

317 Centre Street
Amelia Island, FL 32034
(904) 261-4334
www.beta-1.com

July 5, 2002

Mr. Tom Williams
Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

020652-TI

Dear Mr Williams:

Enclosed are the original, copies of applications, and check for Laser Telecom for the following certificate:

- 1. Interexchange telecommunications service (IXC)

I will be glad to answer any questions, you may have, and will come over to meet with you at your convenience. We really appreciate your help in getting us through the process, and would like to get on the agenda for the next July meeting.

Sincerely,

Raymond M. Chauncey
President
Ray Chauncey@BETA-1.com

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:

Business Confidential

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FPSC-COMMISSION CLERK

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

Application Form for Authority to Provide
Interexchange Telecommunications Service
Between Points Within the State of Florida

020652-7I

Instructions

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 16).
- ◆ Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another company.

- ◆ If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

1. This is an application for (check one):

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

LASER TELECOM, LLC

3. Name under which applicant will do business (fictitious name, etc.):

4. Official mailing address (including street name & number, post office box, city, state, zip code):

317 CENTRE STREET

FERNANDINA BEACH, FL 32034

5. Florida address (including street name & number, post office box, city, state, zip code):

317 CENTRE STREET

FERNANDINA BEACH, FL 32034 6.

Select type of business your company will be conducting (check all that apply):

Facilities-based carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

- Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers resold service by enrolling unaffiliated customers.
- Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

7. Structure of organization;

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input checked="" type="checkbox"/> Other <u>LIMITED LIABILITY COMPANY</u> | |

8. **If individual**, provide:

Name: _____
Title: _____
Address: _____
City/State/Zip: _____

Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

9. **If incorporated in Florida**, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State Corporate Registration number:**
 L01000015554

10. **If foreign corporation**, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State Corporate Registration number:**

11. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) **The Florida Secretary of State fictitious name registration number:**

12. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) **The Florida Secretary of State registration number:** _____

13. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

14. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) **The Florida registration number:** _____

15. Provide **F.E.I. Number** (if applicable): 82-0547345

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?

Yes () No

(b) If not, who will bill for your services?

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

(c) How is this information provided?

17. Who will receive the bills for your service?

- Residential Customers Business Customers
 PATs providers PATs station end-users
 Hotels & motels () Hotel & motel guests
 Universities Universities dormitory residents
 Other: (specify) _____.

18. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: RAYMOND CHAUNCEY

Title: CEO/MANAGING MEMBER

Address: 317 CENTRE STREET

City/State/Zip: FERNANDINA BEACH, FL 32034

Telephone No.: (904) 261-4334 Fax No.: (904) 261-8566

Internet E-Mail Address: WWW.LASER-TELECOM.NET

Internet Website Address: raychauncey@beta-1.com

(b) Official point of contact for the ongoing operations of the company:

Name: RAYMOND M. CHAUNCEY
Title: CEO / MANAGING MEMBER
Address: 317 CENTRE STREET
City/State/Zip: FERNANDINA BEACH, FL 32034
Telephone No.: 904/261-4334 Fax No.: 904/261-8566
Internet E-Mail Address: raychauncey@beta-1.com
Internet Website Address: WWW.LASER-TELECOM.NET

(c) Complaints/Inquiries from customers:

Name: CLIFF HOLT
Title: PRESIDENT
Address: 317 CENTRE STREET
City/State/Zip: FERNANDINA BEACH, FL 32034
Telephone No.: 904/261-4334 Fax No.: 904/261-8566
Internet E-Mail Address: CLIFFH@CONNEXSYS.COM
Internet Website Address: WWW.LASER-TELECOM.NET

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

N/A

(b) has applications pending to be certificated as an interexchange telecommunications company.

N/A

(c) is certificated to operate as an interexchange telecommunications company.

N/A

(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

NONE

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

NONE

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

NONE

20. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

NO

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

NO

21. The applicant will provide the following interexchange carrier services (check all that apply):

a. _____ **MTS with distance sensitive per minute rates**

_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

b. **MTS with route specific rates per minute**

_____ Method of access is FGA
 Method of access is FGB
 Method of access is FGD
_____ Method of access is 800

c. **MTS with statewide flat rates per minute (i.e. not distance sensitive)**

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

d. **MTS for pay telephone service providers**

e. **Block-of-time calling plan (Reach Out Florida, Ring America, etc.).**

f. **800 service (toll free)**

g. **WATS type service (bulk or volume discount)**

Method of access is via dedicated facilities

Method of access is via switched facilities

h. **Private line services (Channel Services)**
(For ex. 1.544 mbs., DS-3, etc.)

i. **Travel service**

Method of access is 950

Method of access is 800

j. **900 service**

k. **Operator services**

Available to presubscribed customers

Available to non presubscribed customers (for example, to patrons of hotels, students in universities, patients in hospitals).

Available to inmates

1. **Services included are:**

- _____ Station assistance
- _____ Person-to-person assistance
- _____ Directory assistance
- _____ Operator verify and interrupt
- _____ Conference calling

22. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed). **SEE ATTACHED**

23. Submit the following: **(ATTACHED)**

A. Managerial capability; give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

B. Technical capability; give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

C. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **A written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **A written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

RAYMOND M. CHAUNCEY

Print Name

Rm Chauncey

Signature

CEO

Title

7-3-04

Date

(904) 261-4334

Telephone No.

Fax No.

(904) 261-8866

Address:

317 CENTRE STREET

FERNANDINA BEACH, FL 32034

THIS PAGE MUST BE COMPLETED AND SIGNED

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be provided in one of the following ways (applicant, please check one):

- The applicant will **not** collect deposits nor will it collect payments for service more than one month in advance.
- The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.
(The bond must accompany the application.)

UTILITY OFFICIAL:

RAYMOND M. CHAUNCEY
Print Name

Rm Chauncey
Signature

CEO
Title

7-3-02
Date

(904) 261-4334
Telephone No.

(904) 261-8566
Fax No.

Address: 317 CENTRE STREET
FERNANDINA BEACH, FL 32034

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide interexchange telecommunications service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

<u>RAYMOND M. CHAUNCEY</u> Print Name	<u>Rm Chauncey</u> Signature
<u>CEO</u> Title	<u>7-03-02</u> Date
<u>(904) 261-4334</u> Telephone No.	<u>(904) 261-8566</u> Fax No.
Address:	<u>317 CENTRE STREET</u>
	<u>FERNANDINA BEACH, FL 32034</u>
	<u> </u>
	<u> </u>

CURRENT FLORIDA INTRASTATE SERVICES

Applicant **has** () or **has not** (X) previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

<u>RAYMOND M. CHAUNCEY</u> Print Name	<u>Rm Chauncey</u> Signature
<u>CEO</u> Title	<u>7-3-02</u> Date
<u>(904) 261-4334</u> Telephone No.	<u>(904) 261-8566</u> Fax No.
Address:	<u>317 CENTRE STREET</u>
	<u>FERNANDINA BEACH, FL</u>
	<u>32034</u>

CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____,

(Title) _____ of _____
(Name of Company)

and current holder of Florida Public Service Commission Certificate Number

_____, have reviewed this application and join in the petitioner's request for a:

() transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address:

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Laser Telecom, LLC, with principal offices at 317 Centre Street, Amelia Island, FL 32034. This tariff applies for services furnished within the state of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

ISSUED: July 1, 2002

EFFECTIVE: August 1, 2002

ISSUED BY: Raymond M. Chauncey, CEO
317 Centre Street
Amelia Island, FL 32034

CHECK SHEET

The sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date of the bottom of this page.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	34	Original
2	Original	35	Original
3	Original	36	Original
4	Original	37	Original
5	Original	38	Original
6	Original	39	Original
7	Original	40	Original
8	Original	41	Original
9	Original	42	Original
10	Original	43	Original
11	Original	44	Original
12	Original	45	Original
13	Original	46	Original
14	Original	47	Original
15	Original	48	Original
16	Original	49	Original
17	Original	50	Original
18	Original	51	Original
19	Original	52	Original
20	Original	53	Original
21	Original	54	Original
22	Original	55	Original
23	Original	56	Original
24	Original	57	Original
25	Original	58	Original
26	Original	59	Original
27	Original	60	Original
28	Original	61	Original
29	Original	62	Original
30	Original	63	Original
31	Original	64	Original
32	Original	65	Original
33	Original		

ISSUED: July 1, 2002

EFFECTIVE: August 1, 2002

ISSUED BY:

Raymond M. Chauncey, CEO
317 Centre Street
Amelia Island, FL 32034

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317 Centre Street
Amelia Island, FL 32034

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317 Centre Street
Amelia Island, FL 32034

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317 Centre Street
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SYMBOLS SHEET

NOTE: These are the only approved symbols to be used in your tariff and this list of symbols must be copied verbatim.

D - Delete Or Discontinue

I - Change Resulting In An Increase to A Customer's Bill

M - Moved From Another Tariff Location

N - New

R - Change Resulting In A Reduction To A Customer's Bill

T - Change in Text Or Regulation But No Change In Rate Or Charge

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Amelia Island, FL 32034

TARIFF FORMAT SHEETS

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc, the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

ISSUED: July 1, 2002

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317 Centre Street
Amelia Island, FL 32034

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's location to a Laser Telecom switching center or point of presence.

Authorized User - A person, firm or corporation authorized by the Customer to be an end-user of the service of the Customer.

Broadband - A facility providing transmission capacity at a minimum of 200 kilobits per second in both directions.

Calling Card - A proprietary card through which service is accessed by dialing a company-provided access number, and which enables the Customer or User to place calls over the network and to have the charges for such calls billed to the Customer's account.

Commission - The Florida Public Service Commission.

Company or Carrier - Whenever used in this tariff, "Company" refers to Laser Telecom, LLC, unless otherwise specified or clearly indicated by the context.

Credit Card - "Credit Card" means any card, plate, coupon book, or other single credit device that may be used from time to time to obtain credit.

Customer or Subscriber - The person, firm, corporation or other entity which orders, cancels, amends or uses service and is responsible for payment of charges and compliance with the Company's tariff regulations.

Customer Dialed Calling Card Call - A service whereby the End User dials all of the digits necessary to route and bill the call to a calling card.

Customer Premises Equipment - Terminal equipment, as defined herein, which is located on the Customer's premises.

Deposit - Refers to a cash or equivalent of cash security held as a guarantee for payment of the charges.

ICB - Individual Case Basis.

IXC - An interexchange carrier or interexchange company authorized by the Commission to provide long distance communications services within the State of Florida.

Laser Telecom - Laser Telecom, LLC, the issuer of this tariff.

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EFFECTIVE: August 1, 2002

ISSUED BY: Raymond M. Chauncey, CEO
317 Centre Street
Amelia Island, FL 32034

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (continued)

LATA - A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association Tariff F.C.C. No. 4.

LEC - Local Exchange Company refers to the dominant, monopolistic local telephone company in the area also served by the company.

Monthly Recurring Charges - The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Network - The Company's facilities, equipment, and services provided under this tariff.

Nonrecurring Charge (NRC) - A charge assessed on a one-time basis or "per occasion" basis.

NPA - Numbering plan area or area code.

PIN - Personal identification number.

Point of Presence (POP) - The location where an IXC has transmission equipment in a service area that serves as, or relays calls to, the interexchange network.

Recurring Charges - The monthly charges to the Customer for services, facilities and equipment which continue for the agreed upon duration of the service.

Service(s) - All telecommunications services and other services related thereto provided by the Company to Customers or Users.

Service Commencement Date - The first day following the date on which the Company notifies the Customer that the requested service or facility is installed, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order to this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree on a substitute Service Commencement Date.

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EFFECTIVE: August 1, 2002

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317 Centre Street
Amelia Island, FL 32034

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (continued)

Service Order - The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Telecommunications Service - Telecommunications offered for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

Telephone Company - Any individual, partnership, association, joint-stock company, trust or corporation authorized by the appropriate regulatory bodies to engage in providing public switched communication service throughout an exchange area, and between exchange areas within the LATA.

Terminal Equipment - Devices, apparatus, and associated wiring, such as teleprinters, telephones, or data sets.

Underlying Carrier - The provider of telecommunications services whose network is being utilized to transmit and receive the Customer's telecommunications traffic.

Usage Based Charges - Charges for calls which are based on increments of time, or number of messages completed over the local exchange network.

User (or End User) - Any person or entity that obtains the Company's services provided under this tariff, regardless of whether such person or entity is so authorized by the Customer.

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ISSUED BY: Raymond M. Chauncey, CEO
317 Centre Street
Amelia Island, FL 32034

SECTION 2 - RULES AND REGULATIONS**2.1 Undertaking of the Company**

The Company's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff.

Laser Telecom provides service in accordance with the terms and conditions set forth under this tariff. Laser Telecom may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to the Laser Telecom network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

The selling of IXC telecommunications service to uncertified IXC resellers is prohibited.

2.1.1 Shortage of Equipment or Facilities

- (A) The Company shall reserve the right to limit or to allocate the use of existing facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- (B) The furnishing of service under the tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

2.2 Limitations

- 2.2.1 Service is offered subject to the availability of facilities and provisions of this tariff.
- 2.2.2 The Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control: or when the customer is using service in violation of the law or the provisions of this tariff.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.2 Limitations (continued)**

- 2.2.3 All facilities provided under this tariff are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.4 All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.
- 2.2.5 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

2.3 Liabilities of the Company**2.3.1 Limitations of Liability**

- (A) The provisions of this section do not apply to errors and omissions caused by willful misconduct, fraudulent conduct or violations of laws by the Company.
- (B) In the event an error or omission is caused by the gross negligence of the Company, the liability of the Company shall be limited to and in no event exceed the sum of \$10,000.
- (C) Except as provided in Paragraphs (A) and (B) of this Rule, the liability of the Company for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in any of the services or private line, alphabetical directory listings, and all other services shall in no event exceed an amount equal to the pro rata charges to the Customer for the periods during which the services or facilities are affected, provided, however, that where any mistake, interruption, omission, delay, error or defect of any one service or facility affects or diminishes the value of any other service, said liability shall include such diminution, but in no event shall exceed the total amount of the charges to the Customer for all services or facilities for the period affected by the mistake, interruption, omission, delay, error or defect.

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SECTION 2 - RULES AND REGULATIONS (continued)

2.3 Liabilities of the Company (continued)

2.3.1 Limitations of Liability (continued)

- (D) The Company shall not be liable for errors in transmitting, receiving or delivering oral messages by telephone over the lines of the Company and connecting utilities.
- (E) The Utility shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, the Utility will give the customers who may be affected as reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and, if practicable, at times that will cause the least inconvenience.
- (F) Except for the extension of allowances to the Customer for interruptions in Service as set forth in this tariff, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any Service or any failure in or breakdown of facilities associated with the service.
- (G) The liability of the Company for errors in billing shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.
- (H) The Company shall not be liable for any claims for loss or damages involving:
 - 1. Any act or omission of: (1) the Customer; (2) any other entity furnishing Service, equipment or facilities for use in conjunction with Services or facilities provided by the Company; or (3) common carriers or warehousemen;

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SECTION 2 - RULES AND REGULATIONS (continued)

2.3 Liabilities of the Company (continued)

2.3.1 Limitations of Liability (continued)

(H) (continued)

2. Any delay or failure of performance or equipment due to causes beyond the Company's control, including, but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
3. Any unlawful or unauthorized use of the Company's facilities and Services;
4. Libel, slander, invasion of privacy or infringement patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or Services; or by means of the combination of Company-provided facilities or Services with Customer-provided facilities or Services;
5. Breach in the privacy or security of communications transmitted over the Company's facilities;
6. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or Services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or Services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this tariff;

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SECTION 2 - RULES AND REGULATIONS (continued)

2.3 Liabilities of the Company (continued)

2.3.1 Limitations of Liability (continued)

(H) (continued)

7. Defacement of or damage to Customer premises resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof;
8. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
9. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company;
10. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this tariff;
11. Any noncompletion of calls due to network busy conditions as long as the Company is meeting the applicable standards of the Commission;
12. Any calls not actually attempted to be completed during any period that Service is unavailable.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.3 Liabilities of the Company (continued)****2.3.1 Limitations of Liability (continued)**

- (I) The Company shall be indemnified, defended and held harmless by the Customer or User from and against any and all claims, loss, demands, suits, expense, or other actions or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or Service provided by the Company.
- (J) The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the Service.
- (K) The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for Service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or Services. Such facilities are provided subject to such degree of protection or non-pre-emptibility as may be provided by the other entities.

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SECTION 2 - RULES AND REGULATIONS (continued)

2.3 Liabilities of the Company (continued)

2.3.1 Limitations of Liability (continued)

- (L) Except as provide elsewhere in this tariff, any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- (M) Except as provided elsewhere in this tariff, any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- (N) EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTIRY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

2.4 Use of Service

Service provide under this tariff may be used for any lawful purpose for which the service is technically suited.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.5 Terms and Conditions**

- 2.5.1 Service is provided on the basis of a minimum period of at least thirty days, twenty-four (24) hours per day. For the purposes of computing charges in this tariff, a month is considered to have thirty (30) days.
- 2.5.2 Customers may be required to enter into written or verbal service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- 2.5.3 This tariff shall be interpreted and governed by the laws of the State of Florida without regard for its choice of laws provision.
- 2.5.4 Other carriers may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain services directly from the Company.
- 2.5.5 To the extent that either the Company or any other carrier exercises control over available cable pairs, conduit, duct spaces, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its Customers. At the reasonable request of either party, the Company and the other carrier shall jointly attempt to obtain from the owner of the property access for the other party to serve a person or entity.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.5 Terms and Conditions (continued)**

- 2.5.6 If service which is being provided pursuant to a term contract is requested to be moved to a different address during the term, then a new term commitment, installation, charges and disconnect charges may apply, and recurring monthly charges may be affected. The Company will undertake a request for service to be moved to a different address upon six weeks notice by the Customer.
- 2.5.7 Services offered by the Company are normally provided in one-year term increments. Specialized Customer plans may be made available under the terms and conditions of this tariff for contract services. Upon expiration, the term agreement will automatically be renewed at each applicable location for successive terms equal in length to the minimum term previously agreed to by the Company and the Customer, unless either party gives the other party written notice of non-renewal no less than thirty (30) days prior to the end of the then current term.
- 2.5.8 Any equipment installed by the Company on the Customer's premises and not purchased by the Customer will remain the property of the Company. The Customer will be responsible for all damage to any Company equipment caused by the Customer or its employees. The Customer will be responsible for providing reasonable access to the equipment for purposes of repair, maintenance, removal or otherwise. If the Customer requires special construction to its premises or facilities as part of the Company's provision of this service, or if the Customer requests a change in location of all or part of the service prior to the completion of construction or installation, the Customer will be responsible for all costs associated with the special construction or relocation, as described elsewhere in this tariff. The Company will have no responsibility or obligations for the repair or maintenance of any third-party equipment purchased by the Customer in connection with this service. Upon termination of service, the Customer will permit access by the Company to remove the Company's equipment.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.5 Terms and Conditions (continued)**

- 2.5.9 The Company assumes no responsibility for the information obtained or otherwise available through the Service. All information accessed by the Customer through the Service is accessed and used at the Customer's own risk and the Company will have no liability whatsoever for any claims, losses, actions, damages, suits or proceedings arising out of or otherwise related to the access of such information by the Customer. The Company has no obligation to monitor transmissions made on the Service. However, the Company reserves the right to monitor such transmissions from time to time and to disclose the same as required to satisfy any applicable law, regulation or other lawful governmental request. The Company also reserves the right to remove any information or materials, whole or in part, that it deems unacceptable, undesirable, or in violation of this tariff.
- 2.5.10 If the Customer has undisputed past due charges, the Company reserves the right not to honor the Customer's request for a change in toll-free service to another carrier, including a request for a Responsible Organization (Resp. Org.), until such charges are paid in full.
- 2.5.11 The Customer will be responsible for paying for all calls originating from the Customer's premises whether or not authorized by the Customer.
- 2.5.12 The Company will use its reasonable best efforts to provide the services ordered on or before the requested dates, however, because of the potential difficulties involved in interfacing with multiple vendors, there is no delivery guarantee. The Customer must be prepared to allow for installation when notified of the circuits' being tested and released.
- 2.5.13 A Customer may not assign his or her service agreement without the prior written consent of the Company.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.6 Notification of Service-Affecting Activities**

The Company will make good faith efforts to provide the Customer with notification of service-affecting activities that may occur in normal operations of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

2.7 Provision of Equipment and Facilities

- 2.7.1 The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not nor may the Customer permit others to rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.7.2 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer, unless requested by the Customer or required to do so by technical considerations.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.7 Provision of Equipment and Facilities (continued)**

- 2.7.3 Equipment the Company provides or installs at the Customer's Premises for use in connection with the Services the Company offers shall not be used for any purpose other than that for which the equipment is provided.
- 2.7.4 Except as otherwise indicated, Customer provided station equipment at the Customer's premises for use in connection with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.
- 2.7.5 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
- A. the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
 - B. the reception of signals by Customer-provided equipment; or
 - C. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

2.8 Nonroutine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.9 Special Construction**

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is construction undertaken:

- where facilities are not presently available, and there is not other requirement for the facilities so constructed;
- of a type other than that which the Company would normally utilize in the furnishing of its services;
- over a route other than that which the Company would normally utilize in the furnishing of its services;
- in a quantity greater than that which the Company would normally construct;
- on an expedited basis;
- on a temporary basis until permanent facilities are available;
- involving abnormal costs;
- in advance of its normal construction.

2.10 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its partners, agents, contractors and suppliers.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.11 Prohibited Uses**

- 2.11.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.11.2 The Company may require applicants for service who intent to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and the Florida Public Service Commission's regulations, policies, orders ad decisions.
- 2.11.3 The Company may block any signals being transmitted over its Network by Customers which cause interference to the Company or other users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked Service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.
- 2.11.4 A Customer, joint user, or authorized used may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of a new service, and nonrecurring installation charges as stated in this tariff will apply.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.12 Responsibilities of the Customer****2.12.1 General**

- (A) The Customer is responsible for placing any necessary orders; for complying with tariff regulations; for the placement of any stickers or tent cards provided by the Company or as required by law; and for assuring that Users comply with tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to Services provided or made available by the Customer to Users. The Customer is also responsible for the payment of charges whether or not authorized by Customer.
- (B) The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- (C) If required for the provision of the Company's Services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.
- (D) The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required by the Company personnel to install, repair, maintain, program, inspect or remove equipment with the provision of the Company's Services. Upon termination of services, Customer will provide the Company with all access to the premises for equipment removal and other necessary activities to terminate service.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.12 Responsibilities of the Customer (continued)****2.12.1 General (continued)**

- (E) The Customer shall ensure that the equipment and/or system is properly interfaces with Company facilities or Services, that the signals emitted into the Company's Network are of the proper mode, bandwidth, power and signal level for the intended use of the Customer and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade Service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without use of protective interface devices.

If the Customer fails to maintain the equipment and/or system properly, with resulting imminent harm to Company equipment, personnel, or the quality of Service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's Service.

