

TERMS AND CONDITIONS OF MAINTENANCE AGREEMENT

TERM

This Agreement shall remain in effect for the contract period indicated on the front page.

This Agreement may be extended for additional terms by a written Agreement signed between both parties. Prime Computer Systems, hereafter PCS, will submit a renewable Agreement to Customer forty five (45) days prior to the effective end date of the current Agreement for Customer review and acceptance. PCS reserves the right to change conditions of sale at that time.

CHARGES

The maintenance charge is set forth on the front page and is exclusive of any federal, state, local sales or excise taxes.

Customer agrees to pay all taxes, however designated (excluding taxes on PCS's net income), imposed on or based upon the provision, sale or use of the services or associated products provided hereunder.

Terms of payment are set forth on the front page. Past due balances are subject to a late charge of one and one half percent (1 1/2 %) per month.

On call service that is non-scheduled, out of scope, will be charged on a time and material basis at PCS's prevailing rates for labor, plus materials and associated travel charges. Labor time shall be charged on a per call basis, with minimum of two (2) hours charged per call. In the event the Customer declines performance of such service after a PCS representative has responded to a service call, the Customer shall pay the prevailing rate for the associated time and travel.

INSPECTION

The equipment listed in this Agreement will be subject to inspection prior to PCS acceptance of responsibility to maintain any equipment, or portion thereof. In the event the equipment is not in good operating condition or if it is in need of repair or refurbishment, PCS shall advise the Customer, whereupon the Customer shall decide whether to repair or replace the equipment. The Customer shall pay all charges to place the equipment in good working order at non-scheduled, out of scope PCS prevailing rates for labor and materials.

SERVICE COVERAGE

For the equipment listed in this Agreement, PCS shall provide preventive and remedial maintenance services. Preventive maintenance will be performed on a scheduled basis in accordance with manufacturers recommendations as agreed to by both parties. Remedial maintenance will be performed upon Customer notification that the equipment is inoperable. Both these services shall be rendered during the scheduled principal period as set forth on the front page of this Agreement. PCS agrees to have a service representative dispatched in accordance with the response time noted on the face hereof after receipt of a service request. Hours outside the principal period of maintenance shall not be included in determining the response time. Any service rendered outside the principal period of maintenance will be charged at PCS's prevailing rates for non-scheduled out of scope service.

The Customer shall provide, free and full access to the equipment and at no charge, the use of any machines, attachments or other equipment required to provide the specified maintenance services. The Customer shall provide at no charge, hardware documentation and system diagnostics, adequate working space and facilities in the immediate area of the equipment to be serviced and reasonable storage space for spare parts and materials.

For the equipment listed in this Agreement, the Customer shall provide and maintain a stable environment including but not limited to electric power, humidity and temperature, necessary for optimum performance of its equipment as specified by the equipment manufacturer.

PCS shall furnish a Service Report to the Customer upon completion of each remedial maintenance call. The Service Report will identify the nature of the failure and corrective action performed.

LIMITATIONS OF OBLIGATIONS

PCS obligations under this Agreement do not include:

- Electrical work external to the equipment list;
- Operating supplies or accessories including tapes, disks, paper, toner, drums, cartridges or other such media;
- Services or parts required to repair damage caused by or resulting from faulty or failed electrical power or air conditioning, hardware design problems, media incompatibility,
- operator errors, neglect or misuse by an entity other than PCS;
- Programming and software maintenance;
- Service on equipment which has been modified or altered without prior PCS consent.
- Replacement or refurbishment of equipment which is worn beyond reasonable repair due to extensive use and/or age.

EQUIPMENT REARRANGEMENT/ RELOCATION/ MODIFICATIONS

PCS shall not be obligated to maintain equipment that has been rearranged or relocated. PCS shall be notified in writing at least thirty (30) days in advance thereof, and PCS may, at its option agree to maintain the equipment, but it expressly reserves the right to adjust its charges for servicing such equipment in accordance with PCS's then current rates.

