	\$ 98,520	\$ 96,960	\$ 96,960	\$ 96,960	\$ 96,960	\$ 96,960
	Sum of Expense Type	\$ -	\$ -	\$ 70,320	\$ 106,320	\$ 98,520	\$ 98,520	\$ 98,520	\$ 98,520	\$ 96,960	\$ 96,960	\$ 96,960	\$ 96,960	\$ 96,960
Leasing	Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non Personnel	\$ -	\$ -	\$ 273,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000
	Sum of Expense Type	\$ -	\$ -	\$ 273,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000
Customer Care	Personnel	\$ -	\$ -	\$ -	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000
	Non Personnel	\$ -	\$ -	\$ -	\$ 289,355	\$ 65,975	\$ 28,115	\$ 28,115	\$ 28,115	\$ -	\$ -	\$ -	\$ -	\$ -
	Sum of Expense Type	\$ -	\$ -	\$ -	\$ 351,355	\$ 127,975	\$ 90,115	\$ 90,115	\$ 90,115	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000
Sales/Marketing	Personnel	\$ -	\$ -	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 45,500	\$ 45,500	\$ 45,500	\$ 45,500	\$ 45,500
	Non Personnel	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	Sum of Expense Type	\$ -	\$ -	\$ 111,000	\$ 111,000	\$ 111,000	\$ 111,000	\$ 111,000	\$ 111,000	\$ 65,500	\$ 65,500	\$ 65,500	\$ 65,500	\$ 65,500
Corporate G&A	Personnel	\$ -	\$ -	\$ -	\$ 182,000	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500
	Non Personnel	\$ -	\$ -	\$ 25,750	\$ 51,500	\$ 51,500	\$ 51,500	\$ 51,500	\$ 51,500	\$ 51,500	\$ 51,500	\$ 51,500	\$ 51,500	\$ 51,500
	Sum of Expense Type	\$ -	\$ -	\$ 25,750	\$ 233,500	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000
Tech Support	Personnel	\$ -	\$ -	\$ -	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
	Non Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sum of Expense Type	\$ -	\$ -	\$ -	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
Sum of Operating Expenses	Personnel	\$ -	\$ -	\$ 91,000	\$ 620,500	\$ 588,000	\$ 588,000	\$ 588,000	\$ 588,000	\$ 542,500	\$ 542,500	\$ 542,500	\$ 542,500	\$ 542,500
	Non Personnel	\$ -	\$ -	\$ 425,070	\$ 1,715,224	\$ 1,592,236	\$ 1,545,156	\$ 1,536,121	\$ 1,527,266	\$ 1,488,913	\$ 1,480,409	\$ 1,472,075	\$ 1,463,908	\$ 1,455,904
	Sum of Expense Type	\$ -	\$ -	\$ 516,070	\$ 2,335,724	\$ 2,180,236	\$ 2,133,156	\$ 2,124,121	\$ 2,115,266	\$ 2,031,413	\$ 2,022,909	\$ 2,014,575	\$ 2,006,408	\$ 1,998,404

Detail of Personnel Costs

		Historical		Forecast Period										
		Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General and Administrative	Executive Director	\$ -	\$ -	\$ -	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000
	Accounting and Purchasing Administrator	\$ -	\$ -	\$ -	\$ 65,000	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500
	Sum of General and Administrative	\$ -	\$ -	\$ -	\$ 182,000	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500	\$ 149,500
Technical Operations	Network Manager	\$ -	\$ -	\$ -	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 117,000
	Field Engineer	\$ -	\$ -	\$ -	\$ 84,500	\$ 84,500	\$ 84,500	\$ 84,500	\$ 84,500	\$ 84,500	\$ 84,500	\$ 84,500	\$ 84,500	\$ 84,500
	Network Engineer	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Sales and Marketing	Sum of Technical Operations	\$ -	\$ -	\$ -	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500	\$ 261,500
	Sales Account Manager	\$ -	\$ -	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 45,500	\$ 45,500	\$ 45,500	\$ 45,500	\$ 45,500
	Sum of Sales and Marketing	\$ -	\$ -	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 91,000	\$ 45,500	\$ 45,500	\$ 45,500	\$ 45,500	\$ 45,500
Customer Service	Customer Service Rep	\$ -	\$ -	\$ -	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
	Technical Support Rep	\$ -	\$ -	\$ -	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
	Billing/Collections Rep	\$ -	\$ -	\$ -	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
Sum of Payroll	Sum of Customer Service	\$ -	\$ -	\$ -	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 86,000
	Sum of Payroll	\$ -	\$ -	\$ 91,000	\$ 620,500	\$ 588,000	\$ 588,000	\$ 588,000	\$ 588,000	\$ 542,500	\$ 542,500	\$ 542,500	\$ 542,500	\$ 542,500

# INTECO Reports

## M - Cash Flows

		Forecast Period										
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Beginning Cash</b>		\$ -	\$ 7,271	\$ 18,813	\$ 48,294	\$ 78,629	\$ 87,637	\$ 94,908	\$ 94,575	\$ 112,575	\$ 150,314	\$ 352,426
Cash Flows from Operating Activities	Net Income	\$ (549,970)	\$ (607,755)	\$ (143,960)	\$ 24,802	\$ 168,721	\$ 316,888	\$ 398,733	\$ 417,456	\$ 437,202	\$ 458,039	\$ 471,429
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities											
	Marketable Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Accounts Receivable	\$ -	\$ (78,462)	\$ (17,558)	\$ (9,467)	\$ (9,713)	\$ (9,616)	\$ 934	\$ 543	\$ 538	\$ 532	\$ 527
	Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Prepayments	\$ (7,759)	\$ 7,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Current Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Net Cash Provided (Used) by Operations</b>	\$ (557,729)	\$ (678,458)	\$ (161,519)	\$ 15,335	\$ 159,007	\$ 307,272	\$ 399,667	\$ 417,999	\$ 437,739	\$ 458,572	\$ 471,956
Cash Flows from Financing Activities	Notes Receivable											
	Notes Payable	\$ 565,000	\$ 690,000	\$ 191,000	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Notes Payments	\$ -	\$ -	\$ -	\$ (50,000)	\$ (150,000)	\$ (300,000)	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ (256,460)	\$ (342,402)
	New Borrowing											
	Capital Contributions - BTOP	\$ 12,931,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Additional Paid-in Capital											
	Additions to Patronage Capital Credits											
Cash Flows From Investing Activities	Payments of Dividends											
	<b>Net Cash Provided by Financing Activities</b>	\$ 13,496,173	\$ 690,000	\$ 191,000	\$ 15,000	\$ (150,000)	\$ (300,000)	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ (256,460)	\$ (342,402)
	Capital Expenditures	\$ (12,931,173)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Amortizable Asset (Net of Amortization)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flows From Investing Activities	Long-Term Investments											
	<b>Net Cash Used by Investing Activities</b>	\$ (12,931,173)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Cash</b>		\$ 7,271	\$ 11,542	\$ 29,481	\$ 30,335	\$ 9,007	\$ 7,272	\$ (333)	\$ 17,999	\$ 37,739	\$ 202,112	\$ 129,554
<b>Ending Cash</b>		\$ 7,271	\$ 18,813	\$ 48,294	\$ 78,629	\$ 87,637	\$ 94,908	\$ 94,575	\$ 112,575	\$ 150,314	\$ 352,426	\$ 481,980

### M1 - Assumptions for Statement of Cash Flows

1. Notes Payable represents loans taken for working capital by INTECO
2. Principal Payments represents repayment of loans plus interest

# INTECO Reports

## L - Balance Sheet

			Historical		Forecast Period											
			Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Assets	Current Assets	Cash	\$ -	\$ -	\$ 7,271	\$ 18,813	\$ 48,294	\$ 78,629	\$ 87,637	\$ 94,908	\$ 94,575	\$ 112,575	\$ 150,314	\$ 352,426	\$ 481,980	
		Marketable Securities														
		Accounts Receivable	\$ -	\$ -	\$ -	\$ 78,462	\$ 96,021	\$ 105,488	\$ 115,201	\$ 124,817	\$ 123,883	\$ 123,340	\$ 122,803	\$ 122,270	\$ 121,743	
		Notes Receivable														
		Inventory														
		Prepayments	\$ -	\$ -	\$ 7,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Current Assets															
	Total Current Assets		\$ -	\$ -	\$ 15,030	\$ 97,275	\$ 144,315	\$ 184,117	\$ 202,838	\$ 219,726	\$ 218,459	\$ 235,915	\$ 273,117	\$ 474,696	\$ 603,723	
	Non-Current Assets	Long Term Investments														
		Amortizable Asset (Net of Amortization)														
		PP&E	Plant in Service	\$ -	\$ -	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173
			Less: Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Sum of PP&E		\$ -	\$ -	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173
		Other		\$ -	\$ -	\$ 33,900	\$ 111,234	\$ 204,668	\$ 307,608	\$ 413,725	\$ 517,208	\$ 608,901	\$ 682,095	\$ 735,680	\$ 768,481	\$ 787,862
	Total Non-Current Assets		\$ -	\$ -	\$ 12,965,073	\$ 13,042,407	\$ 13,135,841	\$ 13,238,781	\$ 13,344,898	\$ 13,448,381	\$ 13,540,074	\$ 13,613,268	\$ 13,666,853	\$ 13,699,654	\$ 13,719,035	
	Total Assets		\$ -	\$ -	\$ 12,980,103	\$ 13,139,682	\$ 13,280,156	\$ 13,422,898	\$ 13,547,735	\$ 13,668,107	\$ 13,758,532	\$ 13,849,182	\$ 13,939,970	\$ 14,174,350	\$ 14,322,759	
	Liabilities and Owners' Equity	Current Liabilities	Accounts Payable													
Notes Payable																
Current Portion - Total RUS Debt																
Current Portion - Other Debt																
Other Current Liabilities																
Total Current Liabilities		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Long Term Liabilities		Existing RUS Debt														
		Proposed RUS Debt														
		Existing non-RUS Debt														
		Proposed Other Debt	\$ -	\$ -	\$ 598,900	\$ 1,366,234	\$ 1,650,668	\$ 1,768,608	\$ 1,724,725	\$ 1,528,208	\$ 1,219,901	\$ 893,095	\$ 546,680	\$ 323,021	\$ 0	
		Total Long Term Liabilities		\$ -	\$ -	\$ 598,900	\$ 1,366,234	\$ 1,650,668	\$ 1,768,608	\$ 1,724,725	\$ 1,528,208	\$ 1,219,901	\$ 893,095	\$ 546,680	\$ 323,021	\$ 0
Owners' Equity		Capital Stock														
		Additional Paid-in Capital														
		Capital Contributions - BTOP			\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	\$ 12,931,173	
		Capital Contributions - State Grant														
		Capital Contributions - Other														
		Patronage Capital Credits														
	Retained Earnings		\$ -	\$ (549,970)	\$ (1,157,725)	\$ (1,301,685)	\$ (1,276,883)	\$ (1,108,162)	\$ (791,274)	\$ (392,541)	\$ 24,915	\$ 462,117	\$ 920,156	\$ 1,391,585		
Total Owners' Equity		\$ -	\$ -	\$ 12,381,203	\$ 11,773,448	\$ 11,629,488	\$ 11,654,290	\$ 11,823,011	\$ 12,139,899	\$ 12,538,632	\$ 12,956,088	\$ 13,393,290	\$ 13,851,329	\$ 14,322,758		
Total Liabilities and Owners' Equity		\$ -	\$ -	\$ 12,980,103	\$ 13,139,682	\$ 13,280,156	\$ 13,422,898	\$ 13,547,735	\$ 13,668,107	\$ 13,758,532	\$ 13,849,182	\$ 13,939,970	\$ 14,174,350	\$ 14,322,759		
Check		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

## L1 - Balance Sheet Assumptions

1. Retained Earnings = cumulative Net Income
2. Prepayments are completed for insurance
3. Depreciation not taken given non-profit status

**K - Income Statement**

K - Income Statement	Historical		Forecast Period												Sum of Years <sup>Σ</sup>
	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Revenues															
Network Services Revenues															
Local Voice Service															\$ -
Broadband Data	\$ -	\$ -	\$ -	\$ 1,621,512	\$ 1,897,124	\$ 1,940,572	\$ 1,983,585	\$ 2,026,168	\$ 2,022,606	\$ 2,019,079	\$ 2,015,587	\$ 2,012,130	\$ 2,008,708	\$ 19,547,071	\$ -
Video Service															\$ -
Network Access Service Revenues	\$ -	\$ -	\$ -	\$ 101,791	\$ 198,783	\$ 294,806	\$ 389,867	\$ 483,979	\$ 475,358	\$ 470,604	\$ 465,898	\$ 461,239	\$ 456,627	\$ 3,798,952	\$ -
Universal Service Fund															\$ -
Toll Service/Long Distance Voice															\$ -
Installation Revenues	\$ -	\$ -	\$ -	\$ 58,000	\$ 9,802	\$ 1,520	\$ 1,505	\$ 1,490	\$ (125)	\$ (123)	\$ (122)	\$ (121)	\$ (120)	\$ 71,707	\$ -
Other Operating Revenues															\$ -
Other Revenues															\$ -
Uncollectible Revenues															\$ -
Total Revenues <sup>Σ</sup>	\$ -	\$ -	\$ -	\$ 1,781,303	\$ 2,105,710	\$ 2,236,898	\$ 2,374,958	\$ 2,511,637	\$ 2,497,839	\$ 2,489,559	\$ 2,481,363	\$ 2,473,248	\$ 2,465,215	\$ 23,417,730	\$ -
Expenses															
Backhaul	\$ -	\$ -	\$ 36,000	\$ 352,800	\$ 460,992	\$ 451,772	\$ 442,737	\$ 433,882	\$ 425,204	\$ 416,700	\$ 408,366	\$ 400,199	\$ 392,195	\$ 4,220,848	\$ -
Network Maintenance/Monitoring	\$ -	\$ -	\$ -	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 610,749	\$ 6,107,490	\$ -
Utilities	\$ -	\$ -	\$ 70,320	\$ 106,320	\$ 98,520	\$ 98,520	\$ 98,520	\$ 98,520	\$ 96,960	\$ 96,960	\$ 96,960	\$ 96,960	\$ 96,960	\$ 1,055,520	\$ -
Leasing	\$ -	\$ -	\$ 273,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 5,733,000	\$ -
Sales/Marketing	\$ -	\$ -	\$ 111,000	\$ 111,000	\$ 111,000	\$ 111,000	\$ 111,000	\$ 111,000	\$ 65,500	\$ 65,500	\$ 65,500	\$ 65,500	\$ 65,500	\$ 993,500	\$ -
Customer Care	\$ -	\$ -	\$ -	\$ 351,355	\$ 127,975	\$ 90,115	\$ 90,115	\$ 90,115	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 1,059,675	\$ -
Billing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate G&A	\$ -	\$ -	\$ 25,750	\$ 233,500	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 201,000	\$ 2,068,250	\$ -
Other Operating Expenses															\$ -
Total Expenses <sup>Σ</sup>	\$ -	\$ -	\$ 516,070	\$ 2,311,724	\$ 2,156,236	\$ 2,109,156	\$ 2,100,121	\$ 2,091,266	\$ 2,007,413	\$ 1,998,909	\$ 1,990,575	\$ 1,982,408	\$ 1,974,404	\$ 21,238,283	\$ -
EBITDA	\$ -	\$ -	\$ (516,070.00)	\$ (530,420.75)	\$ (50,526.26)	\$ 127,741.94	\$ 274,837.36	\$ 420,371.48	\$ 490,425.45	\$ 490,650.11	\$ 490,787.48	\$ 490,840.14	\$ 490,810.60	\$ 2,179,447.54	\$ -
Depreciation			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization															\$ -
Earnings Before Interest and Taxes	\$ -	\$ -	\$ (516,070)	\$ (530,421)	\$ (50,526)	\$ 127,742	\$ 274,837	\$ 420,371	\$ 490,425	\$ 490,650	\$ 490,787	\$ 490,840	\$ 490,811	\$ 2,179,448	\$ -
Interest Expense - New RUS Debt															\$ -
Interest Expense - Existing RUS Debt															\$ -
Interest Expense - Match & Working Capital	\$ -	\$ -	\$ 33,900	\$ 77,334	\$ 93,434	\$ 102,940	\$ 106,116	\$ 103,483	\$ 91,692	\$ 73,194	\$ 53,586	\$ 32,801	\$ 19,381	\$ 787,862	\$ -
Income Before Taxes	\$ -	\$ -	\$ (549,970)	\$ (607,755)	\$ (143,960)	\$ 24,802	\$ 168,721	\$ 316,888	\$ 398,733	\$ 417,456	\$ 437,202	\$ 458,039	\$ 471,429	\$ 1,391,585	\$ -
Property Tax															\$ -
Income Taxes															\$ -
Net Income	\$ -	\$ -	\$ (549,970.00)	\$ (607,754.75)	\$ (143,960.30)	\$ 24,801.86	\$ 168,720.87	\$ 316,888.00	\$ 398,732.97	\$ 417,456.08	\$ 437,201.80	\$ 458,039.32	\$ 471,429.33	\$ 1,391,585.18	\$ -

## ATTACHMENT H - Broadband Subscriber Estimates

Instructions: Using the table below, please estimate the number of subscribers for each distinct type of service offering on a quarterly basis over the five year forecast period. Combine all service pricing tiers of broadband data services into a single service offering. The subscriber projections must be described separately by the type of services offered, and by type of entity (households, businesses, "strategic institutions" i.e., critical community facilities, community anchor institutions, and public safety entities) to which services are offered. For last mile subscribers, please also provide, on a separate sheet, your estimated take rate (the percentage of total customers passed who will subscribe to your service), along with a brief description of the methodology used to forecast these subscribers/take rates. Middle mile applicants should indicate their subscriber forecasts in terms of the entities served via the last mile service providers, community anchor institutions, or public safety entities that are connected to their middle mile network. Middle mile applicants should also provide a reasoned basis for these subscriber forecasts (e.g., agreements in principle with existing or planned last mile service providers, market studies, etc).