- (F) The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by the negligent or willful acts or omissions of the Customer, Users, or others, by improper use of the Services, or by use of equipment provided by the Customer, Users, or others.
- (G) The Customer must pay for the loss through theft of any Company equipment installed at Customer's premises.
- (H) The Customer is responsible for payment of all charges for Services and equipment provided under this tariff.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.12 Responsibilities of the Customer (continued)****2.12.1 General (continued)**

- (I) The Customer shall keep all Company equipment free from liens, security interests, and other encumbrances.
- (J) The Customer is responsible for compliance with the applicable regulations set forth in this tariff.
- (K) The Customer shall indemnify and save the Company harmless from all liability disclaimed by the Company as specified in this tariff, arising in connection with the provision of Service by the Company, and shall protect and defend the Company from any suits or claims against the Company and shall pay all expenses and satisfy all judgments rendered against the Company in connection herewith. The Company shall notify the Customer of any suit or claim against the Company of which it is aware.

2.12.2 Liability of the Customer

- (A) The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- (B) To the extent caused by any negligent or intentional act of the Customer as described in (A), preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.

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SECTION 2 - RULES AND REGULATIONS (continued)

2.12 Responsibilities of the Customer (continued)

2.12.2 Liability of the Customer (continued)

- (C) The Customer shall not assert any claim against any other Customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

2.13 Customer Liability for Unauthorized Use of the Network

2.13.1 Unauthorized Use of the Network

- (A) Unauthorized use of the Network occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Network, obtains the Company's Services provided under this tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Network, makes fraudulent use of the Network to obtain the Company's Services provided under this tariff, or uses specific services that are not authorized.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.13 Customer Liability for Unauthorized Use of the Network (continued)****2.13.1 Unauthorized Use of the Network (continued)**

- (B) The term "fraudulent use" includes but is not limited to the following activities:
1. Using the Network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
 2. Using or attempting to use the Network with the intent to avoid payment, either in whole or in part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this tariff to any service components used to furnish the Company's Services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;
 3. Toll free callers using the Network with the intent of gaining access to a Customer's outbound calling capabilities on an unauthorized basis; and
 4. Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.
- (C) Customers are advised that use of telecommunications equipment and Services, including that provided under this tariff, carries a risk of various forms of telecommunications fraud (including, but not limited to fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including the equipment and services provided hereunder, and to detect and prevent unauthorized use of the equipment and services provided by the Company under this tariff. Furthermore, Customers must notify the Company verbally or in writing of unauthorized use or charges appearing on the Customer's bill.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.13 Customer Liability for Unauthorized Use of the Network (continued)****2.13.2 Liability for Unauthorized Use (continued)**

- (A) Except as provided for elsewhere in this tariff, the Customer is responsible for payment of all charges for Services provided under this tariff. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
- (B) The Customer is responsible for payment of all outbound call charges arising from calls placed to a Customer's 800 service number, whether or not such calls are authorized or fraudulent, where the User gains access to the Customer's outbound calling equipment and services.
- (C) The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including Service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages. The Company will take reasonable steps, upon verbal or written notification that fraud has occurred, or is believed to have occurred, to assist the customer in identifying the nature and/or source of the fraud, and in terminating the fraudulent use of the Customer's service. The Company will also assist the Customer in facilitating changes in phone numbers, and assist the Customer in identifying the perpetrator(s) of the fraud for purposes of pursuing civil remedies.
- (D) The Customer is responsible for payment of any charges related to the suspension and/or termination of Service, and any charges for reconnection of Service, incurred as a result of unauthorized use of the Network.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.13 Customer Liability for Unauthorized Use of the Network (continued)****2.13.3 Liability for Calling Card Fraud**

- (A) The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a Company Calling Card, provided that the unauthorized use occurs before the Company has been notified.
- (B) The Customer must give the Company notice that unauthorized use of a Company Calling Card has occurred or may occur as a result of loss, theft or other reasons. For the purposes of this section, "notice" occurs when the Company receives a verbal or written confirmation that unauthorized use of a Company Calling Card has occurred or may occur as a result of loss, theft or other reasons.
- (C) The limitations on liability in this subsection will not apply to pre-paid or debit cards.

2.13.4 Liability for Credit Card Fraud

The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a Credit Card. State or federal law may limit the liability of the Customer for unauthorized use of the Network by Credit Card fraud, and the Customer shall seek indemnification from the organization or company issuing such card for unauthorized use thereof.

2.14 Customer Equipment and Channels**2.14.1 General**

A user may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade and broadband telephonic signals, except as otherwise stated in this tariff. A user may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

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SECTION 2 - RULES AND REGULATIONS (continued)

2.14 Customer Equipment and Channels (continued)

2.14.2 **Station Equipment**

- (A) Terminal equipment on the user's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the user. The user is responsible for the provision of wiring or cable to connect its terminal equipment to the Company's network.
- (B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense, subject to prior Customer approval of the equipment expense.

2.14.3 **Inspections**

- (A) Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.13.2(B) for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- (B) If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.14 Customer Equipment and Channels (continued)****2.14.3 Inspections (continued)**

- (C) The Company reserves the right to terminate Customer's service immediately without notice in the event of a condition determined by the Company to be hazardous or dangerous.

2.15 Deposits and Advance Payments**2.15.1 Deposits**

- (A) To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges in accordance with Florida Public Service Commission Rule 25-24.490(2). A deposit may be required if the Customer's financial condition is not acceptable to the Company or is not a matter of general knowledge. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. A deposit may be required in addition to an advance payment.
- (B) Upon discontinuance of service, the Company shall promptly and automatically refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills including any penalties assessed for service furnished by the Company.
- (C) Deposits will accrue interest annually at the rate of 5% per annum. Upon request of the Customer, accrued interest shall be annually credited to the Customer by deducting such interest from the amount of the next bill for service following the accrual date.
- (D) The Company will refund the deposits of Customers who have paid their bills for the length of the term of their initial contract fully and on time.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.15 Deposits and Advance Payments (continued)****2.15.2 Advance Payments**

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished, where special construction is involved. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and one (1) month's charges for the service or facilities. In addition, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

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SECTION 2 - RULES AND REGULATIONS (continued)

2.16 Taxes and Fees

For all services other than Debit Card Service, state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates. Governmental assessments, fees, license, or other similar taxes or fees imposed upon the Company shall be added pro rata, insofar as practical, to the rates and charges stated in the company's rate schedules. Company shall add to the bills of the Customers an amount sufficient to recover any such tax or fee.

2.16.1 Presubscribed Interexchange Carrier Charge

For any telephone line, automatic number identification (ANI), terminal, extension, or equivalent for which the Company is designated by the Local Exchange Carrier, cellular service provider, personal communications service provider, or other similar entity to be a Customer's Primary Interexchange Carrier (PIC), the Company will assess the Customer a monthly recurring charge, called a Presubscribed Interexchange Carrier Charge (PICC), for each line or equivalent, that the Company is so designated. The aggregate of these PICCs will not be prorated for a partial month of service, are not subject to any discounting and do not contribute to any monthly minimums. The PICCs charged by the Company are as follows:

	<u>Monthly Recurring Charge</u>
Primary Residential Line	\$ 0.00
Additional Residential Line	\$ 0.00
Single-Line Business Line	\$ 0.00
Multi-Line Business Line	\$ 4.35

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SECTION 2 - RULES AND REGULATIONS (continued)**2.16 Taxes and Fees (continued)****2.16.2 Public Telephone Surcharge**

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access the Company's service and is unrelated to the service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

(A) Public Telephone Surcharge

Rate per Call, per minute	\$0.30
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SECTION 2 - RULES AND REGULATIONS (continued)

2.17 Payment Arrangements

2.17.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

The Customer is responsible for the payment of federal excise taxes, state and local sales and use taxes and similar taxes imposed by governmental and regulatory jurisdictions, all of which shall be separately designated on the Company's invoices. The Company will not separately charge for the Florida gross receipts tax on the Company's invoice for local services. Any taxes imposed by a local jurisdiction (e.g., county and municipal) will only be recovered from those Customers residing in the affected jurisdictions.

2.17.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- (A) Nonrecurring charges are due and payable upon receipt of the Company's invoice by the Customer.
- (B) The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable upon receipt. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.
- (C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.17 Payment Arrangements (continued)****2.17.2 Billing and Collection of Charges (continued)**

- (D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the requested service or facility is installed, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (E) If any portion of the payment is not received by the Company within 20 days from the date of billing, then a late payment charge of 1.5% per month shall be due to the Company. A late payment charge will not be assessed to any previously billed late payment charges. Late payment charges are to be applied without discrimination.
- (F) The Customer should notify the Company of any disputed items on an invoice within thirty (30) days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Florida Public Service Commission in accordance with the Commission's rules of procedure.

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SECTION 2 - RULES AND REGULATIONS (continued)

2.17 Payment Arrangements (continued)

2.17.3 **Discontinuance of Service for Cause**

The Company may discontinue service without liability for the following reasons provided in this Section. Customers will be provided five (5) days written notice prior to discontinuance unless otherwise indicated.

Upon the Company's discontinuance of service to the Customer under Section 2.16.3(A) or 2.16.3(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

- (A) Upon nonpayment of any amounts owing to the Company, the Company may discontinue or suspend service without incurring any liability.
- (B) Upon violation of or non-compliance with Commission's Regulations governing service supplied by telephone utilities, or for violation or non-compliance with the Company's rules in this tariff on file with the Commission.
- (C) Upon any governmental prohibition or government required alteration of the services to be provided, or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- (D) In the event of unauthorized use of telephone service.
- (E) In the event of Customer use of equipment or services in such a manner as to adversely affect the Company's service to others.
- (F) In the event of tampering with equipment or services furnished by the company.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.17 Payment Arrangements (continued)****2.17.3 Discontinuance of Service for Cause (continued)**

- (G) The Customer is responsible for providing adequate access lines to enable the Company to terminate all toll-free (e.g., 800/888) service calls to the Customer's telephone equipment. Should the Customer have insufficient access lines on which to terminate 800 Service calls, the Company reserves the right to request the Customer to add additional lines for call terminations. If, after ninety (90) days, the Customer has not made the requested change, the Company, without incurring any liability, reserves the right to terminate the Customer's 800 Service, with thirty (30) days' written notice.
- (H) For failure of the Customer to permit reasonable access by the Company to its equipment.

2.17.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide the Company notice of desire to terminate service. Cancellation notice will be provided to the Company according to the terms of the Customer's contract or as provided in this tariff.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.17 Payment Arrangements (continued)****2.17.5 Cancellation of Application for Service**

- (A) Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- (B) Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- (C) Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, may apply. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- (D) The special charges described in 2.16.5(B) through 2.16.5(C) will be calculated and applied on a case-by-case basis.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.17 Payment Arrangements (continued)****2.17.6 Changes in Service Requested**

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.17.7 Return Check Charge

A return check charge of \$25 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50, \$30 if the face value does exceed \$50 but does not exceed \$300, \$40 if the face value exceeds \$300 or 5% of the value of the check, whichever is greater.

2.18 Allowances for Interruptions in Service**2.18.1 General**

- (A) A credit allowance will be given when service is interrupted, except as specified in Section 2.18.2 following. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff. The Company reserves the right to periodically review and modify its credit allowance policy.
- (B) An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.18 Allowances for Interruptions in Service (continued)****2.18.1 General (continued)**

- (C) If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.
- (D) The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

2.18.2 Limitations of Allowances

No credit allowance will be made for any interruption in service:

- (A) Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;
- (B) Due to the failure of power, equipment, systems, connections or services not provided by the Company;
- (C) Due to circumstances or causes beyond the reasonable control of the Company;
- (D) During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

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SECTION 2 - RULES AND REGULATIONS (continued)

2.18 Allowances for Interruptions in Service (continued)

2.18.2 Limitations of Allowances (continued)

- (E) Service will not be deemed to be interrupted if a Customer continues to voluntarily make use of the service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.18.3), or utilize another service provider;
- (F) During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (G) That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- (H) That was not reported to the Company within thirty (30) days of the date that service was affected.

2.18.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.18 Allowances for Interruptions in Service (continued)****2.18.4 Application of Credits for Interruptions in Service**

- (A) Credits will be issued for monthly recurring charges only; no credit is given for usage sensitive charges. The credit shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- (B) For calculating credit allowances, every month is considered to have thirty (30) days.
- (C) A credit allowance will be given for interruptions of twenty-four (24) consecutive hours or more. The credit will be calculated as the pro rata part of the month's charge for the period of days and that portion of the service rendered useless or inoperative.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.19 Cancellation of Service/Termination Liability**

If a Customer cancels a service order or terminates services before the completion of the term or where the Customer breaches the terms in the service contract, Customer may be requested by the Company to pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.16.2.

2.19.1 Cancellation of Service by the Customer

- (A) In the event Company has failed to substantially cure any material default or failure of performance under the Service Order (or Customer Service Agreement) within thirty (30) days after Company's receipt of Customer's written notice describing with reasonable specificity such alleged material default or failure of performance, then Customer may terminate the Service Order (or Customer Service Agreement) for cause by giving Company a written notice of termination within fifteen (15) days after the expiration of said thirty (30) day period. In the event the Service Order (or Customer Service Agreement) covers Services at several locations, Customer's right to terminate such Service Order (or Customer Service Agreement) shall be limited to termination of the Services at the affected locations only.
- (B) If a Customer cancels a Service Order (or Customer Services Agreement) or terminates Services before the completion of the term for any reason whatsoever other than (1) permitted under A. above; or (2) other than a service interruption (as defined in 2.18.1 above), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 2.16.2, all costs, fees and expenses incurred in connection with:
1. all Non-Recurring Charges reasonably expended by Company to install, provide, and remove service to Customer, plus
 2. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus

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SECTION 2 - RULES AND REGULATIONS (continued)

2.19 Cancellation of Service/Termination Liability (continued)

2.19.1 Cancellation of Service by the Customer (continued)

(B) Continued

3. all applicable Recurring Charges multiplied by the number of months remaining in the current term, plus
4. damages and costs incurred by Company in connection with Customer's cancellation or termination of the Service Order (or Customer Service Agreement), including, without limitation, court costs, reasonable attorneys' fees and interest on past due amounts.

(C) All cancellations of service must be submitted in writing, clearly stating the name of the Customer and the location for which cancellation is being requested, the authorized signature of the Customer, and the services to be cancelled. The date the cancellation notice is received will be considered the cancellation date.

(D) The Customer will have no right to terminate the service or the agreement during any interim period between the execution by the Customer of the Customer Services Agreement and the actual installation date. If the Customer terminates the agreement during such interim period, the Customer will be liable for the termination charges described above.

(E) The Company reserves the right to terminate an agreement or suspend service for reasons as set forth in Section 2 of this tariff.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.20 Transfers and Assignments**

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties to a) any subsidiary, parent company or affiliate of the Company; b) pursuant to any sale or transfer of substantially all the assets of the Company; or c) pursuant to any financing, merger or reorganization of the Company.

2.21 Notices and Communications

- 2.21.1 The Customer shall designate on the service order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- 2.21.2 The Company shall designate on the service order an address to which the Customer shall mail or deliver all notices and other communications.
- 2.21.3 Except as otherwise stated in this tariff, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.21.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.22 Inspection, Testing and Adjustment**

Upon reasonable notice, the facilities provided by the Carrier shall be made available to the Carrier for tests and adjustments as may be deemed necessary by the Carrier for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.23 Tests, Pilots, Promotional Campaigns and Contests

The Carrier may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Carrier may also waive a portion or all processing fees or installation fees for winner of contests and other occasional promotional events sponsored or endorsed by the Carrier. From time to time the Company may waive all processing fees for a Customer. The Company shall notify the Commission, in writing, prior to the start of a promotion.

2.24 Interconnection

Service furnished by Laser Telecom may be connected with the services or facilities of other carriers. Such service or facilities are provided under the terms, rates and conditions of the other carrier. The Customer is responsible for all charges billed by other carriers for use in connection with Laser Telecom's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the Customer.

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SECTION 2 - RULES AND REGULATIONS (continued)**2.24 Reservation of Toll-Free Numbers**

Laser Telecom will make every effort to reserve "vanity" toll-free numbers on the Customer's behalf, but makes no warranty or guarantee that the "vanity" number(s) will be available for use by the Customer.

2.25 Other Rules

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Account codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk of fraud.

2.26 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis.

2.27 Contracts

The Company may provide any of the services offered under this tariff, or combinations of services, to Customers on a contractual basis. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company. Such contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Rates in other sections of this tariff do not apply to Customers who agree to contract arrangements, with respect to services within the scope of the contract. Notwithstanding the forgoing, the Company reserves the right to increase rates during the term thereof subject to the rates, terms and conditions as set forth in this tariff. Such rate increases will take effect following customer notification as required by Commission rules.

Services provided under contract are not eligible for any promotional offerings which may be offered by the Company from time to time.

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SECTION 2 - RULES AND REGULATIONS (continued)

2.28 Special Promotions

The Carrier may from time to time engage in special promotional trial service offerings of limited duration (not to exceed ninety (90) days on a per Customer basis for non-optional, recurring charges) designed to attract new subscribers or to increase subscriber awareness of a particular tariff offering.

2.29 Discounts

The Company may, from time to time as reflected in the price list, offer discounts based on monthly volume (or, when appropriate, "monthly revenue commitment" may also be included in the tariff).

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SECTION 3 - DESCRIPTION OF SERVICE**3.1 General**

Laser Telecom is a common carrier providing intrastate interexchange telecommunications services to Customers for transmission of voice, data, and other types of telecommunications within the State of Florida. The charges for Laser Telecom's services may vary by the time of day, day of week, duration of the call, product type, volume, and term commitment.

The Company's services are available twenty-four (24) hours per day, seven (7) days a week. Intrastate service is offered in conjunction with interstate service.

3.2 Timing of Calls

Billing for calls placed over the Company's network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:

- 3.2.1 Call timing begins when the called party answers the call (i.e., when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.
- 3.2.2 Chargeable time for calls ends when one of the parties disconnects from the call.
- 3.2.3 Minimum call duration periods and increments for billing purposes vary by service option and are described with each individual service offering.
- 3.2.4 No charges apply to incomplete calls.

3.3 Time of Day Rate Periods**3.3.1 Determination of Rate Periods**

Unless otherwise indicated, rates for service are not time-of-day or distance sensitive.

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SECTION 3 - DESCRIPTION OF SERVICE (continued)

3.4 Laser Plus Long Distance Service

Laser Plus Long Distance Service is provided as an option available for outbound calling to Laser Plus local exchange Customers who select Laser Telecom as their presubscribed long distance carrier. Calls are billed in six (6) second increments after an initial minimum period of eighteen (18) seconds. Intrastate service is provided in conjunction with interstate and international service.

3.5 Laser Telecom Long Distance Service

Laser Telecom Long Distance Service is available for outbound and inbound (toll-free) calling only to Laser Telecom Long Distance customers who select Laser Telecom as their presubscribed long distance carrier. A specified amount of monthly long distance usage is available with each local access line ordered. Calls are billed in six (6) second increments after an initial minimum period of eighteen (18) seconds. Intrastate service is provided in conjunction with interstate and international service.

3.6 Laser Telecom Small Business Solutions Long Distance Service

Laser Telecom Small Business Solutions Long Distance Service is an outbound calling plan available to Laser Telecom Small Business local exchange customers who select Laser Telecom as their presubscribed long distance carrier. Calls are billed in six (6) second increments after an initial minimum period of eighteen (18) seconds. Intrastate service is provided in conjunction with interstate and international service.

3.7 Laser Telecom Calling Card Service

Laser Telecom Calling Card Service is a travel service allowing Customers to originate calls via a Company-provided toll free number from non-presubscribed access lines. Calls are billed in six (6) second increments after an initial minimum period of eighteen (18) seconds. Intrastate service is provided in conjunction with interstate and international service.

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SECTION 3 - DESCRIPTION OF SERVICE (continued)**3.8 Laser Telecom Toll-Free Directory Assistance Database Service**

This service provides for the set up and maintenance of Customer toll-free numbers in a national database available for Directory Assistance inquiries.

3.9 Laser Telecom Conferencing Service**3.9.1 General**

Laser Telecom Conferencing Service is a conference calling service that provides the Customer with the ability to hold a conversation with multiple participants simultaneously via telephone. The Customer makes a reservation specifying the estimated conference bridge time (or periods of time), number of participants, and meeting leader's name. Additional conference calling features may be requested at that time. The conference call may be selected as either automated or attended. Currently, a toll-free method is available if access is available. Tones will indicate entrances to/exits from the conference once it is underway.

3.9.2 Conference Types

- (A) **Automated Meet Me Toll Free:** The Company provides the Customer with a toll-free Conference telephone number and security code when the Conference Call reservation is made. At the scheduled date and time, each participant dials into the Conference using this number and pass code. An Automated Conference Attendant will greet and acknowledge each participant's entry into the call. Tones will signal entrances to and exits from the Conference once it is underway.
- (B) **Operator Assisted Toll Free:** The Company provides the Customer with a toll-free Conference telephone number when the Conference Call reservation is made. At the scheduled date and time, each participant dials into the Conference using this number. A live attendant will greet each participant and take the host and company name to enter the participant into the call. Tones will signal entrances to and exits from the Conference once it is underway.
- (C) **Operator Assisted Dial Out:** At the scheduled date and time for the Conference, a Company Conference Attendant calls each participant and places them into the Conference. Tones may be used instead of announcements to indicate entrances to/exits from the Conference once it is underway.

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SECTION 3 - DESCRIPTION OF SERVICE (continued)**3.9 Laser Telecom Conferencing Service****3.9.3 Application of Rates and Charges****(A) Usage Charges**

Conference Call usage charges are billed in one minute increments. All Conference Calling Service toll free charges are billed to the Customer who has arranged the call.

Charges are based on actual (versus reserved) usage. Billing for each station begins when connected to the bridge. Billing ends when the station is disconnected. Usage minutes are totaled into call type categories for rating and invoicing purposes. Rating is rounded to the next nearest whole minute within each call type category.

(B) Cancellation of Reservation

No charge will be assessed for Conference Calls that are canceled or rescheduled.

(C) Overbooking

No penalty will be assessed for Conference calls for which excess lines have been reserved.

(D) Features

Additional non-telephonic services, such as prenotification, fax broadcast, faxed call summary, monitoring, typed transcripts or tape recordings, duplicate tapes, and certified stenographer reporting are available at additional cost.

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SECTION 3 - DESCRIPTION OF SERVICE (continued)**3.10 Laser Telecom Long Distance Operator Assistance Services**

The Company offers operator assisted ("0+") calling for specialized billing or call placement arrangements. This service is available to Laser Telecom customers only.

3.10.1 Operator Assisted Call Options

The following payment options are available to Laser Telecom customers:

- (A) **Collect Calls** - This option allows a call to be billed to the called number, provided that the called station accepts responsibility for payment of charges.
- (B) **Calling Card Calls** - This option enables the Customer to charge a call to a valid telephone company calling card.
- (C) **Third Number Billing** - This option allows a call to be billed to a telephone number identified with a station other than the calling or called telephone number, provided that the third party number is not restricted from receiving such charges.

3.11 Operator Services to Aggregator Locations

Operator Services to Aggregator Locations are available to transient end users. These services allow end users to place calls using operator assistance for call completion or billing.

Usage charges and an appropriate service charge will be assessed on a per call basis, as stated in this tariff. For calls made using a telephone company card, acceptance of the card will be dependent upon the Company's ability to verify the card as valid. Only those cards accepted by the Company may be used for Operator Services. The Company reserves the right to verify acceptance of charge prior to billing charges to a third party number.

