

November 2, 2001

Mr. Perry Hamilton
FeeSimple Hosting
PO Box 7768
Hilton Head Island, SC 29938

Dear Perry,

IBM is pleased to present FeeSimple Hosting with this budget and planning estimate for IBM assistance for your Application Development and Deployment project. This letter is not a formal proposal or contract. It is a written confirmation of our approach to assisting you with this work. When we have reached a final agreement about our level of assistance, a formal IBM Statement of Work will be presented to you for your signature.

Based on your RFP, the due diligence conducted by IBM, and an assumption that the proposed Web Application Development (Micro Design) activities are completed, we believe that the following major activities would be appropriate for the development and deployment phase.

- Application Development (Build cycles)
- Systems Integration and Test to include:
 - Great Plains Back Office Financial Modules
 - AIO Domain
 - PTI Domain
 - Host Tech Support Domain
 - FSH Admin Domain
 - FSH Customer Support Domain
 - FSH External System Domain
 - FSH Internal System Domain
 - Host Operational Domain
 - Final Integration and System Test
- Deployment

We estimate that this work will require 6,400 person-hours of effort on the part of IBM.

Our budget and planning estimate of the number of IBM hours of assistance required under a Custom Services Statement of Work is 6,400 person-hours of work to be billed on a time and materials basis at an estimated hourly rate of \$230. The total estimated professional services amount is therefore \$1,472,000. With this type of contract vehicle, you would be billed for hours actually worked. If fewer than 6,400 person-hours of effort were required, then your cost would be less than the estimated charges. If more than 6,400 person-hours are required, we would notify you of this when we become aware of the need. At that time you can terminate the

contract paying for the hours expended to date, continue with the work up to the 6,400 person-hours of work contracted, or exercise the formal change control process to amend the contract to authorize additional work. Actual travel and living expenses incurred would be billed monthly.

We estimate that the Great Plains financial modules license and pre-requisite server hardware and software required by this application software will be between \$75,000 and \$100,000.

Services for Web Hosting and Maintenance are not included in these budget and planning estimates. These estimates can be found in the "IBM Estimated Services Fees" document, dated October 19, 2001, supplied by our Strategic Outsourcing organization.

The estimated duration of this project is four to six months.

This work would be performed under the terms and conditions of the IBM Customer Agreement and it is assumed that the work would begin following the completion of the Micro Design.

We appreciate your interest in IBM and look forward to working with you and your staff. Should you have any questions, please contact me at 770-835-8252.

Sincerely,

Paul E. Risk
Principal
IBM Global Services