TERMS AND CONDITIONS OF SALE

1. The sale of any service and products, and the integration thereof, ordered by the Customer is expressly conditioned upon the terms and conditions contained or referenced herein. Terms and conditions included in the US Testing Equipment, LTD (herein called USTE) proposal, where not in conflict with the terms included herein, shall be incorporated by reference. Any additional or different terms and conditions set forth in the Customer's purchase order or similar communication are expressly objected to and will not be binding upon USTE unless specifically agreed to in writing by an authorized USTE employee.

2. WARRANTY

USTE warrants to Customer that the products shall conform substantially to Manufacturer's then current applicable specifications for the Products and that products and any services furnished hereunder will be free from defects in material and workmanship and will be of the kind and quality specified in the USTE written quotation. The warranty and remedies are conditioned upon (a) proper storage, installation, use and maintenance, and conformance with any applicable recommendations of USTE and the manufacturer, and (b) Customer promptly notifying USTE of any defects and, if required, promptly making the product available for correction. If any product or service fails to meet, in USTE's sole determination, the foregoing warranties, USTE shall thereupon correct any such failure either, at its sole discretion, (i) by repairing any defective or damaged part or parts of the products, and/or re-performing any defective service, or (ii) by making available, F.O.B. the USTE facility or other mutually agreed upon point of shipment, any necessary repaired or replacement parts. If re-performance is not practicable, USTE will furnish without charge services in an amount essentially equal to those that, in the sole judgment of USTE, would have been required for re-performance. Where a failure cannot be corrected by USTE's reasonable efforts, the parties will negotiate an equitable adjustment in price. THE PRECEDING PARAGRAPHS SET FORTH THE EXCLUSIVE REMEDIES FOR CLAIMS BASED ON DEFECT IN OR FAILURE OF PRODUCTS OR SERVICES, WHETHER THE CLAIM IS IN CONTRACT, INDEMNITY, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. Upon the expiration of the warranty period, all such liability shall terminate and the Customer shall have a reasonable time, not to exceed thirty (30) days after the warranty period, to give written notice of any defects that appear during the warranty period. EXCEPT AS SET FORTH IN ARTICLE 4, "PATENTS", THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY. NO IMPLIED STATUTORY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY. USTE does not warrant any products or services of others designated by Customer. In no event shall the warranties extended herein exceed those as extended to USTE by the Manufacturer.

2..1. Additional Warranty Terms Applicable to Rapiscan Inc. Products

USTE warrants to Buyer (and to no other party) that that the Product(s) shall conform substantially to Rapiscan's then-current applicable specifications for the Product(s). Unless otherwise agreed in writing, the warranty period expires on the one-year anniversary of delivery of the Product. Supplies, accessories, parts, consumables and used/refurbished Products shall be free from defects in material and workmanship for a period of 90 days from delivery. Defects in a repaired or replaced Product or part shall be covered to the extent of the unexpired term of the applicable warranty period. The warranty set forth above shall not apply if (i) USTE is unable to reproduce the defect or error reported by Customer; (ii) Customer has failed to use the Product in accordance with the Manufacturer's manuals, instructions and/or other procedures that USTE has made available to the Customer or that it makes available to purchasers of the Product generally; (iii) Customer has failed to timely report a defect or error within ten (10) days of its first occurrence and in accordance with the procedures established by USTE and the Manufacturer to identify and report such problems to USTE; (iv) a Product has been moved without USTE's written consent, from its original installation location; (v) the area in which the Product is located is not, in USTE's opinion, a safe and clean operating environment; (vi) USTE or the manufacturer is not granted prompt access to the Product upon arrival of the designated service engineer; (vii) The Product has been modified without USTE's prior written consent; (viii) parts (including consumable parts) that have not been authorized for use by USTE have been installed on or used with the Product; (xi)the Product has been damaged by neglect, misuse, mishandling, failure of electrical power, user error, liquids, or as a result of any other cause external to Product; (x) the Product was damaged during shipment from Buyer to the repair facility or location; (xi) Customer is requesting a password re-set; (xii) Customer has failed to timely pay, in whole or in part, any invoice issued by USTE; (x) Customer is in breach of the Agreement or any other agreement between Customer and USTE (this statement shall not be construed to limit any other rights or remedies available to USTE for any such breach). Customer must report to USTE in writing any breach of the warranties contained in this Section 2 during the relevant warranty period.