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SECTION 3 - DESCRIPTION OF SERVICE (continued)**3.11 Operator Services to Aggregator Locations (continued)**

- 3.11.1 Operator services may be used by the Aggregator and its respective Consumers (i.e., patrons, guests, invitees or employees) to complete Person-to-Person, Collect, Third-Party, and/or Calling Card calls.
- 3.11.2 Charges for Operator Assisted Calls include two components: a usage-sensitive component based upon the time-of-day rate period, mileage, and duration of the call; and a fixed service charge based upon the type of operator service provided.
- 3.11.3 The Company may collect Location Surcharges on behalf of the Aggregator. Location Surcharges apply on a per call basis and are included with usage charges on the End User's bill for services. With respect to charges imposed by the Aggregator for the use of the telephone, the Aggregator is responsible for posting the charge in plain view at each telephone.
- 3.11.4 Service may be suspended by the Company, without notice to the Customer or the Aggregator, by blocking traffic to certain countries, cities, or NXX exchanges, or by blocking calls using certain Authorization Codes, Calling Cards or credit cards, when the Company deems it necessary to take such action to prevent unlawful use of service. The Company will restore service as soon as it can be provided without undue risk, and will, upon request, assign a new Authorization Code to replace the one that has been deactivated. The Company reserves the right to validate an end user's credit worthiness through available credit card, Calling Card, called number, Third Party telephone number and room number verification procedures. Where a requested billing method cannot be validated, the end user may be required to provide an acceptable alternate billing method or the Company may refuse to place the call.
- 3.11.5 The Aggregator is responsible for payment of the Company's charges for all calls placed from the Aggregator's Premises except for Collect, Third Party, Calling Card and credit card calls. The Calling Card or credit card holder or local exchange company service subscriber is responsible for payment of the Company's charges for all calls billed to a Calling Card, credit card or a telephone line number, respectively.

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SECTION 3 - DESCRIPTION OF SERVICE (continued)**3.11 Operator Services to Aggregator Locations (continued)****3.11.6 Application of Per Call Service Charges**

The following per-call charges apply in addition to the per minute usage rates when applicable. These charges apply in all rate periods.

- (A) **Customer Dialed Calling/Credit Card Call** - This charge applies in addition to long distance usage charges for station to station calls billed to an authorized Calling Card or Commercial Credit Card. The Customer must dial the destination telephone number where the capability exists for the Customer to do so.
- (B) **Operator Dialed Calling/Credit Card Call** - This charge applies in addition to long distance usage charges for station to station calls billed to an authorized telephone Calling Card or Commercial Credit Card and the operator dials the destination telephone number at the request of the Customer.
- (C) **Operator Station** - This charge applies in addition to long distance usage charges for non-Person-to-Person calls placed using the assistance of a Company operator and billed Collect, to a Third Party, by deposit of coins in Pay Telephones, or via some method other than a Calling Card or Commercial Credit Card.
- (D) **Person-to-Person** - This charge applies in addition to long distance usage charges for calls placed with the assistance of a Company operator to a particular party at the destination number. This charge applies regardless of billing method, including but not limited to billing to a Calling Card, Commercial Credit Card, Collect, by deposit of coins in Pay Telephones, or to a Third Party. Charges do not apply unless the specified party or an acceptable substitute is available.

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SECTION 3 - DESCRIPTION OF SERVICE (continued)**3.12 Directory Assistance**

A Directory Assistance charge applies per directory assistance call. The Customer may make two (2) requests for a telephone number per call. The Directory Assistance Charge applies regardless of whether the Directory Assistance operator is able to supply the requested number.

3.13 Busy Line Verification and Line Interrupt Service

Upon request of a calling party the Company will verify a busy condition on a designated local service line. The operator will determine if the line is clear or in use and report to the calling party. At the request of the Customer, the operator will interrupt the call on the busy line. Busy Line Interruption is only permitted in cases where the calling party indicates an emergency exists and requests interruption.

No charge will apply when the calling party advises that the call is to or from an official public emergency agency.

Busy Verification and Interrupt Service is furnished where and to the extent that facilities permit.

The Customer shall identify and save the Company harmless against all claims that may arise from either party to the interrupted call or any person.

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SECTION 4 - RATES**4.1 Laser Plus Long Distance Service**

Rate per minute	\$0.1200
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4.2 Laser Telecom Long Distance Service

Rate for first 200 minutes, per minute	\$0.1200
Rate for additional minutes, per minute	\$0.1600

4.3 Laser Telecom Small Business Solutions Long Distance Service

	<u>Rate per minute</u>
Month-to-month	\$0.0900
One year term	\$0.0900
Two year term	\$0.0800
Three year term	\$0.0800

4.4 Laser Telecom Calling Card Service**Non-recurring Charges:**

Initial Set Up Charge, per account	\$25.00
Additional cards, per order	\$ 5.00

Usage Charges:

Per call charge	\$0.35
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	<u>Rate per minute</u>
Month-to-month	\$0.2700
One year term	\$0.2700
Two year term	\$0.2500
Three year term	\$0.2300

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SECTION 4 - RATES (continued)**4.5 Laser Telecom Toll-Free Directory Assistance Database Service**

Set up charge, per toll-free number	\$25.00
Monthly rate, per toll-free number in Directory Assistance database	\$25.00

4.6 Laser Telecom Conferencing Service**4.6.1 Application of Rates and Charges****(A) Usage Charges**

Conference Call usage charges are billed in one minute increments. All Conference Calling Service toll free charges are billed to the Customer who has arranged the call.

Charges are based on actual (versus reserved) usage. Billing for each station begins when connected to the bridge. Billing ends when the station is disconnected. Usage minutes are totaled into call type categories for rating and invoicing purposes. Rating is rounded to the next nearest whole minute within each call type category.

<u>Conference Type</u>	<u>Rate Per Minute</u>
Automated Toll-Free	\$0.3500
Operator Assisted Toll-Free	\$0.4000
Dial-out Operator Assisted	\$0.4500

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SECTION 4 - RATES (continued)**4.7 Laser Telecom Long Distance Operator Services****4.7.1 Rates and Charges****(A) Per Minute Usage Rates**

Rate Per Minute: \$0.2500

(B) Per Call Service Charges

	<u>Per Call</u>
Customer Dialed Calling Card Station	\$1.00
Operator Dialed Calling Card Station	\$1.00
Operator Station	
Collect	\$1.00
Billed to Third Number	\$1.00
Person-to-Person Call	\$1.00

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SECTION 4 - RATES (continued)

4.8 Operator Services to Aggregator Locations

4.8.1 Per Minute Usage Rates

Rate Per Minute: \$0.30

4.8.2 Per Call Service Charges

Per Call

All Other Calls \$1.75
Person to Person \$3.25

Any calls having elements of more than one type of call will be billed the highest charge applicable to the calls.

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SECTION 4 - RATES (continued)**4.9 Directory Assistance**

	<u>Per Call</u>
Each Directory Assistance Call	\$0.85
Surcharge for Operator Assistance	\$0.30

4.10 Busy Line Verification and Line Interrupt Service

Busy Line Verification, Per Call	\$2.00
Busy Line Verification and Line Interruption, Per Occasion	\$4.00

4.11 Restoration of Service

A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

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SECTION 4 - RATES (continued)**4.12 Special Rates For The Handicapped****4.12.1 Directory Assistance**

There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving individuals with disabilities. The Company shall charge the prevailing tariff rates for every call in excess of 50 within a billing cycle.

4.12.2 Hearing and Speech Impaired Persons

Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.12.3 Telecommunications Relay Service

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice non-relay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice non-relay call. The above discounts apply only to time sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

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Managerial Capability

The resumes/biographical summaries of the management team and advisors of Laser Telecom, LLC, are included as follows:

Raymond M. Chauncey	CEO/Manager of LLC/ Member
M. Clifford Holt	President and Member
Gary D. McManus	CFO and Member
John Pasioka	Technical Advisor and Member



Raymond M. Chauncey- Bio

Raymond Chauncey is co-founder, President and CEO of **BETA-1**, the **Business and Emerging Technology Accelerator** on Amelia Island, Florida. BETA-1, which is privately funded, equips emerging technology innovators with critical entrepreneurial resources, including an appropriate operating environment and 21st Century technical and communications services. The accelerator also provides proactive business mentoring combined with timely capital assistance through its seed capital fund.

Before founding BETA-1, he was President of Benchmark Consulting Corp, which specializes in business development and expansion for technology entrepreneurs. The company service and expertise included management assistance, business planning, market analysis, e-business strategy, technology licensing and venture financing.

Ray was previously Vice-President and Chief Operating Officer of Enterprise North Florida Corporation (an Enterprise Florida affiliate), a business incubator and consulting firm for start-up companies. As a founding member in 1995, he had responsibility for the development and operation of the Innovation and Technology Commercialization programs, which assisted over three- hundred businesses during his tenure. Ray helped develop the North Florida Venture Capital Forum and the North Florida Venture Capital Network and served as Forum Presenter Committee Chairman in both 1998 and 1999.

Prior to his entrepreneurial experiences, he was involved in the commercialization of more than thirty products and processes representing \$430 Million in annual sales. These projects were completed on six different continents for multi-national giants Union Carbide Corporation and Rhone-Poulenc, Inc., of France. Mr. Chauncey had responsibility for Process/Product Development/Pilot Plant Operations for North, Central and South American regions, as well as support for his counterparts in Asia and Europe on new start-ups. Ray has held a variety of key positions in functional areas including, engineering, research and development, manufacturing and commercial operations. His experience includes patent conception, product and process development, plant design, operator training, start-up, production, marketing, venture finance, strategic planning, and e-business applications. These experiences give him a unique perspective on global technological, economic, political, and cultural environments, as well as the many obstacles involved in the process of technology commercialization and operations.

Raymond holds a Bachelor's degree in Industrial Technology and a Master's in Business Administration from the University of North Florida. Ray is a member of the American Institute of Chemical Engineers, Licensing Executives Society, National Business Incubation Association, and Small Business Resource Network. He has also served on several Northeast Florida regional economic development Boards and committees, including Chair of the Nassau County Economic Development Board, Chairman of the Amelia Island Chamber of Commerce's Economic Development Committee and member of the Small Business Council, and the UNF Small Business Resource Network. Ray also was appointed to the WorkSource Regional Board, and the WorkSource High Skills/High Wage Committee. In addition he is on the Board of Directors or Advisors of several expanding and emerging companies on the First Coast.

RAYMOND M. CHAUNCEY

9517 Spring Blossom Court
Amelia Island, Florida 32034
(904) 261-4334

RayChauncey@BETA-1.com www.BETA-1.com

Summary:

An effective manager and entrepreneur who has successfully championed the development, technology transfer and international commercialization of 32 new products and processes. Project responsibilities have included the full scope of activities from patent conception, process and facilities definition, training and operations, quality control, product packaging and recycle. Experience includes technology evaluation, strategic market planning, economic and financial analysis, business plan development, budget preparation, and general business consulting. Uniquely qualified in the following areas:

- * Process Development
- * Market Analyses
- * International Technology Transfer
- * Pilot Plant Operations
- * Project Management
- * Product Development
- * e-Business Strategy
- * Venture financing
- * Operations/Production Management
- * Small Business Start-up/consulting

Previous Positions

Present: President and CEO, BETA-1 Business & Emerging Technology Accelerator Amelia Island, FL

1999-2000: President, Benchmark Technology Enterprise Consulting Corp., Amelia Island, FL

1996-1999 Vice President/COO - Innovation and Technology Commercialization, Enterprise North Florida Corporation, Jacksonville, Florida

1995 Project Manager- University of North Florida, Small Business Development Center- Enterprise Florida Innovation and Commercialization Center development

1993-1995: Co-Owner/Manager of Garden Art, Fernandina Beach, Florida

1987-1994: Manager - R & D Formulations Pilot Plants, Principal Scientist/Senior Process Development Engineer with Rhone-Poulenc Inc.

1977-1987: Process Development Engineer, Pilot Plant Engineer, Associate Chemist with Union Carbide Corporation

Process Development

- * Managed multiple scale-up projects for new agricultural formulation types including water dispersable granules, sprayable powders, flowables, baits, and emulsifiable concentrates.
- * Developed mathematical computer models for size reduction, drying and separation processes used in production of several commercial products.

Pilot Plant Operations

- * Managed formulations pilot plant and process development operations for new products. Supervised staff of twelve engineers, chemists and operating personnel. Prepared and administered \$1.4 million operating budget. Developed training for full-scale plant personnel.

Product Development

- * Evaluated alternatives for new product commercialization, including development of strategic marketing plans, product costing and manufacturing options.
- * Coordinated sample/prototype production and field testing program for candidate formulations.

International Technology Transfer

- * Led team in identifying and developing new pesticide formulation and water-soluble packaging technology to resolve worker exposure and contaminated container disposal issues. Several patents filed and granted worldwide.

- * Defined facilities and process for a "modular" plant to produce flowable suspension concentrates. Accountable for assembly, delivery, start-up, personnel training and initial operations of units in Mexico, Columbia, Brazil, and Indonesia.
- * Provided sole technology support for introduction of multi-million dollar product in Australia and Argentina. Activities included contract formulator selection, plant retrofit, start-up, personnel training and quality monitoring.

Operations Management

- * Coordinated contract formulator production including qualification trials, process safety and start-up reviews, facility modification requirements, quality assurance monitoring and statistical process control, TQM, and ISO 9002 training support.
- * Participated in various teams in R & D, manufacturing and engineering. Also a member of the Emergency Response Team, Managers Safety/Health and Environment Committee, Innovative Ideas Forum.

Project Management

- * Designed, installed, maintained, and operated several pilot plant units for process development activities. Also included laboratories for formulation development and analytical chemistry.
- * Managed technology support to new formulation plant construction, expansions, retrofit, relocation, and shut down projects.

Environmental Technology

- * Prepared application and obtained permits for R & D pilot plants. Maintained waste disposal permits and evaluated alternate treatment methods. Installed, operated and maintained new equipment.
- * Modeled biological treatment plant and provided training to plant operators to increase and monitor capacity.

Small Business Development

- * Conceptualized, started, and managed, a greenhouse/landscaping business. Duties included all financial, marketing, technical, and management decisions.
- * President of a consulting practice specializing in technology commercialization, business development, electronic commerce and venture financing.

Education:

Bachelor of Science , Industrial /Systems Technology (Summa Cum Laude 3.84/4.0)	1981
Master of Business Administration (3.83/4.0) University of North Florida, Jacksonville, Florida	1995
Post Graduate , Industrial Engineering, Graduate level, (Distance Learning Program) University of South Florida, Tampa, FL e-Business/e-Commerce Series	Present
Electronic Commerce Resource Center- Eckerd College, Largo ,FL	Present

Professional Affiliates/Community Services/Awards:

- * American Institute of Chemical Engineers
- * American Management Association
- * Economic Development Committee Chair, Amelia Island Chamber of Commerce
- * Florida Business Incubation Association
- * Florida Nurserymen & Growers Association - Certified Horticultural Professional
- * Institute of Packaging Professionals
- * Licensing Executives Society
- * Nassau County Economic Development Board, Chairman
- * National Business Incubation Association
- * North Florida Venture Capital Network
- * Small Business Resource Network- University of North Florida
- * Small Business Council-Amelia Island/Fernandina Beach/Yulee Chamber of Commerce
- * WorkSource Board of Directors (Workforce Regional Development)
- * Prix d'Excellence Orchidee-Creativity/Innovation, Rhone-Poulenc, Inc.

References: Available upon request

M. Clifford Holt

SUMMARY OF QUALIFICATIONS

Have made significant contributions to the bottom line profitability as a business building senior level manager with a strong technical and general business management background. As a key member of a corporate management team, worked with the financial underwriters in achieving a very successful public stock offering. Have also developed and executed strategy for successful sale of a business for a then record per share price for the type of company and industry.

Developed business practices for quality, on time delivery of complex systems. Authored the software factory process and the Evolution[®] methodology as high productivity approaches for component-based development (CBD) of distributed, multi-tier systems. Recently pursued expertise in delivering distributed Internet based systems using the latest standards in Web Services. Expert in several industry standard methodologies and in several computer aided software engineering systems development tools.

PROFESSIONAL EXPERIENCE

CEO

Oct 2001-Current

Oversees marketing, product/services development, production, finance, and client service of this computer networking specialists & high-speed wireless Internet provisioning company. Develops and makes certain that the business plan is up to date and used throughout the year as corporate governance in all business operations. Seeks and applies advice and council from the board of directors and outside business advisors. Develops and maintains synergistic strategic business alliances that improve technology knowledge, create revenue potential, and/or increase profitability. Is focused on making certain that the company fulfills its obligation to all shareholders and provides a reliable pay back/ exit strategy for its outside investors.

COMPUTER ASSOCIATES, INTERNATIONAL (CA)

VP of Business Development

Jan 1998 – Oct 2001

Established and managed the Business Practice Office (BPO) to ensure operational efficiency of internationally based Service Delivery Centers (Outsourcing Centers). Activities in this position and resulting benefits to company included:

- Formation and management of teams to develop and maintain infrastructure support systems, ISO 9000 compliance procedures, web based communication of procedures, and refinements of the Evolution[®] methodology and software factory process. Procedures and systems improved operational efficiencies of over 1500 systems developers worldwide.
- Authored web-based Project Management Office procedures resulting in establishment of best practices in project management and corresponding improvement in quality and on time delivery.
- Developed audit guidelines and helped conduct audits of projects, resulting in better customer relations and enabling early corrective actions to ensure project success and improved profitability.
- Developed web based workflow (process maps) for procedures in compliance with all clauses of the ISO 9000 standard. Graphical process maps resulted in improved training because of easier comprehension.
- Developed expertise in delivering distributed Internet based systems using the latest standards in XML and SOAP with J2EE compliant application servers using CA's COOL: Plex and COOL: Gen system development tools.

COMPUTER MANAGEMENT SCIENCES, INC. (CMSI)

VP of Business Operations

Nov 1992 – Jan 1998

Held various management positions to assist company in strategic market positioning of consulting services business and in new business development. Activities in this position and resulting benefits to company included:

- Authored, published and trademarked the Evolution[®] methodology, which is a comprehensive systems development approach, based on incremental development of software components and integrated use of high productivity tools, resulting in efficiencies and quality improvement. Also provided marketing edge over competition.
- Developed guidelines for presenting company credentials and in development of proposals. Improved procedures resulted in 25% increase in wins and better positioning of the company to compete with large consulting companies.
- Worked with management to define and establish Systems Outsourcing Centers. Developed procedures called Software Factory Process, which enabled assembly line software development and reuse of components to improve

productivity and profitability. Estimated 50% increase in productivity and improved employee job satisfaction and retention.

- Established line of business in data migration called DM Solution. Authored all procedures and staffed team to perform large data migration, resulting in most profitable service in CMSI history. Published paper on Data Migration.
- Served as technology advisor in corporate strategic planning for taking the company public. Worked with underwriters to communicate the services and products in the business plan, resulting in one of most profitable stock offerings in history of software consulting.
- Help in positioning of company for sale of all assets to Computer Associates, Inc. Obtained very profitable stock price resulting in yet another round of millionaires within the ranks of CMSI due to liquidation of ESOP.

JAMES MARTIN AND COMPANY (JM&C)

Senior Consulting Manager

July 1984 – Nov 1992

- Worked directly with James Martin in the development of the Rapid Application Development (RAD) version of the Information Engineering Methodology (IEM). RAD became one of the most widely used methodologies in the software industry in the 1980s and resulted in tens of millions in additional revenue to JMC.
- Successfully managed complete life cycle from pre sales through deployment of over \$50 million in projects.
- Engaged as principal consultant with a variety of fortune 500 companies in their migration from legacy to client/server technology.

ADDITIONAL RELEVANT EXPERIENCE

President and CEO of American Dataware, Inc.

Developed general applications development tool that contained its own language and compiler. Helped build this company to national recognition before selling product and business to Sage Systems, which later became Intersolv.

Director of Product Development for Survival Technology

Designed the prototype and worked on the development team to develop one of the first alternatives to the Holter monitor (an ambulatory cardiac tape recorder). Device achieved wide recognition in medical field as being revolutionary in design. Also consulted with companies in the implementation of FDA regulated good manufacturing practices for medical devices. Managed team in the systems integration within hospitals of various medical vendor products.

U. S. NAVY

Naval Flight Officer, Division Officer for over 100 personnel in the Avionics Division. Achieved rank of Lieutenant.

EDUCATION

The George Washington University, Washington DC

Masters degree in Biomedical Engineering

Auburn University, Auburn Alabama

Bachelor of Science in Electronics Engineering

National Honor Society of Electronics Engineers (ETA KAPPA NU)

Have authored and published several white papers on various subjects. Have presented technology as speaker in several industry seminars in computer industry.

John F. Pasioka, Advisor

John is a seasoned executive with over forty years of experience in founding, directing and managing profitable technically based organizations. He is currently involved as a consultant and advisor to various profit and nonprofit entities.

His experience includes 28 years in various executive assignments with Polaroid Corporation. Operationally, John has been responsible for development, start up and manufacturing support for all of the corporation's hardware products which include sophisticated cameras manufactured in volumes of more than four million units per year as well as the entire broad based line of lower volume industrial products. In that role he also negotiated and managed several large electronic supply contracts with major global vendors and directed the in house engineering efforts to achieve computer controlled, automated product assembly.

Commensurately, he has also been operationally responsible for the 650 member organization which designs and implements Polaroid's worldwide facilities, equipment and processes. In this role he led the successful worldwide efforts to implement core-manufacturing technologies in electronic and semi conductor assembly and in advanced high speed coating technology.

Additionally, as a member of Polaroid's Corporate Headquarters Staff, John has conducted specifically directed programs designed to advance strategies for corporate growth and profitability. These have included the development of an ongoing five year capital plan, within prescribed bank covenant limits, through negotiations with internal functional groups and involving careful risk analysis. In this assignment John also managed a diversity of one time activities ranging from the divestiture of specific businesses to the development of strategies for exploiting and growing new businesses in the commercial and industrial product markets.

Prior to his Polaroid career John was a member of Wolf Research and Development Corporation, one of the first software/hardware consulting companies, which pioneered the development of interactive software operating programs, where he managed product development for orbital analog display systems and related system work directed at calibrating radar using satellite photogrammetry. He was also Vice President of Engineering for Eastern Technical Associates, a company specializing in engineering consulting, prototype fabrication and product development.

John is the holder of nine US and Foreign patents. He is the recipient of a Bachelor of Science Degree in Mechanical Engineering and Economics from the Massachusetts Institute of Technology and of a Master of Science Degree in Engineering Management from Northeastern University.

P.O. Box 399, Catawba , NC
28609

Phone 828-241-9780

Gary D. McManus

Experience

1987-2001 Prodelin Corporation -Worlds leading
manufacture of receive/transmit small aperture satellite earth station
antennas Conover, NC

V.P Finance /Administration (CFO)

- Responsible for all accounting,/financial functions, Human Resources and Information Technology. Retired in 2001 to pursue investment opportunities.

1982-1987 Comm/Scope Corporation-One of the largest
manufacture of coaxial cable for the telecommunication industry Hickory, NC

Project Accounts Manager

- Worked on various internal projects and assisted with potential company acquisition opportunities.