			Forecast Period																				
			Year 0	Year 1				Year 2				Year 3				Year 4				Year 5			
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Service Providers	Sum of Internet and Transport	Net add-ons		30	-	-	-	30	-	-	-	30	-	-	-	29	-	-	-	29	-	-	-
		Cumulative Subscribers		30	30	30	30	60	60	60	60	90	90	90	90	119	119	119	119	148	148	148	148
Strategic Institutions served by INTECO	Sum of Internet and Transport	Net add-ons		232	-	-	-	39	-	-	-	6	-	-	-	6	-	-	-	6	-	-	-
		Cumulative Subscribers		232	232	232	232	271	271	271	271	277	277	277	277	283	283	283	283	289	289	289	289

Forecast Period																							
				Year 6				Year 7				Year 8				Year 9				Year 10			
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Service Providers	Sum of Internet and Transport	Net add-ons		(1)	-	-	-	(1)	-	-	-	(1)	-	-	-	(1)	-	-	-	(1)	-	-	-
		Cumulative Subscribers		147	147	147	147	145	145	145	145	144	144	144	144	142	142	142	142	141	141	141	141
Strategic Institutions served by INTECO	Sum of Internet and Transport	Net add-ons		(0)	-	-	-	(0)	-	-	-	(0)	-	-	-	(0)	-	-	-	(0)	-	-	-
		Cumulative Subscribers		289	289	289	289	288	288	288	288	288	288	288	288	287	287	287	287	287	287	287	287

## ATTACHMENT H – Broadband Subscriber Estimates (Assumptions)

Assumptions - Total Customers Passed

Total Customers Passed	Total Customers Passed	Annual Price Erosion	Annual Churn Rate	Discount Rate
Government Facilities	50	2.5%	0.0%	25.0%
K-12 Schools	216	2.5%	0.0%	25.0%
Universities	37	2.5%	1.0%	25.0%
Hospitals	27	2.5%	1.0%	25.0%
Industrial Parks	179	2.5%	1.0%	0.0%
Other Businesses	426	2.5%	1.0%	0.0%
Sum of Markets	935			

### Assumptions - Take Rates

Assumptions - Take Rates		Forecast Period										
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Government Facilities	Annual Take Rate	0%	80%	10%								0%
	Cumulative Take Rate	0%	80%	90%	90%	90%	90%	90%	90%	90%	90%	90%
K-12 Schools	Annual Take Rate	0%	80%	10%								0%
	Cumulative Take Rate	0%	80%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Universities	Annual Take Rate	0%	30%	20%	10%	10%	10%	0%	0%	0%	0%	0%
	Cumulative Take Rate	0%	30%	50%	60%	70%	80%	80%	80%	80%	80%	80%
Hospitals	Annual Take Rate	0%	30%	20%	10%	10%	10%	0%	0%	0%	0%	0%
	Cumulative Take Rate	0%	30%	50%	60%	70%	80%	80%	80%	80%	80%	80%
Industrial Parks	Annual Take Rate	0%	5%	5%	5%	5%	5%	0%	0%	0%	0%	0%
	Cumulative Take Rate	0%	5%	10%	15%	20%	25%	25%	25%	25%	25%	25%
Other Businesses	Annual Take Rate	0%	5%	5%	5%	5%	5%	0%	0%	0%	0%	0%
	Cumulative Take Rate	0%	5%	10%	15%	20%	25%	25%	25%	25%	25%	25%

Assumptions: Product Selection by Customer Segment and Service

[illegible]

### ATTACHMENT E - PROJECT PLAN (KEY PHASES AND MILESTONES TO DEMONSTRATE DEGREE OF COMPLETION)

- Use the following table to list the major network build-out phases and milestones that can demonstrate that your entire project will be substantially complete by the end of Year 2 and fully complete by the end of Year 3. This is to be done at the aggregate level (combining all proposed funded service areas.)
- Indicate how the milestones listed below will demonstrate these completion objectives. The applicant should consider such project areas as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) equipment procurement; e) inside plant deployment; f) outside plant deployment; g) equipment deployment; h) network testing; i) network complete and operational. The applicant may provide any other milestones that it believes showcase progress.
- Project inception (Year 0) starts at the date when the applicant receives notice that the project has been approved for funding.
- In the table, provide any information (e.g., facts, analysis) to: a) demonstrate the reasonableness of these milestones; b) substantiate the ability to reach the milestones by the quarters indicated.
- On a separate sheet, describe the key challenges, if any, to a timely completion of the project, including any applicable mitigation plans.

Time Period	Quarter	List All Relevant Milestones	Support for Reasonableness/Data Points
Year 0	-	•	•
		•	•
Year 1	Qtr. 1	• 3 Towers erected	•
		• 10 equipment installed	•
		• 1 egress point install	•
	Qtr. 2	• 3 Towers erected	•
		• 10 equipment installed	•
		• 1 egress point install	•
	Qtr. 3	• 2 Towers erected	•
		• 10 equipment installed	•
		• 1 egress point install	•
	Qtr. 4	• back office equipment	•
		• install NOC facility	•
		• 1 egress point install	•
Year 2	Qtr. 1	•	•
		•	•
	Qtr. 2	•	•
		•	•
	Qtr. 3	•	•
		•	•
	Qtr. 4	•	•
		•	•



ATTACHMENT E - (continue)

Year 3	Qtr. 1	•	•
		•	•
	Qtr. 2	•	•
		•	•
	Qtr. 3	•	•
		•	•
	Qtr. 4	•	•
		•	•

## ATTACHMENT E

### PROJECT PLAN AND BUILD OUT TIMELINE

[illegible][illegible]

### ATTACHMENT E - PROJECT PLAN (KEY PHASES AND MILESTONES TO DEMONSTRATE DEGREE OF COMPLETION)

- Use the following table to list the major network build-out phases and milestones that can demonstrate that your entire project will be substantially complete by the end of Year 2 and fully complete by the end of Year 3. This is to be done at the aggregate level (combining all proposed funded service areas.)
- Indicate how the milestones listed below will demonstrate these completion objectives. The applicant should consider such project areas as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) equipment procurement; e) inside plant deployment; f) outside plant deployment; g) equipment deployment; h) network testing; i) network complete and operational. The applicant may provide any other milestones that it believes showcase progress.
- Project inception (Year 0) starts at the date when the applicant receives notice that the project has been approved for funding.
- In the table, provide any information (e.g., facts, analysis) to: a) demonstrate the reasonableness of these milestones; b) substantiate the ability to reach the milestones by the quarters indicated.
- On a separate sheet, describe the key challenges, if any, to a timely completion of the project, including any applicable mitigation plans.

Time Period	Quarter	List All Relevant Milestones	Support for Reasonableness/Data Points
Year 0	-	•	•
		•	•
Year 1	Qtr. 1	• 3 Towers erected	•
		• 10 equipment installed	•
		• 1 egress point install	•
	Qtr. 2	• 3 Towers erected	•
		• 10 equipment installed	•
		• 1 egress point install	•
	Qtr. 3	• 2 Towers erected	•
		• 10 equipment installed	•
		• 1 egress point install	•
	Qtr. 4	• back office equipment	•
		• install NOC facility	•
		• 1 egress point install	•
Year 2	Qtr. 1	•	•
		•	•
	Qtr. 2	•	•
		•	•
	Qtr. 3	•	•
		•	•
	Qtr. 4	•	•
		•	•

ATTACHMENT E - (continue)

Year 3	Qtr. 1	•	•
		•	•
	Qtr. 2	•	•
		•	•
	Qtr. 3	•	•
		•	•
	Qtr. 4	•	•
		•	•

ATTACHMENT E  
PROJECT PLAN AND BUILD OUT TIMELINE

[illegible][illegible]

### Attachment B – Proposed Middle Mile Service Offerings

Please complete the table below describing the service offerings that will be available indicating the bandwidth packages, the distance band (length of the network section) or point-to-point (geographical end points) of the specific package, the minimum peak load bandwidth that is available on the route, and the monthly or yearly pricing for the services. The chart may be adapted to adequately describe the service offerings of the project as long as the information described is included. If different packages will be available based on the area that will be receiving the benefits, then separate charts should be developed indicating which are the services for each area.

Service Offering		Distance Band or Point to Point	Minimum Peak Load Network Bandwidth Capacity (Mbps)	Monthly Pricing (\$)	Other (Initial Charges)
ISP	Internet Service-2Mbps	Unlimited within INTECO service area	2	\$ 500.00	\$ 0.00
	Metro Ethernet-6Mbps	Unlimited within INTECO service area	6	\$ 400.00	\$ 0.00
	Internet Service 6 Mbps	Unlimited within INTECO service area	6	\$ 800.00	\$ 0.00
	Metro Ethernet-9Mbps	Unlimited within INTECO service area	9	\$ 500.00	\$ 0.00
	Internet Service 9 Mbps	Unlimited within INTECO service area	9	\$1,300.00	\$ 0.00
	Installation for services above	N/A	N/A	N/A	\$250.00
INTECO	Community Internet Service-2Mbps	Unlimited within INTECO service area	2	\$ 375.00	\$ 0.00
	Community Metro Ethernet-6Mbps	Unlimited within INTECO service area	6	\$ 300.00	\$ 0.00
	Community Internet Service 6 Mbps	Unlimited within INTECO service area	6	\$ 600.00	\$ 0.00
	Community Metro Ethernet-9Mbps	Unlimited within INTECO service area	9	\$ 375.00	\$ 0.00
	Community Internet Service 9 Mbps	Unlimited within INTECO service area	9	\$ 975.00	\$ 0.00
	Community Installation for services above	N/A	N/A		\$250.00
ISP Revenue Share					

11/08/2009		Project Cost Estimate for INTECO Broadband Project						
ASSUMPTIONS								
Number Of Sites		23	As per Site Surveys		CPE'S	500		
Number Of Microwave Links		29	As per Site Surveys		Schools			
Number of P2P Links High Power 1+0		13	Total of 54 MW Radio Terminals		Microwave Antennas			
Number of P2P Links Standard Power 1+0		15	Total of 54 MW Radio Terminals		2ft HP Ant			
Number of P2P Links Standard Power 1+1		1	Total of 54 MW Radio Terminals		2.5ft HP Ant			
Number of P2MP Links 2.5Ghz		23	4 Sectors 1 antennas per sector		3ft HP Ant	34		
Number of P2MP Links 3.65Ghz		10	4 Sectors 1 antennas per sector		4ft HP Ant	26		
Number of P2MP Links 4.9Ghz		5	4 Sectors 1 antennas per sector		6ft HP Ant			
Number of Existing Sites		15	Private Owned Locations		8ft HP Ant			
Number of New Tower Sites for Construction		8	Chosen Sites per Site Survey		Unit Cost	Total		
			Requirement	Qty	Description	Including Freigh andTaxes		
NETWORK & ACCESS EQUIPMENT	RADIO 1	RADIO TERM NAL, 11 GHz, Non Protected, <b>High Power</b> , Split Mount, Licensed for 155 Mbit/s in 30 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	26	P-to-P Radios (One Radio)		\$ 10,000.00	\$ 260,000.00	\$ 260,000 00
	RADIO 2	RADIO TERM NAL, 11 GHz, Non Protected, <b>Standard Power</b> , Split Mount, Licensed for 155 Mbit/s in 28 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	30	P-to-P Radios (One Radio)		\$ 9,900.00	\$ 297,000.00	\$ 297,000 00
	RADIO 3	Proteus AMT M-Series, 11 GHz, <b>Hot Standby Protected, Standard Power</b> , Split Mount, Licensed for 155 Mbit/s in 28 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	2	P-to-P Radios (One Radio)		\$ 19,900.00	\$ 39,800.00	\$ 39,800 00
	Licens e P-to-P	Licensing, Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	58	FCC Licensing Fees per P-to-P Radios		\$ 1,500.00	\$ 87,000.00	\$ 87,000 00
	Router	Router Switch	23	Cisco ME C3750 Switch - 24 10/100 + 2 SFP, DC Power, W/Metro IP Access. Cisco ME C3750 Advanced IP feature license		\$ 18,441 00	\$ 424,143.00	\$ 424,143 00
	2.5 GHz P2MP RADIO	Point to Multipoint 2.5GHz Radio				There is an assumption that we will need a total of 23 BTS to cover all the region		
		Base Station Equipment - Standard Configuration (23 Total)						
		SDR-A-CTC-1	92	ATCA SDR Blade		\$ 10,496 00	\$ 965,632.00	
		SCRT-1-25T-1	92	SCRT 2.5GHz TDD (connectorised)		\$ 4,800 00	\$ 441,600.00	
		SFP-768-1	92	768Mbps Multimode SFP Module		\$ 128 00	\$ 11,776.00	
		ATCA-5-B-1	23	5-Slot ATCA Chassis kit (Type B)		\$ 6,742 00	\$ 155,066.00	
		ATCA-SC-B-1	23	ATCA Shelf Manager (type B)		\$ 3,057 00	\$ 70,311.00	
		GPS for 2.5GHz and 3.65GHz Sites				Good for ALL P2MP Systems		
		GPSR-R-19-ANT-1	23	19" Rack Mount GPS Receiver & External Antenna for HiperMAX		\$ 7,986 00	\$ 183,678.00	\$ 1828,063.00
	3.65 GHz P2MP RADIO	Point to Multipoint 3.65GHz Radio				There is an assumption that we will need a total of 23 BTS to cover all the region		
Base Station Equipment - Standard Configuration ( 10 Total)								
SDR-A-CTC-1		40	ATCA SDR Blade		\$ 10,496 00	\$ 419,840.00		
SCRT-1-365T-1		40	SCRT 3.6 - 3.7GHz TDD (connectorised)		\$ 3,877 00	\$ 155,080.00		
SFP-768-1		40	768Mbps Multimode SFP Module		\$ 128 00	\$ 5,120.00		
ATCA-5-B-1		10	5-Slot ATCA Chassis kit (Type B)		\$ 6,742 00	\$ 67,420.00		
ATCA-SC-B-1		10	ATCA Shelf Manager (type B)		\$ 3,057 00	\$ 30,570.00		
GPS for Site (Included Above)				Good for ALL P2MP Systems			\$ 678,030 00	

NETWORK & ACCESS EQUIPMENT	4.9 GHz P2MP RADIO	Point to Multipoint 4.9GHz Radio			There is an assumption that we will need a total of 23 BTS to cover all the region		
		Base Station Equipment - Standard Configuration (4 Total)					
		SDR-A-CTC-1	20	ATCA SDR Blade	\$ 10,496 00	\$ 209,920.00	
		SCRT-1-365T-1	20	SCRT 4.9GHz TDD (connectorised)	\$ 3,877 00	\$ 77,540.00	
		SFP-768-1	20	768Mbps Multimode SFP Module	\$ 128 00	\$ 2,560.00	
		ATCA-5-B-1	5	5-Slot ATCA Chassis kit (Type B)	\$ 6,742 00	\$ 33,710.00	
		ATCA-SC-B-1	5	ATCA Shelf Manager (type B)	\$ 3,057 00	\$ 15,285.00	
		GPS for Site (Included Above)			Good for ALL P2MP Systems		\$ 339,015 00
	WiFi Metro Mesh	Wireless Controller (100 AP)	3	MC4100. Installed at the NOC.	\$ 30,000.00	\$ 90,000.00	
		Software License Upgrade	3	For MC4100 Controllers	\$ 10,000.00	\$ 30,000.00	
		Single radio 802.11n AP	400	For schools	\$ 795.00	\$ 318,000.00	
		Tropos 5210	32	City Centers	\$ 1,500.00	\$ 48,000.00	
		Hardware for Installation	32	City centers	\$ 500.00	\$ 16,000.00	
		1st year support	1	For Controllers and AP's	\$ 19,500.00	\$ 19,500.00	\$ 521,500.00
		Auxiliary For Network Access	Rectifier Chassis (N+1) Protected	23	Rectifier Chassis (45Amp Capacity)	\$ 3,000.00	\$ 69,000.00
	Batteries		184	8 Batteries/Site	\$ 450.00	\$ 82,800.00	
	Outdoor Cabinet For P2P Radios, Rectifier, Batteries, Fuse Panels, others 40RU's		23	Equipment Rack 80"-40RU's w/Air Conditioner	\$ 7,500.00	\$ 172,500.00	
	Fuse Panel A/B, 60A		23	Fuse Panel, 1UR, 20 Position,	\$ 500.00	\$ 11,500.00	\$ 335,800.00
	Iron Port	Cisco Iron Port	4	For the Egress point. (Prepanet)	\$ 94,000.00	\$ 376,000.00	\$ 376,000 00
	License P2MP	Licensing, Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	38	FCC Licensing Fees P2MP 2.50GHz and 3.65GHz Radios	\$ 500.00	\$ 19,000.00	\$ 19,000 00 \$ 5205,351.00