With respect to Products (other than Metor® and trace detection Products) installed in the United States, Canada and the United Kingdom, Customer's sole and exclusive remedies, and USTE's entire liability, shall be to correct the error or defect that caused the breach of warranty or, if USTE is unable to make the Product operate as warranted, the replacement of the defective Product or return of the purchase price (at USTE's election). Note that for mobile-type inspection systems, USTE may require that Customer deliver the system to a location that USTE deems logistically convenient for repair.

With respect to trace detection Products, Customer's sole and exclusive remedies, and Rapiscan's entire liability, shall be to provide Depot Repair/Return-to-Base Services to correct the error or defect that caused the breach of warranty or, if USTE is unable to make the Product operate as warranted, the replacement of the defective trace detection Product or return of the purchase price (at USTE's election). "Depot Repair/Return-to-Base Services" consists of remedial maintenance performed at a Rapiscan-authorized service facility to repair the trace detection Product and shall include the furnishing of necessary replacement parts except for consumables. Customer shall contact USTE's Customer Service Department and if USTE determines that the trace detection Product is entitled to repair or replacement, USTE shall issue RMA documentation to Customer and Customer shall then take the following actions:

For trace detection Products that utilize a radioactive source, USTE's RMA documentation shall provide Customer with the contact information for a Rapiscan-authorized service firm or technician who will provide instructions and assistance required to ship such Product to USTE's facility or designated facility in accordance with applicable regulations for the safe transportation of radioactive materials.

For trace detection Products that do not utilize a radioactive source, Customer shall ship such Product DDP (Incoterms 2010) to USTE's facility set forth in the RMA, accompanied by such RMA documentation. In the event that the trace detection Product was originally sold to Customer with a protective case, Customer must ship the Product in its original, protective case. (Customer shall purchase a replacement case from USTE if Customer no longer has a case or if its case has become damaged.) USTE shall use commercially reasonable efforts to repair returned trace detection Products, but USTE shall not be responsible for repairing (or may charge additional amounts) for repairing Products that have been damaged during shipment to the USTE repair facility or that are delivered to the USTE repair facility without all required RMA documentation. In addition, if, upon delivery to the USTE repair facility the trace detection Product is found in good working order, USTE shall be entitled to charge Customer for all shipping and handling expenses incurred by USTE in connection with returning the Product, plus a fee of 20% of the original Product price (for testing and re-stocking). Following repair, USTE shall return the trace detection Product to Customer. Return delivery shall be made by ground transportation DDP (Incoterms 2010), and Customer shall be responsible for re-installing the repaired Product. If Customer requests expedited return delivery (*e.g.*, by air), USTE shall be entitled to invoice Customer for all return shipping and handling expenses.

Customer's sole and exclusive remedies and USTE's entire liability, shall be to correct the error or defect that caused the breach of warranty or, if USTE is unable to make the Product operate as warranted, USTE will furnish without charge services in an amount essentially equal to those that would have been required for re-performance. The foregoing shall apply only to failures to meet said warranties which appear within one (1) year from delivery of the Product. In no case does this warranty apply to any failure or nonconformance with specifications caused by or attributable to any associated or complementary products not supplied under this contract if use with those products was not contemplated or foreseeable which use must be in writing by Customer and approved by USTE prior to use.

2.2. Additional Warranty Terms Applicable to Gatekeeper Inc. Products.

USTE warrants to Customer that Hardware products including Scanner, Junction Box, Operator Terminal, Cameras and other electronic devices are warranted against defects in materials and workmanship for one (1) year. Warranty period begins the earlier of; 30 days after shipment from Gatekeeper factory or; when the systems are installed and turned over to the end customer. The manufacturer, Gatekeeper Inc., in its sole discretion, shall be responsible for replacement or repair of the defective product. Customer will arrange for the shipment of the defective product, including payment, to the manufacturer's location or other designated point unless Customer has purchased an On-site warranty agreement in which shipping costs are covered by USTE. Outbound shipping from designated return point is the responsibility of Gatekeeper, Inc. unless otherwise noted.

USTE warrants to Customer that Software products are warranted against defects in media only. Maintenance updates, if applicable and not otherwise required to fix software defects, will be free of charge with purchase of a Periodic Maintenance Agreement. Major system releases introducing new capabilities will be available and may be priced separately. Gatekeeper will support the current software

release and one previous release for 1 year after new release is offered. Customer will have one year from the date of a new release to upgrade from older releases before manufacturer's support is discontinued. USTE warrants to Customer that any services furnished hereunder will be free from defects in material and workmanship and will be of the kind and quality specified in the USTE written quotation. In no case does this warranty apply to any failure or nonconformance with specifications caused by or attributable to any associated or complementary products not supplied under this contract. Warranty does not cover any damages, accidental or intentional, related to abuse, misuse, neglect, forces of nature, electrical failure, or any other circumstance outside of workmanship or material defect, including failure to perform required system maintenance.

