

Cost Avoidance Over the period of 3 year contract

Cost Avoidance:

Capital Cost Avoidance:

- Cancellation penalties waived	\$400,000
- New Blackberry Equipment costs based on current units @\$50 x 558 units	\$ 27,900
- 2 year Extended Warranty on all devices	\$ 80,000
- Forecast Upgrade cost waived (\$35.00 per unit) up to 1000 upgrades during contract	\$ 35,000

Total Cost Avoidance

\$542,900*

*Notes:

This doesn't include the cost avoidance of internal staff time involved in switching carriers.