NT	P-to-P Antenna 1	3FT Antenna	34	HPD3-1111RS High Performance, 11 Ghz, Dual Polarized 3ft diameter	\$ 1,800.00	\$ 61,200.00	
		Antenna Mount Tower or Tripode	34	Tripode or HD Wall Z-Mount	\$ 1,100.00	\$ 37,400.00	
		Flex -Twist	34	ODU to Antenna Connection	\$ 450.00	\$ 15,300.00	
		Swaybars	34	SWY-HP3	\$ 290.00	\$ 9,860.00	\$ 123,760.00
	P-to-P Antenna 2	4FT Antenna	26	HPD4-11RSHigh Performance, 11 Ghz, Dual Polarized 4ft diameter	\$ 2,700.00	\$ 70,200.00	
		Antenna Mount Tower or Tripode	26	Tripode or HD Wall Z-Mount	\$ 1,100.00	\$ 28,600.00	
		Flex -Twist	26	ODU to Antenna Connection	\$ 450.00	\$ 11,700.00	
		Swaybars	52	SWY-HP4	\$ 390.00	\$ 20,280.00	\$ 130,780.00
	P2P Antennas	HARDWARE MATERIAL AND ACCESSORIES FOR P2P RADIOS					
		HARDWARE	29	Includes LMR-400 cable, Connectors, Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2P Radios	\$ 700 00	\$ 20,300.00	
		Ant. Lightning Protector NM-NF	60	One per Antenna Cable	\$ 125 00	\$ 7,500.00	\$ 27,800 00
	2.5 GHz P2MP ANTENNAS	2.5GHz Outside Plant - Standard Configuration (23 Total Sites)					
		Antennas	92	2.5GHz	\$ 1,000 00	\$ 92,000.00	
		Antenna Jumpers	0	3m Coax Cables	\$ 125 00	\$ -	
		SEC90V-SCRT-2.5-RC-2	92	2.5GHz90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498 50	\$ 45,862.00	
		FIB-30-INST-1	92	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480 00	\$ 44,160.00	
		PWR-30-INST-2	92	30m -48vdc Power Cable Kit for HiperMAX	\$ 258 00	\$ 23,736.00	
		FIB-PIGMNT-19-1	23	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66 50	\$ 1,529.50	
		FIB-2- NT-LC-ODC-1	92	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340 50	\$ 31,326.00	



OUTSIDE PLANT		GPS Outside Plant		Good for ALL P2MP Systems	
		CBL-GPS-TNC-16-1	23	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ 2,293.10
		PMK-GPS-1	23	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ 9,149.40
OUTSIDE PLANT	3.65 GHZ P2MP ANTENNAS	3.65GHZ Outside Plant - Standard Configuration (10 Total Sites)			
		Antennas	40	3.6 - 3.7GHz	\$ 1,000.00 \$ 40,000.00
		Antenna Jumpers	0	3m Coax Cables	\$ 125.00 \$ -
		SEC90V-SCRT-3.5-RC-1	40	3.5GHz90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498.50 \$ 19,940.00
		FIB-30-INST-1	40	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480.00 \$ 19,200.00
		PWR-30-INST-2	40	30m -48vdc Power Cable Kit for HiperMAX	\$ 258.00 \$ 10,320.00
		FIB-PIGMNT-19-1	10	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66.50 \$ 665.00
		FIB-2- NT-LC-ODC-1	40	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340.50 \$ 13,620.00
		GPS Outside Plant (Included Above)		Good for ALL P2MP Systems	
		CBL-GPS-TNC-16-1	0	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ -
		PMK-GPS-1	0	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ -
	4.9 GHZ P2MP ANTENNAS	4.9GHZ Outside Plant - Standard Configuration (4 Total Sites)			
		Antennas	20	4.9Ghz	\$ 1,000.00 \$ 20,000.00
		Antenna Jumpers	0	3m Coax Cables	\$ 125.00 \$ -
		SEC90V-SCRT-3.5-RC-1	20	4.9GHz 90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498.50 \$ 9,970.00
		FIB-30-INST-1	20	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480.00 \$ 9,600.00
		PWR-30-INST-2	20	30m -48vdc Power Cable Kit for HiperMAX	\$ 258.00 \$ 5,160.00
		FIB-PIGMNT-19-1	5	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66.50 \$ 332.50
		FIB-2- NT-LC-ODC-1	20	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340.50 \$ 6,810.00
		GPS Outside Plant (Included Above)		Good for ALL P2MP Systems	
		CBL-GPS-TNC-16-1	0	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ -
		PMK-GPS-1	0	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ -
OUTSIDE PLANT	P2MP Antennas	HARDWARE MATERIAL AND ACCESSORIES FOR P2MP RADIOS			
		HARDWARE	38	Includes Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2MP Radios	\$ 700.00 \$ 26,600.00
		Ant. Lightning Protector NM-NF	152	One per Antenna Cable	\$ 125.00 \$ 19,000.00
		Tower and/or Roof-Top Sector Mounts and Accessories	38	3 sectors, 1 to 2 Antennas per Sector (4-6 total)	\$ 3,200.00 \$ 121,600.00
	PREPAnet	PREPA F.O. install			
		Cayey Quoted Fiber Install	1	F.O. PREPAnet	\$ 84,000.00 \$ 84,000.00
		4th egress Quoted Fiber Install	1	F.O. PREPAnet	\$ 96,000.00 \$ 96,000.00
		Juncos Quoted Fiber Install	1	F.O. PREPAnet	\$ 60,000.00 \$ 60,000.00
		Naguabo Quoted Fiber Install	1	F.O. PREPAnet	\$ 96,000.00 \$ 96,000.00

	Auxiliary	Auxiliary Fuse & Cabinet Acc					
		Fuses (20 fuses)	460	For Fuse Panel	\$ 5 00	\$ 2,300.00	
		Cabinet Anchor Kits	23	4 each/ Expansiones y Tornillos	\$ 150.00	\$ 3,450.00	
		Fuse and Cabinet Accessories	23	For Auxiliaries	\$ 1,000.00	\$ 23,000.00	\$ 28,750.00
	DC Power	Power Rectification Accessories					
		Load Breakers	161	5Amps (7) per site	\$ 20 00	\$ 3,220.00	
		Load Breakers	69	10Amps (3) per site	\$ 20 00	\$ 1,380.00	
		Battery Shelves	46	Heavy Duty (Hold 4 Baterries)	\$ 240.00	\$ 11,040.00	
		Battery Accessories	92	Battery Cables (Kit of 4), Interconnection Cables	\$ 200.00	\$ 18,400.00	\$ 34,040.00
							\$ 1254,003.50
BUILDING AND LAND	Poles	New Construction, Improvements, Renovations & Lease			NEW FACILITIES		
		Monopole & Site Materials					
		New 120ft Monopole Structure	8	Includes: Transportation, Monopole, Foundation, Accessories, Permit Costs and Equipment Rental, insurance	\$ 123,400.00	\$ 987,200.00	
		New 40ft guyed tower	1	For NOC	\$ 2,400.00	\$ 2,400.00	
		Secure Perimeter Fencing w/ pads	8	Includes Pads, 4'x6' and 4'x8' & Fence on NEW SITES	\$ 14,000.00	\$ 112,000.00	\$ 1101,600.00
	NEW SITE GROUNDING	New Site Grounding Materials			NEW FACILITIES		
		Materials	8	Includes: Grounding Rods, Stranded 2-0 cable, Ground Bars, Buss Bars Anchors, Lighting Rods for towers, Accessories and Equipment Grounding	\$ 6,750.00	\$ 54,000.00	\$ 54,000.00
	New Sites AC Power	New Site AC Power Materials			NEW FACILITIES		
		Materials for New Sites	8	Includes: Installation Frame, Surge suppressor, Breaker Dist. Pannel, AC Cables, PVC Tubing, Lugs and Others	\$ 5,500 00	\$ 44,000.00	\$ 44,000.00
	PADS				EXISTING FACILITIES		
		Concrete Pad for Generators	15	4ft x 8ft Existing Sites	\$ 2,000 00	\$ 30,000.00	
		Concrete Pad for Cabinets	15	4ft x 6ft Existing Sites	\$ 1,500.00	\$ 22,500.00	\$ 52,500.00
	EXISTING SITE GROUNDING	Existing Site Grounding Materials			EXISTING FACILITIES		
		Materials	15	Includes: Grounding Rods, Stranded 2-0 cable, Ground Bars, Buss Bars Anchors, Lighting Rods for towers, Accessories and Equipment Grounding	\$ 2,000.00	\$ 30,000.00	\$ 30,000.00
	Existing Sites AC Power	Existing Site AC Power Materials			EXISTING FACILITIES		
		Materials for Existing Sites	15	Includes: Surge suppressor, Breaker Dist. Pannel, AC Cables, PVC Tubing, Lugs and Others	\$ 3,100 00	\$ 46,500.00	\$ 46,500.00
	Emergency Generator	Emergency Generators	23	For all sites. New and Existing	\$ 25,000 00	\$ 575,000.00	\$ 575,000.00
	Tower Accessories	Tower Accessories		ALL FACILITIES			
		Ice Bridge	46	10ft sections, 20ft/site	\$ 1,500.00	\$ 69,000.00	
		Ice Bridge Accessories	23	Corners/Joints Accessories	\$ 250.00	\$ 5,750.00	
		Tower Cable Ladder Run (20'x12") New and Existing Sites	69	Each section 20ft, 3 sections per tower	\$ 300.00	\$ 20,700.00	
		Installation Accessories	46	For Roof and Ice Bridge. Includes HD Epoxy paste, Ice Bridge foundation Material	\$ 600.00	\$ 27,600.00	\$ 123,050.00
							\$ 2026,650.00
Customer Premise	CPE's Accessories	CPE's and Power					
		PST260T-14V-1 (CPE)	250	ProST 2.5 - 2 69 GHz TDD - 14dBi Vert (excluding SDA)	\$ 500 00	\$ 125,000.00	
		PST370T-17V-1(CPE)	250	ProST 3.6 - 3 8GHz TDD - 17dBi Vert (excluding SDA)	\$ 500 00	\$ 125,000.00	
		PST490T-17V-1(CPE)	50	ProST 4.9GHz TDD - 17dBi Vert (excluding SDA)	\$ 500 00	\$ 25,000.00	
		SDA-4S-2-US	550	SDA-4S Type II - US (for ProST / BSR)	\$ 50.00	\$ 27,500.00	
		CPE Mounts and Accessories	550	For 2 5 - 2.69 GHz & 3 6 - 3.8 GHz	\$ 125 00	\$ 68,750.00	\$ 371,250.00
							\$ 371,250.00
MS	SYSTEMS	IT Systems HW & SW					
		BackOffice Servers	3	Includes Hardware Factory Database Setup, Auxilliary Alarm Cables 0-299 - Perpetual	\$ 10,000.00	\$ 30,000.00	
		UPS	1	1HR Backup	\$ 3,000.00	\$ 3,000.00	

BILLING & OPERATIONAL SUPPORT SYSTEMS	IT	SW Programs	8	Window Base SW	\$ 1,500.00	\$ 12,000.00	\$ 45,000 00
		Billing/Accounting SW					
	Billing Software	Billing SW Standard	1	For Customer Billing	\$ 20,000.00	\$ 20,000.00	\$ 20,000 00
	NOC & Customer support	NOC Computers / AV Equipment	1		\$ 75,000.00	\$ 75,000.00	
		AAA Radius Server	1	AAA Server	\$ 4,000.00	\$ 4,000.00	
							\$ 79,000 00
	NMS P2P	NMS (Management System) (P2P Radios) Microwaves	1	To include Hardware, Software, Factory Database Setup, Auxilliary Alarm Cables Capable for 500 elements	\$ 35,000.00	\$ 35,000.00	\$ 35,000 00
	NMS P2MP	NMS (Management System) (P2MP Radios) 2.5 GHz	92	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 55,591.00	
		NMS (Management System) (P2MP Radios) 3 65GHz	40	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 24,170.00	
		NMS (Management System) (P2MP Radios) 4 9GHz	20	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 12,085.00	\$ 91,846 00 \$ 270,846.00
OPERATING EQUIPMENT	VEHICLES	Vehicle Fleet for Network Maintenance Preventive and on-going	3	US Made vehicle, 4 x 4 required for Site Visits	\$ 35,000.00	\$ 105,000.00	\$ 105,000 00
	Lap Tops	For Systems Operations	3	Technical Roughtbook Laptop	\$ 3,000.00	\$ 9,000.00	\$ 9,000.00
	Test Equipment	RF Power Meter	3		\$ 7,000 00	\$ 21,000.00	
		RF Drive test tools	1	For Drive test	\$ 3,000 00	\$ 3,000.00	
		Camera	3		\$ 400 00	\$ 1,200.00	
		GPS	3		\$ 400 00	\$ 1,200.00	
		Tandem Compass/Inclinometer	3		\$ 250 00	\$ 750.00	
		RF Power Sensor	3		\$ 3,000 00	\$ 9,000.00	
		Frequency Counter	3		\$ 7,000 00	\$ 21,000.00	
		Ethernet/FO Analyzer	3	Sunrize telecom	\$ 10,000 00	\$ 30,000.00	
		Tools (Digital Multi-Tester and Tools)	3		\$ 1,200 00	\$ 3,600.00	\$ 90,750.00
	OFFICE EQUIPMENT	Desk and Accessories	5	Desks, Chairs Floor Mats & Other	\$ 10,000.00	\$ 50,000.00	
		Desktop Computers	5	Hardware, Monitor, Key Pad, Mouse & Others	\$ 1,500.00	\$ 7,500.00	
		Copiers	2	Office	\$ 1,200.00	\$ 2,400.00	
		Printers	2	Centralize Printers	\$ 1,200.00	\$ 2,400.00	\$ 62,300 00
	Office Building Prep	Office Leasehold Improvements	1	A/C System	\$ 10,000.00	\$ 10,000.00	
		Office Partitions Doors and Windows	1	General Office Area	\$ 20 000.00	\$ 20 000.00	
		Carpets, Visitors Chairs, Center Tables & Others	1	General Office Area	\$ 10,000.00	\$ 10,000.00	\$ 40,000 00 \$ 307,050.00
SERVICES	CONSULTING	Grant Preparation					
		Feasibility Study	0	Phase One	\$ 120,000.00	\$ -	
		Network Design	1	EDA Grant	\$ 110,000.00	\$ 110,000.00	\$ 110,000 00



## Company Profile

### Description:

PdC Telecom was established in 1995 to cover the entire Caribbean and Central America. Our involvement in the local Caribbean telecommunications industry has helped us understand these markets and its trends.

Our objective has been to represent a diversity of product lines in the Wireless Communications Technology that would complement themselves and would allowed us to deal with the Major Cellular Carriers, Government Agencies, Distributors, Installers and retailers in the region and offer a complete package of high quality products.

Our products deal with the infrastructure of land lines and wireless transmission in the Telecom Industry. A comprehensive description of our product lines are described under each represented suppliers.

### Sales Profile:

Sales Year	Revenues	Representation
2003	\$4,266,756	\$1,218,253
2004	\$4,897,897	\$4,335,075
2005	\$3,852,257	\$4,635,015
2006	\$3,250,018	\$4,509,000
2007 (Est)	\$4,500,900	\$3,800,000

### Customers:

All Cellular and PCS carries in the region, Government Municipalities in Puerto Rico, Local and Federal Government Agencies including: Puerto Rico Police Department, Oficina de Gerencia y Presupuesto, Public and Private Universities, Banking Sector, Commercial Institutions, Telecommunication Distributors, Re-Sellers and other Corporate Accounts.