Any modifications to the hardware and/or software, installation of unapproved software, and/or connection to unauthorized devices by the customer or any other entity, unless otherwise agreed upon in writing, voids this warranty in its entirety.

2.3. Additional Warranty Terms Applicable to L-3 SDS Products.

All Products are warranted to perform substantially in accord with their L-3 SDS-published Product Specification in effect as of the Quotation date, and to be free from defects in material and workmanship (i.e., assembly) for a period of twelve (12) months from L-3 SDS Sign-off upon Commissioning or thirteen (13) months from Delivery, whichever period is shorter ("Warranty Term"). Any replacement and spare parts, components and subcomponents ("Replacement Parts") provided pursuant to this warranty are so warranted for the remainder of the Warranty Term. Replacement Parts otherwise provided are warranted for ninety (90) days from Delivery. L-3 SDS supplied services (including any warranty service to the extent specifically agreed to in the Quotation) will be supplied in a workman-like manner. L-3 SDS does not warrant the use of Products will be uninterrupted or error-free. These warranties shall not apply to any Products or services that are: (a) repaired, moved or modified other than by L-3 SDS' authorized service personnel; or (b) subjected to physical or electrical abuse, stress, or misuse; or (c) stored, operated, modified, or maintained in any manner inconsistent with applicable L-3 SDS' instructions and specifications (and Buyer warrants that it shall comply with all such instructions and specifications); or (d) designated on L-3 SDS' price list or quotation as being provided (I) without warranty (in which case, said item is provided "AS-IS" and without warranty of any sort), or (II) with a third-party warranty (in which case said third-party warranty shall be the sole warranty applicable). L-3 SDS' entire liability, and Buyer's exclusive remedy for breach of this warranty, is L-3 SDS' replacement (but not installation unless specifically agreed to in the Quotation) of parts and components of the Products or services not complying with this warranty or, at L-3 SDS' election, repayment of or crediting Buyer for an amount equal to the purchase price of such Products or service. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, AND EXCEPT FOR THE WARRANTY OF TITLE, L-3 SDS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY EXCLUDES ALL OTHER WARRANTIES INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

All warranty claims shall be initiated by contacting L-3 SDS in writing. L-3 SDS shall not be liable on any such claim unless it is provided with written notice within the Warranty Term and within thirty (30) days after discovery of the defect or cause of action, and is afforded reasonable access and opportunity to inspect all associated materials. Except where L-3 SDS has separately agreed to provide parts-return service, BUYER must obtain a return material authorization number, and ship defective items to L-3 SDS' designated facility, freight prepaid (DDP), all in accord with L-3 SDS' then-current Returned Material Authorization Procedure, a copy of which is available upon request. L-3 SDS shall bear the cost of returning to Buyer (DDU Buyer's site) items replaced or repaired, and items replaced shall become L-3 SDS' property. If L-3 SDS in its discretion provides any replacement part without receipt of an assertedly defective part, or if L-3 SDS determines that an assertedly defective part does not breach the warranty, Buyer shall pay for said replacement part at L-3 SDS' then-current list price, ex-works L-3 SDS' factory. Buyer shall be responsible for assuring duty-free importation of such exchanged parts or for any duty accessed. If L-3 SDS and Buyer are unable to settle any claim, Buyer must institute legal action against L-3 SDS within one year after such claim arises; thereafter all such claims shall be barred notwithstanding any statutory period of limitation.

2.4. Additional Warranty Terms Applicable to CEIA Products

USTE warrants that, for a period of two years from the date of shipment, all of the goods delivered will be of the kind designated or specified (normal wear and tear excepted). Batteries of any kind, including rechargeable batteries are excluded from this warranty. USTE shall be promptly notified in writing by Customer of any failure to meet this warranty. The conditions of any test designed to resolve any alleged breach of warranty shall be mutually agreed upon, and USTE shall be notified of and may be represented in all such tests that may be made. USTE's obligation to Customer with respect to any goods found to be defective shall be limited to (at USTE's sole option) replacing or repairing such goods at USTE's facility (labor charges not included) or such other point as USTE may designate, provided that written notice of such defect is received by USTE from Customer within two years from the date of shipment by Seller. Any claim not made within such two-year period shall be conclusively deemed waived by Customer; provided, however, notwithstanding the notice requirement contained in the preceding sentence, if Customer failed to inspect the goods or to send USTE written notice of all claims within ten days of receipt of goods, Customer shall be conclusively deemed to have waived any claim against USTE based upon, arising out of, or related to any defect that was ascertainable upon adequate inspection of the goods. No goods are to be returned to USTE without its written authorization. There will be a twenty percent (20%) restocking fee in addition to any shipping costs incurred as well as Seller's technician's expense and repair costs, if applicable, for any returned product. If warranty service is required at Customer's location, labor and travel charges shall apply. USTE shall not be liable for any expense incurred by Customer in order to remedy any defect in its goods. Title to all goods that have been replaced shall thereafter vest in USTE, where Customer had previously acquired title pursuant to the provisions hereof. If goods furnished to Customer's specifications are used or combined by Customer with other products or items not furnished herein, Customer shall indemnify and hold harmless USTE from all claims resulting from the use or incorporation of such goods in Customer's product.