1979-1982 Rubbermaid Applied Products -Industrial project
division of the best known consumer oriented products, Rubbermaid
Corporation Statesville, NC

General Accounting Manager

- Responsible for all accounting functions other than cost accounting

Education

University of South Carolina Columbia, SC
BS Business Management
Master Business Administration

Technical Capability

The technical services for Laser Telecom have been contracted to Connexsys, Inc. a local provider of managed network services, wireless networks and systems engineering. Laser Telecom has also contracted with DVVCom Technology Group to provide guidance in operating as a telephone company.

Resumes of the technicians from those companies that will be working on this project are included in this package.

Jason Decker Chief Technology Officer

Jim Ferguson Telecom Consultant

Beth Kiem Systems Engineer

Brian Beardsley Systems Engineer

Marc Cantelmo Systems Engineer

P. Jason Decker

EDUCATION

UNIVERSITY OF FLORIDA

Bachelor of Science in Civil Engineering

May 1997

MICROSOFT CERTIFIED SYSTEMS ENGINEER (MCSE)

MICROSOFT CERTIFIED PROFESSIONAL + INTERNET (MCP+I)

COMPUTER SKILLS:

- ❑ **OPERATING SYSTEMS:** Windows NT/2000 Server, Advanced Server, WorkStation, and Terminal Server Edition v3.51/4.0/2000, Windows9x, windows3.x, DOS, Linux.
- ❑ **SOFTWARE:** MS Active Directory Services, MS Exchange Server v5.5/2000, MS Internet Information Server v4.0/5.0, MS Proxy Server v2.0, Citrix XP, MetaFrame and Winframe, Seagate BackupExec, ArcServe, Sophos Anti-Virus, Trend Micro Office Scan Anti-Virus, HP OpenView Network Management, MS Office 9x & 2000, WordPerfect Suite, Visio Professional, AutoCAD R12-R14, Microstation 95/J.
- ❑ **PROGRAMMING:** HTML, Java Script, Visual Basic, C++, Fortran, and Pascal
- ❑ **NETWORKING:** Advanced TCP/IP functionality and configuration including LAN/WAN Switching and routing, OSPF, RIP, DNS, DHCP, WINS, FTP, Telnet, Frame-Relay, T1, Ethernet/Fast Ethernet.
- ❑ **OTHER:** Cisco Catalyst 4000/5000/6000 series switches, Cisco 2500/2600/3000/7000 Series Routers, Avaya (Lucent) Cajun 550/580/880 Series Switches. Firewall / VPN design and configuration utilizing, Cisco PIX, Raptor, Watchguard, Sonicwall and RadWare.

WORK EXPERIENCE

CONNEXSYS INC. – Jacksonville, FL – April 1999 – Present

SENIOR NETWORK ENGINEER / CONSULTANT: Network design and implementation for Connexsys internal systems, and various clients. Developed Network management architecture for Connexsys Client networks to facilitate Managed Network Services offered by Connexsys. Provide general network services and administration to Connexsys clients.

WIRELESS NETWORK ENGINEER: Design and implementation of indoor/outdoor wireless networks for multi-tenant buildings and hotels. Complete Wireless ISP design and build-out for Connexsys in Jacksonville Beach, FL. Design and implementation of a commercial outdoor wireless network for a 7000 user ISP in Douglas Georgia.

WORK EXPERIENCE (Continued)

MINDPOWER! CONSULTING INC. – Jacksonville, FL – October 1999 – April 1999

SENIOR NETWORK ENGINEER: Support and maintain a LAN/WAN network consisting of 700+ local users and 2000+ remote users/devices for Landstar Systems Holdings, Inc. Developed a Citrix MetaFrame/Terminal Server solution to support 1000+ external customers across connections including Dial-Up, Frame relay, and public Internet service. Designed and implemented a load balancing and fail-

over system for Terminal Services and the \$500 Million dollar corporate e-commerce site. Utilized Eco-Tools and MRTG to setup real-time bandwidth, health monitoring and notification services for all critical-path network and Internet links.

FLORIDA NETWORK CONSULTING INC. – Jacksonville, FL – April 1999 – October 1999

SENIOR NETWORK ENGINEER: Supported seventy-five software developers and thirteen Compaq servers in a multi-site, multi-domain Windows NT Environment. Architected a network restructuring and multiple NT domain collapse for Information Systems of Florida, Inc. Migrated corporate email from cc:Mail to Microsoft Exchange Server 5.5. Fully documented the design and maintenance procedures for the network.

CONNELLY & WICKER INC. - Jacksonville Beach, FL - June 1997 – April 1999

NETWORK ENGINEER: Designed and deployed a two office LAN/WAN migration from a peer-to-peer LANtastic network to a switched, Fast-Ethernet WinNT client/server environment. Implemented Exchange Server v5.5, Internet Information Server v4.0, Microsoft Proxy Server 2.0, Two Dedicated Frame Relay Circuits, and VPN utilizing Cisco 1601 routers. Network services include: secure interoffice communication via the Internet, single point administration, File and printer sharing, Web server, Browsing, FTP, and email.

CIVIL ENGINEER: Utilize computer-aided-design and modeling tools to develop roadway construction plans for the Florida Department of Transportation and the Jacksonville Transportation Authority. Also, write project proposals, layout project schedules, and perform cost estimates.

JAYNET CONSULTING SERVICES - Gainesville & Jacksonville, FL - January 1994 – May 1997

CONSULTANT: Design, recommend, and implement network infrastructure. Provide corporate Web site hosting and design. Support desktop hardware and software products under DOS, Windows 3.x, Windows 9x, Windows NT, and Unix.

SPECTRUM TECHNOLOGIES - Jacksonville, FL - March 1991 - December 1993

Company Partner/technician: Designed and built personal computers for sale in the mail order market. Responsible for design, testing, purchasing, marketing, sales, and customer support.

REFERENCES

Available Upon Request

James W. Ferguson
10961 Burnt Mill Road #311
Jacksonville, FL 32256
(904)-620-9442
Email jimferguson84@msn.com

Objective:

Seeking a high impact sales or management position with a growth and results-oriented company.

Career Summary

Dynamic professional with 20 years progressive successful experience in sales, account and wide area network management, and technical solution selling. Skilled strategist adept at maximizing high performance business by successfully identifying and defining cost effective methods to utilize current data networking technologies and achieve higher efficiency. Proven managerial ability to assemble, organize and lead productive teams. Ability to give outstanding company presentations. Exceptional qualifications and skills include:

- . Regional Branch Management
- . National Account Management
- . Strategic Account Planning
- . Relationship Management
- . Motivational and Product Knowledge Training
- . Sales/Marketing Strategy and Analysis

Professional Experience

Branch Manager (September 1999-October 2001)

ITC DeltaCom, Jacksonville, Florida.

Managed 58 personnel in the North Florida Region. Primary responsibilities included the acquisition of sales, design, installation and customer service of voice and data products and equipment. Increased the revenue base by 350% in 24 months, received Branch Manager of the Month award 5 times out of 46 offices.

Sales Engineer (March 1999-September 1999)

Florida Digital Network, Jacksonville, Florida

Responsible for identifying appropriate applications, design, layout, proper installation and provisioning of Dial-tone, PRI, Bundled T, ADSL, IDSL, Internet, and long distance technologies for start up clec within 6 months. Conducted on-site surveys, implemented sales and technical training for all sales and support staff.

Director Alternate Channels (May 1998-March 1999)

Logix Communications, Oklahoma City, Oklahoma.

Implemented new procedures for startup Company to include business plan, financial margins, training and marketing strategies. Responsible for the supervision of 12 managers and support staff to run Direct Agent Program, Referral Program, and the Association Program.

National Account Manager (June 1996-May 1998)

Intermedia Communications, Inc. Jacksonville, Florida

Promoted from Major Account Manager to National Account Manger, Strategic Initiatives group, provided complete telecommunications and network solutions to a select and targeted market segment. Responsible for identifying appropriate applications; recommend integrated solutions, and coordinate/manage sales support resources. Provide Network Access, Voice, Data, and Collocation solutions. Consistently exceeded quota, and was awarded the CEO's plaque for exceeding 100% of plan for 1997, also recognized for 314% of plan for 1st Qtr 1998

Senior Account Executive (November 1995-June 1996)

LDDS WorldCom, Jacksonville, Florida

Job duties include sales, service, retention, direct marketing and cold calling, achieved monthly quotas at 115%. Products included switched, dedicated, voice, and Internet. Responsible for the maintenance and revenue growth for the University of Florida Alumni Association.

Territory Sales Representative (May 1994-October 1995)

MCI, Jacksonville, Florida

Job duties include sales, service, retention, direct marketing and cold calling. Consistently exceeded monthly quota for new and existing customers by 156%

Master Sergeant (January 1977-September 1994)

United States Army, Fort Rucker, Alabama

Highly successful military career, numerous positions with varying degrees of duties and responsibilities. Culminated career managing an organization of 38 people who were responsible for providing a program of specialized academic instruction for Army helicopter pilot candidates. Assigned responsibilities, set standards of performance, evaluated performance and wrote performance reports. Maintained accountability of training resources valued in excess of \$60 million. Mentored 3 personnel from a highly competitive pool of 650+ instructors, leading to post instructor of the quarter three times and instructor of the year once.

Elizabeth A. Kiem

RELEVANT CERTIFICATIONS:

Microsoft Certified Systems Engineer + Internet Specialist, 4.0 with electives in Internet InformationServer and TCP/IP, SMS, SQL, Exchange
Microsoft Certified Trainer
Cisco Certified Network Administrator
Citrix Certified Administrator
Certified Novell Administrator, 4.11
A+ Certified Technician

TECHNICAL EXPERIENCE: 5/88- 2/97

United Parcel Service, Bradenton, Orlando, Florida
Technical Analyst, Technical Trainer

- built, installed, and supported computer systems and networks, hardware, software, media
- designed applications to interface with and automate customer's procedures
- trained customer's employees to use, administer and maintain custom computer systems
- launched and administered intranet in central Florida
- developed online process training library
- implemented division-wide internal email system
- administered and supported multi-site Novell WAN with mainframe and AS400 connectivity
- installed and maintained multiple network topologies with Ethernet, token ring, cellular and RF transmissions
- coordinated internal and external customer project implementation
- monitored data capturing methods and developed report generation tools
- administered and executed 3 district-wide technical training program to employees of varying technical exposure
- developed numerous procedural and technical training programs and documents
- project manager for 18 district-wide systems rollout projects
- implemented backup and restore policies and procedures
- consolidated support sites and procedures for 4 states
- managed migration of Central Florida district from Novell 3.x to 4.1, OS2 to windows 3.11

3/97-4/97

Transport South, Montgomery, Alabama
Terminal Manager/Field Support

- managed business/technical operations at 5 sites in 3 states
- setup Lotus Notes database connectivity for all sites to corporate headquarters
- installed mobile communications/monitoring equipment in service units
- configured network connectivity at all supported sites
- upgraded voice integrated work distribution application
- trained associates to administer and operate technical systems
- thoroughly tested upcoming release of remote software

5/97-8/99

Datacom Computer Services, Jacksonville, Florida
Senior Systems Consultant, Lead Technical Trainer

- handled 'point man' position for 2000 desktop Win95/Exchange conversion project
- created and tested disk images for desktop standardization
- provided basic NT administration and complete workstation support for 750 user network running legacy hardware
- facilitated 1300 desktop SMS implementation
- instructed all MCSE core classes and several electives as well A+, Networking Essentials
- managed 200 desktop Win3.11 alternate location move with TCP/IP migration
- developed requirements for, administered, implemented enterprise helpdesk package
- provided documentation for problem resolutions, systems documentation for

- third-party offsite support, and complete network documentation for server migration
- participated in presentation of technical opportunity seminars, system overviews for potential customer's management teams, and training overviews
- facilitated 10 server Novell to Windows NT server migration
- formatted and populated Intranet site, developed maintenance procedures, security
- automated escalation procedures via CAUnicenter
- created paperless support environment by developing technical tools
- reduced reporting procedure times by 90% via automation
- rolled out numerous departmental software systems on NT platform

9/99-3/00

MindPower Consulting Group, Jacksonville, Florida

- designed 75 user SMS implementation
- implemented project plans to streamline corporate domain structure
- managed Metaframe migration for remote agent connectivity via the Internet
- coordinated tcpip print services migration with site relocation
- provided stability testing for application and data failover solutions

**MANAGEMENT
EXPERIENCE:**

United Parcel Service, Bradenton, Orlando, Florida

Preloader, Preload Supervisor, Preload Manager, Training Manager

- implemented safety program which reduced lost time injuries by 90%
- initiated cross-training technique which allowed more flexibility to cover business fluctuations
- generated 17% increase in overall production levels by streamlining the dispatch plan
- effectively managed between 28-80 employees in a grievance-free union environment
- decreased employee turnover rates by 73% with new-employee information program
- established Safety Committee and Quality Team to promote employee interest
- devised customer service controls which reduced customer complaints by over 65%

3/97-4/97

Transport South, Montgomery, Alabama

Terminal Manager

- familiarized myself with the intricacies of the petroleum industry
- documented procedures concerning the operations technicalities of a hazardous materials environment
- performed financial analysis and prepared goal strategy for growth
- organized equipment maintenance so costs could be controlled
- structured billing procedures to ensure accuracy and timeliness
- substantially improved employee morale by creating culture of optimism and awareness
- developed aggressive contract negotiation skills

**RELEVANT
EDUCATION:**

8/85-12/91

Associate of Arts General Studies- Manatee Community College

1/92- 12/93

Bachelor of Arts PreLaw- University of South Florida

1/94- 8/95

Associate of Science Systems Analysis and Design- Manatee Community College

1/94-8/95

Bachelor of Science Management Information Systems- University of South Florida

REMARKS: Software knowledge includes: DOS, Windows, Windows 95, Windows NT, Internet Information Server, Novell, OS/2, Lotus, Microsoft Office, Corel Draw, Adobe PhotoShop, Netscape, Dbase, Basic, VisualBasic, C, Extra, IBM PC3270, HTML, Crystal Report Writer, Front Page; Capable of working with most types of hardware including desktop and laptop PCs, servers, printers, scanners, bar code scanners, electronic clipboards, handheld and wristworn data collectors, cabling, and hubs, with some exposure to bridges and routers.

Brian Beardsley

Certifications:

MCSE (Microsoft Certified Systems Engineer)
CCNA (Cisco Certified Network Associate)
MCT (Microsoft Certified Trainer)
A+ Certified Technician

Network Related Skills:

Network administration skills consist of creating peer-to-peer and multi-domain networks, multiplatform environments; managing subnets using TCP/IP and other related protocols, and name resolution using Host, LMHost, DNS, and Wins Servers; implementing fault tolerance systems; creating and managing trusts, installing and troubleshooting network printers, creating computer and user policies, and using Event Viewer, and Performance Monitor to troubleshoot problems; and creating images using Norton Ghost and Power Quest Disk Image.

Experience in building new PCs and servers, installing new components such as Ethernet and token ring network cards, ram, motherboards, processors, sound and video cards, and SCSI cards; Also, some experience configuring and troubleshooting routers, switches, and fire walls.

Network Qualifications:

- Windows 2000, Windows NT 4.0, Windows 9x, NetWare 4.11 & 5.0, Windows Terminal Server, Citrix Metaframe, TCP/IP, MS Office Professional Suite, Visio, Extra, IBM PC3270.
- Microsoft Office 97 and 2000, FrontPage 2000, Visio 5.0 and 2000, Norton Ghost, Drive Image, Partition Magic, Wingate, Seagate Backup Exec, Hyena, What's Up Gold, and Cisco Config Maker.
- Knowledgeable with routers, switches, hubs, CSU/DSU, LAN/WAN infrastructure, VLANS, firewalls, RAS, and VPNs.
- TCP/IP (DNS, WINS, DHCP), IPX, NETBEUI, AppleTalk, Ethernet, Fast Ethernet, Gigabit Ethernet, Token Ring, RIP, IGRP, EIGRP, OSPF, Frame Relay, and ISDN.

Work Experience:

***Connexsys
Network Consultant
Jacksonville, FL
April 2001 – Present***

Sunbelt Rentals / BPS

- Participated in the Windows NT 4.0 to Windows 2000 Active Directory upgrade.
- Provide operation support for daily activities at Sunbelt's corporate office.
- Support system backups and inventory management for Client.

Hamburg Sud Logistics

- Oversaw statewide network operations.
- Supported NDS Tree and NetWare Servers.
- Provided onsite support to user community.
- Managed system backups and maintained system infrastructure.
- Participated in the extraction of HSAC Logistics from Crowley Maritime network.

***Columbus Line USA, Inc.
Support Technician
Jacksonville, FL
March 2000 - March 2001***

- Responsible for implementing and supporting Jacksonville and Miami's network operations.
- Managed all aspects of administration and support of the NDS Tree and NetWare servers.
- Insured backup solutions using HP Sure Store external tape drives and ArcserveIT 6.6
- Provided basic user support for Unix clients
- Diagramed network infrastructure and desktop layout.
- Documented network infrastructure, software implementation procedure, and desktop support policies.

The Jacksonville and Miami portions of Columbus Line's network included; Two NetWare 4.11 file and print servers, two communications servers, HP ProCurve 2424 switches, Cisco 3600 and 1600 routers, Laser Jet printers, and over 150 desktops and Notebooks

***Datacom Computer Services
Network Support Consultant
Jacksonville, FL
July 1998 – March 2000***

Crowley American Transport

- Functioning as Domain Administrator for a single domain of over 100 users.
- Responsible for supporting over 500 users on multiple domains.
- Responsible for problem resolution in the user environment on PC desktop and network support.
- Involved in the transition of the current user environment to an acquiring company.

Florida Rock and Tank Lines

- Oversaw installation of East Coast NT network rollout.
- Functioned as the onsite liaison for delivery and deployment of new PC's.
- Responsible for problem resolution of the newly installed systems at remote locations.
- Involved in onsite user education of Citrix and Windows system software.

MediaOne

- Responsible for installing, configuring, and troubleshooting the internal SURFboard, external SB1200, and the LANcity cable modems.
- Install PCI, ISA, and PCMCIA network cards in various models of home PC's, troubleshoot dial-up connectivity, use TCP/IP tools (ping, tracert, etc.), and also troubleshoot problems with IRQ usage, I/O and memory ranges.
- Installations and troubleshooting done on the Windows '95 operating system, all versions and upgrades, NT Workstation 4.0, and NT Server 4.0, and Mac OS.

Prudential

- Responsible for the upgrade of 170 client computers from NT 3.51, Windows 3.1/95, and Windows for Workgroups to Windows NT Workstation 4.0.
- Replaced all hardware that wasn't company standard (Hard Disks, RAM, NICs, Floppy Drives).
- Attached users and computers to the appropriate domain, groups, and both network and local printers.
- Downloaded and installed all client software from a network share, also demonstrated the new software to the users.

Citibank Universal Card Services

- Responsible for the Y2K upgrade and testing of approximately 1500 Client and Server computers running Windows 95, Windows NT Workstation 4.0, and Windows NT Server 4.0.
- Replaced all hardware that wasn't company standard (Hard Disks, RAM, NICs, Floppy Drives).
- Worked with Desktop Support to replace or repair any hardware or network connectivity problems encountered.
- Tracked and reported progress and results via Excel spreadsheets.

Metro Information Services

Professional Staff Recruiter

Jacksonville, FL

February 1998 – July 1998

- Candidate identification via Internet and proprietary Metro applications.
- Candidate behavioral interviews and reference checks.
- Compensation negotiation and benefit overviews with candidates.
- Updates to proprietary Metro applications on new candidate information.

Landstar Ranger

Automotive Coordinator

Jacksonville, FL

1997 – 1998

- Coordination of automotive freight via AS/400 and telephone.
- Delegation and resolution of Customer service issues.
- Monitoring and enforcing safety standards and compliance.
- Qualification and distribution of company allotted advances.

Florida Army National Guard

Combat Engineer

Jacksonville, FL

1994 – Present

References Available Upon Request.

Marc A. Cantelmo

<u>Processors:</u>	86 Based Processors, 3B2/4000, 3B2/1000, Altos X86, Vax 1170, Sun Workstation, Micron, NCR Towers, IBM Risc 6000, Dec Alpha, HP Workstations and all Sun Enterprise Server
<u>Languages:</u>	“C”, Basic, Fortran, Cobol, Pascal, C++, System V Shell (KSH), SQL, BSD Shell (CSH), Small Talk, Visual Basic, Perl, Tcl/TK, Access Basic, PLB Databus, Assembler 390, Object Vision, Multiplan, Lotus, Excel, PLC
<u>Networks:</u>	TCP/IP, Starlan, SNA, LU6.2, Token Ring, DataKit, DataKit II, UUCP Networks, Ethernet, FDDI, Microsoft Workgroups, NDM (Direct:Connect), Cisco routers
<u>Operating Systems :</u>	Solaris, AIX, Unix System V, System III, System 7, BSD Unix, Sun OS, MS Dos (3.0 & greater), Win9X, Windows NT, Window 2000, Citrix Server and Client Software, Alpha True64, SCO Unixware 7, FreeBSD, Linux, BSDi, Windows 3.X, Coherent (Unix clone)
<u>Databases:</u>	Informix, Tuxedo, Sybase, DBASE II, III+ and IV, Fox Pro 2.0, Unify, PC Focus, Access 1.1, 2.0, 95, 97, Paradox, DB2, Oracle 7.X 8.X
<u>Software:</u>	NFS, AT&T RFS, NIS (Yellow Pages), 6500 Controller, Qualex (High availability software), Full Time, First Watch, Veritas Clustering software, Jumpstart, NDM (Connect Direct System), X11, CDE (Common Desk Top), Openview, CA Unicenter, BMC Patrol, Symon, Legato, Netbackup, VNC, SMS 1.2, Capstone Data System. EMC PowerPath, EMC SRDF, Veritas Volume Manager, Solstice Disk Suite. Apache, Netscape Web Server, Squid Proxy Server, Big Brother, Web Admin, StarOffice
<u>Disks, Other & Tape Drives:</u>	EMC, Hitachi, Sun A5000, Storage-Tec 9710, 9714. Data Centrex, Various DLT7000 Tape Drives, Norand RF System, Compaq 4mm auto-changers

Licenses &

Certificates: SEC Series “7” Stockbroker, Mortgage Brokerage, Sun Internals

EXPERIENCE:

- 2000-2001: Verizon, Tampa, FL - Currently administering local Unix server farm and responsible for remote administration of Unix configurations in India.
- 1999-2000: UCS Citicorp, Jacksonville, FL - Reviewed and assisted in reconfiguring Sun Starfire with EMC for Citibank UCS. Installed software (NDM) and created front end for the product in tcl/tk.
- 1998-1999: TDSI (CSX), Jacksonville, FL - Created and designed an RF system (*Norand Handheld*) on a SCO Unixware 7 system (Compaq Hardware) to track automobiles at a rail yard.
- Served as UNIX administrator for TDSI Y2K upgrade. Developed installation script for SCO Unixware 7, Oracle, Developer 2000, and numerous utilities. Modified operating system kernel to replace application interface functionality that had been retired in Unixware 7.
- 1998-1999: SEALAND, Jacksonville, FL - Developed MS Access database product to display information about projects and CPU hardware.
- 1998-1999: ATC Communications, Alma, GA – Participated in a task force to reconfigure an ISP. Resolved problems at both the router level (Cisco) and server level (FreeBSD).
- 1998-1999: CSX/SEALAND, Jacksonville, FL – Served as NT Administrator to resolve server issues, design architectures, and provide instruction on enterprise techniques to new NT administrators.
- Developed SMS system to track software and hardware inventory.

