

## EQUIPMENT DEMONSTRATION AND TEST AGREEMENT

This agreement for demonstration and testing of equipment identified in paragraph 3 below is entered into as of June 20, 2007 (herein established as "EFFECTIVE DATE"), between the United States Marshals Service (the "GOVERNMENT") and Brijot Imaging Systems, Inc. (the "CONTRACTOR"), a company incorporated and registered under the laws of Delaware with offices at 5422 Carrier Drive, Suite 107, Orlando, FL 32819.

### PURPOSE:

Whereas, (Contractor) \_\_\_\_\_ is engaged in the manufacture and or sale and distribution of equipment and service specified herein this agreement; and

Whereas, (Contractor) \_\_\_\_\_ would like to demonstrate and test the feasibility and capabilities of the aforementioned equipment in an environment or facility that is substantially similar to its intended use; and

Whereas, the Government has an interest in improving its operations by acquiring technological advanced equipment through the use of market research and surveys of commercial technology to include testing and demonstration of equipment/services available in the commercial market; and

Whereas, the Government has identified a commercially available item that is available for testing in an environment/facility suitable for the purpose of the equipment;

WHEREAS, the BIS-WDS® GEN 2 is intended to serve as a first-line tool of analysis to identify concealed objects. While the BIS-WDS® GEN 2 identifies concealed objects, it is not intended to be the sole or final method of determining whether an identified item is in fact a concealed object, and users are urged to proceed with a second step of analysis or investigation of persons identified by the BIS-WDS® GEN 2 as possibly carrying a concealed object;

THEREFORE, the Government and the Contractor agree to the testing and demonstration of the equipment (and necessary peripherals to be referred to as a "System") set forth in paragraph 3 below in accordance with the following terms and conditions.

1. **Location of Test Facility:** The System to be demonstrated and /or tested shall be delivered and installed at:

Orlando Federal Courthouse  
401 W. Central Blvd.  
Orlando, FL 32801

2. **Test Schedule for Equipment.** The testing of the equipment shall begin within approximately two weeks after the effective date of this agreement and continue for a period of 90 days after all of the equipment is installed in the new Federal courthouse as herein defined. The initial testing will begin with one (1) unit installed in the existing federal courthouse building. Once the new federal court house building is complete, Contractor will install two (2) additional units. The initial system that is installed in the existing federal courthouse building will be transferred to the new federal court house building once it is complete, and it will be used as a spare. The ninety (90) day testing period shall begin after all of the equipment is installed in the new federal courthouse building and fully operational to include the training of Government personnel in its operational use. The Contracting Officer's Technical Representative shall determine the operational status of the equipment for testing purposes.
3. **EQUIPMENT PROVIDED FOR TESTING:** The following equipment (System), Shown on Schedule "A", is provided by the Contractor for testing:
4. **INSTALLATION AND TRAINING** The Contractor shall arrange for delivery and installation of the equipment identified on Schedule "A" of this agreement to the Test Facility. All costs of the delivery and installation of this equipment shall be the responsibility of the Contractor.

The Contractor shall provide a technician at no cost to the Government for training of personnel on the equipment. Personnel to be trained by the Contractor may be Government Employees or Government Contract Employees. Training shall be at the appropriate level to ensure that personnel are capable of using the Equipment in accordance with the operating instructions to include minor maintenance that an operator would be expected to perform. The Contractor's technician shall demonstrate to the Government's personnel that the equipment is in proper working order and fully functional in accordance with all specifications prior to the start of the testing.

5. **EQUIPMENT MAINTENANCE AND RESPONSE TIME** Contractor shall be responsible for the maintenance and repair of the equipment with the exception of the minor adjustment expected of the operator (identified in training). The maintenance and repairs to include the necessary replacement parts are to be performed at no cost to the Government.

The Contractor shall respond to request for maintenance or repairs to the equipment in a timely manner consistent with his most favorite commercial customer having a maintenance agreement. This response is applicable if the equipment is not the primary device used by the Government for its intended purpose. If the equipment is the primary device used by the Government for its

intended purpose, the contractor shall respond to a maintenance or repair request immediately but not less than 4 hours after receiving the service request.