2.5. Additional Warranty Terms Applicable to Rohde & Schwarz Products

USTE warrants to Customer that products, including hardware and Software ("Delivered Product(s)") to be free from defects in materials and workmanship under normal use and service for a period of twelve (12) months following the date of Acceptance unless a longer period is specified in the Agreement ("Delivered Products Warranty Period"). Delivered Products comprised of Software are additionally warranted to operate substantially in accordance with the applicable published specifications and documentation during the Delivered Products Warranty Period but are not warranted to be error free. During the applicable Delivered Products Warranty Period, Customer shall provide detailed written notice of any defects in the Delivered Products to USTE. USTE's obligation under this warranty is limited to repairing or replacing, at USTE's discretion, a Delivered Product that, upon examination, USTE determines to be defective. If USTE determines the defect, failure or malfunction of a Delivered Product has been caused by misuse, use contrary to product specifications or instructions, neglect, accident, or abnormal condition of operation, repairs will be made, and Customer shall be billed for the reasonable costs of examination, repair, and travel. USTE shall not be responsible for any defect, failure, or malfunction of Delivered Product in the event that Customer shall have made modifications thereto without USTE's authorization. Delivered Products that have been repaired or replaced under this limited warranty may include remanufactured or refurbished materials or units which are equivalent to new in terms of performance and functionality. As to Delivered Products comprised of Software, only reproducible material deviations from the applicable specifications or documentation shall be deemed to constitute defects under this limited warranty. Such defect shall not, however, be deemed to exist if it does not occur in the latest version of Software supplied to Customer and if Customer can be reasonably expected to use such latest version. Furthermore, Customer shall have no claims under this limited warranty if the alleged defect is caused by or related to one of the following circumstances: (i) incompatibility of the Software with the data processing environment used by Customer, unless this is explicitly provided for in the applicable documentation; (ii) use of the Software together with software supplied by third parties which use is not expressly endorsed in the applicable documentation; or (iii) improper maintenance of the Software by Customer or third parties. Following repair or replacement of a Delivered Product under a warranty claim for defects in material and workmanship, the applicable Delivered Product Warranty Period shall continue for a period of ninety (90) days or until the expiration of the original Delivered Product Warranty Period, whichever is longer. THE FOREGOING LIMITED WARRANTY AND CORRESPONDING REMEDIES ARE THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND USTE'S ENTIRE LIABILITY FOR ANY BREACH OF THE WARRANTIES SET FORTH HEREIN AND ARE IN LIEU OF ALL OTHER REMEDIES AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE.

3. ACCEPTANCE:

All Products and other deliverables delivered or otherwise provided by USTE to Customer under these Terms and Conditions of Sale will be subject to Customer's review and acceptance process, at no increase in price to Customer. For each Product or deliverable delivered by USTE, unless otherwise set forth herein, Customer will have ten (10) business days from date of delivery to review and either accept

or reject such Product or deliverable, which acceptance or rejection shall be delivered to USTE by Customer by written notice within such ten (10) business day period. Rejection shall be solely based on product or deliverable failing to meet performance criteria as presented to Customer by USTE. If Customer does not give written notice of acceptance or rejection of the Product(s) or deliverable within ten (10) business days from delivery of the Product(s) or deliverable by USTE, the Product(s) or deliverable will be deemed accepted by Customer.