- 1997-1999: CSX, Jacksonville, FL – Configured and tracked performance of Sun E10000/E6000.
Configured systems such as Squid and Apache for several projects.
- 1996-1999: CSX, Jacksonville, FL – Administered multiple systems for multiple departments using Jumpstart, fail over software, Patrol, CA, NFS automounter, and NIS.
- 1996 - 1997: Jacksonville, FL - Purchased a failing childcare center and instituted managerial changes to make it financially secure. Created software package utilizing Microsoft Access.
- 1993 - 1998: Jacksonville, FL - Purchased a failing restaurant. Designed and implemented a POS and computer system.
- 1992 - 1996: Cantelmo & Associates, Inc., Howell, NJ & Jacksonville, FL - Created a custom system to maintain and track financial information for client base using Access database.

Provided financial planning and portfolio management to the general public.
- 1991 - 1992: Bell Atlantic, Freehold, NJ - Created automated testing software of a DBMS transaction layer. Architecture was based on X Windows system running on Sun and HP Unix platforms.
- 1990 - 1991: AT&T Communications, Piscataway, NJ - Designed and implemented a large scale billing system to enhance current invoice information for customers.

Designed and developed network software. The software product would carry a request for DBMS services, traveling over multiple types of networks, to a mainframe processor that would return a data packet via the same path of networks.
- 1989 - 1990: AT&T Bell Labs, Holmdel, NJ - Designed, implemented, and maintained a software package that would separate physical dependencies of data layer and the application layer. The package camouflaged the location of the database, the database structure, database modifications, and type of database utilized from the application programmer.
- 1987 - 1989: AT&T, Freehold, NJ – Designed, developed, and implemented a MR tracking system. The system accepted modification requests from 40 to 50 users in a hotline environment.

Managed the implementation of a test environment that mirrored a sale site to ensure software integrity, compatibility of multiple applications, and standardized functionality.
- 1986 - 1987: Mt. Sinai Hospital, New York, NY - Created a software system that would analyze the data captured by an ultrasound test. The analysis would trend a woman's pregnancy in terms of development and categorize the fetus by percentile.
- 1985-1986: Micro Business Associates, New York, NY - Consulted at a reinsurance firm, completing several projects using Altos and Informix 3.3.

EDUCATION:

- Northeastern University, Boston, Massachusetts
- AT&T Software Development
- Openlook X-Windows
- Data Kit and Tuxedo
- Sun Solaris Internals

REFERENCES FURNISHED UPON REQUEST

Financial Capability

Laser Telecom LLC is a start-up company which was legally formed in September 2001 for the purpose of providing internet access and telecommunications services. The targeted customers are tenants of the BETA-1, a full service business incubator for technology business start-ups (Attachment 1 Florida trend article, and Attachment 2 BETA-1 website www.BETA.1.com). The new facilities are currently under construction in the Gateway to Amelia Business Park.

Since there have not been operations within Laser Telecom, there are no audited financials available. Pro-Forma Balance Sheet, Income Statement and Cash Flow are included and represent the collective wisdom and experience of the managers and advisors involved. BETA-1 has committed \$235,000 in start-up funding for operations, is providing the converged network equipment (>\$600,000) and will host Laser Telecom LLC in its new facilities. The company will be the IT/communications service provider required for the high-tech client companies in BETA-1. These clients are in the medical device, software, and bio-tech fields and require state-of-the-art communications infrastructure to interact with colleagues around the globe through video-conferencing, file-sharing, etc. The existing Gateway park does not have DSL service available. The only option for the tenant companies is T-1 lines, currently sold at about \$1200/month, which is more than many start-up's can afford. Laser Telecom is committed to provide competitive rates over those offered by BellSouth, more unbundled options and offerings, and superior services. This service can also be offered to other tenants in the business park, as the developer has requested, when we receive our Alternative Local Exchange (ALEC) certificate. The lack of high-bandwidth telecommunications access has been and continues to be a critical concern (ranked 1st) for Nassau County businesses. This is described in the attached reports by the Nassau County Economic Development Board (Attachment 3 and 4). It also appears as a goal for improvement in the Amelia Island-Fernandina Beach-Yulee Chamber of Commerce Plan of Action-2001(Attachment 5) by the Business Development Committee, and continues as a goal this year. The requirements for the BETA-1 facilities, and the community demand for improved access, justify the need for Laser Telecom's services. We also believe it presents an opportunity to repay the costs of our initial investments in infrastructure, and provide some sorely needed competition to Bell South, the incumbent LEC.

Laser Telecom LLC is financially capable of servicing the tenants of the BETA-1 accelerator, and those of the Gateway to Amelia Business Park. BETA-1 Capital LLC (a group of private investors) has committed to invest up to \$100,000(Attachment 6), and Morrow Insurance Group (investors) has committed (Attachment 7) to provide an additional \$150,000 in support of the BETA-1 Distance Learning Center. In addition, BETA-1 Management will also provide \$350,000 required to purchase and install the equipment for the converged network, as indicated in Attachment 8, and an additional \$60,000/year in continued operating funding for the initial 4 years. This project is just another driver of the need for high-speed communications at our facilities, and in Nassau County, and we have committed a total of about \$600,000 for our converged network.

BETA-1's DLC will be providing entrepreneurial training to the community at large as well as accelerator client companies. We have applied to the United States Department of Agriculture's Rural Utilities Services division for partial funding (\$397,000) of the Distance Learning Center, and have passed all of the initial phases of review. We fully anticipate a favorable decision in a few weeks. An Executive Summary, project budget, self-sustainability discussion and letters of community support are included in Attachment 9.

We will be able to sustain the Laser Telecom services based on the accelerator alone, and will make a reasonable profit with only a modest share of the park. This is further augmented with the start-up funding, and continued operating subsidy by BETA-1 and its investors, as required to meet steady-state operations.

The lease and ownership obligations of Laser Telecom are met by the provision of the required operating space within the BETA-1 facilities. Additional rack space in the Village Center will provide redundancy and diversity, to improve QOS levels.



June 2002

Preliminary Financials for Laser Telecom

This document contains confidential and proprietary information
belonging exclusively to Laser Telecom, LLC.

<http://www.beta-1.com/>

This Business Plan is for informational purposes only. It is neither an offer to sell nor a solicitation of an offer to buy any securities. In all cases, interested parties should conduct their own investigation and analysis of Beta-1 and Laser Telecom and the information included in this document. The management of Laser Telecom makes no representation or warranty as to the accuracy or completeness of the Business Plan and shall have no liability for representations (express or implied) contained in, or omissions from, this Business Plan.

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Balance Sheet**Laser Telecom**

10-Jun-02

Assets

	<u>Fiscal Year 1</u>	<u>Fiscal Year 2</u>	<u>Fiscal Year 3</u>	<u>Fiscal Year 4</u>	<u>Fiscal Year 5</u>
<i>Current Assets</i>					
Cash	\$113,057	\$651,246	\$2,041,015	\$4,107,549	\$6,896,453
Investments	\$0	\$0	\$0	\$0	\$0
Accounts Receivable	\$30,033	\$60,640	\$125,743	\$126,603	\$164,584
Notes Receivable	\$0	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$143,090	\$711,886	\$2,166,758	\$4,234,152	\$7,061,037
<i>Plant & Equipment</i>					
Land	\$0	\$0	\$0	\$0	\$0
Buildings	\$0	\$0	\$0	\$0	\$0
Building/Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
Machinery & Equipment	\$0	\$0	\$0	\$0	\$0
Office Equipment	\$0	\$0	\$0	\$0	\$0
Automobiles	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0
Total Net Plant & Equipment	\$0	\$0	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0	\$0	\$0
Total Assets	\$143,090	\$711,886	\$2,166,758	\$4,234,152	\$7,061,037

Liabilities & Owners' Equity*Current Liabilities*

Short Term Debt	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Other Payables	\$0	\$0	\$0	\$0	\$0
Accrued Liabilities	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0

Long Term Debt	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0

Owner/Stockholder Equity

Common Stock	\$235,000	\$235,000	\$235,000	\$235,000	\$235,000
Retained Earnings	(\$91,911)	\$476,886	\$1,931,758	\$3,999,152	\$6,826,037
Dividends Payable	\$0	\$0	\$0	\$0	\$0
Total Owners' Equity	\$143,090	\$711,886	\$2,166,758	\$4,234,152	\$7,061,037

Total Liabilities & Equity	\$143,090	\$711,886	\$2,166,758	\$4,234,152	\$7,061,037
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Budget

10-Jun-02

Years 1-5 by Year

Laser Telecom

Revenue	<i>% of Total</i>		<i>% of Total</i>		<i>% of Total</i>		<i>% of Total</i>		<i>% of Total</i>	
	Fiscal Year 1	Sales	Fiscal Year 2	Sales	Fiscal Year 3	Sales	Fiscal Year 4	Sales	Fiscal Year 5	Sales
Managed Network Services	\$105,000	31.4%	\$516,814	28.5%	\$1,013,976	28.5%	\$1,318,169	28.5%	\$1,713,619	28.5%
Onsite Consulting	\$88,000	26.3%	\$413,451	22.8%	\$811,181	22.8%	\$1,054,535	22.8%	\$1,370,895	22.8%
Internet Subscriber - Commercial	\$23,500	7.0%	\$129,204	7.1%	\$253,494	7.1%	\$329,542	7.1%	\$428,405	7.1%
Internet Subscriber - Residential	\$250	0.1%	\$130,000	7.2%	\$257,664	7.2%	\$334,963	7.2%	\$435,452	7.2%
Hardware & Software Sales Commission	\$25,350	7.6%	\$126,620	7.0%	\$248,424	7.0%	\$322,951	7.0%	\$419,837	7.0%
Phone Services	\$47,000	14.1%	\$245,487	13.6%	\$481,639	13.5%	\$626,130	13.5%	\$813,969	13.5%
Cable TV Service Commercial	\$44,650	13.4%	\$245,487	13.6%	\$481,639	13.5%	\$626,130	13.5%	\$813,969	13.5%
Cable TV Service Residential	\$225	0.1%	\$3,371	0.2%	\$6,613	0.2%	\$8,597	0.2%	\$11,176	0.2%
Other Services	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Revenue	\$333,975	100.0%	\$1,810,433	100.0%	\$3,554,629	100.0%	\$4,621,017	100.0%	\$6,007,322	100.0%
Fixed Expense Allocation										
Facility Buildout (Cabling)	\$80,000	24.0%	\$144,141	8.0%	\$244,141	6.9%	\$305,176	6.6%	\$381,470	6.4%
Facility Maintenance Expense	\$3,000	0.9%	\$12,000	0.7%	\$16,000	0.5%	\$18,000	0.4%	\$20,000	0.3%
Facility Equipment Rental	\$2,000	0.6%	\$6,000	0.3%	\$8,000	0.2%	\$10,000	0.2%	\$12,000	0.2%
Office Equipment	\$2,000	0.6%	\$4,000	0.2%	\$4,000	0.1%	\$5,000	0.1%	\$5,000	0.1%
Network Operating Center	\$75,000	22.5%	\$60,000	3.3%	\$75,000	2.1%	\$93,750	2.0%	\$117,188	2.0%
Lease for Phone Lines	\$30,000	9.0%	\$108,105	6.0%	\$263,929	7.4%	\$329,912	7.1%	\$412,390	6.9%
Cable TV Service Provider	\$12,000	3.6%	\$43,242	2.4%	\$105,572	3.0%	\$131,965	2.9%	\$164,956	2.7%
Other Fixed Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Fixed Expenses	\$204,000	61.1%	\$377,488	20.9%	\$716,642	20.2%	\$893,802	19.3%	\$1,113,003	18.5%

<i>% of Total Sales</i>	61.1%		20.9%		20.2%		19.3%		18.5%	
Gross Profit	\$129,975	38.9%	\$1,432,945	79.1%	\$2,837,987	79.8%	\$3,727,215	80.7%	\$4,894,320	81.5%
<i>% of Total Sales</i>	0.00%		79.1%		79.8%		80.7%		81.5%	
Operating Expense Assumptions										
<i>Sales & Marketing</i>										
Advertising	\$5,000	1.5%	\$12,000	0.7%	\$20,000	0.6%	\$20,000	0.4%	\$20,000	0.3%
Incentives and Bonuses	\$4,000	1.2%	\$17,297	1.0%	\$42,229	1.2%	\$52,786	1.1%	\$65,982	1.1%
Marketing Rep	\$25,000	7.5%	\$86,484	4.8%	\$211,143	5.9%	\$263,929	5.7%	\$329,912	5.5%
Entertainment	\$750	0.2%	\$5,766	0.3%	\$14,076	0.4%	\$17,595	0.4%	\$21,994	0.4%
Literature	\$950	0.3%	\$3,000	0.2%	\$3,000	0.1%	\$4,000	0.1%	\$4,000	0.1%
Promotions	\$4,500	1.3%	\$20,000	1.1%	\$20,000	0.6%	\$25,000	0.5%	\$30,000	0.5%
Technical Advisor for Telecom	\$12,500	3.7%	\$54,053	3.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Trade Shows	\$1,500	0.4%	\$6,000	0.3%	\$6,000	0.2%	\$3,000	0.1%	\$3,000	0.0%
Travel	\$2,000	0.6%	\$6,000	0.3%	\$6,000	0.2%	\$7,000	0.2%	\$7,000	0.1%
Other Sales Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Sales & Marketing	\$56,200	16.8%	\$210,600	11.6%	\$322,448	9.1%	\$393,311	8.5%	\$481,888	8.0%
<i>% of Total Sales</i>	16.8%		11.6%		9.1%		8.5%		8.0%	
<i>General & Administrative & Support</i>										
Management - Salary	\$52,500	15.7%	\$113,141	6.2%	\$137,523	3.9%	\$144,399	3.1%	\$151,619	2.5%
Accounting (CFO)	\$24,375	7.3%	\$78,794	4.4%	\$88,884	2.5%	\$93,328	2.0%	\$97,994	1.6%
Network Technicians	\$34,375	10.3%	\$88,896	4.9%	\$100,279	2.8%	\$105,293	2.3%	\$110,558	1.8%
Customer Service Reps	\$15,000	4.5%	\$64,652	3.6%	\$72,930	2.1%	\$19,144	0.4%	\$20,101	0.3%

Bad Debts	\$2,000	0.6%	\$4,000	0.2%	\$4,000	0.1%	\$4,000	0.1%	\$4,000	0.1%
Depreciation	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Equipment Rent/Small Purchases	\$2,000	0.6%	\$8,000	0.4%	\$8,000	0.2%	\$8,000	0.2%	\$8,000	0.1%
Insurance	\$3,000	0.9%	\$6,000	0.3%	\$6,000	0.2%	\$7,000	0.2%	\$7,000	0.1%
Legal Fees	\$5,000	1.5%	\$8,000	0.4%	\$8,000	0.2%	\$8,000	0.2%	\$8,000	0.1%
Licenses and Permits	\$2,500	0.7%	\$6,000	0.3%	\$6,000	0.2%	\$6,000	0.1%	\$6,000	0.1%
Office Expenses	\$600	0.2%	\$1,200	0.1%	\$1,200	0.0%	\$1,200	0.0%	\$1,200	0.0%
Office Rental	\$15,000	4.5%	\$30,000	1.7%	\$32,288	0.9%	\$33,902	0.7%	\$35,597	0.6%
Taxes (non-Income Taxes)	\$3,000	0.9%	\$6,000	0.3%	\$6,000	0.2%	\$6,000	0.1%	\$6,000	0.1%
Regulatory Assessment Fees & Taxes	\$4,536	1.4%	\$23,689	1.3%	\$46,478	1.3%	\$60,422	1.3%	\$78,548	1.3%
Telephone	\$600	0.2%	\$1,200	0.1%	\$1,200	0.0%	\$1,200	0.0%	\$1,200	0.0%
Utilities	\$1,200	0.4%	\$3,600	0.2%	\$3,780	0.1%	\$3,969	0.1%	\$4,167	0.1%
Other G & A	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total General & Administrative	\$165,686	49.6%	\$443,173	24.5%	\$522,562	14.7%	\$501,857	10.9%	\$539,986	9.0%
<i>% of Total Sales</i>	49.6%		24.5%		14.7%		10.9%		9.0%	
Total Operating Expenses	\$221,886	66.4%	\$653,773	36.1%	\$845,011	23.8%	\$895,168	19.4%	\$1,021,874	17.0%
<i>% of Total Sales</i>	66.4%		36.1%		23.8%		19.4%		17.0%	
Income From Operations	(\$91,911)	-27.5%	\$779,172	43.0%	\$1,992,976	56.1%	\$2,832,047	61.3%	\$3,872,446	64.5%
<i>% of Total Sales</i>	-27.5%		43.0%		56.1%		61.3%		64.5%	
Interest Income	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Interest Expense	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Income before Taxes	(\$91,911)	-27.5%	\$779,172	43.0%	\$1,992,976	56.1%	\$2,832,047	61.3%	\$3,872,446	64.5%

Taxes on Income	\$0	0.0%	\$210,376	11.6%	\$538,104	15.1%	\$764,653	16.5%	\$1,045,560	17.4%
Net Income After Taxes	(\$91,911)	-27.5%	\$568,796	31.4%	\$1,454,872	40.9%	\$2,067,394	44.7%	\$2,826,886	47.1%
% of Total Sales	-27.5%		31.4%		40.9%		44.7%		47.1%	

Years 1 – 5
Laser Telecom

Cash Flow

10-Jun-02

*Sources of Cash:***Operations During the Year**

Fiscal Year 1 Fiscal Year 2 Fiscal Year 3 Fiscal Year 4 Fiscal Year 5

Net Income After Taxes	(\$91,911)	\$568,796	\$1,454,872	\$2,067,394	\$2,826,886
Add items not decreasing cash					
Depreciation	\$0	\$0	\$0	\$0	\$0
Increase in Accounts Payable	\$0	\$0	\$0	\$0	\$0
Increase in Other Payables	\$0	\$0	\$0	\$0	\$0
Increase in Accrued Liabilities	\$0	\$0	\$0	\$0	\$0
Deduct items not increasing cash					
Increase in Accounts Receivable	\$30,033	\$30,607	\$65,103	\$860	\$37,981
Increase in Inventory	\$0	\$0	\$0	\$0	\$0
Cash from Operations	(\$121,944)	\$538,189	\$1,389,769	\$2,066,534	\$2,788,905

Financing & Other

Sale of Stock	\$235,000	\$0	\$0	\$0	\$0
Proceeds from Short Term Loans	\$0	\$0	\$0	\$0	\$0
Proceeds from Long Term Loans	\$0	\$0	\$0	\$0	\$0
Sale of Investments	\$0	\$0	\$0	\$0	\$0
Collection of Notes Receivable	\$0	\$0	\$0	\$0	\$0
Reduction of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Reduction of Other Assets	\$0	\$0	\$0	\$0	\$0

Cash / Operations & Financing	\$113,057	\$538,189	\$1,389,769	\$2,066,534	\$2,788,905
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Applications of Cash

Payment of Dividends	\$0	\$0	\$0	\$0	\$0
Purchases of Fixed Assets	\$0	\$0	\$0	\$0	\$0
Repayment of Short Term Loans	\$0	\$0	\$0	\$0	\$0
Repayment of Long Term Loans	\$0	\$0	\$0	\$0	\$0
Purchase of Investments	\$0	\$0	\$0	\$0	\$0
Increase in Notes Receivable	\$0	\$0	\$0	\$0	\$0
Increase in Other Current Assets	\$0	\$0	\$0	\$0	\$0
Increase in Other Assets	\$0	\$0	\$0	\$0	\$0

Increase/(Decrease) in Cash	\$113,057	\$538,189	\$1,389,769	\$2,066,534	\$2,788,905
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Change in Cash Balance

Ending Cash Balance	\$113,057	\$651,246	\$2,041,015	\$4,107,549	\$6,896,453
Beginning Cash Balance	\$0	\$113,057	\$651,246	\$2,041,015	\$4,107,549
Increase/(Decrease) in Cash	\$113,057	\$538,189	\$1,389,769	\$2,066,534	\$2,788,905

Income StatementYears 1 - 5 **Laser Telecom**

10-Jun-02

	<i>% of Total</i>		<i>% of Total</i>		<i>% of Total</i>		<i>% of Total</i>		<i>% of Total</i>	
	Fiscal Year 1	Sales	Fiscal Year 2	Sales	Fiscal Year 3	Sales	Fiscal Year 4	Sales	Fiscal Year 5	Sales
Sales										
Managed Network Services	\$105,000	31.4%	\$516,814	28.5%	\$1,013,976	28.5%	\$1,318,169	28.5%	\$1,713,619	28.5%
Onsite Consulting	\$88,000	26.3%	\$413,451	22.8%	\$811,181	22.8%	\$1,054,535	22.8%	\$1,370,895	22.8%
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Internet Subscriber - Residential	\$250	0.1%	\$130,000	7.2%	\$257,664	7.2%	\$334,963	7.2%	\$435,452	7.2%
Hardware & Software Sales										
Commission	\$25,350	7.6%	\$126,620	7.0%	\$248,424	7.0%	\$322,951	7.0%	\$419,837	7.0%
Phone Services	\$47,000	14.1%	\$245,487	13.6%	\$481,639	13.5%	\$626,130	13.5%	\$813,969	13.5%
Cable TV Service Commercial	\$44,650	13.4%	\$245,487	13.6%	\$481,639	13.5%	\$626,130	13.5%	\$813,969	13.5%
Cable TV Service Residential	\$225	0.1%	\$3,371	0.2%	\$6,613	0.2%	\$8,597	0.2%	\$11,176	0.2%
Other Services	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Revenue	\$333,975	100.0%	\$1,810,433	100.0%	\$3,554,629	100.0%	\$4,621,017	100.0%	\$6,007,322	100.0%
Total Fixed Expenses	\$204,000	61.1%	\$377,488	20.9%	\$716,642	20.2%	\$893,802	19.3%	\$1,113,003	18.5%
Gross Profit	\$129,975	38.9%	\$1,432,945	79.1%	\$2,837,987	79.8%	\$3,727,215	80.7%	\$4,894,320	81.5%
Operating Expense Assumptions										
Sales & Marketing	\$56,200	16.8%	\$210,600	11.6%	\$322,448	9.1%	\$393,311	8.5%	\$481,888	8.0%
General & Administrative & Support	\$165,686	49.6%	\$443,173	24.5%	\$522,562	14.7%	\$501,857	10.9%	\$539,986	9.0%
Depreciation	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%

Total Operating Expenses	\$221,886	66.4%	\$653,773	36.1%	\$845,011	23.8%	\$895,168	19.4%	\$1,021,874	17.0%
Total Expenses	\$425,886	127.5%	\$1,031,261	57.0%	\$1,561,653	43.9%	\$1,788,970	38.7%	\$2,134,877	35.5%
Income From Operations	(\$91,911)	-27.5%	\$779,172	43.0%	\$1,992,976	56.1%	\$2,832,047	61.3%	\$3,872,446	64.5%
Interest Income	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Interest Expense	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Income before Taxes	(\$91,911)	-27.5%	\$779,172	43.0%	\$1,992,976	56.1%	\$2,832,047	61.3%	\$3,872,446	64.5%
Taxes on Income	\$0	0.0%	\$210,376	11.6%	\$538,104	15.1%	\$764,653	16.5%	\$1,045,560	17.4%
Net Income After Taxes	(\$91,911)	-27.5%	\$568,796	31.4%	\$1,454,872	40.9%	\$2,067,394	44.7%	\$2,826,886	47.1%

Growth Analysis

Sales Growth	442.1%	96.3%	30.0%	30.0%
Gross Profit Growth	1002.5%	98.1%	31.3%	31.3%
Income from Operations Growth	947.8%	155.8%	42.1%	36.7%
Net Income After Taxes Growth	718.9%	155.8%	42.1%	36.7%

ATTACHMENT 1

Florida Trend Article

Reasons

- New Visions
- Workforce
- Education
- Global Trade
- Transportation
- Infrastructure
- Incentives
- Quality Living
- Rural Florida
- Metro Advantages

Regions

- Northwest
- North Central
- Northeast
- Tampa Bay Region
- Mid-Florida
- Space Coast/E. Central
- Treasure Coast
- Southwest
- Southeast

Leaders

- Public Companies
- Private Companies
- Daily Newspapers
- Accounting Firms
- Law Firms
- Minority Businesses
- Women-owned Businesses
- HMOs and PPOs
- Commercial Real Estate
- Banks

Resources

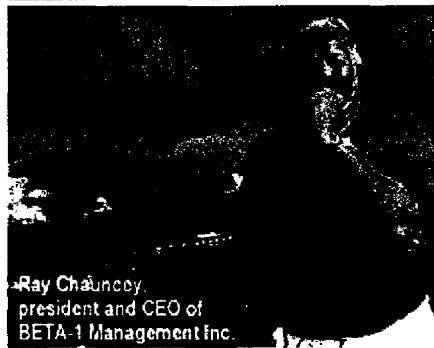
- EDCs by County
- Regional EDCs
- Consular Corps
- Information Resources

For More Info...