6. **TEST PLAN** The Contractor shall develop a test plan for the equipment that collects data on the performance of the equipment. The test plan shall be coordinated with the Government prior to the start of the testing. At a minimum, the test plan shall require recording of information to reflect the operational time of equipment, frequency of failure, time of repair, repaired components, etc. that will permit both parties to assess the lifecycle cost for the operation of the equipment. The data generated from the test may be used by the Government to develop performance specifications for future requirements. In no event will the government divulge or provide physical specifications of the equipment to a third party without the written consent of the Contractor. [See Schedule "D" Intended Use of Product]
7. **PERMITTED AND INTENDED USE OF EQUIPMENT** The Government agrees that the equipment shall be used only for the purposes described in the Product literature and shall be operated in accordance with the operational manual and training instructions provided by the contractor. The Government shall not modify or alter the equipment in any manner. Contractor grants the Government a limited license to use the Products only for the detection of locating concealed items hidden underneath a persons clothing. Products may not be used for any unlawful or illegal activity as deemed by local, federal, or international laws. Government acknowledges and agrees that Government accepts full responsibility to use the Products in accordance with any operating instructions and training provided by Contractor and government regulations, which, to the actual knowledge of the Government, may apply to the Use of the Products.
8. **OWNERSHIP OF EQUIPMENT** The Contractor shall maintain complete ownership of the equipment set forth in this agreement. Nothing in this agreement shall be deemed to convey the title or ownership interest in the equipment to the Government. The Government (or its personnel) shall not remove any sticker or other markings from the equipment giving notice that the equipment is the product of the Contractor. The Contractor's notification of ownership shall be limited to markings or stickers on the equipment. Advertising in any manner of Contractor's equipment is prohibited on Government property.
9. **COSTS.** Prior to delivery and installation of the Products by Contractor, The Government shall have fully prepared the fixed location where the Products are to be installed with electrical conductivity, cabling, monitoring and integration equipment set out in Schedule "C." The Government will provide Internet access to the Contractor for the Products so that Contractor may perform periodic monitoring and diagnostic testing of the Products as well as remote maintenance and software updating.

10. **NO WARRANTY.** ALL PRODUCTS ARE PROVIDED TO CUSTOMER "AS IS," AND BRIJOT® DISCLAIMS ANY REPRESENTATION (WITH THE EXCEPTION OF THE REPRESENTATION CONTAINED IN SECTION 12), CONDITION OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY WITH REGARD TO PERFORMANCE, EXCEPT WITH RESPECT TO THE PRODUCTS PERFORMING IN ACCORDANCE WITH ALL GUIDELINES AND SPECIFICATIONS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
11. **LIMITATION OF LIABILITY.** EXCEPT FOR LIABILITY ARISING UNDER THE MUTUAL NDA NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES (INCLUDING LOST OR ANTICIPATED REVENUES OR PROFITS RELATING TO THE SAME, OR COST OF PROCUREMENT OF SUBSTITUTE PRODUCTS, SERVICES, OR TECHNOLOGY), ARISING FROM ANY CLAIM RELATING TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EVEN IF AN AUTHORIZED REPRESENTATIVE OF SUCH PARTY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. EXCEPT FOR LIABILITY FOR THIRD PARTY CLAIMS ARISING UNDER SECTIONS 11.1 AND THE MUTUAL NDA, NEITHER PARTY'S AGGREGATE LIABILITY TO THE OTHER WITH RESPECT TO ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO THE SUBJECT MATTER OF THIS AGREEMENT WILL EXCEED THE AMOUNTS RECEIVED BY CONTRACTOR HEREUNDER.
12. **REPRESENTATIONS AND WARRANTIES.** Contractor represents and warrants to Government that, to the actual knowledge of Contractor, the Products and all training materials delivered to Government do not infringe any patent, trademark, copyright or other proprietary rights.
13. **TERMINATION OF THE AGREEMENT.** This agreement shall commence on the effective date and continue in effect for the term agreed to by the Government and the Contractor. This agreement may be terminated by the Government immediately without prior notice for any reason to include security, safety, breach of the terms and conditions of this agreement and for the convenience of the Government. Upon termination of this agreement either by its expiration or by the actions of the Government, the contractor shall take the necessary actions to remove the equipment from the Government facility. Unless otherwise agreed to by the contracting officer, removal shall be effected within

seventy-two (72) hours of expiration of the agreement or notification of termination by the Government.

The Contractor may terminate this agreement with a thirty day written notice to the Government. If the Government fails to provide the testing facility or necessary electrical power to operate equipment, the Contractor may terminate the agreement immediately. In the event the contractor terminates the agreement based upon the lack of cooperation by the Government, the equipment shall be removed immediately if practical. The equipment must be removed within 72 hours of termination in any event. The Government shall make every effort to facilitate the removal of the equipment upon termination of this agreement.

