

FIDELITY TECHNOLOGIES CORPORATION  
TERMS AND CONDITIONS OF PURCHASE

1. ACCEPTANCE. This writing, together with any attachments incorporated herein, constitutes the final, complete, and exclusive contract between FIDELITY TECHNOLOGIES CORPORATION (hereinafter referred to as "FIDELITY or "Buyer") and the Seller. Acceptance of this Purchase Order is expressly limited to the terms and conditions of this acknowledgment of the order are in addition to, or different from, the terms and conditions of this writing, such additional or different terms and conditions are objected to and shall not become part of the contract. Acceptance by FIDELITY of the goods, services or work delivered under this Purchase Order shall not constitute acceptance of any of Seller's terms and conditions.

2. CONFIDENTIALITY. Except for the purpose of protecting its rights in front of any jurisdictional or similar proceedings, the Supplier agrees that all information pertaining to this purchase order shall be held confidential and not disclosed to any third party without the written consent of FIDELITY TECHNOLOGIES CORPORATION. This information includes, but is not limited to specifications, prices, terms and conditions. Failure to comply with this provision may jeopardize FIDELITY'S competitive and commercial standing, and cause irrevocable harm to FIDELITY. Monetary damages will be inadequate to compensate FIDELITY for such failure due to the unique nature and value of this confidential information.

3. DELIVERY. Time is of the essence in regard to fulfilling this order. Seller shall deliver the goods and/or services ordered by Fidelity no later than the delivery date. Fidelity has the right to cancel all or a portion of this order which has not been delivered in accordance with the delivery date. Acceptance by Fidelity of a later delivery of either a whole or a part of the items shall not constitute a waiver by Fidelity of its claims arising from delays in delivery. If deliveries are behind schedule, Fidelity may request Seller to ship by express at Seller's sole cost and expense. If goods and/or services are delivered more than five (5) days prior to the delivery date, Fidelity may at its own discretion either return the shipment at the Seller's expense or, date the invoice from the request date of the Purchase Order and not the date the Product was received or shipped.

4. MODIFICATIONS. No change in, modification of, addition to, or amendment to the terms and conditions of this order shall be binding on FIDELITY unless such change, modification, waiver, additional, or amendment is accepted in writing and signed by an officer or duly authorized representative of FIDELITY.

5. INSPECTION AND ACCEPTANCE. All items to be delivered under this order shall be subject to inspection and test by FIDELITY (and/or the FIDELITY customer) when the items are being procured for a government contract to the extent practicable at all times and places including the period of manufacture, and in any event prior to acceptance. FIDELITY and the Government representative shall have access to all areas on the premises of the Seller or of Seller's Subcontractors, at no additional cost, shall provide all reasonable facilities and assistance for the safety and convenience of FIDELITY and Government representatives. All inspection and tests by FIDELITY and the Government shall be performed in such a manner as not to unduly delay the work. . Any inspection or test performed by FIDELITY or the Government shall in no way relieve the Seller of its obligation to furnish all supplies or services in strict accordance with the terms and conditions of this order.

Final Inspection of the items delivered under this order shall be made by FIDELITY at the destination facility. Inspection may be performed at FIDELITY'S option on a statistical sampling basis. When defects within the sample exceed the allowable percent defective, the entire lot will be rejected. The rejected lot will be either returned to Seller for replacement or credit as FIDELITY might option or 100% screened by FIDELITY with the cost of screening billed to the Seller.

FIDELITY may return rejected items to the Seller at the Seller's expense for rework, replacement, or refund or may retain such items with an equitable price reduction. FIDELITY shall accept or give notice of rejection of the items delivered hereunder in a timely manner of receipt.

6. CONFIGURATION CONTROL. The seller shall not make any changes to the technical documentation, specifications, or drawings referenced by this order without the prior written approval of FIDELITY. Any changes proposed by the Seller shall be prepared in detail with complete "FROM/TO" information and submitted to FIDELITY. The disposition by the Seller of non-conformances in materials and/or parts as defined by the purchase order is specifically withheld. The shipment of materials and/or parts which do not conform in their entirety the technical documentation, specifications, or drawings referenced by this order without the prior written approval of FIDELITY is not authorized by this order without the prior written approval of FIDELITY is not permitted.

7. WARRANTY. In addition to all other warrants implied under the law, the seller warrants that all articles, material, and work supplied by the Seller under this order conform to the specification, drawings, samples, or other descriptions furnished or adopted by FIDELITY, that they are of good material and workmanship and are free from defects. If the Seller is a merchant with respect to the items to be furnished and hereunder the Seller further warrants that the items shall be merchantable at the time of delivery to FIDELITY. The Sellers warranties shall be effective for a period of one year from the date of acceptance by FIDELITY. All articles and material returned to Seller for breach of warranty hereunder shall be at Seller's expense, including expenses of redelivery.