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Ray Chauncey, president and CEO of BETA-1 Management Inc.

northeast region

Broadband, Broad Shoulders

In Northeast Florida, traditional business and the digital economy blend to create a dynamic climate for growth.

Years ago, Northeast Florida was best known for its shipyard muscle and Jacksonville's signature image: a neon Maxwell House Coffee sign, with

the huge cup aglow above downtown.

Now, from downtown Jacksonville's bustling office towers to Putnam County's manufacturing centers, Northeast Florida presents a rich business tapestry of information technology, healthcare, heavy industry, banking, insurance and other segments.

Also called the First Coast, the six-county area anchored by Jacksonville has nearly 1.2 million people (median age: 35), about 575,000 jobs, and a broadband-and-broad-shoulders dynamic that encourages rapid business growth.

A high-tech hot spot, Jacksonville ranks first in Florida in both e-commerce usage and in bandwidth per 1,000 population.

"Northeast Florida is just becoming discovered globally," says Ray Chauncey, president and chief executive of BETA-1 Management Inc., which is building a private, for-profit business incubator in Nassau County.

BETA-1's 30,000-square-foot facility will mix office, manufacturing and laboratory space, and will have a scorching fast 100 megabit-per-second Internet connection to help launch new economy firms.

Navy Influence

Jacksonville is widely known as a "Navy town" for good reason. With nearly 57,000 active personnel and a payroll of \$1.5 billion, the region's four Navy bases pump about \$6 billion per year into the area economy.

"There are a lot of highly trained Navy personnel who have retired or completed their tours of duty," says Mark Butterworth, operations assistant vice president for BellSouth Wholesale Services. "That has been a large percentage of our hiring."

Butterworth is in charge of BellSouth's new \$35 million tech support and customer service center in Clay County, southwest of Jacksonville. When built out over coming years, the center will employ 1,000 people at salaries of \$29,000-\$47,000.

The strong workforce was also a major lure for Wal-Mart Inc. The retailer is building an 800,000-square-foot distribution center west of Jacksonville in Baker County that will employ 600 people.

"The quality workforce in Baker County really made the difference," says John Hay, real estate manager for Wal-Mart.

Strong Education

The region boasts a first-rate education system that includes the public University of

North Florida in Jacksonville, two community colleges and private colleges.

The emphasis is on high tech. Florida Community College at Jacksonville will open its \$24 million Advanced Technology Center at its downtown campus in early 2002, for instance.

Graduates often find jobs with corporations in downtown Jacksonville, where many big projects are under construction.

A \$190 million courthouse and a \$95 million library are funded by the \$2.2 billion to be generated by the Better Jacksonville Plan. Voters passed the plan's half-cent sales tax, which was effective in January 2001.

Recreational attractions abound in Northeast Florida. Ponte Vedra Beach on the Atlantic Ocean boasts 20 outstanding miles of beach, upscale resorts and excellent golf; The Players Championship at Sawgrass PGA event is held there in March.

Serene Amelia Island, the northernmost barrier island on Florida's coast, offers 13 miles of beaches, a lush natural setting and live oaks draped in Spanish moss. Amelia was named "Queen of the Summer Resorts" in 1896 — and a century later remains a beautiful Florida destination.

In St. Augustine, World Golf Village's amenities caught the eye of actor Bill Murray. The star of the legendary "Caddyshack" movie opened a Murray Bros. Caddyshack restaurant at World Golf Village in 2001.

A very noteworthy sports event is on tap for February 2005, when Super Bowl XXXIX will be played at Alltel Stadium. — *Catherine Deans*

Northeast Facts & Figures

Population: 1,176,600

Jobs: 575,200

Households: 447,100

Household EBI: \$46,683

Consumer Spending: \$15.85 billion

Total Retail Sales: \$15.32 billion

Sources: 2000 Demographics USA—County Edition; University of Florida, Bureau of Economic and Business Research; Florida Trend magazine. Jobs data measure the number of positions, not employed persons, and exclude agricultural and military jobs and self-employment. EBI=disposable income.

Universities/Colleges:

Edward Waters College, Flagler College, Jacksonville University, University of North Florida

Community Colleges:

Florida Community College at Jacksonville, St. Johns River Community College

Airports:

Jacksonville International Airport

Seaports:

Port of Fernandina, Port of Jacksonville

ATTACHMENT 2
BETA-1 Website Pages



Company

- ▶ Mission
- ▶ Management
- ▶ Links

Beta-1 Company Profile

BETA-1 is a privately funded emerging technology accelerator that helps entrepreneurial innovators translate their globally marketable concepts into commercially viable ventures.

Conceived in 1999 by successful North Florida business and community leaders, the Business and Emerging Technology Accelerator (BETA) is a for-profit model that funds, houses, supports and attentively monitors entrepreneurs with globally marketable technology innovations.

BETA-1 equips emerging technology innovators with critical entrepreneurial resources, including an appropriate operating environment, 21st Century technical and communications services, relevant and proactive business mentoring, and timely capital assistance.

For each client, BETA-1 assembles a tailored project team. This team provides management support and resources the business needs to succeed. Clients of BETA-1 benefit from access to core innovation resources including:

- Colleges & Universities
- Workforce Training
- Mentors & Partners
- Funding & Investors

BETA-1 positions clients to develop effectively, graduate swiftly, and move on to their next phase as sustainable, value-creating enterprises.

BETA-1 helps bridge the gap between innovative concepts and successful commerce.





Resources

- ▶ Technology
- ▶ Management Services
- ▶ Advisors
- ▶ Capital
- ▶ Facilities

BETA-1 Resources - Facilities

Imagine the best possible environment for building an emerging technology business, and you will see the BETA-1 client campus. The ideal facility would be built from the drawing board with innovators' needs in mind. Its surrounding area would offer a desirable lifestyle and be in close proximity to a growing, dynamic urban center.

The BETA-1 Facility is under construction with a projected completion date of August 2002.

The BETA-1 client campus features:

- 30,000 square feet of operating space
- R&D and prototype Wet Labs
- Pilot manufacturing facilities
- High speed telecommunications gateway
- Nearby hotel, restaurants, services, airport, marina and fitness center

Only moments from the Atlantic sunrise, top-notch golf courses and waterfront recreation, the BETA-1 client campus is also a 30 minute drive from the sophisticated urban center of Jacksonville, FL, and its international airport, progressive universities and two deepwater seaports.

The BETA-1 campus is linked electronically to other regional resources that provide critical support to the expanding businesses. Client companies also have access to core resources such as high-speed networking and internet access, video-conferencing, copiers, fax, printing, reception, bookkeeping, student interns, and staff support.

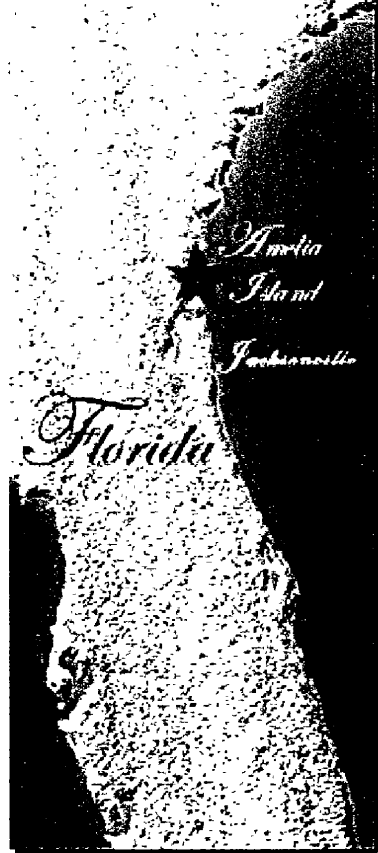
If you're looking for an innovative partner in one of the above categories or another one not listed, [contact us](#) today for more information.





Resources

- ▶ Technology
- ▶ Management Services
- ▶ Advisors
- ▶ Capital
- ▶ Facilities



BETA-1 Resources - Management Services

The surest way to advance entrepreneurial innovation rapidly from concept to commerce is to focus on getting it right from the start. That means having access to the best minds and the best advice.

BETA-1 has assembled a valuable pool of human resources for its clients. Our diverse intellectual network of experienced professionals represents a broad cross-section of disciplines. We select the right team for each client situation, creating a flexible, customized management services framework including:

- Executive management;
- Entrepreneurial development;
- Business mentors, advisors and board members;
- Strategic and business planning;
- Finance and accounting;
- Legal advice;
- Sales and marketing;
- Project management; and
- Industry specific expertise.

If you're looking for an innovative partner in one of the above categories or another one not listed, contact us today for more information.





Benefits

Benefits of Working with BETA-1

BETA-1 provides benefits that innovative entrepreneurs require: early investment, a well-equipped place to call home, a "roll up your sleeves" business partner, and a game plan that includes creating a credible valuation and accelerated market entry according to plan.

BETA-1 opens doors to entrepreneurs, investors, and business resources. We offer emerging technology entrepreneurs what they need most to build a viable enterprise including:

- Financial Assistance
- Pilot manufacturing, lab and office facilities
- 21st century communications
- Product Development Assistance
- Professional service assistance
- Proactive executive mentoring
- Collaborative management insight
- Valuable partnership and networking opportunities

BETA-1 service resources include: technology, management, capital and facilities.

If you are interested in learning more about the BETA-1 resources complete our on-line inquiry form.



ATTACHMENT 3

Nassau County Economic Development Board Nassau County Business Retention Program Report Phase I

Nassau County Business Retention Program – Phase I
Executive Report
April 27, 2001

Introduction

The Nassau County Economic Development Board, in partnership with the Cornerstone Regional Partnership for Economic Development and the Regional WorkSource Board, started a formal Business Retention Program in Nassau County. Nassau County was one of six counties in Northeast Florida to participate in the WorkSource sponsored program that was coordinated through the Cornerstone Partnership. The grant from WorkSource commenced on March 1, 2000 and closed on February 28, 2001. In the initial stage, the Synchronist Software Database was purchased and installed by the Nassau County Economic Development Board. Next, a series of Human Resource conferences were organized and a Regional Human Resource Guide was prepared and distributed in Nassau County by the Nassau County Economic Development Board during individual business meetings.

During Phase I of the Nassau County Business Retention Program, forty meetings were scheduled from September 26, 2000 through February 13, 2001. Mr. Ken Willette, the Executive Director of the Nassau County Economic Development Board, personally met with the senior executive from each of the forty Nassau County companies. These forty companies were specifically chosen to represent the Nassau County business community. These companies were selected based upon geographic diversity in Nassau County, industry diversity and size diversity. These companies were located in Fernandina Beach, Amelia Island, Yulee, Hilliard and Callahan. The personal interviews generally lasted from 60 to 90 minutes. A series of uniform questions covering a wide variety of categories were discussed in detail and recorded into the Synchronist Database.

Following is a summary report of the varied business issues discussed during these forty interviews. From these interviews, we are able to monitor the Nassau County economy, better understand local economic trends and identify some positive issues that will provide future opportunities and some relevant issues that need to be addressed in Nassau County.

Evaluation of Nassau County Economy

Based on the input of the forty companies visited, it is easy to see that economic conditions in Nassau County are very strong. Generally, companies are doing well. Most Nassau County companies are tracking positively. The economic base in Nassau County is growing and will produce additional economic growth and job creation during the next three years. This is an extremely positive sign and produced more positive results than anticipated.

Summary of Findings

The companies visited are experiencing strong economic stability. The survey showed that 97.5% of the businesses are secure and stable at the present time and 72.5% of the businesses plan to expand during the next three years. In order to expand their businesses, 37.5% will need to increase their business space requirement. As a result of these planned economic expansions, the businesses expect to increase employment by 22.9% and create 512 new jobs in Nassau County during the next three years. During the past three years, these businesses created a net new 581 jobs in Nassau County. These facts obviously demonstrate many very positive factors regarding the economic base in Nassau County during the past few years and in looking forward to the next three years.

Another positive trend is that 93% of businesses visited have and will continue to use and introduce new technologies that will keep them competitive in the new global marketplace.

Community Support

Of the executives interviewed, 93% strongly support the Nassau County community as a place to do business. Their overall evaluation of services provided to the business community by Nassau County and the three municipalities are generally very positive. Police protection, fire protection, ambulance/paramedic service, sewage treatment, water quality, property tax assessment and overall County and City services are rated good to excellent. The majority of businesses interviewed feel the school system K-12 has improved during the past years to above average but also feel there continues to be a critical need for continued improvements in the Nassau County education system. Many businesses offered support for school administrators and teachers. There appears to be a real opportunity and interest for members of the Nassau County business community to take a more active role in local education. It was also clear that the Nassau County business community strongly supports the County Government initiatives to improve community planning, regulatory enforcement, growth management planning and the control of traffic.

Workforce Evaluation

All forty companies presently provide some type of employee training. The survey provided that 87.5% are increasing spending on employee training and 12.5% are stable in their spending on employee training. Only 12.5% of businesses interviewed have employees represented by unions. All of these companies report a very positive working relationship between management and the union.

Availability of labor is the workforce issue of greatest concern to the businesses interviewed. The survey showed that 50% of the companies rated availability of labor as terrible to poor. The remaining 50% rate availability good to excellent. The businesses rate the quality of the workforce as 80% good to excellent and 20% terrible to poor. Workforce stability is rated by 90% as good to excellent. Workforce productivity is rated by 95% as good to excellent.

Another important issue identified during the interview was the gap of available people with certain key skills. The workers skill gaps covered a very diverse spectrum, from medical aides and LPN's to culinary and hospitality; from information technology to skilled maintenance, electrical and welders; from sales people to truck drivers; and from journalists and skilled computer operators to skilled general manufacturing laborers.

The highest concentration of industry needs for training programs in Nassau County are:

Medical – LPN's, Nurses, Medical and Healthcare Aides

Hospitality – Culinary, Support Staff

Technology – CADD Operators, Computer Graphics, Basic Computer Administrator

Mechanical/Maintenance – Electric, Welders, Fabricators, Technicians

One other general need that was brought up continually was the need to improve the “soft skills” of people entering the workforce. These varied skills include, basic discipline, knowledge of the basic workplace protocols, cleanliness, interviewing skills and the ability to interact with a diverse group of people either co-workers or clients.

Summary

Based upon the comments of the forty companies visited, economic conditions in Nassau County continue very strong. In addition, many of the companies plan to expand and create new employment during the next three years. The extent of the economic growth potential from within Nassau County far exceeded expectations.

Despite this very positive report, there remain a few critical issues that need improvement.

- Increased availability of high-speed data telecommunication lines. In the survey, 77.5% of the companies rate telecommunications as their fastest growing infrastructure need for the future. The lack of access to high-speed data infrastructure in many areas of Nassau County has already caused some problems and a loss of a few opportunities. Our companies are convinced that their needs will continue to increase dramatically. If continued upgrading and expansion of high-speed data infrastructure in Nassau County is not accelerated, our business community fears a serious problem in the future. Nassau County must address this critical need with the telecommunication providers and assure our continued ability to compete in the global economy. The Nassau County Economic Development Board has already started discussions with the appropriate service providers and the first formal meeting to discuss this matter in detail is being scheduled for May, 2001.
- Labor force availability, skills and training. The workforce in Nassau County rated extremely high in quality, stability and productivity. The availability of labor has started to become a problem for some businesses in Nassau County. The second critical issue is the availability of key skills in the workforce. These labor force issues are not unique to Nassau

County or Northeast Florida. These are national trends. Our ability to work with our business community and our training providers at WorkSource and Florida Community College is more important than ever before. It is critical for the Nassau County Economic Development Board to continue to provide that critical link between the Nassau County business community and our training providers. From the workforce data in the survey, WorkSource and Florida Community College have already taken aggressive steps to begin to fill the skill gaps outlined above.

- **Cost of Worker's Compensation Insurance in Florida.** The State of Florida is aware of this critical issue. However, the Nassau County Economic Development Board will continue to communicate the seriousness of this issue to state officials. The survey results will now give us more concrete data to help focus the statewide discussions of the Worker's Compensation issue and ultimately to reduce the cost of Worker's Compensation in the State of Florida.

Nassau County Business Retention Program – Phase II

The second phase of the Nassau County Business Retention Program commenced on January 1, 2001. With the completion of the report, we will now commence a detailed board analysis of the results of the Phase I program and then define an action plan of work for the Nassau County Economic Development Board. This work will be completed and submitted by October 31, 2001. In addition, the Nassau County Economic Development Board has started to assemble a list for the Phase II Business Retention Program. The actual meetings are scheduled to commence during May, 2001 and will be completed by October 31, 2001.

Respectfully Submitted By:

Kenneth J. Willette
Executive Director
Nassau County Economic Development Board

ATTACHMENT 4

**Nassau County Economic Development Board
Nassau County Business Retention Program Report
Phase II**

Nassau County Business Retention Program – Phase II
Executive Report
November 30, 2001

Introduction

The Nassau County Economic Development Board, in partnership with the Cornerstone Regional Partnership for Economic Development and the Regional WorkSource Board, started a formal Business Retention Program in Nassau County. Nassau County was one of six counties in Northeast Florida to participate in the WorkSource sponsored program that was coordinated through the Cornerstone Partnership. Phase I of the grant from WorkSource commenced on March 1, 2000 and closed on February 28, 2001. In the initial stage, the Synchronist Software Database was purchased and installed by the Nassau County Economic Development Board. Next, a series of Human Resource conferences were organized and a Regional Human Resource Guide was prepared and distributed in Nassau County by the Nassau County Economic Development Board during individual business meetings. Phase II of the grant from WorkSource commenced on January 1, 2001 and closes on December 31, 2001.

During Phase II of the Nassau County Business Retention Program, thirty meetings were scheduled from June 28, 2001 through November 19, 2001. Mr. Ken Willette, the Executive Director of the Nassau County Economic Development Board, personally met with the senior executive from each of the thirty Nassau County companies. These thirty companies were specifically chosen to represent the Nassau County business community. These companies were selected based upon geographic diversity in Nassau County, industry diversity and size diversity. These companies were located in Fernandina Beach, Amelia Island, Yulee, Hilliard, Callahan and Bryceville. The personal interviews generally lasted from 60 to 90 minutes. A series of uniform questions covering a wide variety of categories were discussed in detail and recorded into the Synchronist Database. Of the thirty interviews, fourteen were conducted prior to September 11, 2001 and sixteen were conducted after September 11, 2001. This is important in attempting to analyze the specific economic impact in Nassau County resulting from the September 11th terrorist attacks.

Following is a summary report of the varied business issues discussed during these thirty interviews. From these interviews, we are able to monitor the Nassau County economy, better understand local economic trends and identify some positive issues that will provide future opportunities and some relevant issues that need to be addressed in Nassau County.

Evaluation of Nassau County Economy

Based on the direct input of the thirty new companies visited, economic conditions in Nassau County remain very strong despite a national recession and the impacts of the September 11th terrorist attacks. Generally, the thirty companies are doing well. All the companies visited

during this phase are tracking positively. The economic base in Nassau County continues to grow and will continue to produce additional economic growth and job creation during the next two to three years. This continues the extremely positive trends from our Phase I project and again produced more positive results than anticipated especially with the continued down turn in the national economy.

Summary of Findings

The companies visited are experiencing strong economic stability. The survey showed that 100% of the businesses are secure and stable at the present time and 63% of the businesses plan to expand during the next three years. As a result of these planned economic expansions, the businesses expect to increase employment by 55% and create 601 new jobs in Nassau County during the next three years. During the past three years, these businesses created a net new 209 jobs in Nassau County and presently have 1,082 employees. These facts demonstrate many very positive factors regarding the economic base in Nassau County during the past few years and in looking forward to the next three years. These findings are consistent with the results reported from the Phase I analysis completed on April 27, 2001.

Another positive trend is that 90% of businesses visited have and will continue to use and introduce new technologies that will keep them competitive in the new global marketplace.

Community Support

Of the executives interviewed, 98% strongly support the Nassau County community as a place to do business. Their overall evaluation of services provided to the business community by Nassau County and the three municipalities of Fernandina Beach, Hilliard and Callahan remain very positive. Police protection, fire protection, ambulance/paramedic service, sewage treatment, water quality, property tax assessment and overall County and City services are rated very good to excellent.

Of the executives interviewed, 93% feel the school system K-12 has improved during the past few years to a good to excellent rating but also feel there continues to be a critical need for continued improvements in the Nassau County education system. Many businesses continue to offer support for school administrators and teachers. As reported in the first study, this second phase appears to offer a real opportunity and interest for members of the Nassau County business community to take a more active role in local education.

The Nassau County business community strongly supports the County Government initiatives to improve community planning, regulatory enforcement, growth management planning, the permitting process and continued control of traffic.

Workforce Evaluation

All thirty companies presently provide some type of employee training. The survey provided that 93% are increasing spending on employee training and 7% are stable in their spending on employee training. Of the businesses interviewed, 6.6% have employees represented by unions. All of these companies report a very positive working relationship between management and the union.

Availability of labor is the workforce issue of greatest concern to the businesses interviewed. The survey showed that 33% of the companies rated availability of labor as terrible to poor. The remaining 67% rate availability good to excellent. The businesses rate the quality of the workforce as 93% good to excellent and 7% terrible to poor. Workforce stability is rated by 93% as good to excellent. Workforce productivity is rated by 100% as good to excellent.