Customer is required to provide thirty (30) day prior written notice for any equipment modifications, additions or deletions. Upon such notice PCS will provide an amendment of this Agreement that will reflect these changes and associated charges.

REPLACEMENT PARTS

All replaced parts become the property of PCS on an exchange basis. Replacement parts may be either new, or parts equal in performance to new parts.

UNFORESEEN OCCURRENCES

PCS shall not be in default of any failure in performance of this Agreement, if such failure arises out of causes beyond the control of PCS. Such causes may include but are not limited to acts of God, acts of the public enemy, acts of the Government in either its sovereign or contractual capacity and acts of the Customer.

LIMITATION OF LIABILITY

In no event shall PCS be liable to Customer for special, incidental, exemplary or consequential damages, including without limitation to loss of profits, loss of use, loss of data, or liability of Customer to third parties arising out of the performance of PCS pursuant to this Agreement. PCS shall not be liable to Customer for any injury or damage to Customer, or Customer's personnel, invitees, licenses, or property unless such injury or damage is caused by the negligence or intentional conduct of PCS. Damages to Customer in any action against PCS relating to this Agreement or the performance of services relating thereto shall be limited to the total payments made by Customer pursuant to this Agreement during the contract period preceding said breach.

No action regardless of form arising out of transactions this Agreement may be initiated by either party more than one (1) year after the action. The above is in lieu of any and all warranties, expressed or implied.

EXCLUSION OF WARRANTY

UNLESS EXPRESSLY SET FORTH ELSEWHERE IN THIS AGREEMENT, PCS, ITS PARENT, SUBSIDIARIES AND THEIR AFFILIATES, SUBCONTRACTORS AND SUPPLIERS MAKE NO WARRANTIES, EXPRESSED OR IMPLIED, AND SPECIFICALLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR THE FITNESS SUITABILITY OF THE EQUIPMENT ON WHICH THE SERVICES ARE PERFORMED, ON ANY MODIFICATIONS THEREOF FOR ANY SPECIFIC APPLICATION PERFORMANCE, RESULT OR USE. NO WARRANTY OR REPRESENTATION SHALL BE BINDING ON PCS UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF PCS.

ASSIGNMENT

This Agreement is not assignable by the Customer in whole, or in part without the prior written consent of PCS.

TERMINATION

This Agreement will terminate effective at the end of the contract period noted.

PCS reserves the right to terminate earlier, if:

- Customer fails to make any payment as required by this Agreement;
- Customer petitions for reorganization under the Bankruptcy Act. Or if a receiver is appointed for Customer's business or if the Customer makes an assignment for the benefit of creditors.

PCS will provide thirty (30) day prior written notice to exercise its termination option for any of the above noted causes.

In the event of any termination pursuant to this Agreement, all liability and/or obligation of PCS to Customer shall cease. PCS will be permitted to enter Customer's premises to remove any PCS owned equipment on Customer's premises. In the event Customer shall terminate or otherwise discontinue this Agreement other than for good cause, Customer agrees to compensate PCS for all losses incurred by PCS as a result of such termination or discontinuance including but not limited to lost profit and unabsorbed direct and indirect overhead.

In the event of any breach of this Agreement by PCS, Customer will provide written notice of said breach. PCS will cure any breaches within sixty (60) days from receipt of notice to cure. If PCS fails to so cure, Customer may terminate this Agreement by giving thirty (30) day prior written notice.

GENERAL

Customer represents and warrants that he/she is the owner of equipment described herein, or if not that he/she is duly authorized to enter into this Agreement.

PCS and Customer will not offer employment to nor accept for employment to nor accept for employment each other's personnel who are directly associated with the work under this Agreement for a period beginning with the execution of this Agreement and continuing for one (1) year subsequent to the term of the Agreement and any extension thereof.

No provision of this Agreement may be waived or modified unless reduced to writing and signed by an authorized representative of Customer and PCS.

This Agreement shall be governed by the laws of the State of Pennsylvania.

This Agreement and the documents referred to herein, constitute the entire Agreement between parties.