4. PATENTS:

Subject to the provisions of this Article, USTE warrants that products, services, or products and services in combination, furnished under this contract shall be delivered free of any rightful claim of any third party for infringement of any United States patent. If notified promptly in writing and given authority, information and assistance, and contingent upon Customer not taking any position adverse to USTE in connection with such claim, USTE shall defend, or may settle at its expense, any suit or proceeding against Customer so far as based on a claimed infringement which would result in a breach of this warranty and USTE shall pay all damages and costs awarded therein against Customer due to such breach, said amount not to exceed the purchase price of the equipment sold to Customer. In case any product, service or combination thereof is in such suit held to constitute such an infringement and the use of said product or service is enjoined, USTE shall, at its expense and option, either procure for Customer the right to continue using said product or service, or replace same with a non-infringing product or service, or modify same so it becomes non-infringing, or remove the product or halt the service and refund the purchase price (less reasonable depreciation for any period of use) and any transaction costs separately paid by Customer. The foregoing states the entire liability of USTE for patent infringement relating to products, services or any combination thereof. The preceding paragraph shall not apply to any product or service specified by Customer or manufactured to Customer's design, or to the use of any product in combination with products not provided by USTE.

5. SOFTWARE:

Unless subject to a separate license agreement, any software furnished hereunder whether separate or incorporated with supplied hardware, including any subsequent updates, is furnished under the following terms and conditions:

(a) The software, and any part thereof, is designed for use only on the unit on which the software is first installed.

(b) No exclusivity of use of the software is transferred to Customer.

(c) Software and documentation copyrighted by USTE and/or Manufacturer shall not be copied in whole or in part, but additional copies of software and documentation in printed form may be obtained from USTE or its representatives at USTE's then-standard charges, subject to applicable import and

export laws and regulations. Customer agrees that any copyright, proprietary, trade secret or similar notices appearing on and in software will be reproduced and included on and in any modifications and copies, in whole or in part, of software.

(d) The source code for software is not included unless specifically listed as an item in the USTE specification.

(e) On occasion, third party licensed software is provided. It will be identified as such and Customer will be required to complete any sublicense specified by the software licensor and provided by USTE.

(f) If a separate software license agreement is required by USTE or Manufacturer, Customer shall execute the software license agreement on or before installation, and the provisions of the separate software license agreement shall supersede the foregoing subparagraphs to the extent they are inconsistent with such license.

6. DELIVERY, TITLE AND RISK OF LOSS:

Delivery dates are approximate and are based upon prompt receipt of all necessary information from Customer. Unless otherwise specified by USTE, title shall pass to the Customer when products are placed in the hands of the carrier at the point of shipment, or on a pro rata basis as services are performed. If any part of the products cannot be shipped when ready due to any cause referred to in Article 7 "Excusable Delays", herein, USTE may place such products in storage (which may be at the place of manufacture). In such event (i) USTE shall notify Customer of the placement of any products in storage, (ii) USTE's delivery obligations shall be deemed fulfilled and title and all risk of loss or damage shall thereupon pass to Customer, (iii) any amounts otherwise payable to USTE upon delivery shall be payable upon presentation of USTE's invoices therefore and its certification as to such cause, (iv) promptly upon submission of USTE's invoices, Customer shall reimburse USTE for all expenses incurred by USTE, such as preparation for and placement into storage, handling, storage, inspection, preservation and insurance, and (v) when conditions permit and upon payment of all amounts due hereunder, USTE shall assist and cooperate with Customer in any reasonable manner with respect to the removal of any products placed in storage.

7. EXCUSABLE DELAYS:

USTE shall not be liable for delays in delivery or performance, or for failure to manufacture, deliver or perform, due to (i) a cause beyond its reasonable control, or (ii) an act of God, act of Customer, prerequisite work by others, act of civil or military authority, Governmental priority, strike or other labor disturbance, flood, epidemics, war, riot, transportation delay or shortage, or (iii) inability on account of a cause beyond the reasonable control of USTE or Manufacturer to obtain necessary material, components, services or facilities. USTE will notify Customer promptly of any material delay excused by this Article and will specify the revised delivery date as soon as practicable. In the event of

any such delay, there will be no termination and the date of delivery or of performance shall be extended for a period equal to the time lost by reason of the delay. In the event USTE is delayed by acts of the Customer or by prerequisite work by other contractors or suppliers of the Customer, USTE shall be entitled to an equitable price adjustment in addition to an extension of the time of performance.