**Representations:**

We currently represent 12 different US manufacturers. PdC Telecom's business partners include:

- 1) TROPOS NETWORKS
- 2) ELTEK/VALERE
- 3) MNI (Microwave Radios)
- 4) AMPHENOL ANTEL (Carrier Class, PCS and Cellular Antennas)
- 5) Rosenberger-LEONI/ Dupont Materials
- 6) Sabre Communications/Saber Tubular Structures (SS Towers, Monopoles and Tower Tubular Structures)
- 7) Proxim Wireless (P-M-P Radios)
- 8) APC (American Power Conversion)
- 9) Exalt Communications (Un-Licensed IP Radios)
- 10) Enterasys Networks (LAN Connectivity)
- 11) APTILO (Monitoring Services)
- 12) UTM (Unified Thread Management)

PdC Telecom is also a Non-Exclusive Distributor for:

- 1) GNB Batteries (Batteries)
- 2) Enersys Batteries (Through ELTEK)
- 3) Harger Lighting (Grounding Equipment and Accessories)
- 4) TWR Lighting (Lighting products for towers and monopoles)

**Service:****Installation:**

- **PdC Telecom, Inc.** provides vendor certified installation and high quality workmanship by experienced communications professionals. Your key account executive will submit a scope of work project package to our technical staff and will provide you with a competitive price and schedule of the installation.
  - Microwave design, installation and commissioning
  - Base Stations installations.
  - Construction and installation of in building systems
  - DSX wiring, T-1 provisioning
  - Civil, Electrical, tower crew work.
  - Site Conditioning
  - Wireless Engineering and Site Survey
  - Installation of Cell Sites
  - Installation of Cell Antennas (on towers & monopoles)

## **Project Management**

- **PdC Telecom, Inc.** treats every installation with the utmost organization and professionalism. After the site survey is completed, our client services group prepares a file with our network design, bill of materials and a scope of work document which includes all the necessary contracts, phone numbers addresses, circuit information and install dates to ensure a successful installation.

## **Configuration and Integration**

- To ensure end to end functionality of your data communication equipment, our installation engineers will configure your hardware to the specifications of the installation. PdC provides on-time quality workmanship throughout the installation process. All equipment placement and diagnostic testing of components are included.
  - Wireless Internet Connectivity
  - VoIP
  - Campus Networks
  - VPN
  - Broadband
  - IT Infrastructure
  - Data Centers
  - PC Terminals

## **Engineering**

- Perform Installation detail engineering that includes: site surveys, scope of work, installation material list, floor plans, cable running list, as built and necessary documentation.
- Preventive and On-Call Service Agreements
- Preventive and On-Call Service Agreements are designed to offer you priority on-site maintenance and an 8-hour response commitment on a contractual basis. Under this agreement, PdC On Call Tech Support will act as your first line of support, and if necessary, a technician will be dispatched to your site.

## **Cabling**

- Structured Cabling
- Design
- Implementation
- Maintenance
- Copper and Fiber Optic

## **RELEVANT PROJECT LIST**

In the last 3 years PdC have participated in several projects of importance. Among these are:

1. Expansion of the Verizon Dominicana (now CLARO) Microwave Networks with 16 new microwave path using Proteus AMT M-Series radios by MNI. Expansion of the south microwave backbone. Likewise, we have other 7 paths for the expansion of the southwest network of the country. Project Completion in July, 2007.
2. Expansion project of the network backhaul Ana G Mendez University Total 6 paths. December, 2007.
3. Expansion project last mile of Centennial PR, Verizon, Cingular (AT&T), with a total of 32 paths. This project continues at a rate of 3 paths per month.
4. Construction, design and installation of the backbone for the Municipality of San Juan for the implementation of IP system to the towns in the Metro area. Total Sites: 18. Tsunami 45Mbps radios.
5. Puerto Rico Police Department Wide Area Network Project: in the first phase of this project which was installed microwave terminal equipment infrastructure for voice applications, data and video.
6. Development and installation of Cingular UMTS project. Power equipment, Carrier Access Multiplexers for 98 sites. Construction until December, 2006
7. Claro / Ericsson BTS Installation of GSM / WCDMA and antenna systems, 2007

All these projects were successfully completed.

Other projects of relevance in the last 10 years:

1. STARNET of Puerto Rico, it was a turn-key project for the installation of more than 150 microwave links DS3 not licensed.
2. Design, install and commission the microwave backbone for Banco Popular de Puerto Rico, to its facilities between St. Croix and St. John, U.S. Virgin Islands.



## REFERENCES

1. Verizon Dominicana (Claro)
  - ❖ Project finish on July 2007. Begins January 2006.
  - ❖ Jorge Reynoso, Planning and Transmission Manager
  - ❖ Teléfono: (809)220-8124, e-mail: jorge\_reynoso@verizon.com.do
  - ❖ MNI Proteus AMT y Serie -M
2. Municipio de San Juan
  - ❖ Implemented between 2003-2005.
  - ❖ Ángel Nazario, Telecommunication Manager
  - ❖ Phone: (787) 977-0520 xt1508, email: anazario@sanjuancapital.com
  - ❖ Un-licensed Western Multiplex/Proxim Radios
  - ❖ Microwave expansion Project for Municipio de San Juan.
3. Oficina de Gerencia y Presupuesto
  - ❖ Implemented between 1999-2001.
  - ❖ Robert Clausell, Telecommunication Supervisor engineer
  - ❖ Phone: (787) 977-9200 xt4214, email: rclausse@ogp.gobierno.pr
  - ❖ Un-licensed Western Multiplex/Proxim Radios
  - ❖ Puerto Rico STARNET.
4. Policía de Puerto Rico
  - ❖ Implemented between 1999-2001.
  - ❖ Rubén Ramos, Félix Arroyo, Gilberto Santana o Kenneth Maldonado
  - ❖ Teléfono a.
    - (787) 793-1234 & (939) 644-8519
    - (787) 793-1234 & (939) 644-8578
    - (787) 793-1234 & (787) 640-1276
    - (787) 793-1234 EXT: X3116
  - ❖ Wide Area Network Voice and Data.
  - ❖ Turn-key Project with engineering, installation and support service.

## **FACILITIES**

PdC Telecom has its main office located in Bldg. Nildet, Suite 1-B, Lopategui Street, Lot 9, Junction with the Martinez Nadal express way, Guaynabo, PR 00969.

Our facility in Guaynabo has a warehouse with approximately 9,000 square foot storage capacity, which is currently with an inventory of products of US\$450,000 from our commercial partners.

Additionally, PdC Telecom has a regional office in Dominican Republic, with two local sales engineers, experts in the installation and sales of telecommunications products

### **View of our facility in Guaynabo:**



Nildet Building / PDC Telecom

## **Strategy and Services Procedure**

PdC Telecom maintains highly qualified technical staff in Puerto Rico. We offer technical support for DC Power (Rectifiers), Microwave and IT systems in and outside Puerto Rico.

We have a vast experience in the telecommunications area either as RF as Microwave, we install most of the projects designed, depending on our customers; however we create the final configuration that we design even if customer performs the installation with its own staff

We offer frequency coordination services directly or through Radio Dynamics Corp. in the United States.

In services, we take care of the equipment warranties locally. Our partners (Business Partners), manufacturers give us the right support for our projects either under warranty or out of warranty.

We keep qualified personnel for facilities maintenance, service outage and emergency replacements. Currently we have commitments for Emergency Services with AT&T Wireless, Sistema Universitario Ana G. Mendez and Centennial de Puerto Rico.

The first emergency call for service interruption is through us. If our staff can not repair the fault, we will contact our suppliers and with our customers, we work the source of the problem to control and eradicate it.

We provide recruitment services for maintenance once the systems are out of warranty. We adjust to customer requirements considering the corporate policies of our Business Partners

August 12, 2009

Margarita Millán  
Vicepresident and General Manager  
Sí TV  
PO Box 21345  
San Juan, PR 00928-1345

**RE: LETTER OF INTENT**

Dear Ms. Millán:

This letter of intent (the "Letter") sets the intention upon which INICIATIVA TECNOLÓGICA CENTRO ORIENTAL, INC. (hereinafter referred to as "INTECO") proposes to SISTEMA UNIVERSITARIO ANA G. MÉNDEZ INCORPORADO/ WMTJ-TV-CHANNEL 40, Sí TV (hereinafter referred to as "SUAGM"), to lease SUAGM's EBS channel C4, of Call Sign WLX662 at 2584.0 MHz - 2590.0 MHz (the "Channel C4"), under the terms and conditions in good faith negotiated by both parties.

os  
INTECO is participating in the Broadband Technology Opportunities Program ("BTOP") which makes available grants for deploying broadband infrastructure in unserved and underserved areas in the United States, including Puerto Rico, enhancing broadband capacity at public computer centers, and promoting sustainable broadband adoption projects. Therefore, if the grant is awarded to INTECO, it will commence with the construction of the "INTECO Regional Broadband Network" (hereinafter referred to as the "INTECO Broadband"). However, in order to commence the construction of the INTECO Broadband, INTECO needs to lease a channel.

ut  
SUAGM, through the Telecommunications and Distance Education Center ("Centro de Telecomunicaciones y Educación a Distancia" ("CETED")) Channel 40, was authorized by the Federal Communications Commission ("FCC"), to construct EBS Station WLX266 (the "License") using channels C1 through C4 (the "Channels"), located in 18-16-41.8 North (N), 65-56-21.6 West (W), Gurabo, Puerto Rico and surrounding areas (the "Market"). SUAGM has leased to a third party channels C1 thru C3, but has retained Channel C4.

Therefore, INTECO, hereby request to SUAGM, one of its members from the educational sector, to evaluate the alternative of leasing the Channel C4, to INTECO, upon the terms and conditions to be negotiated and agreed by both parties.

This Letter is intended only to set forth the terms upon which SUAGM will evaluate the alternative of leasing Channel C4 to INTECO and does not constitute any commitment or agreement either to continue such negotiations for any period of time or to proceed with the Lease of Channel C4.

1. Conditions Precedent to a Definitive Agreement The execution by the parties of one or more the definitive agreements with respect to the subject matter of this Letter shall be contingent upon the following:

- a) INTECO receives the requested funds (grant) from the Federal Government necessary to commence the construction of the INTECO Broadband;

- b) There is no violation of any applicable existing statute, regulation or court order of any state or federal government, or any of either parties' existing contractual obligations; and
- c) Both INTECO and SUAGM are able to negotiate in a good faith, the essential terms and conditions to a definitive agreement with respect to the subject matter of this Letter.

2. Termination; Binding Effect. If a definitive Agreement is not signed, in accordance to the above paragraph, within the next thirty (30) calendar days of INTECO's notification to SUAGM of the granting of the Funds, this Letter shall expire. However, the parties may extend this Letter through a written amendment.

Each party acknowledges and agrees its performance hereunder is done at such party's own risk and it will not bring claim or action against the other party as a result of any failure to agree on or enter into any definitive agreement contemplated by this Letter.

3. Letter of Intent not a Contract. This Letter is not intended to, and shall not be deemed to, create a binding contract between INTECO and SUAGM, but only to set forth an expression of the basis upon which SUAGM will evaluate the proposed activity and no party shall have any obligation or liability to the other.

This Letter does not contain all of the essential terms with respect to the final agreement between the parties, and the parties acknowledge that they must complete negotiations on the points set forth in this Letter as well as on points beyond the scope of this Letter, before reaching a definitive agreement.

4. Governing Law. The terms of this Letter shall be governed by the laws of the Commonwealth of Puerto Rico.

5. Counterparts. This Letter may be executed in two or more counterparts, each of which may bear the execution of some or all of the parties but all of which, taken together, shall constitute a single instrument.

6. Amendments. This Letter may be amended or modified only by a writing executed by each of the parties hereto.

7. Entire Agreement. This Letter supersedes any prior discussions or agreements of the parties.

8. Notice. All notices which are required or may be given pursuant to the terms of this Letter shall be in writing and shall be sufficient in all respects if given in writing and shall be effective on the date of delivery if delivered in person, by facsimile transmission (receipt confirmed), or electronic communication (receipt confirmed); one (1) day after the date on which it is sent by overnight delivery, freight prepaid; or five (5) business days after being mailed by registered, certified or express mail, postage prepaid, as follows:

If to SUAGM:

Margarita Millán  
Vicepresidenta y Gerente General  
Sí TV  
PO Box 21345  
San Juan, PR 00928-1345  
Tel. (787) 766-2600  
Fax (787) 250-8546  
E-mail: mamillan@suagm.edu

If to INTECO:

Ing. Oscar Jimenez  
PR 34 Ave. Régimen 295  
Solar 14-A  
Parque Industrial Oeste  
Valle Tolima, Caguas PR

or

Primer Piso #65  
Calle Betances  
Caguas, PR 00725  
Tel. 787-961-2001  
Fax 787-961-2020  
E-mail: ojimenez@intecopr.com

Or at such other address as any party hereto shall have designated by written notice to the other party hereto in the manner set forth above.

This Letter is intended to provide a satisfactory basis to proceed with the negotiations aimed to evaluate the alternative for SUAGM to lease to INTECO Channel C4. Please indicate your concurrence to the foregoing by signing the enclosed copy of this Letter and returning it to us at your earliest convenience.

Very truly yours,

**INICIATIVA TECNOLÓGICA CENTRO ORIENTAL, INC.  
INTECO**

---

**OSCAR JIMENEZ MARTIR  
EXECUTIVE PRESIDENT**

Date: 13 de agosto de 2009

Accepted and Agreed to:

**SISTEMA UNIVERSITARIO ANA G. MÉNDEZ INCORPORADO  
SUAGM  
WMTJ-TV-CHANNEL 40, Sí TV,**

---

**MARGARITA MILLÁN  
VICEPRESIDENT AND GENERAL MANAGER**

Date: 8-13-2009.

Iniciativa Tecnologica Centro Oriental (INTECO) - 1202				
BUDGET INFORMATION - Construction Programs				
NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.				
COST CLASSIFICATION	a. Total Cost	b. Matching Funds (Cash)	c. Matching Funds (In-Kind)	d. Federal Funding Request (Columns a-b-c)
1. Administrative and legal expenses	\$0	\$0	\$0	\$0
2. Land, structures, rights-of-way, appraisals, etc.	\$6,911,650	\$5,460,000	\$0	\$1,451,650
3. Relocation expenses and payments	\$0	\$0	\$0	\$0
4. Architectural and engineering fees	\$581,000	\$0	\$0	\$581,000
5. Other architectural and engineering fees	\$0	\$0	\$0	\$0
6. Project inspection fees	\$0	\$0	\$0	\$0
7. Site work	\$0	\$0	\$0	\$0
8. Demolition and removal	\$0	\$0	\$0	\$0
9. Construction	\$2,126,700	\$0	\$0	\$2,126,700
10. Equipment	\$8,043,008	\$0	\$0	\$8,043,008
11. Miscellaneous	\$728,816	\$0	\$0	\$728,816
12. SUBTOTAL (add #1 through #11)	\$18,391,174	\$5,460,000	\$0	\$12,931,174
13. Contingencies	\$0	\$0	\$0	\$0
14. SUBTOTAL (add #12 and #13)	\$18,391,174	\$5,460,000	\$0	\$12,931,174
15. Project (program) income	\$0	\$0	\$0	\$0
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$18,391,174	\$5,460,000	\$0	\$12,931,174
FEDERAL FUNDING				
17. Federal assistance requested, calculated as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.			Enter eligible costs from line 16a Multiply X 20%  \$3,678,235	

## DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB

0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

(See reverse for public burden disclosure.)