Another critical issue identified during the interview that was consistent with the first study was the gap of available people with certain key necessary skills. The workers skill gaps covered a very diverse spectrum, from medical aides and LPN's to culinary and hospitality; from information technology to skilled maintenance, electrical and welders; from sales people to truck drivers; and from journalists and skilled computer operators to skilled general manufacturing laborers.

The highest concentration of industry needs for training programs in Nassau County are:

Medical – LPN's, Nurses, Medical and Healthcare Aides, Pharmacists

Hospitality – Culinary, Support Staff

Technology – CADD Operators, Computer Graphics, Basic Computer Administrator, Software Developers, Network Administrators

Mechanical/Maintenance – Electric, Welders, Fabricators, Technicians

Sales/Marketing – Sales Skills, Interpersonal Skills, Customer Service Skills

Professional Management – Finance, Accounting, Human Resource

One other general need that was brought up again was the need to improve the “soft skills” of people entering the workforce. These varied skills include, basic discipline, knowledge of the basic workplace protocols, cleanliness, interviewing skills and the ability to interact with a diverse group of people either co-workers or clients.

Summary

Based upon the comments of the thirty companies visited, economic conditions in Nassau County continue very strong despite the worsening national economy and the impact of the terrorism attacks. In addition, many of the companies interviewed plan to expand and create new employment during the next three years. The extent of the economic growth potential from within Nassau County continues to exceed reasonable expectations.

Despite this very positive report, there remain a few critical issues that need improvement.

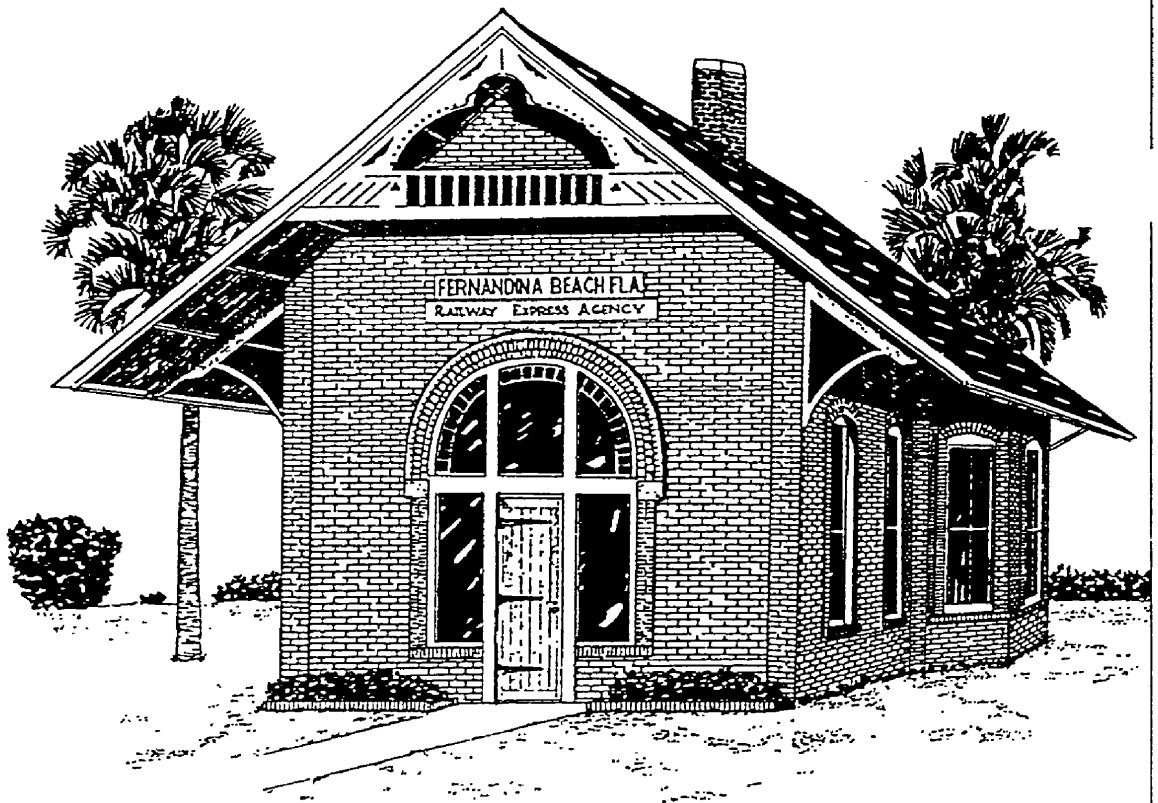
- Increased availability of high-speed data telecommunication lines. In the survey, 67% of the companies rate telecommunications as their fastest growing infrastructure need for the future. The lack of access to high-speed data infrastructure in many areas of Nassau County has already caused some problems and a loss of a few opportunities. Our companies are convinced that their needs will continue to increase dramatically. If continued upgrading and expansion of high-speed data infrastructure in Nassau County is not accelerated, our business community fears a serious problem in the future. Nassau County must continue to address this critical need with the telecommunication providers and assure our continued ability to compete in the global economy. The Nassau County Economic Development Board has already started discussions with the appropriate service providers and a series of meetings has been held over the last few months with BellSouth and Alltel Communications. In addition, the Nassau County Board of County Commissioners has taken a leadership role in working with the telecommunication providers in Nassau County to facilitate continued improvements to the system.
- Labor force availability, skills and training. The workforce in Nassau County rated extremely high in quality, stability and productivity. As compared to the previous study, the availability of labor has slightly improved to where 33% of the companies interviewed rated availability as terrible to poor. The most critical labor force issue is the availability of key skills in the workforce. These labor force issues are not unique to Nassau County or Northeast Florida. These are national trends. Our ability to work with our business community and our training providers at WorkSource and Florida Community College is more important than ever before. It is critical for the Nassau County Economic Development Board to continue to provide that critical link between the Nassau County business community and our training providers. From the workforce data in the survey, WorkSource and Florida Community College continue to take aggressive steps to train perspective employees to fill the skill gaps outlined above.
- Cost of Worker's Compensation Insurance in Florida. The State of Florida is aware of this critical issue. However, the Nassau County Economic Development Board will continue to communicate the seriousness of this issue to state officials. The survey results will now give us more concrete data to help focus the statewide discussions of the Worker's Compensation issue and ultimately to reduce the cost of Worker's Compensation in the State of Florida.

ATTACHMENT 5

**Amelia Island Fernandina Beach Yulee
Chamber of Commerce
Plan of Action 2001**

plan of *action*

2001



Amelia Island • Fernandina Beach • Yulee
Chamber of Commerce



THE
CHAMBER

Amelia Island • Fernandina Beach • Yulee

102 Centre Street
Fernandina Beach, FL 32034
(904) 261-3248 voice
(904) 261-6997 fax

visit us on the web at
www.aifby.com

2001 President's Message

On behalf of the Chamber committees, and Board of Directors, I am pleased to present you with the 2001 Plan of Action.



Michael Lamb

You will see a few changes this year. First, the Small Business Council has merged with the Economic Development Committee to form the Business Development Committee. This committee will be the advocate for all businesses large and small, new and well established. Second, a new committee, Member Services, will explore ways of providing "value added" features to your Chamber membership. Next, the Education Task Force will continue their work from last year. Finally, a standing committee of select Chamber members has been established to develop a long-range plan for the Chamber as a whole; then continually review, update and make recommendations to the Board of Directors.

Please take a few minutes to familiarize yourself with the committees and their goals. They have developed an aggressive agenda this year, and I am sure they would welcome your participation.

Best regards,

Michael Lamb

2001 Plan of Action

Ambassadors

Chair, Trish Bohannon

Purpose:

Promote the chamber through visible participation in Chamber sponsored events and assist in recruitment/retention efforts.

Goals:

- Provide personal contact to retain existing members and increase new memberships by participation in the "Chamber Friends" program and assisting in welcoming and registration at Chamber functions.
- Broaden community visibility and publicity to include the Annual Holiday Celebration and maintain a presence at Chamber events by wearing official Ambassador attire.
- Host the Amelia Island Teacher's Appreciation Breakfast.

Business Development Committee

Chair, Wayne Stubbs

Purpose:

Preserve a balanced economy on Amelia Island and the Yulee area, and increase awareness of local small business through educational opportunities.

Goals:

- Preserve and increase economic diversity within the county by using a targeted approach to new business attraction including minority businesses. Assess the technology needs of local businesses, incorporate findings into a proposed plan for telecommunications infrastructure improvements
- Explore new opportunities for economic development on Amelia Island through better utilization of airport and downtown waterfront areas.
- Preserve access to island, downtown, mills and port.
- Monitor & make suggestions on improvements to the permitting process for new business
- Assess the technology needs of local businesses, incorporate findings into a proposed plan for telecommunications infrastructure improvements
- Provide Business to Business networking opportunities
- Develop a plan to support local businesses
- Develop plan to attract small high tech companies and professional groups to Amelia Island/Fernandina Beach/Yulee.

Community Development Committee

Chair, John Zona

Purpose:

This committee serves as a catalyst to make our community a better place to live and work through a partnership of businesses, citizens and government.

Goals:

- Provide leadership for growth planning in order to grow responsibly and maintain character of the community. Identify key growth issues.
- Define needs and develop plans for improvements to transportation (parking, highway access, and traffic congestion)
- Educate member businesses on trends and potential impact
- Identify key growth issues
- Monitor the Quality of Life indicators
- Monitor/Advocate downtown master plan for traffic & parking
- Monitor Affordable Housing

Education Task Force

- Investigate Work Keys Program and determine if implementation should be endorsed.
- Work with the School Board, Nassau Co. Economic Development Board and FCCJ on education improvements.
- Inventory existing business workforce needs - coordinate necessary improvements with education and training providers to produce a workforce that meets the needs of existing and future businesses.

Public Affairs Committee

Chair, Charles Shelton

Purpose:

Promotes public/private partnerships assisting the Chamber in achieving its mission. The committee stresses increased awareness of regulatory and legislative issues affecting members by encouraging input and participation in local/state committees and boards.

Goals:

- ATA Corridor – key area of focus.
- Insure that FLDOT priorities are funded for Nassau County.
- Encourage city/county government staff to participate in Chamber activities.
- Develop implementation strategies related to improving government communications and relations with the business community
- Become familiar with city and county comprehensive plans.
- Increase the visibility of the Chamber of Commerce at government and public meetings
- Develop alliances with other entities/organizations that track government policies
- Monitor government policy.
- Recommend Chamber's Legislative Agenda.
- Develop and support voter education and participation from a business perspective.

Long Range Planning Committee

Chair, Jim Mayo

To address longer term (3 to 5 years) issues of the Chamber and make recommendations to the Board.

Member Services Committee

Chair, Gerry Clare

Purpose:

Identify & implement membership needs, and review current membership services.

Goals:

- Canvas each of the other committees for questions to conduct a member survey.
- Identify membership needs, implement bottom-line benefit programs to address needs.
- Continue with ongoing member events
- Oversee the BellSouth Grant
- Business of the Quarter and Business of the Year Awards

Tourism Advisory Committee

Chair, Sandy Price - Vice-Chair, Marianna McIntyre

Purpose:

Works to enhance the community as a travel destination; fosters awareness of tourism's vital contributions; and makes recommendations to the Tourist Development Council.

Goals:

- Identify, initiate and support projects that directly affect tourism.
- Review tourism study and make recommendations in regard to the study.
- Continue evaluation of feasibility of "Off Season Event" and make recommendations.

Yulee Area Council

Chair, Jim Stephens

Purpose:

Promotes Yulee as a center of commerce and opportunity. This committee provides impetus for community projects affecting the Yulee area.

Goals:

- Enhance identity of Yulee as part of Nassau County.
- Work with Chamber's committees to ensure that needs of Yulee area businesses are identified and presented in appropriate form.
- Keep existing programs such as the Teacher's Appreciation Breakfast and Christmas Parade in place.
- Increase participation and attendance by Yulee Chamber members.

ATTACHMENT 6

BETA-1 Capital LLC
Letter of Support for Distance Learning Center



180 Mariner's Landing
St. Mary's, GA 32258
(912) 729-1278

May 8, 2002

RM Chauncey, President
BETA-1 Management, Inc.
317 Centre Street
Amelia Island, FL 32034

Dear Ray:

This letter is to confirm the support of the investors and members for your application to the USDA Rural Utilities Service for a Distance Learning grant to develop a rural distance learning network for Nassau County. We whole-heartedly support your efforts in developing entrepreneurs and extending training to the underserved areas by implementing state of the art technology for distance learning. Accordingly, we are pleased to commit up to \$100,000 in matching funds for this grant for 2002.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney E. Bennett", is written over a faint, larger version of the same signature.

Rodney E. Bennett
Managing Member and Secretary
Rodney@satillacommunitybank.com

Business Confidential

ATTACHMENT 7

**Morrow Insurance Group (Investors)
Letter of Support for Distance Learning Center**



MORROW INSURANCE GROUP, Inc.
of Fernandina Beach

8.4

1896 S. 14TH STREET, SUITE FIVE
FERNANDINA BEACH, FL 32035
PH (904) 261-0707 FAX (904) 261-2594

May 13, 2002

Raymond Chauncey, President
BETA-1 Management, Inc.
317 Centre Street
Amelia Island, FL 32034

Dear Ray,

Morrow Insurance Group, Inc. is pleased to commit up to \$150,000 in matching funds in support of the USDA Rural Utilities Service for a Distance Learning Grant for 2002.

We support BETA-1's efforts in developing and training entrepreneurs in this area by implementing state of the art technology.

Sincerely,

MORROW INSURANCE GROUP, INC.

Edward E. Wilson
President

ATTACHMENT 8

**BETA-1 Management
Project Budget for Distance Learning Center**

BUDGET

BETA-1 Distance Learning Network Budget

Description	Unit Cost	Extended Cost	RUS Funds	Matching Funds	Other
BETA-1 Facility					
Lease or Purchase of Eligible Equipment					
1 Routing and Switching	\$209,689	\$209,689	\$100,000	\$109,689	\$0
1 LAN, IP telephony, messaging	\$142,000	\$142,000	\$0	\$142,000	\$0
1 Video Capture, Storage & Streaming	\$90,000	\$90,000	\$50,000	\$40,000	\$0
1 IP Based ITV Room Connectivity	\$75,000	\$75,000	\$50,000	\$25,000	\$0
1 ITV Room Equipment	\$53,215	\$53,215	\$53,215	\$0	\$0
Site Cost		\$569,904	\$253,215	\$316,689	\$0
FCCJ-Nassau Center					
Lease or Purchase of Eligible Equipment					
1 Routing and Switching	\$45,000	\$45,000	\$0	\$45,000	\$0
1 IP Based ITV Room Connectivity	\$15,000	\$15,000	\$0	\$15,000	\$0
Site Cost		\$60,000	\$0	\$60,000	\$0
Hilliard High School					
Lease or Purchase of Eligible Equipment					
1 ITV Room Equipment	\$53,215	\$53,215	\$53,215	\$0	\$0
Site Cost		\$53,215	\$53,215	\$0	\$0
West Nassau/Yulee/Bryceville					
Lease or Purchase of Eligible Equipment					
1 ITV Room Equipment	\$53,215	\$53,215	\$53,215	\$0	\$0
Site Cost		\$53,215	\$53,215	\$0	\$0
Additional Project Costs					
Design of System (By Contract)	\$75,000	\$75,000	\$0	\$75,000	\$0
Installation of Equipment at Three End-User Sites (By Contract)	\$96,000	\$96,000	\$0	\$96,000	\$0
Training on Use of Equipment/System	\$18,000	\$18,000	\$18,000	\$0	\$0
Instructional software and materials	\$20,000	\$20,000	\$20,000	\$0	\$0
Additional Costs	\$209,000	\$209,000	\$38,000	\$171,000	\$0
Total RUS Eligible purposes		\$945,334	\$397,645	\$547,689	\$0
Ineligible Purposes					
4 Recurring line costs /year	\$13,200	\$52,800	\$0	\$0	\$52,800
1 Instructor/admin salaries	\$48,000	\$48,000	\$0	\$0	\$48,000
Project Grand total		\$1,046,134	\$397,645	\$547,689	\$100,800

Regulatory Specifications and Matching Funds Allocation:

The applicant must match a minimum of 15 percent of the Federal funds requested for allowable purposes:

RUS Grant Request	\$397,645	
Matching (cash and in-kind)	\$547,689	137.73%
TOTAL	\$945,334	

Up to ten percent of the costs associated with the initial capital assets associated with the technical assistance and instructional programming (7CFR 1703-121) can be financed by RUS grant requests:

Initial Installation and Training	\$ 38,000	
Total Allowable RUS Purposes	\$397,645	9.56%

Matching Fund Allocation

- BETA-1 Management, Inc. – See Letter Page 8.2
- BETA-1 Capital, LLC – See Letter Page 8.3
- Morrow Insurance Group – See Letter Page 8.4



317 Centre Street
Amelia Island, FL 32034
(904) 261-4334
www.beta-1.com

May 13, 2002

Orren E. Cameron
Director, Advanced Services Division
Rural Utilities Service
U.S. Department of Agriculture
STOP 1550, Room 2845
1400 Independence Avenue, SW
Washington, D.C. 20250-1550

Dear Mr Cameron:

On behalf of the Board of Directors I am pleased to provide financial commitments in both the capital and operating budget areas in support of the application for a Rural Utilities Service Distance Learning Grant. The grant will allow the leveraging of significant private capital that can build a model distance learning network for our rural community, that can be emulated in other areas.

Accordingly, we are committing to matching the grant funds as follows:

- | | |
|---|---------------|
| 1) Capital investment for network build-out in 3 rd and 4 th quarters of 2002 | \$350,000 |
| 2) Ongoing operating contributions for years 2002-2005 (4 years) | \$60,000/year |

We look forward to your favorable review and approval of the application for this innovative approach to provide distance training and economic opportunities for our rural community.

Sincerely,

Raymond M. Chauncey
President and CEO

ATTACHMENT 9

**Distance Learning Center
Executive Summary, Financial Information and
Letters of Support**

Executive Summary

BETA-1 (Business & Emerging Technology Accelerator) Distance Learning Network

An innovative approach to deliver education and training for students, entrepreneurs, small businesses and the community in rural north Florida.

1. Description of why the project is needed

BETA-1, a rural business incubator, is applying for a US Department of Agriculture Rural Utilities Service Distance Learning and Telemedicine Grant, with the support of Florida Community College at Jacksonville (FCCJ), the Nassau County Public Schools, and the community to further develop the distance learning capabilities in rural Nassau County, Florida. A recent in-depth study was conducted by the Nassau County Economic Development Board of over seventy businesses in the county to identify the most pressing issues. The major issues, by far, were lack of access to high-speed telecommunications services, and increased needs for worker training. The development of these capabilities will enable the public community college and the public school system to expand the educational offerings within and between institutions. The business development laboratory, created by BETA-1, is designed to provide a setting for advanced technology and entrepreneurial firms to develop products, and improve skills of existing businesses. The distance learning and on-site student internships and mentoring, offered through BETA-1, will provide much needed enriching experiences for high school and community college students both in business development and in the use of technology. Entrepreneurial training, offered through distance education, will benefit students and the small business community at large.

The distance learning network, created by adding an additional three distance learning classrooms/community rooms in Nassau County, is needed in order to provide the county public high schools locations where they can communicate with FCCJ, BETA-1 and each other through strategically located Interactive Television (ITV) classrooms/community rooms. The ITV rooms, located in the center of the county in Yulee at the Florida Community College Nassau Center (existing), at Hilliard High School in the west side of the county and at the BETA-1 facility in the east side of the county will enable cross county distance learning opportunities. An innovative Portable ITV Laboratory (PITVL) will also be built that will allow the network to be accessed from other schools/sites on a class or project basis. This portable technology has been successfully deployed by FCCJ at the Cecil Commerce center in adjacent Duval County and could serve as a model for other projects. The technology funded through this grant will also link these rooms to the ITV rooms located at an additional six Florida Community College at Jacksonville campuses in adjoining Duval County, thus creating a linked network of ten ITV sites. The distance learning network created will allow point to point and multipoint

transmission and reception from all sites. At the present time there is only one FCCJ ITV room in Nassau County. There are no other ITV sites to connect to in Nassau County. The present FCCJ connection allows only point to point connectivity with its' other sites. The technology specified in this grant, in addition to adding three ITV sites in Nassau County, will also enable multipoint connectivity, which is currently not possible. Finally, the ability to communicate via the internet (using H.323 videoconferencing) will reduce the costs associated with leased lines, and provide pressure on the incumbent local exchange carriers to improve services in this rural area.

The residents in Nassau County will, for the first time, be able to communicate via interactive television across the county and to the community college servicing their district. This will increase the ability to offer dual enrollment college classes and other enriching experiences for all involved. This is a significant milestone in a county that spans 652 square miles, has no public transportation system, requires long distance telephone service to call residents across county, and had a population of 57,663 in the 2000 Census.

The addition of a Hilliard High School ITV Room, another ITV Room at the BETA-1 facility in Fernandina Beach and the ITV Lab, along with an advanced internal telecommunications infrastructure at BETA-1, will enable the entire community to benefit from the technology that will be made possible through the distance learning grant.

2. Needs, financial assistance requirement, educational services offered and benefits to rural residents

The project is needed in order to increase the level of educational opportunities available to the residents and businesses in rural Nassau County. The Nassau County School District serves approximately 10,316 students in a 15 school district throughout the county. The three district high schools are located at opposite ends of the county thus making it logistically not feasible to share resources and combine small enrollment programs. Fernandina Beach High School, with an enrollment of 1638, offers a curriculum that is more diverse and comprehensive than the other two smaller high schools. West Nassau High School, with a population of 944, and Hilliard Middle/Senior High School, with an enrollment of 850 (includes grades 6-12), are more limited in the curriculum options offered to their students. Our students in Nassau County do not have the breadth and depth of curriculum options a student would have in a school district with larger schools.

The Florida Community College at Jacksonville serves both Nassau County and the more urban Duval County to the south. This multi-campus institution has a series of ITV classrooms (7) throughout its system. One of these classrooms is located at the recently

opened (Fall 2000) Betty P. Cook Nassau Center in Yulee, FL. The technology for the ITV classrooms currently supports only single point to single point transmissions.

The addition of ITV rooms on the east side and west sides of the county, in addition to adding the capability for multipoint reception and transmission will greatly enhance the educational and training opportunities offered to public school students and the small business community.

The opening of the Business and Emerging Technology Accelerator's (BETA-1) new facilities--in the fourth quarter of 2002--is serving as a catalyst for this project. BETA-1 has been developed and funded through private investment, and presents a unique and timely opportunity to leverage public funds to create a distance learning network that can serve as a model in a rural community. The business incubator is a laboratory for small technology businesses to create and develop new products, particularly in the medical device area. The incubator will also prove to be an asset to the community as it will serve as a site for student interns, small business training, and will also provide employment for area residents. The educational component of BETA-1, focused on development of entrepreneurship and small business, will serve to significantly upgrade the scope of training offered by linking the proposed system with the ITV network already in place through the Florida Community College at Jacksonville.

There are no funds available within the Nassau County School District, FCCJ or the BETA-1 project to fund the installation of the equipment necessary to create the additional ITV sites in Nassau County. The financial assistance requested will provide the technology required to install the equipment necessary to establish these ITV end user sites. The ongoing costs associated with their use will be absorbed by BETA-1 and FCCJ as they have the technical staff for their own network operation and training.