8. PAYMENTS AND FINANCIAL CONDITIONS:

Except as otherwise specified by USTE in its quotation, pro rata payments shall become due as shipments are made. If USTE agrees to delay shipments after completion of any product, payment shall become due on the date when USTE is prepared to make shipment. In the event of any such delay, title shall pass and products shall be held at Customer's risk and expense. All payments shall be made without set-off for claims arising out of other sales by USTE. Unless otherwise agreed, payments shall be made by wire transfer upon receipt of invoice. If Customer's financial condition at any time does not, in the judgment of USTE, justify continuance of the work to be performed by USTE hereunder on the agreed terms of payment, USTE may require full or partial payment in accordance or shall be entitled to terminate the contract and receive termination charges. In the event of Customer's bankruptcy or insolvency or in the event any proceeding is brought against Customer, voluntarily or involuntarily, under bankruptcy or insolvency laws, USTE shall be entitled to terminate any order then outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its termination charges. USTE's rights under this Article are in addition to all rights available at law or in equity.

9. TAXES:

Unless otherwise stated, Prices exclude all sales, use, value-added, or other taxes, which shall be borne by Customer and, unless billed by and paid to USTE, shall be paid by Customer directly to the relevant government authorities. When applicable, Customer shall furnish USTE with evidence of exemption acceptable to the taxing authorities.

10. LIMITATIONS OF LIABILITY

(a) Except as provided in Article 4 "Patents" and except for claims for bodily injury or death or loss of or damage to property resulting from USTE's gross negligence or willful misconduct, in no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall USTE's liability to Customer or its insurers for any loss or damage arising out of, or resulting from this agreement, or from the performance or breach thereof, or from the products or services furnished hereunder, exceed the price of the specific product or service which gives rise to the claim.

(b) Except for claims for bodily injury or death or loss of or damage to property resulting from USTE's gross negligence or willful misconduct in no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall USTE be liable for any special, consequential, incidental or exemplary damages including, but not limited to, loss of profit or revenues, loss of data, loss of use of the products or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, downtime cost, or claims of customers of the Customer for such damages. If the products or services being provided by USTE will be furnished by the Customer to a third party by contract or otherwise or relate to a contract between the Customer and a third party, the Customer shall obtain from such third party a provision affording USTE the protection of this Article.

(c) If USTE furnishes Customer with advice or other assistance which concerns any product supplied hereunder or any system or equipment in which any such product may be installed and which is not required pursuant to this agreement, the furnishing of such advice or assistance will not subject USTE to any liability, whether in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise. For the purposes of this Article, the term USTE includes USTE subcontractors and suppliers.

11. CHANGES, DELETIONS AND EXTRA SERVICES:

Customer may, by written Change Order, request changes within the general scope of any services provided. If any such change will result in an increase or decrease in the cost or time required for the performance of any part of the project under this Agreement, there shall be an equitable adjustment to the contract price or in the time for performance, or both. USTE shall not be obligated to proceed with the changed or extra services until: (1) the value of such changes or extra services and the effect on the schedule of completion of the services have been agreed upon and (2) the Change Order has been signed by USTE and Customer. Upon submittal of a written request by the Customer to USTE to perform extra services or to alter, add to, or deduct from the services provided, USTE shall submit to the Customer the contract price, or any adjustments to the warranty or guarantee obligations or any other impacts which would result from the change. If the Customer elects to proceed with the changed services, Customer shall issue a Change Order to USTE authorizing such adjustments as agreed to by the Customer and USTE. The prices of any extra or change shall be determined in one or more of the following ways: (1) by mutually agreed firm lump sum price; or (2) by unit prices specified in the contract or agreed upon; or (3) by cost and negotiated percentage of cost or fixed fee. At any time and with prior consent of Customer in case of material changes, USTE reserves the right to make changes in design, construction, arrangement or products; provided such changes do not result in any increase in the contract price or time for performance or alter the performance guarantees or warranty obligations set forth herein. Customer shall not unreasonably withhold its consent in case of material changes.

12. RETURN/RESTOCKING:

Any return or cancellation of an order will be charged a thirty percent (30%) restocking fee (said fee will be computed based on the purchase price of the product and is to be remitted prior to return shipment). In addition, the following conditions will also be applicable to the acceptance of all returned orders: (1) Customer notify USTE in writing within thirty (30) days of receipt of product of its desire to return product; (2) Customer prepay shipping costs in full to return address as designated by USTE; and, (3) upon receipt of product USTE will examine product for damage, excessive use and wear and tear. In the event that there is no evidence of product damage, excessive use or wear and tear USTE will notify Customer and issue a Paid-in-Full final statement. In the event that the product has been damaged or shows evidence of excessive use or wear and tear, USTE will provide Customer with a detailed report and a supplemental invoice for the repair of the product.