<b>1. Type of Federal Action:</b> <input checked="checked" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		<b>2. Status of Federal Action:</b> <input checked="checked" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		<b>3. Report Type:</b> <input checked="checked" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____	
<b>4. Name and Address of Reporting Entity:</b> <input checked="checked" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Iniciativa Tecnológica Centro Oriental, Inc. #65 Betances Street (First Floor) Caguas, Puerto Rico 00725  <b>Congressional District, if known:</b> US			<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b> NOT APPLICABLE. Reporting entity in No. 4 is the Prime.  <b>Congressional District, if known:</b> US		
<b>6. Federal Department/Agency:</b> US Department of Commerce National Telecommunications and Information Administration (NTIA)			<b>7. Federal Program Name/Description:</b> Broadband Technology Opportunities Program  <b>CFDA Number, if applicable:</b> 11.557		
<b>8. Federal Action Number, if known:</b> Not known			<b>9. Award Amount, if known:</b> Any Award have been \$ _____ obtained as of this date.		
<b>10. a. Name and Address of Lobbying Registrant</b> (if individual, last name, first name, MI): NOT APPLICABLE. No Lobbying Registrant.			<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI): NOT APPLICABLE. No Individuals Performing Services.		
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: _____ Print Name: <u>Eng. Oscar Jiménez-Mártir</u> Title: <u>Executive President</u> Telephone No.: <u>(787) 653-5171</u> Date: <u>8/11/2009</u>		
<b>Federal Use Only:</b>			Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)		



## General Budget Overview: INTECO (1202)

Budget	Loan Request	Federal Funding Request	Matching Funds (Cash)	Matching Funds (In-Kind)	Equity	Debt	Bond	Other
Network & Access Equipment (switching, routing, transport, access)		5,205,351						
Outside Plant (cables, conduits, ducts, poles, towers, repeaters, etc.)		1,254,004						
Buildings and Land – (new construction, improvements, renovations, lease)		2,026,650	5,460,000					
Customer Premise Equipment (modems, set-top boxes, inside wiring, etc.)		371,250						
Billing and Operational Support Systems (IT systems, software, etc.)		270,846						
Operating Equipment (vehicles, office equipment, other)		307,050						
Engineering/Professional Services (engineering design, project management, consulting, etc.)		581,000						
Testing (network elements, IT system elements, user devices, test generators, lab furnishings, servers/computers, etc.)		395,507						
Site Preparation		1,790,700						
Other		728,816						
<b>TOTAL BROADBAND SYSTEM:</b>	<b>\$0</b>	<b>\$12,931,174</b>	<b>\$5,460,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

TOTAL
\$5,205,351
\$1,254,004
\$7,486,650
\$371,250
\$270,846
\$307,050
\$581,000
\$395,507
\$1,790,700
\$728,816
\$18,391,174

12/7/2009	Project Cost Estimate for INTECO Broadband Project				
ASSUMPTIONS					
Number Of Sites	23	As per Site Surveys	CPE'S	500	
Number Of Microwave Links	29	As per Site Surveys	Microwave Antennas		
Number of P2P Links High Power 1+0	13	Total of 58 MW Radio Terminals	2ft HP Ant		
Number of P2P Links Standard Power 1+0	15	Total of 58 MW Radio Terminals	2.5ft HP Ant		
Number of P2P Links Standard Power 1+1	1	Total of 58 MW Radio Terminals	3ft HP Ant	34	
Number of P2MP Links 2.5Ghz	23	Four Sectors 1 antenna per sector	4ft HP Ant	26	
Number of P2MP Links 3.65Ghz	10	Four Sectors 1 antenna per sector	6ft HP Ant	0	
Number of Existing Sites	15	Private Owned Locations	8ft HP Ant	0	
Number of New Tower Sites for Construction	8	Chosen Sites per Site Survey	Unit Cost	Total	

NETWORK & ACCESS EQUIPMENT	\$ 5,205,351.00
OUTSIDE PLANT	\$ 1,254,003.50
BUILDING AND LAND	\$ 2,026,650.00
CUSTOMER PREMISE	\$ 371,250.00
BILLING & OPERATIONAL SUPPORT SYSTEMS	\$ 270,846.00
OPERATING EQUIPMENT	\$ 307,050.00
PROFESSIONAL SERVICES	\$ 581,000.00
TESTING	\$ 395,507.00
SITE PREPARATION	\$ 1,790,700.00
CAPITAL LEASE	\$ 5,460,000.00

Sub Total====>	\$ 17,662,357.50
Tax 7% (labor exempt)====>	\$ 728,816.03
GRAND TOTAL====>	\$ 18,391,173.53

Cash Match %	30%
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Revised 12-11-09		Project Cost Estimate for INTECO Broadband Project					
ASSUMPTIONS							
Number Of Sites		23	As per Site Surveys	CPE'S 2.5/3.65G	500		
Number Of Microwave Links		29	As per Site Surveys	CPE's 4.9GHz	50		
Number of P2P Links High Power 1+0		13	Total of 58 MW Radio Terminals	Microwave Antennas			
Number of P2P Links Standard Power 1+0		15	Total of 58 MW Radio Terminals	2ft HP Ant			
Number of P2P Links Standard Power 1+1		1	Total of 58 MW Radio Terminals	2.5ft HP Ant			
Number of P2MP Links 2.5Ghz		23	4 Sectors 1 antennas per sector	3ft HP Ant	34		
Number of P2MP Links 3.65Ghz		10	4 Sectors 1 antennas per sector	4ft HP Ant	26		
Number of P2MP Links 4.9Ghz		5	4 Sectors 1 antennas per sector	6ft HP Ant			
Number of Existing Sites		15	Private Owned Locations	8ft HP Ant			
Number of New Tower Sites for Construction		8	Chosen Sites per Site Survey	Unit Cost	Total		
		Requirement	Qty	Description	Including Freigh andTaxes		
NETWORK & ACCESS EQUIPMENT	RADIO 1	RADIO TERMINAL, 11 GHz, Non Protected, <b>High Power</b> , Split Mount, Licensed for 155 Mbit/s in 30 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	26	P-to-P Radios (One Radio)	\$ 10,000.00	\$ 260,000.00	\$ 260,000.00
	RADIO 2	RADIO TERMINAL, 11 GHz, Non Protected, <b>Standard Power</b> , Split Mount, Licensed for 155 Mbit/s in 28 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	30	P-to-P Radios (One Radio)	\$ 9,900.00	\$ 297,000.00	\$ 297,000.00
	RADIO 3	Proteus AMT M-Series, 11 GHz, <b>Hot Standby Protected, Standard Power</b> , Split Mount, Licensed for 155 Mbit/s in 28 MHz Channel, 128TCM, a single GigE - 4 Port Electrical LIM	2	P-to-P Radios (One Radio)	\$ 19,900.00	\$ 39,800.00	\$ 39,800.00
	License P-to-P	Licensing. Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	58	FCC Licensing Fees per P-to-P Radios	\$ 1,500.00	\$ 87,000.00	\$ 87,000.00
	Router	Router Switch	23	Cisco ME C3750 Switch - 24 10/100 + 2 SFP, DC Power, W/Metro IP Access. Cisco ME C3750 Advanced IP feature license	\$ 18,441.00	\$ 424,143.00	\$ 424,143.00
	2.5 GHz P2MP RADIO	Point to Multipoint 2.5GHz Radio:			There is an assumption that we will need a total of 23 BTS to cover all the region		
		Base Station Equipment - Standard Configuration (23 Total)					
		SDR-A-CTC-1 (23 Sites Four/Sector)	92	ATCA SDR Blade	\$ 10,496.00	\$ 965,632.00	
		SCRT-1-25T-1 (23 Sites Four/Sector)	92	SCRT 2.5GHz TDD (connectorised)	\$ 4,800.00	\$ 441,600.00	
		SFP-768-1 (23 Sites Four/Sector)	92	768Mbps Multimode SFP Module	\$ 128.00	\$ 11,776.00	
ATCA-5-B-1 (One per Site)		23	5-Slot ATCA Chassis kit (Type B)	\$ 6,742.00	\$ 155,066.00		
ATCA-SC-B-1 (One per Site)		23	ATCA Shelf Manager (type B)	\$ 3,057.00	\$ 70,311.00		
GPS for 2.5GHz and 3.65GHz Sites			Good for ALL P2MP Systems				
GPSR-R-19-ANT-1 (One per Site)		23	19" Rack Mount GPS Receiver & External Antenna for HiperMAX	\$ 7,986.00	\$ 183,678.00	\$ 1,828,063.00	
3.65 GHz P2MP RADIO	Point to Multipoint 3.65GHz Radio:			There is an assumption that we will need a total of 23 BTS to cover all the region			
	Base Station Equipment - Standard Configuration ( 10 Total)						
	SDR-A-CTC-1 (10 Sites Four/Sector)	40	ATCA SDR Blade	\$ 10,496.00	\$ 419,840.00		
	SCRT-1-365T-1 (10 Sites Four/Sector)	40	SCRT 3.6 - 3.7GHz TDD (connectorised)	\$ 3,877.00	\$ 155,080.00		
	SFP-768-1 (10 Sites Four/Sector)	40	768Mbps Multimode SFP Module	\$ 128.00	\$ 5,120.00		
	ATCA-5-B-1 (One per Site)	10	5-Slot ATCA Chassis kit (Type B)	\$ 6,742.00	\$ 67,420.00		
	ATCA-SC-B-1 (One per Site)	10	ATCA Shelf Manager (type B)	\$ 3,057.00	\$ 30,570.00		
	GPS for Site (Included Above)			Good for ALL P2MP Systems			

						\$ 678,030.00
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NETWORK & ACCESS EQUIPMENT	4.9 GHz P2MP RADIO	Point to Multipoint 4.9GHz Radio:			There is an assumption that we will need a total of 23 BTS to cover all the region	
		Base Station Equipment - Standard Configuration (4 Total)				
		SDR-A-CTC-1 (5 Sites Four/Sector)	20	ATCA SDR Blade	\$ 10,496.00	\$ 209,920.00
		SCRT-1-365T-1 (5 Sites Four/Sector)	20	SCRT 4.9GHz TDD (connectorised)	\$ 3,877.00	\$ 77,540.00
		SFP-768-1 (5 Sites Four/Sector)	20	768Mbps Multimode SFP Module	\$ 128.00	\$ 2,560.00
		ATCA-5-B-1 (One per Site)	5	5-Slot ATCA Chassis kit (Type B)	\$ 6,742.00	\$ 33,710.00
		ATCA-SC-B-1 (One per Site)	5	ATCA Shelf Manager (type B)	\$ 3,057.00	\$ 15,285.00
		GPS for Site (Included Above)			Good for ALL P2MP Systems	
	WiFi Metro Mesh	Wireless Controller (100 AP)	3	MC4100. Installed at the NOC.	\$ 30,000.00	\$ 90,000.00
		Software License Upgrade	3	For MC4100 Controllers	\$ 10,000.00	\$ 30,000.00
		Single radio 802.11n AP	400	For schools	\$ 795.00	\$ 318,000.00
		Tropos 5210	32	City Centers	\$ 1,500.00	\$ 48,000.00
		Hardware for Installation	32	City centers	\$ 500.00	\$ 16,000.00
		1st year support	1	For Controllers and AP's	\$ 19,500.00	\$ 19,500.00
	Auxiliary For Network Access	Rectifier Chassis (N+1) Protected	23	Rectifier Chassis (45Amp Capacity)	\$ 3,000.00	\$ 69,000.00
		Batteries	184	8 Batteries/Site	\$ 450.00	\$ 82,800.00
Outdoor Cabinet For P2P Radios, Rectifier, Batteries, Fuse Panels, others 40RU's		23	Equipment Rack 80"-40RU's w/Air Conditioner	\$ 7,500.00	\$ 172,500.00	
Fuse Panel A/B, 60A		23	Fuse Panel, 1UR, 20 Position,	\$ 500.00	\$ 11,500.00	
					\$ 335,800.00	
Iron Port	Cisco Iron Port	4	For the Egress point. (Prepanet)	\$ 94,000.00	\$ 376,000.00	\$ 376,000.00
License P2MP	Licensing, Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	38	FCC Licensing Fees P2MP 2.50GHz and 3.65GHz Radios	\$ 500.00	\$ 19,000.00	\$ 19,000.00 \$ 5,205,351.00
OUTSIDE PLANT	P-to-P Antena 1	3FT Antenna	34	HPD3-1111RS High Performance, 11 Ghz, Dual Polarized 3ft diameter	\$ 1,800.00	\$ 61,200.00
		Antenna Mount Tower or Tripode	34	Tripode or HD Wall Z-Mount	\$ 1,100.00	\$ 37,400.00
		Flex -Twist	34	ODU to Antenna Connection	\$ 450.00	\$ 15,300.00
		Swaybars	34	SWY-HP3	\$ 290.00	\$ 9,860.00
						\$ 123,760.00
	P-to-P Antena 2	4FT Antenna	26	HPD4-11RSHigh Performance, 11 Ghz, Dual Polarized 4ft diameter	\$ 2,700.00	\$ 70,200.00
		Antenna Mount Tower or Tripode	26	Tripode or HD Wall Z-Mount	\$ 1,100.00	\$ 28,600.00
		Flex -Twist	26	ODU to Antenna Connection	\$ 450.00	\$ 11,700.00
		Swaybars	52	SWY-HP4	\$ 390.00	\$ 20,280.00
						\$ 130,780.00
	P2P Antennas	HARDWARE MATERIAL AND ACCESSORIES FOR P2P RADIOS				
		HARDWARE	29	Includes LMR-400 cable, Connectors, Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2P Radios	\$ 700.00	\$ 20,300.00
		Ant. Lightning Protector NM-NF	60	One per Antenna Cable	\$ 125.00	\$ 7,500.00
						\$ 27,800.00
	2.5 GHz P2MP ANTENNAS	2.5GHz Outside Plant - Standard Configuration (23 Total Sites)				
		Antennas	92	2.5GHz	\$ 1,000.00	\$ 92,000.00
		Antenna Jumpers	0	3m Coax Cables	\$ 125.00	\$ -
SEC90V-SCRT-2.5-RC-2		92	2.5GHz90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498.50	\$ 45,862.00	
FIB-30-INST-1		92	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480.00	\$ 44,160.00	
PWR-30-INST-2		92	30m -48vdc Power Cable Kit for HiperMAX	\$ 258.00	\$ 23,736.00	
FIB-PIGMNT-19-1		23	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66.50	\$ 1,529.50	
FIB-2-INT-LC-ODC-1		92	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340.50	\$ 31,326.00	

OUTSIDE PLANT		GPS Outside Plant		Good for ALL P2MP Systems	
		CBL-GPS-TNC-16-1	23	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ 2,293.10
		PMK-GPS-1	23	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ 9,149.40
	3.65 GHz P2MP ANTENNAS	3.65GHZ Outside Plant - Standard Configuration (10 Total Sites)			
		Antennas	40	3.6 - 3.7GHz	\$ 1,000.00 \$ 40,000.00
		Antenna Jumpers	0	3m Coax Cables	\$ 125.00 \$ -
		SEC90V-SCRT-3.5-RC-1	40	3.5GHz90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498.50 \$ 19,940.00
		FIB-30-INST-1	40	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480.00 \$ 19,200.00
		PWR-30-INST-2	40	30m -48vdc Power Cable Kit for HiperMAX	\$ 258.00 \$ 10,320.00
		FIB-PIGMNT-19-1	10	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66.50 \$ 665.00
		FIB-2-INT-LC-ODC-1	40	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340.50 \$ 13,620.00
		GPS Outside Plant (Included Above)		Good for ALL P2MP Systems	
		CBL-GPS-TNC-16-1	0	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ -
		PMK-GPS-1	0	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ -
	4.9 GHz P2MP ANTENNAS	4.9GHZ Outside Plant - Standard Configuration (4 Total Sites)			
		Antennas	20	4.9Ghz	\$ 1,000.00 \$ 20,000.00
		Antenna Jumpers	0	3m Coax Cables	\$ 125.00 \$ -
		SEC90V-SCRT-3.5-RC-1	20	4.9GHz 90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit)	\$ 498.50 \$ 9,970.00
		FIB-30-INST-1	20	30m Fibre Cable Kit for HiperMAX and SDR-Micro	\$ 480.00 \$ 9,600.00
		PWR-30-INST-2	20	30m -48vdc Power Cable Kit for HiperMAX	\$ 258.00 \$ 5,160.00
		FIB-PIGMNT-19-1	5	19" Rack Mount Plate For Fibre Pigtail Cables	\$ 66.50 \$ 332.50
		FIB-2-INT-LC-ODC-1	20	2M multimode fibre pigtail cable - ODC - LC connectors	\$ 340.50 \$ 6,810.00
		GPS Outside Plant (Included Above)		Good for ALL P2MP Systems	
		CBL-GPS-TNC-16-1	0	16m GPS Cable RG58 TNC-TNC for HiperMAX	\$ 99.70 \$ -
		PMK-GPS-1	0	GPS Antenna Pole Mounting Kit for HiperMAX	\$ 397.80 \$ -
	P2MP Antennas	HARDWARE MATERIAL AND ACCESSORIES FOR P2MP RADIOS			
		HARDWARE	38	Includes Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2MP Radios	\$ 700.00 \$ 26,600.00
		Ant. Lightning Protector NM-NF	152	One per Antenna Cable	\$ 125.00 \$ 19,000.00
		Tower and/or Roof-Top Sector Mounts and Accessories	38	3 sectors, 1 to 2 Antennas per Sector (4-6 total)	\$ 3,200.00 \$ 121,600.00
	PREPANet	PREPA F.O. install			
		Cayey Quoted Fiber Install	1	F.O. PREPANet	\$ 84,000.00 \$ 84,000.00
		4th egress Quoted Fiber Install	1	F.O. PREPANet	\$ 96,000.00 \$ 96,000.00
		Juncos Quoted Fiber Install	1	F.O. PREPANet	\$ 60,000.00 \$ 60,000.00
		Naguabo Quoted Fiber Install	1	F.O. PREPANet	\$ 96,000.00 \$ 96,000.00