8. CHANGES. FIDELITY may at any time, by written order of an officer or duly authorized representative of FIDELITY, and without notice to sureties, make changes within the general scope of this order, in any one or more of the following: (1) drawing, designs, or specification of supplies being specially manufactured for FIDELITY; (2) method of shipment or packing; (3) place of inspection, delivery or acceptance, and (4) delivery schedules, any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this order whether changed or not changed by any such order, an equitable adjustment shall be made in the order price or delivery schedule, or both and the order shall be modified in writing accordingly. Any claim by the Seller for adjustment under this clause must be asserted within thirty days from the date of receipt by the Seller of the notification of change provided, however, that FIDELITY, in its sole discretion, may consider any such claim regardless of when asserted.

9. STOP.WORK ORDER. FIDELITY may at any time, by written order, require the Seller to stop all, or any part, of the work called for by this Purchase Order for a period of ninety days after the order is delivered to the seller, and for any further period to which the parties may agree. Upon receipt of such an order the Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurred cost allocable to the work covered by the order during the period of work stoppage. If a stop work order issued under this clause is cancelled or the period of the order or any extension thereof expires, Seller shall resume work. If the stop work order results in an increase in the cost of, or the time required for, the performance of any part of this purchase order, as equitable adjustment shall be made in the Purchase Order price or delivery schedule, or both, and in any other provisions of this Purchase Order that may be affected, and the Purchase Order shall be modified in writing accordingly, provided that the Seller asserts a claim for such adjustment within thirty days after the end of the period of work stoppage.

#### 10. TERMINATION.

(10.1) Convenience. The performance of work, under this Purchase Order may be terminated in whole or, from time to time, in part by FIDELITY for its convenience. If this purchase order is issued under a U.S. Government prime contract or subcontract thereunder, the Seller agrees to comply with the provisions of clause 8-706 of the Defense Acquisition Regulation entitled Termination.

(10.2) Default. FIDELITY may terminate the whole or any part of this purchase order in either of the following circumstances: (a) if Seller fails to deliver the supplies or to perform the services required by this Purchase Order within the time specified herein, or any extension thereof granted by FIDELITY in writing; or (b) if Seller fails to perform any of the other provisions of this Purchase Order, or so fails to make progress as to endanger performance of this Purchase Order in accordance with its term and in either of these two circumstances does not correct such failure with a period of ten days after receipt of notice from FIDELITY specifying such failure.

In the event of such termination, FIDELITY shall have the right to procure on such terms and in such manner as it may deem appropriate, supplies or services similar to those terminated, and to recover from Seller the reasonable excess costs for such similar supplies or services provided, however, that Seller shall not be liable for such excess costs where the failure upon which the termination is based has arisen out of cause beyond the control of the Seller and without fault or negligence of Seller. Such causes shall be deemed to include, but limited to, fires, floods, earthquakes, strikes, and acts of the public enemy. The rights of FIDELITY provided in this clause shall be in addition to any other rights provided by law or by this purchase order.

11. DISPUTES. Any disputes under this Purchase Order which are not settled by agreement of the parties may be settled by appropriate legal or equitable proceeding. It is understood and agreed that in question of IAW and/or fact which is fair and reasonable, provided further, that pending such judicial determination, Seller shall proceed with the performance of the work hereunder including the delivery of supplies of services, in accordance with FIDELITY'S Instructions. Upon resolution of the dispute, this Purchase Order shall be equitably adjusted, if necessary, to reflect such, resolution.

12. APPLICABLE LAW AND JURISDICTION. The Purchase Order will be governed by the laws of Pennsylvania, regardless of the place of execution or performance. Jurisdiction governing this Purchase Order shall be the Court of Common Pleas of Berks County, Pennsylvania.

#### 13. TRANSPORTATION.

(13.1) F.O.B. Origin: Seller will insure that shipments are properly packaged and described in accordance with applicable carrier regulations. Seller will ship via the carrier or mode specified. Freight charges shall be prepaid by the Seller and invoiced as a separate item.

(13.2) F.O.B. Destination; Ship prepaid only. Seller bears all transportation costs until delivery to FIDELITY dock.

(13.3) Partial shipments: Shipments to FIDELITY for quantities less than those quantities and line items specified on the face of the Purchase Order may not be accepted unless the Supplier obtains permission in writing from FIDELITY'S Purchasing Department prior to shipment. Further, FIDELITY will date the invoices from the date the item shipment is received complete. FIDELITY may, at its discretion, either return unauthorized partial shipments to the Supplier at the supplier's cost or, deduct freight charges from subsequent invoices for the partially shipped item.