13. CONDITIONS AFFECTING THE SERVICES:

Customer shall advise USTE of the location and nature of any known unusual conditions which would affect the services. USTE shall be entitled to assume that any Site data furnished by Customer is accurate and complete. USTE shall promptly notify Customer of (1) any conditions at the Site which materially differ from those indicated in the information furnished by Customer, (2) any previously unknown physical conditions at the Site of an unusual nature, not revealed by previous investigations and differing from those ordinarily encountered in the type of services provided for in this Agreement, (3) the suspected presence of any toxic substances, hazardous substances, or hazardous wastes (as such terms may be defined in any federal, state or local statue, ordinance or regulations) which require special handling and/or disposal, or (4) the presence of archaeological remains. If such conditions cause an increase in USTE's cost or time for performance of any part of this agreement, USTE shall be entitled to an equitable adjustment in the contract price and an extension in the time for performance.

14. GENERAL:

Any USTE product or services provided hereunder shall be considered a "commercial item" as defined in FAR PART 2, 2.101 Definitions and in accordance with FAR 52.244-6. If the reasonableness of the price cannot be established through the presence of adequate price competition or price elaboration, if cost or pricing data should be required for any other reason, or if the service cannot be considered a "commercial item", USTE reserves the right to withdraw this proposal without penalty. Unless otherwise specified by USTE, any quotation of USTE shall expire (30) days from the date of issuance and may be modified or withdrawn at any time prior to the date of Customer's order. Customer may terminate an order only upon paying USTE its termination charges determined in accordance with USTE's standard accounting practices upon submission of USTE's invoices therefore. Termination of an order shall not relieve either party of any obligation arising out of work performed prior to termination. USTE reserves the right to subcontract any of the work to one or more subcontractors. The delegation or assignment

by either party of any or all of its duties or rights hereunder without the other party's prior written consent shall be void, except that USTE may, without prior written consent of the Customer, assign this agreement to a successor in interest by merger, by operation of law, by purchase, or otherwise, or to any entity at least 50% of whose stock or other equity interest is beneficially owned, directly or indirectly, by USTE. Any representation, warranty, course of dealing or trade usage not contained or referenced herein will not be binding on USTE. These Sale Terms and Conditions contain the entire and only agreement between the Customer and USTE with respect to terms and conditions and supersede and cancel all previous negations, agreements, commitments, representations and writings in respect thereto. The Sale Terms and Conditions may not be amended, supplemented, changed or modified in any manner, orally or otherwise, except by an instrument in writing of concurrent or subsequent date, signed by a duly authorized representative of each party. The validly, performance and all matters relating to the interpretation and effect of this agreement and any amendment hereto shall be governed by the laws of the State of Washington, excluding its conflict of law rules. The invalidity, in whole or part, of any of the articles or paragraphs in these Sale Terms and Conditions will not affect the remainder of such article or paragraph of any other article or paragraph. The provisions of this agreement are for the benefit of the parties hereto and not for any other person except as specifically provided herein.

15. RESERVED

16. LIMITATIONS OF LIABILITY AND INDEMNITY:

(A) Customer and Operator understand that

(i) Equipment/Services are intended to be used as security screening equipment in order to assist in the detection of illegal and/or hazardous materials;

(ii) The level of success with which the Equipment will fulfill its intended use is dependent on numerous factors, including but not limited to the sophistication of efforts to conceal illegal and/or hazardous materials, the chemical identity and quantity of such materials, the skill, diligence and qualifications of the Operator (where applicable) and environmental conditions; and

(iii) No security screening equipment is capable of detecting every threat, and neither the Customer nor the Operator has any expectation that the Equipment is capable of detecting, or that it will detect, all illegal and/or hazardous materials (this being the case whether the Equipment is operated with or without Operator supervision, and regardless of the degree of diligence with which the Services are or have been performed). Accordingly, neither USTE nor any of its affiliates make any guaranty or warranty as to the results that will be achieved through the use of the Equipment and/or the Services; and it is agreed that the sole responsibility for such results shall be borne by Customer and/or the Operator.

(B) AS PROVIDED IN THE WARRANTY IN SECTION 2 ABOVE, USTE's LIABILITY FOR BREACH OF WARRANTY SHALL BE LIMITED TO THE REMEDIES THEREIN PROVIDED. WITH RESPECT TO ALL OTHER