BUILDING AND LAND	Auxiliary	<b>Auxiliary: Fuse &amp; Cabinet Acc</b>					
		Fuses (20 fuses)	460	For Fuse Panel	\$ 5.00	\$ 2,300.00	
		Cabinet Anchor Kits	23	4 each/ Expansiones y Tornillos	\$ 150.00	\$ 3,450.00	
		Fuse and Cabinet Accessories	23	For Auxiliaries	\$ 1,000.00	\$ 23,000.00	\$ 28,750.00
	DC Power	<b>Power Rectification Accessories</b>					
		Load Breakers	161	5Amps (7) per site	\$ 20.00	\$ 3,220.00	
		Load Breakers	69	10Amps (3) per site	\$ 20.00	\$ 1,380.00	
		Battery Shelves	46	Heavy Duty (Hold 4 Baterries)	\$ 240.00	\$ 11,040.00	
		Battery Accessories	92	Battery Cables (Kit of 4), Interconnection Cables	\$ 200.00	\$ 18,400.00	\$ 34,040.00 \$ 1,254,003.50
	Poles	<b>New Construction, Improvements, Renovations &amp; Lease</b>			<b>NEW FACILITIES</b>		
		<b>Monopole &amp; Site Materials</b>					
		New 120ft Monopole Structure	8	Includes: Transportation, Monopole, Foundation, Accessories, Permit Costs and Equipment Rental, insurance	\$ 123,400.00	\$ 987,200.00	
		New 40ft guyed tower	1	For NOC	\$ 2,400.00	\$ 2,400.00	
		Secure Perimeter Fencing w/ pads	8	Includes Pads, 4'x6' and 4'x8' & Fence on NEW SITES	\$ 14,000.00	\$ 112,000.00	\$ 1,101,600.00
	NEW SITE GROUNDING	<b>New Site Grounding Materials</b>			<b>NEW FACILITIES</b>		
		Materials	8	Includes: Grounding Rods, Stranded 20 cable, Ground Bars, Buss Bars Anchors, Lighting Rods for towers, Accessories and Equipment Grounding	\$ 6,750.00	\$ 54,000.00	\$ 54,000.00
	New Sites AC Power	<b>New Site AC Power Materials</b>			<b>NEW FACILITIES</b>		
		Materials for New Sites	8	Includes: Installation Frame, Surge suppressor, Breaker Dist. Pannel, AC Cables, PVC Tubing, Lugs and Others	\$ 5,500.00	\$ 44,000.00	\$ 44,000.00
	PADS	<b>EXISTING FACILITIES</b>					
		Concrete Pad for Generators	15	4ft x 8ft Existing Sites	\$ 2,000.00	\$ 30,000.00	
		Concrete Pad for Cabinets	15	4ft x 6ft Existing Sites	\$ 1,500.00	\$ 22,500.00	\$ 52,500.00
	EXISTING SITE GROUNDING	<b>Existing Site Grounding Materials</b>			<b>EXISTING FACILITIES</b>		
		Materials	15	Includes: Grounding Rods, Stranded 20 cable, Ground Bars, Buss Bars Anchors, Lighting Rods for towers, Accessories and Equipment Grounding	\$ 2,000.00	\$ 30,000.00	\$ 30,000.00
	Existing Sites AC Power	<b>Existing Site AC Power Materials</b>			<b>EXISTING FACILITIES</b>		
		Materials for Existing Sites	15	Includes: Surge suppressor, Breaker Dist. Pannel, AC Cables, PVC Tubing, Lugs and Others	\$ 3,100.00	\$ 46,500.00	\$ 46,500.00
	Emergency Generator	Emergency Generators	23	For all sites. New and Existing	\$ 25,000.00	\$ 575,000.00	\$ 575,000.00
	Tower Accessories	<b>Tower Accessories</b>		<b>ALL FACILITIES</b>			
		Ice Bridge	46	10ft sections, 20ft/site	\$ 1,500.00	\$ 69,000.00	
		Ice Bridge Accessories	23	Corners/Joints Accessories	\$ 250.00	\$ 5,750.00	
		Tower Cable Ladder Run (20'x12") New and Existing Sites	69	Each section 20ft, 3 sections per tower	\$ 300.00	\$ 20,700.00	
		Installation Accessories	46	For Roof and Ice Bridge. Includes HD Epoxy paste, Ice Bridge foundation Material	\$ 600.00	\$ 27,600.00	\$ 123,050.00 \$ 2,026,650.00
	Customer Premise	<b>CPE's and Power</b>					
		PST260T-14V-1 (CPE)	250	ProST 2.5 - 2.69 GHz TDD - 14dBi Vert (excluding SDA)	\$ 500.00	\$ 125,000.00	
		PST370T-17V-1(CPE)	250	ProST 3.6 - 3.8GHz TDD - 17dBi Vert (excluding SDA)	\$ 500.00	\$ 125,000.00	
		PST490T-17V-1(CPE)	50	ProST 4.9GHz TDD - 17dBi Vert (excluding SDA)	\$ 500.00	\$ 25,000.00	
		SDA-4S-2-US	550	SDA-4S Type II - US (for ProST / BSR)	\$ 50.00	\$ 27,500.00	
		CPE Mounts and Accessories	550	For 2.5 - 2.69 GHz & 3.6 - 3.8 GHz	\$ 125.00	\$ 68,750.00	\$ 371,250.00 \$ 371,250.00



BILLING & OPERATIONAL SUPPORT SYSTEMS	IT SYSTEMS	IT Systems HW & SW					
		BackOffice Servers	3	Includes Hardware Factory Database Setup, Auxilliary Alarm Cables 0-299 - Perpetual	\$ 10,000.00	\$ 30,000.00	
		UPS	1	1HR Backup	\$ 3,000.00	\$ 3,000.00	
		SW Programs	8	Window Base SW	\$ 1,500.00	\$ 12,000.00	\$ 45,000.00
	Billing Software	Billing/Accounting SW					
		Billing SW Standard	1	For Customer Billing	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
	NOC & Customer support	NOC Computers / AV Equipment	1		\$ 75,000.00	\$ 75,000.00	
		AAA RADIUS Server	1	AAA Server	\$ 4,000.00	\$ 4,000.00	
							\$ 79,000.00
	NMS P2P	NMS (Management System) (P2P Radios) Microwaves	1	To include Hardware, Software, Factory Database Setup, Auxilliary Alarm Cables Capable for 500 elements	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
	NMS P2MP	NMS (Management System) (P2MP Radios) 2.5 GHz	92	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 55,591.00	
		NMS (Management System) (P2MP Radios) 3.65GHz	40	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 24,170.00	
		NMS (Management System) (P2MP Radios) 4.9GHz	20	SECTORIZED NS-AIL-0-299-1 Netspan Air Interface License: 0-299 - Perpetual	\$ 604.25	\$ 12,085.00	\$ 91,846.00 \$ 270,846.00
OPERATING EQUIPMENT	VEHICLES	Vehicle Fleet for Network Maintenance Preventive and on-going	3	US Made vehicle, 4 x 4 required for Site Visits	\$ 35,000.00	\$ 105,000.00	\$ 105,000.00
	Lap Tops	For Systems Operations	3	Technical Roughtbook Laptop	\$ 3,000.00	\$ 9,000.00	\$ 9,000.00
	Test Equipment	RF Power Meter	3		\$ 7,000.00	\$ 21,000.00	
		RF Drive test tools	1	For Drive test	\$ 3,000.00	\$ 3,000.00	
		Camera	3		\$ 400.00	\$ 1,200.00	
		GPS	3		\$ 400.00	\$ 1,200.00	
		Tandem Compass/Inclinometer	3		\$ 250.00	\$ 750.00	
		RF Power Sensor	3		\$ 3,000.00	\$ 9,000.00	
		Frequency Counter	3		\$ 7,000.00	\$ 21,000.00	
		Ethernet/FO Analyzer	3	Sunrize telecom	\$ 10,000.00	\$ 30,000.00	
		Tools (Digital Multi-Tester and Tools)	3		\$ 1,200.00	\$ 3,600.00	\$ 90,750.00
	OFFICE EQUIPMENT	Desk and Accessories	5	Desks, Chairs Floor Mats & Other	\$ 10,000.00	\$ 50,000.00	
		Desktop Computers	5	Hardware, Monitor, Key Pad, Mouse & Others	\$ 1,500.00	\$ 7,500.00	
		Copiers	2	Office	\$ 1,200.00	\$ 2,400.00	
		Printers	2	Centralize Printers	\$ 1,200.00	\$ 2,400.00	\$ 62,300.00
	Office Building Prep	Office Leasehold Improvements	1	A/C System	\$ 10,000.00	\$ 10,000.00	
		Office Partitions, Doors and Windows	1	General Office Area	\$ 20,000.00	\$ 20,000.00	
		Carpets, Visitors Chairs, Center Tables & Others	1	General Office Area	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00 \$ 307,050.00
NAL S	CONSULTING	Grant Preparation					
		Feasibility Study	0	Phase One	\$ 120,000.00	\$ -	
		Network Design	1	EDA Grant	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00

PROFESSIONAL SERVICE	Intermodulation & Interference Study	RF Intermodulation and interference Study (Optimization)							
		Interference study and Optimization	23	RF Planning, Maps, services, Etc. for all Inteco Area.	\$ 5,000.00	\$ 115,000.00	\$	115,000.00	
	PROJECT MANAGEMENT	Project Management Services Outside Services							
		Inteco Professional Services	2	Two (2) year duration	\$ 100,000.00	\$ 200,000.00			
		Base Rate Estimate 10 hours per week for 24 months	###	Additional	\$ 150.00	\$ 156,000.00	\$	356,000.00	\$ 581,000.00
TESTING	P2P RADIO SPARES	63-11TRTR-0xx11-6100	4	ODU, SP, AMT-M/L, 11GHz, Tx/Rx Spacing: 'TRTR' MHz, Tx Low	\$5,891	\$ 23,562.00			
		63-11TRTR-1xx11-6100	4	ODU, SP, AMT-M/L, 11GHz, Tx/Rx Spacing: 'TRTR' MHz, Tx High	\$5,891	\$ 23,562.00			
		8209340-PP	2	1+1 SPU (1RU) - Ph 2, generic (define input voltage)	\$4,373	\$ 8,745.00			
		8209339-11	2	LIM, GigE - 4 x 1000BT	\$2,625	\$ 5,250.00			
		8209316-11	2	LSM,GE,E,AMT-M	\$924	\$ 1,848.00			
		8209315-01	2	Redundant Switch Unit (RSU), AMT-M	\$1,320	\$ 2,640.00	\$	65,607.00	
	P2MP Spares	INCLUDING: P2MP	1	Estimated	\$ 200,000.00	\$ 200,000.00	\$	200,000.00	
	WiFi Spares	INCLUDING:WiFi	1	Estimated	\$ 18,900.00	\$ 18,900.00	\$	18,900.00	
	DC Power Spares	INCLUDING:DC POWER	1	Estimated	\$ 15,000.00	\$ 15,000.00	\$	15,000.00	
	Equipment Training	Equipment Training P2P per Person	10	Local Training for Users	\$ 1,800.00	\$ 18,000.00	\$	18,000.00	
	Equipment Training	Equipment Training P2MP per Person	10	Local Training for Users	\$ 2,000.00	\$ 20,000.00	\$	20,000.00	
	Equipment Training	WiFi Equipment Training	10	Local Training for Users	\$ 2,000.00	\$ 20,000.00	\$	20,000.00	
	Equipment Training	Software Training	10	Local Training for Users	\$ 1,800.00	\$ 18,000.00	\$	18,000.00	
	Equipment Training	Other Software and Equipment Training	10	Local Training for Users	\$ 2,000.00	\$ 20,000.00	\$	20,000.00	\$ 395,507.00
SITE PREPARATION	SERVICES	SITE PREPARATION / INSTALLATIONS							
		P2P Microwave Radio and 3ft HP Antenna Installation Also Includes: All Auxiliary Equipment, (Per Radio)	34	Radio and 3ft HP Antenna Installation (Including: Auxiliary Equipment and Accessories) (Per Radio)	\$ 5,000.00	\$ 170,000.00			
		P2P Microwave Radio and 4ft HP Antenna Installation Also Includes: All Auxiliary Equip, (Per Radio)	26	Radio and 4ft HP Antenna Installation (Including: Auxiliary Equipment and Accessories) (Per Radio)	\$ 7,000.00	\$ 182,000.00			
		P2MP BTS Installation (Including: 3 sector Antenna Installation and Accessories) (Per Radio)	38	BTS to Cabinet, 3 Sector Antenna with Mounting Hardware and Line run from Antennas to BTS	\$ 12,000.00	\$ 456,000.00			
		NOC Tower installation	1	40ft tower installation	\$ 1,600.00	\$ 1,600.00			
		System Integration & Test	1	PtP, PtmP Factory Assistance Integration and Support	\$ 150,000.00	\$ 150,000.00			
		System Integration & Test	1	For WiFi system	\$ 20,000.00	\$ 20,000.00			
		CPE Installation (Customers)	500	250 for 2.5GHz and 250 for 3.65 GHz	\$ 250.00	\$ 125,000.00			
		Iron Port Installation & Commissioning	1	Iron Port Installation,Comissioning and test	\$ 40,000.00	\$ 40,000.00			
		Metro Ethernet Installation & Commissioning	1	Metro Ethernet Installation, Comissioning and test	\$ 46,000.00	\$ 46,000.00			
		City Center WiFi Installation	32	Plazas	\$ 1,000.00	\$ 32,000.00			
		DC Power Installation	23	DC	\$ 2,500.00	\$ 57,500.00			
		AC Power Installation	15	AC Existing Towers	\$ 3,000.00	\$ 45,000.00			
		AC Power Installation	8	New Facilities	\$ 5,000.00	\$ 40,000.00			
		Ice Bridge Installation	46	Tower To Cabinet	\$ 1,200.00	\$ 55,200.00			
		New Sites Grounding Installation	8	New Towers	\$ 7,000.00	\$ 56,000.00			
		Existing Sites Grounding Installation	15	Sites with Existing Towers	\$ 2,000.00	\$ 30,000.00			
		Rental Equipment	38	Crane or Lift	\$ 2,500.00	\$ 95,000.00			
		Cable Ladder Installation	23	To be install in all Towers	\$ 1,000.00	\$ 23,000.00			
		Concreted Pad 4ft x 8ft Installation	15	Existing Tower Sites	\$ 660.00	\$ 9,900.00			
		Concrete Pad 4ft x 6ft Installation	15	Existing Tower Sites	\$ 500.00	\$ 7,500.00			
		Perimeter Fencing Installation	8	Includes 2 pads and fence (New Tower)	\$ 2,500.00	\$ 20,000.00			
		120ft Monopole Installation (Erection)	8	New Locations	\$ 13,000.00	\$ 104,000.00			
		NOC Integration of HW, SW (NMS)	1	All Locations	\$ 25,000.00	\$ 25,000.00	\$	1,790,700.00	\$ 1,790,700.00

CAPITAL LEASE	SITE LEASING	NEW AND EXISTING LOCATION LEASING COSTS				
		Existing Sites	15	Tower and Land Lease per Year	\$ 30,000.00	\$ 450,000.00
		New Sites	8	Land lease per Year	\$ 12,000.00	\$ 96,000.00
					\$ 546,000.00	\$ 546,000.00

Equipment Grand Total:	\$ 10,411,657.50
Excise Tax 7%:	\$ 728,816.03
Labor Total (Tax Exempt):	\$ 1,790,700.00
Capital Lease for 10 years	\$ 5,460,000.00
Grand Total:	\$ 18,391,173.53

Cash Match %	30%
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December 31, 2009

Mr. Oscar Jiménez Mártir, Eng  
President  
INTECO  
Caguas, Puerto Rico

REF: Capital Leases

Following are our analysis of the requirements to consider the lease payments as capital assets (FAS 13):

**Definitions of Terms:**

*Bargain purchase option.* A provision allowing the lessee the option of purchasing the leased property for an amount, exclusive of lease payments, which is sufficiently lower than the expected fair value of the property at the date option becomes exercisable.

*Estimated economic life of leased property.* At the inception of the lease, the estimated remaining time, with normal maintenance and repairs that the property is expected to be economically usable for its intended purpose by one or more users. The economic life will be affected by such factors as technological changes, normal deterioration, and physical usage.

*Executory costs.* Those costs such as insurance, maintenance, and real estate taxes incurred for the leased property, whether paid by the lessor or lessee.

*Fair value of leased property.* The property's selling price in an arm's-length transaction between unrelated parties.

*Implicit interest rate.* The discount rate that, when applied to the minimum lease payments, excluding that portion of the payments representing executory costs to be paid by the lessor, together with any profit thereon, and the unguaranteed residual value accruing to the benefit of the lessor, causes the aggregate present value at the beginning of the lease term to be equal to the fair value of the leased property to the lessor at the inception of the lease, minus any investment tax credit retained and expected to be realized by the lessor (and plus initial direct costs in the case of direct financing leases).

*Inception of the lease.* The date of the written lease agreement or commitment (if earlier) wherein all principal provisions are fixed and no principal provisions remain to be negotiated.

*Incremental borrowing rate.* The rate that, at the inception of the lease, the lessee would have incurred to borrow over a similar term (i.e., a loan term equal to the lease term) the funds necessary to purchase the leased asset/

*Lease.* An agreement conveying the right to use property, plant, or equipment (land or depreciable assets or both) usually for a stated period of time.

*Lease term.* The fixed noncancelable term of the lease.

Mr. Oscar Jiménez Mártir, Eng  
December 31, 2009

*Minimum lease payments.* The payments that the lessee is or can be required to make in connection with the leased property (excluding executory costs).