(13.4) Method of shipment: Shipments to FIDELITY will conform to the mode or carrier specified on the face of the Purchase Order. Under no circumstances will premium freight be paid by FIDELITY unless authorization is furnished in writing by FIDELITY to the Supplier.

(13.5) Handling charges: Handling charges, unless specifically identified and authorized as a separate line item on the Purchase Order will not be accepted for payment. Shipping charges containing handling charges will be deducted from supplier invoices by FIDELITY Accounts Payable.

(13.6) Marking of Shipment: All shipments to FIDELITY will be plainly marked with the Purchase Order number, the line Item number and the part number on the outside of the carton or container.

14. COMPLIANCE~WITH LAWS. The Seller warrants and certifies that in the performance of the Purchase Order it will comply with all applicable statues, rules, regulations, and orders of the United States, and of any state or political subdivision thereof, and agrees to indemnify FIDELITY against any loss, cost, damage, or liability by reason of Seller's violation thereof.

15. GOVERNMENT CONTRACT PROVISIONS. If this order indicates that it has been issued under a Department of Defense prime contract or subcontract thereunder, the Seller agrees that the following provisions shall likewise apply and will prevail in the event of appropriate provisions to the same effect.

(15.1) The following clauses of the Defense Acquisition Regulation and the Federal Acquisition Regulations are incorporated herein by reference:

REFERENCE	TITLE
52.229.3	FAR Federal, State, and Local Taxes
52.229.4	FAR Federal, State, and Local Taxes 52.225.11
52.225.11	FAR Rhodesia and Certain Communist Areas
52.222.24	FAR Contract Work Hours and Safety Standard Act Overtime Compensation
52.222.20	FAR Walsh-Healy Public Contracts Act
52.237.7405	FAR Authorization and Consent
7.103.23	DAR Notice and Assistance Regarding Patent and Contract
52.225.3	FAR Buy American Supplies
52.236.7050(a)	FAR Patent Indemnity
7.104.6	DAR Filing of Patent Application (if this subcontract is likely to cover)
7.104.9	DAR Rights in Technical Data and Computer Software
4.404	FAR Contract clauses
52.212.8	FAR Priorities, Allocations, and Allotments
52.225.10	FAR Notice of imports-Possible Duty Free Entry
52.246.23	FAR Limitation of Liability

(15.2) If the total amount of this order is in excess of \$2,500.00, the following clauses are also incorporated herein by reference:

52.222.36	FAR Affirmative Action for Handicapped Workers
52.225.10	FAR Duty Free Entry. Canadian Supplies

(15.3) If the total amount of this order is in excess of \$10,000.00, the following clauses are also incorporated herein by reference:

REFERENCE	TITLE
52.226.26	FAR Equal Opportunity
52.222.35	FAR Affirmative Action Vietnam Veterans
52.219.8	FAR Utilization of Small Business
15.106	FAR Contract Clauses
52.215.1	FAR Examination of Records
52.220.3	FAR Utilization of Labor Surplus Area Concerns
52.220.4	FAR Labor Surplus Area Subcontracting Program
15.1062	FAR Audit Negotiation Clause
52.214.26	FAR Audit - F/A
52.215.2	FAR Audit- Negotiation

(15.4) If the total amount of this order is in excess of \$50,000.00 the following clauses are also incorporated herein by reference:

7.104.8(a)	DAR Reporting of Royalties
7.104.8(b)	DAR Refund of Royalties

(15.5) If the total amount of this order is in excess of \$100,000.00 the following clauses are also incorporated herein by reference:

52.223.2	FAR Clean Air and Water
52.214.37	FAR Price Reduction for Detective Cost of Pricing Data
52.215.22	FAR Price Reduction for Detective Cost or Pricing Data
52.215.23	FAR Price Reduction for MODS
15.804.3(1)	FAR Waiver/Exceptional Cases
15.804.8(D)	FAR Subcontractor Cost, Price Data MOD
52.214.24	FAR Multiple Tech Proposals
52.215.25	FAR Subcontractor Cost, Price Data MOD
52.230.3	FAR Cost Accounting Standards
52.240.4	FAR Administration of Cost Accounting Standards

(15.6) If the total amount of this order is in excess of \$500,000.00 the following clauses are also incorporated herein by reference:

7.104.14(b)	DAR Small Business Subcontracting Program
52.220.3	FAR Utilization of Labor Surplus Area Concerns
52.220.4	FAR Labor Surplus Area Subcontracting Program
52.219.7000	FAR Minority Business Enterprises Subcontracting Program