LIABILITY, INCLUDING WITHOUT LIMITATION LIABILITY RESULTING DIRECTLY OR INDIRECTLY FROM BREACH OF CONTRACT, BREACH OF A DUTY OF CARE OR STATUTORY DUTY OR PRODUCT LIABILITY, THE AGGREGATE LIABILITY OF USTE AND ITS AFFILIATES TAKEN TOGETHER SHALL IN NO EVENT EXCEED THE AMOUNT OF THIS ORDER. IN NO EVENT SHALL USTE OR ANY OF ITS AFFILIATES BE LIABLE FOR ANY LOSS OF PROFITS OR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM COST OF SUBSTITUTE PROCUREMENT, LOSS OF USE, LOSS OF DATA, LOSS OF SAVINGS, LOSS OF REVENUES, LOSS OF BUSINESS, OR FAILURE OR DELAY IN PERFORMANCE, WHETHER BASED ON BREACH OF WARRANTY OR OTHER CONTRACT BREACH, NEGLIGENCE OR OTHER TORT OR ON ANY STRICT LIABILITY THEORY, EVEN IF USTE HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES. NOR SHALL USTE OR ANY OF ITS AFFILIATES BE RESPONSIBLE FOR ANY CLAIM AGAINST CUSTOMER BY A THIRD PARTY. The foregoing limitations of liability shall not pertain in the case of infringement claims, claims for bodily injury or death, claims for loss of or damage to property or claims predicated on the gross negligence or willful misconduct of USTE or its representatives.

(C) To the fullest extent permitted by applicable law, Customer shall defend, indemnify, and hold harmless USTE and its affiliates and their respective officers, partners, directors, employees, agents, successors, and assigns ("USTE Parties") from and against any and all losses, claims, damages, liabilities, expenses (including, without limitation, fees and disbursements of legal counsel and expenses of litigation) or other obligations (collectively “Losses”) and threatened Losses to the extent they arise from or in connection with the purchase, use and/operation of the Equipment/Services by Customer or Operator, including but not limited to any of the following: (i) the death or bodily injury of any agent, employee, customer, business invitee, or business visitor or other person, and the damage, loss, or destruction of any real or tangible personal property; (ii) any action taken by or on behalf of Customer or Operator in the performance of this Order that causes USTE or any of its affiliates to be obligated to indemnify, defend, and/or hold harmless any third party; (iii) any claim, demand, charge, action, cause of action, or other proceeding resulting from an act or omission of Customer, its employees, agents, or subcontractors acting in its or their capacity as an employer or potential employer with respect to the claimant; and (iv) any claim by Customer or Operator, whether based on warranty or other contract breach, negligence or other tort or on any strict liability theory, for matters disclaimed in subsection (B) above. Customer shall fully indemnify and completely hold harmless the USTE Parties as provided above, whether or not negligence or other fault of any of the USTE Parties contributed to, or is claimed or alleged to have contributed to, the claim, action, damage, loss, cost, liability or expense. Nothing in subsection (B) and this subsection (C) above shall exclude or limit the liability of USTE or its affiliates, or require the Customer to defend, indemnify or hold harmless USTE or its affiliates, in circumstances where the Losses claimed are alleged to have resulted from (i) willful misconduct or gross negligence of USTE or its affiliates, (ii) any fraud or fraudulent conduct on the part of USTE or its affiliates, or (iii) any other liability that cannot be excluded by law, and where (in each case) such fault or liability on the part of USTE and/or its affiliates is adjudicated to be the cause of the Losses.

(D) USTE shall not be liable for failure to deliver, for delay in delivery, or for any losses or damage to Customer, or to the Equipment/Services occasioned by delays, in the performance of USTEs’ obligations,

due to: (i) any cause beyond USTE's reasonable control or the control of USTEs' suppliers or subcontractors; (ii) an act of God, act or omission of Customer, act of civil or military authority, fire, terrorism, strike or other labor difficulty, riot or other civil disturbance, insolvency or other inability to perform by the manufacturer, delay in transportation; or (iii) any other commercial impracticability.

(E) The conditions to performance specifically stated in this provision and elsewhere in this Order shall be the only conditions precedent or subsequent to an absolute duty of performance on the part of Customer and USTE. Any official action or legal proceeding by Customer in connection with this Order, other than provided for elsewhere in this Order, must be commenced within one (1) year from delivery. In no event of breach or repudiation of this Order by USTE shall USTE be liable for indirect, special, third party, incidental, or consequential damages, including without limitation lost profits, data, or goodwill, and Customer hereby agrees not to make any such claim on USTE.

(F) USTE shall not be liable to Customer nor Operator for any losses or damage as a result of Equipment that has been subjected to any alteration, disassembly, tampering, modification, or repair without prior authorization by USTE.

17. END OF TERM

This contract will not automatically renew. If Customer desires to renew, Customer will provide written notice to US Testing of its intent to renew this contract at least 30 to 60 days before the scheduled termination date.

18. ATTACHMENTS