Distance learning programs in college credit classes, postsecondary adult vocational classes, small business training, and training for product development will be offered in the ITV network. Community groups and governmental groups will also have access to the ITV rooms for routine cross county meetings/communication.

The residents of rural Nassau County will benefit greatly from the ITV network being developed through this grant. Public school students will benefit from the increased educational offerings and access to other classes. The community will benefit from the ability to communicate cross county with others through scheduled seminars and classes, especially those related to entrepreneurship and business management, the foundation of the county's economy. The expansion of the classes offered by Florida Community College at Jacksonville, through the ITV network, will enable the college to expand the instructional offerings in Nassau County. The combination of college credit, postsecondary adult vocational, seminars, and small business training will enrich the communities and also make education/training much more accessible to residents who

otherwise would have to travel as much as 100 miles round trip to take advantage of the same opportunities.

3. A description of the applicant documenting eligibility based on CFR 1703.103

BETA-1 is a privately funded emerging technology accelerator (incubator) that helps entrepreneurial innovators translate their globally marketable concepts into commercially viable ventures.

Conceived in 1999 by successful North Florida business and community leaders, the Business and Emerging Technology Accelerator (BETA) is a for-profit model that funds, houses, supports and attentively monitors entrepreneurs with globally marketable technology innovations.

BETA-1 equips emerging technology innovators with critical entrepreneurial resources, including an appropriate operating environment, 21st Century technical and communications services, relevant and proactive business mentoring, and timely capital assistance.

For each client, BETA-1 assembles a tailored project team. This team provides management support and resources the business needs to succeed. Clients of BETA-1 benefit from access to core innovation resources including:

- Colleges & Universities
- Workforce Training
- Mentors & Partners
- Funding & Investors

BETA-1 positions clients to develop effectively, graduate swiftly, and move on to their next phase as sustainable, value-creating enterprises.

BETA-1 helps bridge the gap between innovative concepts and successful commerce. A copy of the Certificate of Incorporation for BETA-1 Management Inc., are located in Tab-16.

4. Total project cost

The BETA-1 facility is designed to provide support to developing and emerging businesses while also serving as a center to facilitate distance education and training in a real life business development laboratory. The total cost of the project follows with a brief explanation of the line items needed in order to properly outfit the ITV rooms at the

BETA-1 facility, the Hilliard High School and the Portable ITV Lab, and make them compatible and designed for multipoint transmission/reception:

Summary of total project cost

ITEMS	GRANT	*MATCHING
Routing and Switching	\$100,000	\$154,689
WLAN, IP Telephony,		\$142,000
Video capture, Storage and Streaming	\$ 50,000	\$ 40,000
IP Based ITV Room Connectivity	\$ 50,000	\$ 40,000
ITV Room Equipment	\$159,645	
Design, labor, installation	<u>\$ 38,000</u>	<u>\$171,000</u>
Total Grants/Matching	\$397,645	\$547,689**
Total Project Cost	\$944,334	

* BETA-1 Capital, an angel investor network managed by BETA-1, will make matching contributions.

** Matching funds are 137% of requested Grant funds.

Routing and Switching:

The BETA-1 facility requires switches in 2 locations that support 96 connections, each with inline power and QOS for phones, and Layer 3 standard routing capability.

\$254,689 (\$100,000 Grant and \$154,689 Match)

Internet Protocol - IP Telephony, messaging, and W-LAN:

IP Telephone PBX, phones, and voice gateway. This will provide 24 simultaneous voice connections out bound, 8 fax machine or modem lines and 20 phones with voice mail.

Unified Messaging Software and licenses for 10 concurrent licensed connections to voice mail. **\$142,000 (Match)**

Video Capture, Storage and Streaming:

IPTV Control Server, Broadcast server, Archive Server, Content Manager, distribution Manager, and Content Engine to create the ability to encode MPEG1-4 video in real time and either stream it across the network or store the files and distribute them for later playback. Includes video camera, microphone and PC with DVD. **\$90,000 (\$50,000 Grant and \$40,000 Match)**

IP Based ITV Room Connectivity:

Videoconference Gateway, MCU, and 16 Terminal Adapters that will tie in with seven existing FCCJ ITV rooms and enable multipoint transmission. **\$90,000 (\$50,000 Grant and \$40,000 Match)**

ITV Room Equipment:

Three each (BETA-1, Hilliard High School, and West Nassau/Yulee) of PictureTel 970, Canon Digital Document Camera, SONY 4 Head VCR, ParkerVision Presenter System, ParkerVision Student Camera System, AMX Switching Controller, Uninterrupted Power Supply, Adtran Multiplexer includes installation and one year parts and labor on-site warranty. **\$159,645 (Grant)**

Related Design and Installation:

Projected costs of designing, installing, and training individuals to manage equipment efficiently, program materials, software. **\$209,000 (\$38,000 Grant and \$171,000 Match)**

5. Project Purpose

The project is for distance learning. The project will enable ITV instruction to occur within Nassau County, between Nassau County and Duval County through the FCCJ ITV rooms, or to other parts of the country and world. The project will serve as a model for private/public educational and training partnerships. The network has the potential to grow to serve portions of the other 23 rural counties located in the Jacksonville, FL – SE Georgia Bureau of Economic Analysis Area, where BETA-1 will eventually expand.

6. Telecommunications Systems

The project will provide state of the art connectivity in the BETA-1 facility to support the several small high technology businesses that it will serve. These businesses will utilize a wireless LAN networking system with IP telephones to provide a working facility that will serve as an excellent internship site for high school and postsecondary students. The ITV equipment located at BETA-1 and at Hilliard High School will consist of Picture Tel 970 cameras and related equipment, Canon Digital Document Cameras, Sony VCR's and ParkerVision Presenter and student camera equipment.

Three ITV sites will be developed in Nassau County, Florida, as a result of this grant. The BETA-1 user site in Fernandina Beach and the Hilliard High School site in Hilliard will be developed within existing facilities. A portable ITV Lab will also be built that can be moved among other school sites in the county to allow access on a class or project basis. These sites will be linked to the FCCJ site in Yulee to provide a total of four ITV rooms across Nassau County, to enrich and enhance the communication, education, and training offered to the public schools, community college, community groups, and governmental groups. Policies and practices will be developed to give each entity access to the sites. The ITV sites will also be linked to the Duval County FCCJ sites that will allow multiple site transmission, with the addition of the equipment provided in this

grant. The sites will be capable of transmitting to other point to point sites in the world through ISDN telephone lines, and also by virtual private networks.

7. Participating Hubs

A total of two new hubs will be added as a result of this grant. The BETA-1 hub is located in the eastern section of Nassau County, in Fernandina Beach. This hub will serve as the site for Fernandina Beach High School, community, and governmental groups. The Hilliard High School hub is located in the western part of Nassau County in Hilliard. This hub will serve as a site for Hilliard High School and community and governmental groups. The Nassau County FCCJ site is located in the center of the county, at the Betty P. Cook Center in Yulee. The fourth site is served by the PITVL and covers areas as required by class/seminar demand in the southwest and remainder of the county. The geographical locations of these sites across rural Nassau County would make these learning opportunities available to the entire Nassau County population. The 2000 Census population figure for Nassau County is 57,663, but as the fastest growing county in the state is expected to reach 75,000 by the end of the decade. The ability to provide multipoint transmissions and connectivity between rooms will be coordinated by FCCJ who will utilize some of the grant equipment to develop these features.

8. Certification of non-duplication

The two hubs (BETA-1 and Hilliard High School) and the PITVL added through this grant do not duplicate already existing distance learning facilities or sites.

9. Location of each end user site

<i>County and State</i>	-	<i>Nassau County, Florida</i>
Site 1 location	-	BETA-1 in Fernandina Beach, FL
Site 2 location	-	Hilliard High School in Hilliard, FL
Site 3 locations Portable ITV Lab	-	West Nassau High School, Callahan, FL Yulee Middle School, Yulee, FL Bryceville Elementary School, Bryceville, FL
Existing Site	-	Florida Community College Betty P. Cook Nassau Center in Yulee, FL
Six Existing Sites	-	Located at FCCJ Campuses in Jacksonville

Financial Summary and Documentation

Background

The opening this fall of the permanent facilities for the Business and Emerging Technology Accelerator (BETA-1) represent a unique opportunity to enhance the educational progress in Nassau County, Florida. BETA-1 will provide entrepreneurs with the critical resources required to successfully launch and grow their firms, allowing them to reach positive cash-flow and a liquidity event as quickly as possible. Start-up or expanding businesses selected for admission into BETA-1 will benefit from operating space and business, technical and capital assistance available on a coordinated and efficient basis. A structured business training and mentoring process will be provided to insure that the businesses can develop effectively, graduate, and move into the communities as sustainable enterprises. BETA-1 will be linked by state-of-the-art high bandwidth communications to other regional and international resources, which will also provide critical support to the expanding businesses. This includes colleges, universities, federal labs, workforce training, small business development centers, mentors, investors, other incubators and consultants. The businesses will have access to core resources such as high-speed networking and Internet access, video-conferencing, copiers, fax, printing, reception, bookkeeping, student interns, and staff support.

The leveraging of the business, technical and financial resources of BETA-1 with funds from the Rural Utilities Service will create a rural distance learning network that can become a model for public-private partnerships. The cash matching funds provided by BETA-1 and its investors, equal to 137% of requested grant funds, is further leveraged by the ongoing public relations value. As companies are graduated out of BETA-1, and community workers efficiently trained to fill the jobs as they are being created by those businesses, the long-term impacts will become apparent. A recent in-depth study was conducted by the Nassau County Economic Development Board of over seventy businesses in the county to identify the most pressing issues. The major issues, by far, were lack of access to high-speed telecommunications services, and increased needs for worker training.

In addition to the capital committed as matching cash, BETA-1 has committed to funding the DLN at a minimum of \$60,000/year for the next four years. We are convinced that we can leverage our annual investment with the community college, private business, Nassau County school system, and program revenues to achieve a sustainable operation. The members of the DLN Project Team have experience in managing, and successfully completing, capital projects ranging in size from \$100,000 to over \$60 million. In addition, key members of the team have experience managing operating budgets of from \$100,000 to over \$10 million, including private, public and public-private and non-profit entities.

The President of BETA-1, Raymond M. Chauncey, served as the Vice President of one of Enterprise Florida's six Innovation and Commercialization Corporations (ICC) from 1995-1999. Enterprise Florida is the state's public-private organization responsible for coordinating Florida's economic development activities. In that role, Mr. Chauncey was responsible for setting-up, operating, and maintaining a video-conferencing center to collaborate with the other ICC's and the state coordinating office. In addition, he has counseled over 400 businesses in start-up and expansion, and was certified as an instructor in FastTrack, a business education program similar to NxLevel, which BETA-1 plans to offer through the DLN this fall. Our DLN community college partners include Don Hughes, Director of Florida Community College at Jacksonville-Nassau Center. Don presently operates one of the ITV rooms/distance learning centers in Yulee, that we will be able to access. Sharyl Wood is the Director of Adult and Vocational Education at the Nassau County School District, and a former principal and guidance counselor. Both Mr. Hughes and Ms. Woods are creative and experienced educators and will ensure that this innovative program is successful.

Financial assumptions and pro-forma cash budget

No escalation of revenues or expenses for this purpose.

Revenues for the DLN will come from the following sources;

1. Program/class revenues-
 - a. NxLevel for start-ups 4 sessions/year, \$200/student, 160 students/year, \$32,000/year
 - b. NxLevel for existing business, 3 sessions/ year, \$250/student, 90 students/year, \$22,500/year
 - c. NxLevel Ag-business & e-business, 4 sessions/year, \$200/student, 160 students/year, \$32,000/year
 - d. FCCJ class share-\$10,000/year
 2. Corporate fees- Meeting and conference use of network, off times- 4hours/week, \$200/hr, 50 weeks/year, \$40,000/year
 3. Private contributions-cash or in-kind, assumed at \$60,000 BETA-1, only assumed, for first 4 years
 4. Public contributions- cash or in-kind, assumed at \$0 in year one
- Total Revenues in operating year \$186,500

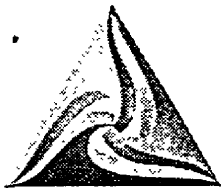
Expenses for DLN

1. Instructional materials, (\$20,000 part of capital budget) \$10,000
2. Instructor fees \$48,000/year, most NxLevel sessions by BETA-1 staff, mentors, and service providers (pro-bono)
3. Recurring line costs – 4 @ \$13,200/year = \$52,800 planned. Attempting to get the lines donated by the telecom providers, but not completed at application deadline. Assume \$25,000 reduction in 4th year, \$50,000 in 5th year.

4. Maintenance-\$25,000/year
 5. Facilities- Donated by partners
 6. Marketing/public relations- \$30,000 (additional costs borne by partners)
 7. Miscellaneous-\$5,000
- Total expenses in operating year \$170,800

DLN planned to be self-sufficient by year 5.

BETA-1 Distance Learning Network Pro-forma Cash Budget					
	2003	2004	2005	2006	2007
Beginning cash	\$60,000	\$75,700	\$71,400	\$87,100	\$107,800
Revenues	\$186,500	\$186,500	\$186,500	\$186,500	\$126,500
Expenses	\$170,800	\$170,800	\$170,800	\$145,800	\$120,800
Increase(decrease) in cash	\$15,700	\$15,700	\$15,700	\$40,700	\$5,700
Ending cash	\$75,700	\$91,400	\$87,100	\$127,800	\$113,500
Capital expenses	\$0	\$20,000	\$0	\$20,000	\$0



FLORIDA
COMMUNITY
COLLEGE
*
AT JACKSONVILLE

May 6, 2002

Orren E. Cameron
Director, Advanced Service Division
Rural Utilities Service
US Department of Agriculture
STOP 1550, Room 2845
1400 Independence Avenue, SW
Washington, DC 20250-1550

Dear Director Cameron:

The Florida Community College at Jacksonville Betty P. Cook Nassau Center (FCCJ) is excited about the Rural Utilities Service Grant application being submitted by the Business and Emerging Technology Accelerator-1, Inc. (BETA 1). The BETA-1 technological laboratory will prove to be a great learning environment for businesses and for secondary and postsecondary students. It will be a terrific asset to our Nassau County community.

The student internships and mentoring relationships that will be established through BETA 1, combined with the wide introduction of Interactive Television (ITV) based instruction, will enrich the education and training that is presently offered in Nassau County. The Nassau County ITV rooms, which will include the two rooms requested through this grant and the existing ITV room at FCCJ, will create a mini network of ITV rooms across Nassau County. The technology requested through this grant will also enable these rooms to be linked with the existing six FCCJ ITV rooms in Duval County, thus creating a 9 unit network and numerous education and training options not otherwise available.

FCCJ has a proven history of establishing and technically supporting ITV rooms and ITV instruction. FCCJ will work cooperatively with BETA-1 to insure the proper operation, scheduling, and success of these new resources. The current ITV room at the FCCJ Nassau Center provides a proven model for the future ITV installations.

I am fully supportive of BETA-1 and their vision to increase the distance-learning infrastructure in Nassau County. I look forward to actively working with them to realize their dream.

Sincerely,

Donald J. Hughes
Nassau Center Director

The School Board of Nassau County, Florida

Adult and Vocational Education

1201 ATLANTIC AVENUE
FERNANDINA BEACH, FLORIDA 32034
FAX # 904-321-5879
SUNCOM 8-848-5826

JOHN RUIS
SUPERINTENDENT OF SCHOOLS

SHARYL W. WOOD
DIRECTOR OF ADULT & VOCATIONAL EDUCATION
321-5826

PATRICIA YOUNG
SECRETARY - ADULT EDUCATION

J. KIM SWEAT
SCHOOL TO WORK / VOCATIONAL SECRET
321-5828

May 7, 2002

Orren E. Cameron
Director, Advanced Service Division
Rural Utilities Service
United States Department of Agriculture
STOP 1550, Room 2845
1400 Independence Avenue
Washington, DC 20250-1550

Dear Director Cameron:

On behalf of Nassau County School Board Adult and Vocational Education, I am in full support of the Rural Utilities Service Grant application that is being submitted by the Business and Emerging Technology Incubator-1, Inc. (BETA-1). The technological laboratory, which will assist start-up technologically-based manufacturing businesses in a business incubator setting, will be an asset to our Nassau County community.

Through future interaction via internships, mentoring, field trips and other activities with the technology and businesses at BETA-1, students in Nassau County will be exposed to potential careers and career paths they might not otherwise have considered. The Interactive Television (ITV) Network linking an ITV classroom at Hilliard High School and the BETA-1 facility in Fernandina Beach with the Florida Community College at Jacksonville classrooms at the Betty P. Cook Center in Yulee and throughout the Jacksonville area presents exciting possibilities for expanding the career and technical education offerings to the students of Nassau County. Students, entrepreneurs, community groups, teachers, and others can communicate through this network and collaborate on projects of educational and community benefit limited only by our imaginations. The students of Nassau County will also enjoy increased opportunities for participation in programs such as Dual Enrollment in high school and college through the ITV network.

I am committed to working in partnership with the staff at Hilliard High School, FCCJ, and BETA-1 in providing any assistance needed to increase opportunities for distance learning. I fully support the efforts of BETA-1 in increasing the distance learning infrastructure and capabilities in Nassau County.

Yours truly,



Sharyl W. Wood
Director of Adult and Vocational Education



NASSAU
COUNTY

ECONOMIC
DEVELOPMENT
BOARD

May 6, 2002

Mr. Orren E. Cameron
Director, Advanced Service Division
Rural Utilities Service
US Department of Agriculture
STOP 1550, Room 2845
1400 Independence Avenue, SW
Washington, DC 20250-1550

Dear Director Cameron:

The Nassau County Economic Development Board is in unanimous support of the Rural Utilities Service Grant application that is being submitted by the Business and Emerging Technology Accelerator-1, Inc. (BETA-1). The mixed-technology facility, which will assist in developing quality diverse start-up technology based industry in a business accelerator facility, will evolve into an important asset to the entire Nassau County population.

BETA-1 will establish itself as the nexus for entrepreneurial activity and culture in the North Florida region through the acceleration, creation and support of high-value entrepreneurial business opportunities. BETA-1 will assist these entrepreneurs in converting these innovative visions into profitable ventures by facilitating access to venture capital, business consulting, community resources and specialty infrastructure such as, laboratories, pilot manufacturing space and high-speed communications gateways.

BETA-1 will thus serve as a catalyst in the creation of new, high wage, high skilled employment and support opportunities in our community. The Interactive Television (ITV) Network, which includes an ITV room at Hilliard High School and at the BETA-1 facility in Fernandina Beach, is very exciting in that it will give adults and students more options to pursue their education. These two new facilities will be linked to the existing Florida Community College ITV rooms located in Yulee and throughout the greater Jacksonville area.

In conclusion, the Nassau County Economic Development Board is in unanimous support of the efforts of BETA-1 to increase the distance learning infrastructure and capabilities in Nassau County.

Thank you for your consideration of this important matter.

Sincerely,

Kenneth J. Willette
Executive Director

KJW/rcf

Phone: (904) 225-8878
Toll-Free: (800) 671-6774
Fax: (904) 225-8868

760 William Burgess Boulevard
Yulee, Florida 32097

E-Mail: kjwillette@aol.com
www.nassaucountyfla.com

THE CHAMBER

Amelia Island • Fernandina Beach • Yulee

May 7, 2002

Orren E. Cameron
Director, Advanced Service Division
Rural Utilities Service
US Department of Agriculture
STOP 1550, Room 2845
1400 Independence Avenue, SW
Washington, DC 20250-1550

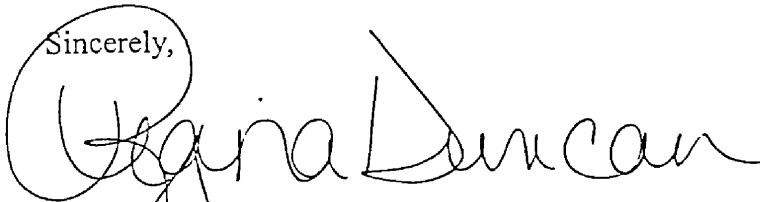
Dear Mr. Cameron:

The Amelia Island-Fernandina Beach-Yulee Chamber of Commerce supports the Rural Utilities service Grant submitted by the Business and Emerging Technology Accelerator-1, Inc. (BETA 1), located in Fernandina Beach, Florida. The innovative plans, developed by BETA 1 include developing two additional distance learning training sites within rural Nassau County. This project is critical in order to create a technologically viable business environment and also to give functioning businesses easier access to incumbent worker training opportunities.

Nassau County businesses suffer because of the inferior communication infrastructure in the County. It is a long distance call from Fernandina Beach to the west side of the county and to all of the adjoining counties. The BETA 1 plan will bring county entities and businesses closer together through the use of the Interactive Television (ITV) training rooms planned for Fernandina Beach and Hilliard. These rooms, when connected with the FCCJ network of ITV rooms in Yulee and Duval County, will open many opportunities for our approximately 650 members. It will also give us a closer link to the Greater Nassau Chamber of Commerce located on the west side of the county. The training options will be expanded dramatically due to the ITV rooms.

The Chamber is excited about BETA 1 and the innovations it is introducing into the community of Nassau County. We look forward to supporting their leadership efforts, especially in the area of improving the communication vehicles needed for education and training.

Sincerely,



Regina Duncan
President



Small Business Development Center Network
Florida's First Source For Business Assistance

May 10, 2002

Orren E. Cameron
Director, Advanced Service Division
Rural Utilities Service
US Department of Agriculture
STOP 1550, Room 2845
1400 Independence Avenue, SW
Washington, DC 20250-1550

Dear Director Cameron:

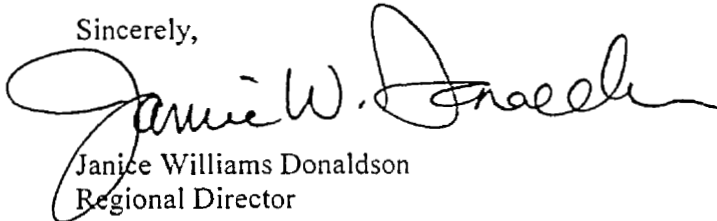
The University of North Florida Small Business Development Center (UNF SBDC) strongly supports the grant request from the Business and Emerging Technology Accelerator-1 (BETA-1), located in Fernandina Beach, Florida. BETA-1's plan to use a Rural Utilities Grant to develop two additional distance learning sites in rural Nassau County will facilitate delivery of technical assistance to potential and existing entrepreneurs in a most cost-effective manner.

The UNF SBDC has been providing business assistance in northeast Florida since 1976, but, with 17 counties to serve, the program has never been funded at a level to adequately satisfy the need for business start-up and management training in Nassau County. We are pleased to see that BETA-1 has taken the initiative to develop a facility and plan for the technology to better serve these entrepreneurs. We look forward to leveraging our resources with theirs to ensure that entrepreneurs in Nassau County receive the technical assistance and training that they deserve.

Even though BETA-1 itself is a new venture, those providing the leadership have considerable experience with new venture development. The UNF SBDC has been privileged to work with the principals in the past, and I am confident that they have the skill and motivation to create a facility that will be a success and a model for others to emulate.

I hope you will approve BETA-1's request for a Rural Utilities Grant.

Sincerely,



Janice Williams Donaldson
Regional Director