### **Classification of Leases as Capital Lease**

According to FAS 13, if substantially all of the benefits and risks of ownership have been transferred to the lessee, the lessee records the lease as a capital lease at its inception. Substantially all of the risks or benefits of ownership are deemed to have been transferred if any of the following criteria is met:

1. The lease transfers ownership to the lessee by the end of the lease term
2. The lease contain a bargain purchase option
3. The lease term is equal to 75% or more of the estimated economic life of the leased property, and the beginning of the lease term does not fall within the last 25% of the economic life of the leased property
4. The present value (PV) of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value to the lessor less any investment credit retained by the lessor. This requirement cannot be used if the lease's inception is in the last 25% of the useful life of the leased asset. The interest rate, used to compute the PV, is the incremental borrowing rate of the lessee unless the implicit rate is available and lower.

In accordance with the information you provided the first 15 sites maybe qualified by criteria number 4 above, but need more information to determine the total amount of the payments that should be consider being the minimum lease payments (executory costs, if any; and the interest rate to be use). Also, may qualify by criteria number 3 but need more information of the equipments (the towers and equipment included in the lease).

The other 8 sites also may qualified by criteria number 4, but need the fair value of the lands to determine the amount to be capitalize.

Cordially,

CPA DIAZ-MARTINEZ, CSP



CPA José E. Díaz Martínez  
President

**CERTIFICATION REGARDING LOBBYING  
LOWER TIER COVERED TRANSACTIONS**

Applicants should review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying."

**LOBBYING**

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

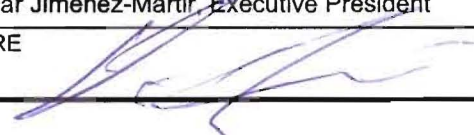
**Statement for Loan Guarantees and Loan Insurance**

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

**As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.**

NAME OF APPLICANT	INTECO, Inc. EIN #66-0630634	AWARD NUMBER AND/OR PROJECT NAME	
	Iniciativa Tecnológica Centro Oriental, Inc.		Construction of Broadband Infrastructure for the
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	Eng. Oscar Jiménez-Mártir, Executive President		Central East Region of Puerto Rico
SIGNATURE		DATE	08/11/2009



# **ATTACHMENT O** **CERTIFICATION REGARDING LOBBYING**

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

## **LOBBYING**

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.


## **Statement for Loan Guarantees and Loan Insurance**

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

**As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.**

NAME OF APPLICANT	AWARD NUMBER AND/OR PROJECT NAME
Iniciativa Tecnológica Centro Oriental, Inc.	Construction of Broadband Infrastructure for
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	the Central East Region of Puerto Rico
Eng. Oscar Jiménez-Mártir, Executive President	
SIGNATURE	DATE
	08/11/2009



## **Budget Narrative**

**Applicant Name: Iniciativa Tecnológica Centro Oriental, Inc.(INTECO, Inc. by its Spanish acronym)**

**EasyGrants Number: 1202**

**Organization Type (from Question 1D on BTOP application): Non-Profit Corporation**

**Proposed Period of Performance: 2 years**

**Total Project Costs: \$ 16,343,674**

**Total Federal Grant Request: \$ 12,931,174**

**Total Matching Funds (Cash): \$ 3,412,500**

**Total Matching Funds (In-Kind): \$ 0**

**Total Matching Funds (Cash + In-Kind): \$ 3,412,500**

**Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs: 21 %**

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### **Introduction**

The budget for INTECO is the result of a six-month planning process. INTECO retained the services of an outside consulting firm with experience advising more than 100 public and private organizations on similar communications initiatives, including five of the top six U.S. cities. INTECO's consultant worked closely with the overall project team to develop a budget that balanced the need to produce a comprehensive, efficient plan with the need to be conservative and avoid future cost overruns. The three-step process used by the project team is described below:

- Project engineers first developed detailed specifications for all major network elements including fiber optic cabling, microwave wireless systems, multipoint base stations, customer premise installations, network electronics, and towers. A bill-of-materials (BOM) approach was used to define —assemblies|| for these major elements. Once developed, these assemblies were combined into an overall —project inventory
- Interviews were conducted with candidate vendors to review components used in the network and to validate their associated costs
- Finally, a separate quote process was conducted by INTECO. During this process, INTECO requested full system quotes based on the design specification from multiple vendors. Adjustments were made as required throughout this review process.





## **1. Administrative and legal expenses**

**- List breakout of position(s), time commitment(s) such as hours or level-of-effort, and salary information/rates with a detailed explanation, and additional information as needed.**

No administrative or legal expenses are included in the Cost Summary

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No administrative or legal expenses are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No administrative or legal expenses are included as In-Kind Matching Funds

**2. Land, structure, rights-of-way, appraisals, etc.****- Provide description of estimated costs, proposed activities, and additional information as needed.**

<b>Land, structures, rights-of-way, appraisals, etc</b>						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 1	120ft Monopole Structure Includes: Transportation, Monopole, Foundation, Accessories, Permit Costs and Equipment Rental, insurance	ea	\$ 123,400.00	8	\$ 987,200.00	120 FT Monopoles for new sites at locations where no suitable structure exist. Required to achieve desired regional coverage.
Item 2	40ft guyed tower	ea	\$ 2,400.00	1	\$ 2,400.00	40 FT Guyed tower for the NOC location in Caguas. Required to allow reliable connectivity to the NOC.
Item 3	Tower Accessories for new and existing sites	ea	\$ 5,350.00	23	\$ 123,050.00	Tower accessories new and existing sites. Accessories to be installed in existing and new towers for maintaining proper support for cabling and waveguides.
Item 4	Secure Perimeter Fencing w/ pads, Includes Pads, 4'x6' and 4'x8' & Fence on	ea	\$ 14,000.00	8	\$ 112,000.00	Perimeter fencing and pads. Required at every new site for the proper installation of a shelter for equipment and an emergency power generator.
Item 5	Site Grounding Materials for New Sites	ea	\$ 6,750.00	8	\$ 54,000.00	Site grounding. Required to guarantee adequate ground at all new sites.
Item 6	AC Power Materials for New Sites	ea	\$ 5,500.00	8	\$ 44,000.00	AC Power. Required to provide new sites with AC Power for equipment.
Item 7	Concrete Pad for Generators, 4ft x 8ft Existing Sites	ea	\$ 2,000.00	15	\$ 30,000.00	Concrete pads, existing sites. To provide existing sites with adequate emergency power.
Item 8	Concrete Pad for Cabinets, 4ft x 6ft Existing Sites	ea	\$ 1,500.00	15	\$ 22,500.00	Concrete pads for shelters existing sites. To provide existing sites with shelters for communications equipment.
Item 9	Site Grounding Materials for Existing Sites	ea	\$ 2,000.00	15	\$ 30,000.00	Site grounding existing sites, Required to guarantee adequate grounding at all existing sites.

**BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)**

Item 10	AC Power Materials for Existing Sites	ea	\$ 3,100.00	15	\$ 46,500.00	AC Power existing sites. Required to provide existing sites with AC Power for equipment.
Item 11	Site Leasing Existing sites (5 yr capital lease per site)	ea	\$ 195,500.00	15	\$ 2,932,500.00	Site leasing existing towers. Capital Leasing of 15 existing towers for five years, details presented in match justification.
Item 12	Site Leasing New site land (5 year capital lease per site)	ea	\$ 60,000.00	8	\$ 480,000.00	Site leasing for land for new tower sites. Capital Leasing of land for 8 new towers for five years, details presented in match justification.
Total					\$ 4,864,150.00	

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

INTECO is assuming the financial responsibility for capital tower and land leases totaling \$3,412,500 based on the following calculations:

	Number of Sites	Lease Cost Per Month Per Site	Total Lease Costs Per Year	Total Lease Payments over 8 Years	Total Capital Lease Payments in First Five Years (Eligible Match)
A total of 15 sites are in existence and are owned by local collocation companies. The average leasing costs per site is \$2,500/mo.	15	\$ 3,258	\$ 586,500	\$ 4,692,000	\$ 2,932,500
A total of 8 sites will be constructed on leased land sites. The average lease costs is \$1000/mo.	8	\$ 1,000	\$ 96,000	\$ 768,000	\$ 480,000
<b>TOTAL CAPITAL LEASES (INTECO Cash Matching Funds)</b>					<b>\$ 3,412,500</b>

In addition, INTECO has committed to the following payment schedule for the leases above:

- First three years: 100% of the first five years of the lease payments (\$3,412,500)
- Remaining five years: 100% of the remaining three years of lease payments (\$2,047,500)

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Land or Structures expenses are included as In-Kind Matching Fun

**3. Relocation expenses and payment****- Provide explanation for the relocation, description of the person involved in the relocation, method used to calculate costs, and additional information as needed.**

No Relocation expenses are included in the Cost Summary

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Relocation expenses are included as Cash Matching Funds



**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Relocation expenses are included as In-Kind Matching Fund



#### 4. Architectural and engineering fees

**- Provide description of estimated fees, explanation of proposed services, and additional information as needed.**

Architectural and engineering fees						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 1	Network Design	ea	\$ 110,000.00	1	\$ 110,000.00	Network Design. Engineering network design and complete specifications
Item 2	Interference study and Optimization RF Planning, Maps, services, Etc. for all Inteco Area.	ea	\$ 5,000.00	23	\$ 115,000.00	Interference study. RF Planning, maps and services for the complete project area.
Item 3	Inteco Professional Services year rate	ea	\$ 100,000.00	2	\$ 200,000.00	INTECO Professional Services annual rate. Charges for INTECO Professional services for the duration of the project to completion
Item 4	Project Management Base Rate Estimate 10 hours per week for 24 months	Hrs	\$ 150.00	1040	\$ 156,000.00	
Total					\$ 581,000.00	

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Architectural or Engineering expenses are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Architectural or Engineering expenses are included as In-Kind Matching Funds



## **5. Other architectural and engineering fees**

**- Provide description of estimated fees, explanation of proposed services, and additional information as needed.**

No Other Architectural or Engineering fees are included in the Cost Summary

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Other Architectural or Engineering fees are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Other Architectural or Engineering fees are included as In-Kind Matching Fund

## **6. Project inspection fees**

**- Provide description of estimated fees, explanation of proposed services, and additional information as needed.**

No Project Inspection Fees are included in the Cost Summary

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Project Inspection Fees are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Project Inspection Fees are included as In-Kind Matching Fund

## **7. Site work**

**- Provide description of estimated fees, explanation of proposed services, and additional information as needed.**

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Site Work expenses are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Site Work expenses are included as In-Kind Matching Fund



## **8. Demolition and removal**

**- Provide description of estimated fees, explanation of proposed services, and additional information as needed.**

No Demolition or Removal expenses are included in the Cost Summary

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Demolition or Removal expenses are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Demolition or Removal expenses are included as In-Kind Matching Fund





## 9. Construction

**- Provide description of estimated fees, explanation of proposed services, state whether the work is being completed by the applicant or an outside contractor, and additional information as needed.**

Construction						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 1	4 Egress Point Fiber Install	ea	\$ 336,000.00	1	\$ 336,000.00	Egress Points Fiber Install. Construction of Fiber to four egress points at Cayey, Juncos, Naguabo and Humacao. Construction by PREPAnet
Item 2	P2P Microwave Radio and 3ft HP Antenna Installation Also Includes: All Auxiliary Equipment, <b>(Per Radio)</b>	ea	\$ 5,000.00	34	\$ 170,000.00	P2P Microwave and 3 ft antenna installation. Includes all auxilliary equipment
Item 3	P2P Microwave Radio and 4ft HP Antenna Installation Also Includes: All Auxiliary Equip, <b>(Per Radio)</b>	ea	\$ 7,000.00	26	\$ 182,000.00	P2P Microwave and 4 ft antenna installation. Includes all auxilliary equipment
Item 4	P2MP BTS Installation (Including: 3 sector Antenna Installation and Accessories) <b>(Per Radio)</b>	ea	\$ 12,000.00	38	\$ 456,000.00	P2MP Base Station and sector antennas installation. 23 2.5GHz, 10 3.65 GHz and 5 4.9GHz for a total of 38 BTS installations. Includes all accessories.
Item 5	NOC Tower installation	ea	\$ 1,600.00	1	\$ 1,600.00	
Item 6	System Integration & Test P2P, P2mP	ea	\$ 150,000.00	1	\$ 150,000.00	System Integration and test for all P2P and P2MP . Integration testing of all communications radios in the system.
Item 7	System Integration & Test WiFi System	ea	\$ 20,000.00	1	\$ 20,000.00	Systems Integration and Test for all WiFi system. Integration testing of all school and city center WiFi systems. Includes redundancy testing of controllers at egress points.
Item 8	CPE Installation (Customers)	ea	\$ 250.00	500	\$ 125,000.00	



Construction						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 9	Iron Port Installation & Commissioning	ea	\$ 40,000.00	1	\$ 40,000.00	IronPort Installation and Commissioning. Email Security and Content Filtering installation and commissioning.
Item 10	Metro Ethernet Installation & Commissioning	ea	\$ 46,000.00	1	\$ 46,000.00	Metro Ethernet Installation and Commissioning. Core switch routing installation and commissioning for the complete system
Item 11	City Center WiFi Installation	ea	\$ 1,000.00	32	\$ 32,000.00	
Item 12	DC Power Installation	ea	\$ 2,500.00	23	\$ 57,500.00	
Item 13	AC Power Installation Existing sites	ea	\$ 3,000.00	15	\$ 45,000.00	
Item 14	AC Power Installation New Sites	ea	\$ 5,000.00	8	\$ 40,000.00	AC Power installation to new sites. Self explanatory. Includes accessories.
Item 15	Ice Bridge Installation	ea	\$ 1,200.00	46	\$ 55,200.00	
Item 16	New Sites Grounding Installation	ea	\$ 7,000.00	8	\$ 56,000.00	New sites grounding installation. Self explanatory. Includes accessories.
Item 17	Existing Sites Grounding Installation	ea	\$ 2,000.00	15	\$ 30,000.00	
Item 18	Rental Equipment	ea	\$ 2,500.00	38	\$ 95,000.00	
Item 19	Cable Ladder Installation	ea	\$ 1,000.00	23	\$ 23,000.00	
Item 20	Concreted Pad 4ft x 8ft Installation	ea	\$ 660.00	15	\$ 9,900.00	
Item 21	Concrete Pad 4ft x 6ft Installation	ea	\$ 500.00	15	\$ 7,500.00	
Item 22	Perimeter Fencing Installation includes 2 pads for new sites	ea	\$ 2,500.00	8	\$ 20,000.00	



Construction						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 23	120ft Monopole Installation (Erection)	ea	\$ 13,000.00	8	\$ 104,000.00	120ft monopole installation (erection). Self explanatory. Includes all labor and accessories.
Item 24	NOC Integration of HW, SW (NMS)	ea	\$ 25,000.00	1	\$ 25,000.00	NOC Integration. Hardware and software integration of operations and network management systems
Total					\$ 2,126,700.00	

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Construction expenses are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Construction expenses are included as In-Kind Matching Fund



## 10. Equipment

- Provide list of equipment with description, number of units, unit cost, state whether it is being purchased or leased, and additional information as needed.

Equipment						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 1	RADIO TERMINAL, 11 GHz, Non Protected, <b>High Power</b> , Split Mount, Licensed for 300 Mbit/s, a single GigE - 4 Port Electrical LIM	ea	\$ 10,000.00	26	\$ 260,000.00	Point to Point Microwave backbone High Power/Non-protected radios. Ring configuration for high availability. Quote from vendor. Lease not available.
Item 2	RADIO TERMINAL, 11 GHz, Non Protected, <b>Standard Power</b> , Split Mount, Licensed for 300 Mbit/s, a single GigE - 4 Port Electrical LIM	ea	\$ 9,900.00	30	\$ 297,000.00	Point to Point Microwave backbone Standard Power/Non-protected radios. Ring configuration for high availability. Quote from vendor. Lease not available.
Item 3	RADIO TERMINAL, 11 GHz, <b>Hot Standby Protected, Standard Power</b> , Split Mount, Licensed for 300 Mbit/s, a single GigE - 4 Port Electrical LIM	ea	\$ 19,900.00	2	\$ 39,800.00	Point to Point Microwave backbone Standard Power/ Protected radios. Ring configuration for high availability. Quote from vendor. Lease not available.
Item 4	Licensing. Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	ea	\$ 1,500.00	58	\$ 87,000.00	Metro Ethernet Switch Router. Provide connectivity and intelligence at each of the 23 sites. Provide ingress and egress routing and traffic mirroring for CALEA compliance. Quote from vendor. No lease available.



