

KANABEC SYSTEMS

2008 Rate Card

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WHO'S AFFECTED?

This document does NOT affect the following parties:

- Hosting-only customers
- Customers with service contracts
- Customers who have pre-paid for services
- Customers with bids written between 12/1/07 and 12/31/07
- Kidsnet subscribers with hosting or maintenance contracts

If you are not included in the above, your rates may be changing in 2008. Read on for more information.

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INTRO: WHAT'S NEW FOR 2008?

Most people will find that not much has changed in our rate structure for 2008, save for a slight increase in hourly rates and the removal of print and design rates.

WHY WE HATE RAISING OUR RATES

We're a small business, just as many of our customers are. As such we're very much aware of the high cost of doing business. But this is something of a double-edged sword.

On the one hand, we understand that it can be tough to afford the many things that are required to make a small business work, and that sometimes technology improvements are put on the back burner when funds get tight.

Since our goal is to create the most ideal solutions possible for our customers, we try to keep our rates as low as we can to encourage businesses to use our services.

But on the other hand, we've got to pay our bills, too. We pride ourselves on offering the best deals around on the highest quality products and services, and always aim to be fair (if not overly fair) to our customers. But this often comes at a significant cost to us - and with the prices of nearly everything we consume in the course of business going up, our methods can't remain practical without at least a modest rate increase.

Considering that the alternative is to cut back our level of service or use cheaper products, we feel that bumping our rates up a bit is the best solution for everyone.

And if you look around, you'll find that we're still the best deal. There are a few "bargain basement" type places that might beat our prices, but can't provide even a fraction of the things we offer. Likewise, some of our larger competitors can provide products and services that are somewhat similar to ours, but at significantly higher prices.

NO MORE FORMAL DESIGN & PRINT PRICES

Due to changes in our plans and strategies, we closed our Kanabec Lakeshore office back in May of 2007, and are slowly but surely phasing out most of the printing and graphic design products that remained after the closure.

Most of the equipment Lakeshore used to produce printed matter were sold along with the office; as such, we no longer have the capabilities needed to produce quantities of printed materials, and will no longer provide any printing rates or bid on any printing jobs.

Likewise, with all our efforts being focused on our main line of business, we don't have the time or means to provide artwork, print layouts, code, and other original works that were formerly offered by Lakeshore. Existing customers will be able to continue purchasing these products until their needs have been satisfied, but in most cases new orders are not being accepted.

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WEB HOSTING RATES

There will be NO CHANGE in our Web hosting rates for 2008. All customers will continue to be charged \$12.00 per month or \$140 per year to host their website on our systems. Customers receiving "replacement" services will also be able to continue on in the usual fashion - just keep paying your "regular" hosting bill with your respective provider, and we'll continue providing services.

2008 RATE CARD for KANABEC SYSTEMS

Does not include Web hosting or any non-labor charges and fees

Type of customer	Carry-In	On-Site*	Emergency Ω
Residential (%)	40.00	50.00	75.00
Business, 6 or less employees (%)	50.00	60.00	90.00
Business, 7 to 19 employees (%)	60.00	70.00	105.00
Business, 20 to 49 employees (%)	n/a	80.00	120.00
Business, 50 or more employees (%)	n/a	90.00	135.00
NP/Edu, 6 or less employees	45.00	54.00	81.00
NP/Edu, 7 to 19 employees (%)	45.00	64.00	94.50
NP/Edu, 20 to 49 employees (%)	n/a	72.00	108.00
NP/Edu, 50 or more employees (%)	n/a	81.00	121.50
Design, per person working (&)	50.00	n/a	n/a

* One-way travel time is considered billable for on-site labor.

Ω Emergency rates apply when service is required outside the hours of 8:00a and 7:00p on weekdays, anytime on weekends, anytime on holidays, or when urgent and unscheduled on-site service is needed.

(%) New rate for 2008. If you are an existing customer and haven't been notified of this new rate, then you can expect to be grandfathered into your old rate class for some amount of time, perhaps even indefinitely - ask us.

(&) This rate replaces all former design rates. Some customers will be grandfathered into their old rates and shall be notified of such. For new customers, this rate shall prevail over any advertised previously.

** For customers with special situations (i.e., 75 employees but only 8 computer users), our interpretation of your "number of employees" may be changed. Contact us if you feel your organization may qualify.

** Contents of this document are subject to change. If you feel this information may be out of date, call us for a new copy.

** NP/Edu = non-profit or educational institution