Equipment						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 5	Cisco ME C3750 Switch - 24 10/100 + 2 SFP, DC Power, W/Metro IP Access. Cisco ME C3750 Advanced IP feature license	ea	\$ 18,441.00	23	\$ 424,143.00	2.5 GHz P2MP Radios. Provide access coverage for anchors and end users. Quote from vendor. No lease available
Item 6	WiMax 2.5Ghz Radios w/4sectors & GPS (BTS)	ea	\$ 79,481.00	23	\$ 1,828,063.00	
Item 7	WiMax 3.65Ghz Radios w/4sectors Without GPS (BTS)	ea	\$ 67,803.00	10	\$ 678,030.00	3.65 GHz P2MP Radios. Provide access coverage for anchors and end users. Quote from vendor. No lease available
Item 8	WiMax 4.9Ghz Radios w/4sectors Without GPS (BTS)	ea	\$ 67,803.00	5	\$ 339,015.00	4.9 GHz P2MP Radios. Provide access coverage for public safety applications. Quote from vendor. No lease available
Item 9	P2mP Licensing, Freq. Int, Freq. FCC Coord. PCN, Modifications and Construction Notification & FCC Fees	ea	\$ 500.00	38	\$ 19,000.00	
Item 10	Rectifier Chassis (N+1) Protected	ea	\$ 3,000.00	23	\$ 69,000.00	
Item 11	Batteries	ea	\$ 450.00	184	\$ 82,800.00	
Item 12	Outdoor Cabinet	ea	\$ 7,500.00	23	\$ 172,500.00	
Item 13	Fuse Panel A/B, 60A	ea	\$ 500.00	23	\$ 11,500.00	
Item 14	Cisco Iron Port	ea	\$ 94,000.00	4	\$ 376,000.00	Iron Port Email Security and Content Filtering Support secure Internet access for schools and end users.
Item 15	HPD3-1111RS <b>High Performance</b> , 11 Ghz, <b>Dual Polarized</b> 3ft diameter	ea	\$ 1,800.00	34	\$ 61,200.00	
Item 16	SWY-HP3 Swaybars	ea	\$ 290.00	34	\$ 9,860.00	



Equipment						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 17	HPD4-11RS <b>High Performance</b> , 11 Ghz, <b>Dual Polarized</b> 4ft diameter	ea	\$ 2,700.00	26	\$ 70,200.00	
Item 18	SWY-HP4 Swaybars	ea	\$ 390.00	52	\$ 20,280.00	
Item 19	Tripode or HD Wall Z-Mount	ea	\$ 1,100.00	60	\$ 66,000.00	
Item 20	Flex Twist	ea	\$ 450.00	60	\$ 27,000.00	
Item 21	P2P Antennas Installation Hardware kit (Includes LMR-400 cable, Connectors, Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2P Radios)	ea	\$ 700.00	29	\$ 20,300.00	
Item 22	Ant. Lightning Protector NM-NF	ea	\$ 125.00	60	\$ 7,500.00	
Item 23	X.X Ghz Sectorized antenna	ea	\$ 1,000.00	152	\$ 152,000.00	
Item 24	X.XGhz 90deg Reg Compl Vertical Sector Antenna kit to fit SCRT (includes Pole Mount Kit and Others Accessories)	ea	\$ 6,374.50	38	\$ 242,231.00	90 degree sector antenna kit for point to multipoint applications. 38 sites divided into 23 2.5GHz sites, 10 3.65 gHz sites and 5 4.9GHz sites to support anchor tenant and end user access throughout the coverage area.
Item 25	16m GPS Cable RG58 TNC-TNC	ea	\$ 99.70	23	\$ 2,293.10	
Item 26	GPS Antenna Pole Mounting Kit	ea	\$ 397.80	23	\$ 9,149.40	
Item 27	P2mP Antennas Installation Hardware kit (Includes LMR-400 cable, Connectors, Hangers, Adapters, Weather-Kits, Boots, other accessories for the P2mP Radios)	ea	\$ 700.00	38	\$ 26,600.00	



Equipment						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 28	Ant. Lightning Protector NM-NF for P2mP	ea	\$ 125.00	152	\$ 19,000.00	
Item 29	Tower and/or Roof-Top Sector Mounts and Accessories for P2mP systems, 3 sectors, 1 to 2 Antennas per Sector (4-6 total)	ea	\$ 3,200.00	38	\$ 121,600.00	
Item 30	Fuses (20 fuses)		\$ 5.00	460	\$ 2,300.00	
Item 31	Cabinet Anchor Kits		\$ 150.00	23	\$ 3,450.00	
Item 32	Fuse and Cabinet Accessories		\$ 1,000.00	23	\$ 23,000.00	
Item 33	DC Battery/Load Breakers 5 to 100Amp	ea	\$ 20.00	230	\$ 4,600.00	
Item 34	Heavy Duty Battery Shelves	ea	\$ 240.00	46	\$ 11,040.00	
Item 35	Battery Installation and interconnection Accessories	ea	\$ 200.00	92	\$ 18,400.00	
Item 36	Emergency Generators	ea	\$ 25,000.00	23	\$ 575,000.00	Emergency Generators. Heavy duty 12KV <sub>a</sub> , includes NEMA 3 transfer switch, increased fuel capacity tank and installation accessories. Professional third party installation.
Item 37	CPE ProST 2.5 - 2.69 GHz TDD - 14dBi Vert (excluding SDA)	ea	\$ 500.00	250	\$ 125,000.00	
Item 38	CPE ProST 3.6 - 3.8GHz TDD - 17dBi Vert (excluding SDA)	ea	\$ 500.00	250	\$ 125,000.00	
Item 39	CPE ProST 4.9GHz TDD - 17dBi Vert (excluding SDA)	ea	\$ 500.00	50	\$ 25,000.00	
Item 40	SDA-4S Type II - US (for ProST / BSR)	ea	\$ 50.00	550	\$ 27,500.00	



Equipment						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
Item 41	CPE Mounts and Accessories	ea	\$ 125.00	550	\$ 68,750.00	
Item 42	BackOffice Servers Includes Hardware Factory Database Setup, Auxilliary Alarm Cables 0-299 - Perpetual	ea	\$ 10,000.00	3	\$ 30,000.00	Backoffice Servers. Backoffice servers to support OSS/BSS, Customer Service Support, Trouble Ticket, Network Management, System Security, AAA RADIUS and GIS server applications
Item 43	UPS 1Hr Backup	ea	\$ 3,000.00	1	\$ 3,000.00	
Item 44	SW Programs Windows Base	ea	\$ 1,500.00	8	\$ 12,000.00	
Item 45	Billing SW Standard	ea	\$ 20,000.00	1	\$ 20,000.00	Billing Software. OSS/BSS, Trouble Ticket and Customer Support software for network user provisioning, system support, network troubleshooting, customer and technical support.
Item 46	NOC Computers / AV Equipment	ea	\$ 75,000.00	1	\$ 75,000.00	NOC Computers/AV Equipment. NOC Computers, AV equipment, printers and office equipment for NOC and administrative offices.
Item 47	AAA RADIUS Server	ea	\$ 4,000.00	1	\$ 4,000.00	
Item 48	NMS (Management System) (P2P Radios) Microwaves	ea	\$ 35,000.00	1	\$ 35,000.00	NMS. Network Management System for Point to Point Microwave system. Manages all microwave radios in the network.
Item 49	NMS (Management System) (P2MP Radios) per sector, per frequencies	ea	\$ 604.25	152	\$ 91,846.00	
Item 50	US Made vehicle, 4 x 4 required for Site Visits	ea	\$ 35,000.00	3	\$ 105,000.00	US Made 4x4 vehicle. Supports the Operations Team for visiting tower and end user locations in a highly mountainous region of Puerto Rico
Item 51	Technical Roughtbook Laptop	ea	\$ 3,000.00	3	\$ 9,000.00	
Item 52	Operation Tools and equipments	ea	\$ 30,250.00	3	\$ 90,750.00	Operations Tools and Equipment. Equipment of the Operations Teamfor each vehicle/field tech. Includes Technical Toughbook Computer, RF Power Meter, Camera, GPS, Tandem Compass/Inclinometer, RF Power Sensor, Frequency Counter, Ethernet FO Analyzer, Digital Multitester and Miscellaneous Tools.
Item 53	Desk and Accessories	ea	\$ 10,000.00	5	\$ 50,000.00	Desk and accessories. Furniture for NOC and Administration Offices.





Equipment						
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes
						Includes desks, credenzas, file cabinets, chairs, mats and other office accessories.
Item 54	Desktop Computers	ea	\$ 1,500.00	5	\$ 7,500.00	
Item 55	Copiers	ea	\$ 1,200.00	2	\$ 2,400.00	
Item 56	Printers	ea	\$ 1,200.00	2	\$ 2,400.00	
Item 57	Office Leasehold Improvements	ea	\$ 10,000.00	1	\$ 10,000.00	Office Leasehold Improvements. General office improvements for the NOC and the Administrative Offices
Item 58	Office Partitions, Doors and Windows	ea	\$ 20,000.00	1	\$ 20,000.00	Office Partitions, Doors and Windows. Self explanatory improvements for NOC and Administrative Office space.
Item 59	Carpets, Visitors Chairs, Center Tables & Others	ea	\$ 10,000.00	1	\$ 10,000.00	Carpets, visitor chairs, center tables and others. Self explanatory furniture for common areas on the NOC and Administrative Office.
Item 60	P2P RADIO SPARES	ea	\$ 65,607.00	1	\$ 65,607.00	Point to Point Radio Spares. According to manufacturers recommended spare levels.
Item 61	P2mP RADIO SPARES	ea	\$200,000.00	1	\$ 200,000.00	Point to Multipoint Radio Spares. According to manufacturers recommended spare levels.
Item 62	DC System SPARES	ea	\$ 15,000.00	1	\$ 15,000.00	DC Systems spares. According to recommended manufacturers spare levels.
Item 63	WiFi SPARES	ea	\$ 18,900.00	1	\$ 18,900.00	WiFi Spares. According to recommended manufacturers spare levels.
Item 64	P2P Equipment Training	ea	\$ 1,800.00	10	\$ 18,000.00	
Item 65	P2mP Equipment Training	ea	\$ 2,000.00	10	\$ 20,000.00	
Item 66	WiFi Equipment Training	ea	\$ 2,000.00	10	\$ 20,000.00	
Item 67	Software Training	ea	\$ 1,800.00	10	\$ 18,000.00	
Item 68	Other Special Software Training	ea	\$ 2,000.00	10	\$ 20,000.00	



Equipment									
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes			
Item 69	Wireless Controller supporting 200 AP's (WiFi)	ea	\$ 40,000.00	3	\$ 120,000.00	WiFi Controllers at three egress points to support AP at schools. Quote from vendor			
Item 70	Single Radio 802.11n AP	ea	\$ 795.00	400	\$ 318,000.00	Schools WiFi. WiFi coverage at each school at 2 AP per school. Quote from vendor.			
Item 71	Metro WiFi Radio 802.11b/g	ea	\$ 2,000.00	32	\$ 64,000.00	Metro WiFi. WiFi coverage at city centers (8). Four radios each. Quote from vendor.			
Item 72	Annual Support For Schools AP's	ea	\$ 19,500.00	1	\$ 19,500.00	Annual Support for the WiFi Controllores and AP's			
Total					\$ 8,043,007.50				

**- Provide description, calculation, and basis of evaluation for Cash Matching Funds.**

No Equipment Costs are included as Cash Matching Funds

**- Provide description, calculation, and basis of evaluation for In-Kind Matching Funds.**

No Equipment Costs are included as In-Kind Matching Fund



## 11. Miscellaneous

- Provide additional information as needed.

Miscellaneous										
	Description	Unit Basis	Unit Cost	Number of Units	Total Cost	Notes				
Item 1	Puerto Rico Sales Tax 7% of Equipment and Materials (Labor Exempt)	ea	\$ 728,816.03	1	\$ 728,816.03	Puerto Rico Sales Tax of 7%, exempt labor.				
Total					\$ 728,816.03					

- Provide description, calculation, and basis of evaluation of Cash Matching Funds.

No Miscellaneous expenses are included as Cash Matching Funds

- Provide description, calculation, and basis of evaluation of In-Kind Matching Funds.

No Miscellaneous expenses are included as In-Kind Matching Fund



## **Addendum**

**- If indirect costs (i.e., indirect, overhead, general and administrative, facilities and administration, etc.) and/or fringe benefits are included in the budget, please provide a copy of your existing Negotiated Indirect Cost Recovery Agreement (NICRA), if available. If the NICRA is applied accordingly in the budget, there is no need to justify the costs. If a NICRA is not available or is not consistent with the rates/calculations in the budget, please provide an explanation of how the amounts were calculated. Please clearly list the manner in which indirect costs are calculated in the budget.**

No indirect costs are included in the Budget



CANCIO, NADAL, RIVERA & DÍAZ, P.S.C.  
ATTORNEYS AND COUNSELLORS AT LAW

RAFAEL A. NADAL-ARCELAY  
Partner

August 10, 2009

Assistant Secretary  
National Telecommunications and  
Information Administration  
U.S. Department of Commerce  
Washington, D.C. 20230

Re: Legal Opinion/Broadband Technology  
Opportunities Program

Dear Sir:

We are general counsel for Iniciativa Tecnológica Centro Oriental, Inc. ("INTECO" or the "Applicant") a non profit corporation duly organized and validly existing under the laws of the Commonwealth of Puerto Rico. In such capacity, we acted as counsel to the Applicant in connection with its ability to apply to the Broadband Technology Opportunities Program and in the review of the grant agreement, as referenced in the Notice of Funds Availability.

We are of the opinion that:

- (a) the Applicant is a duly organized and validly existing non profit corporation under the laws of the Commonwealth of Puerto Rico;
- (b) the Applicant has corporate power to: (1) execute and deliver the grant agreement; and (2) perform all acts required to be done by it under said agreement; and
- (c) no legal proceedings have been instituted or are pending against the Applicant, the outcome of which would adversely affect the Applicant's ability to perform the duties under the grant agreement, and there are no judgments against the Applicant which would adversely affect the Applicant's ability to perform its duties under the grant agreement.

*Assistant Secretary  
National Telecommunications and  
Information Administration  
August 10, 2009  
Page 2*

If you need any further information regarding these matters, please do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Rafael A. Nadal-Arcelay', enclosed within a large, hand-drawn oval.

**RAFAEL A. NADAL-ARCELAY, ESQ.**

A handwritten signature in blue ink, appearing to read 'Tatianna Martínez-Rosa', written in a cursive style.

**TATIANNA MARTÍNEZ- ROSA, ESQ.**



Iniciativa Tecnológica Centro-Oriental, Inc.

ATTACHMENT Y

Assistant Secretary of Commerce  
US Department of Commerce  
National Telecommunications and Information Administration  
Broadband Technology Opportunities Program

**CERTIFICATION STATEMENT**  
**COMMITMENT TO THE NON DISCRIMINATION AND INTERCONNECTION OBLIGATIONS**


According to the Notice of Funds Availability (NOFA) and solicitation of applications dated July 9, 2009 in relation to the US Department of Commerce, National Telecommunications and Information Administration, Broadband Technology Opportunities Program;

I, Eng. Oscar Jiménez Mártir, Executive President of Iniciativa Tecnológica Centro Oriental, Inc. (INTECO, Inc. By its Spanish acronym) fully understand and recognized that all Broadband applicant must commit to the following Non Discrimination and Interconnection Obligations, under the above mentioned NOFA, quote "i. Adhere to the principles contained in the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005); ii. any lawful Internet applications and content over others; iii. display any network management policies in a prominent location on the service provider's web page and provide notice to customers of changes to these policies (awardees must describe any business practices or technical mechanisms they employ, other than standard best efforts Internet delivery, to allocate capacity; differentiate among applications, providers, or sources; limit usage; and manage illegal or harmful content); iv. Connect to the public Internet directly or indirectly,, such that the project is not an entirely private closed network; and v. offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and physical interconnection for the exchange of traffic".

I, Eng. Oscar Jiménez Mártir, Executive President of Iniciativa Tecnológica Centro Oriental, Inc. (INTECO, Inc. By its Spanish acronym) certify that the proposed broadband project presented by INTECO will fully comply with the Non Discrimination and Interconnections Obligations as defined herein as quoted from the NOFA.

Furthermore, INTECO's application, under the mentioned NOFA, have disclosed its proposed interconnection, nondiscrimination and network management practices within the application package (Item 22, Description of Network Openness).

As duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

<b>Name of Applicant and EIN #</b> Iniciativa Tecnológica Centro Oriental, Inc. (INTECO, Inc.) EIN #66-0630634	<b>Project Name</b> Construction of Broadband Infrastructure for the Central East Region of PR
<b>Printed Name and Title of Authorized Representative</b> Eng. Oscar Jiménez Mártir	Executive President
<b>Signature</b> 	<b>Date</b> 08-11-2009

**INTECO Iniciativa Tecnológica Centro-Oriental, Inc.**  
**Centro de Innovación Tecnológica, Betances #65 Caguas, PR 00725 Tel. 787-643-0158 ó 787-653-5170**



Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:


1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.



11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the

National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

*SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	*TITLE Executive President
*APPLICANT ORGANIZATION INTECO Inc. (Spanish acronym) Iniciativa Tecnológica Centro Oriental, Inc. EIN # 66-0630634	*DATE SUBMITTED 08-11-2009