#### **14. DISPUTES (FAR 52.233-1) (JUL 2002)**

(a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

(b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

(c) Claim, as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified. A voucher, invoice or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d)(1) A claim by the Contractor shall be made in writing and unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.

(d)(2)(i) Contractors shall provide the certification specified in subparagraph (d)(2)(iii) of this clause when submitting any claim exceeding \$100,000.

(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."

(d)(3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.

(e) For Contractor claims of \$100,000 or less, the Contractor must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over \$100,000, the Contracting Officer, must within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided by the Act.

(g) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties by mutual consent, may agree to use alternate dispute resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the offer.

(h) The government shall pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim (certified, if required); or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in (FAR) 48 CFR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claim shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

(i) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

15. **ALTERNATIVE DISPUTE RESOLUTION(ADR)** In accordance with the "Disputes Clause" above, "Alternative Dispute Resolution (ADR) techniques may be requested by the Government or the offeror/contractor in order to resolve conflicts between the parties. The benefits of ADR include swift resolution and less costs than litigation. Parties interested in this procedure need to contact the

contracting officer to request a copy of the written ADR guidelines and procedures."

**16. APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004)**

United States law will apply to resolve any claim of breach of this contract.

**17. INSURANCE – WORK ON A GOVERNMENT INSTALLATION (JAN 1997)**

(a) The Contractor shall, at its own expense, provide and maintain during the entire performance period of this contract, at least the kinds and minimum amounts of insurance required in the schedule or elsewhere in the contract.

(b) Before commencing work under this contract, the Contractor shall notify the contracting officer in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the Government's interest shall not be effective (1) for such period as the laws of the State in which this contract is to be performed prescribe or (2) until 30 days after the insurer or Contractor gives written notice to the Contracting Officer, whichever period is longer.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in subcontracts under this contract that require work on a Government installation and shall require subcontractors to provide and maintain the insurance required in the Schedule or elsewhere in the contract. The Contractor shall maintain a copy of all subcontractors' proofs of required insurance, and shall make copies available to the Contracting Officer upon request.

**18. INSURANCE COVERAGE**

(a) The Contractor must acquire and maintain at its expense during the entire contract performance period adequate insurance. Insurance coverage must, at minimum, provide the following:

1. \$100,000 per incident minimum Workman's Compensation and Employee's Liability Insurance.
2. General public liability insurance covering all duties, services, and work to be performed under this contract. The insurance provides limits of liability for bodily injury not less than \$2,000,000 per occurrence and \$3,000,000 aggregate (this includes an umbrella policy of \$1,000,000 per occurrence and aggregate), with a \$5,000 deductible for Bodily Injury Liability and/or Property Damage Liability Combined. The general liability policy must name "The United States of America, action by and

through the Department of Justice," as an additional insured with respect to operations performed under this contract .

3. Automobile Liability Insurance written on the comprehensive form of policy of \$1,000,000 per occurrence for hired and non-owned auto for Bodily Injury and Property Damage.

- (b) Each liability policy must include the following provision:

"It is a condition of this policy that the company shall furnish written notice to the Department of Justice, in care of the issuing office, 30 days in advance of any reduction in or cancellation of this policy."

- (c) Insurance is to be effective throughout the term of the contract. Upon request, Contractor must furnish the Contracting Officer as evidence of requirement insurance, certified true copies of liability policies and manually countersigned endorsements of any changes thereto. Renewal policies must be furnished not less than five days prior to the expiration of current policies.

#### **19. PURCHASE AND OWNERSHIP OF EQUIPMENT**

The Government is under no obligation to purchase the equipment specified in this agreement. Any purchase made of subject equipment shall be in accordance with the agency's regulations and in accordance with the Federal Acquisition Regulations (FAR), 48 CFR.

#### **20. PATENT INDEMNITY (APR 1984)**

- (a) The Contractor shall indemnify the Government and its officers, agents, and employees against liability, including costs, for infringement of any United States patent (except a patent issued upon an application that is now or may hereafter be withheld from issue pursuant to a Secrecy Order under 35 U.S.C. 181) arising out of the manufacture or delivery of supplies, the performance of services, or the construction, alteration, modification, or repair of real property (hereinafter referred to as "construction work") under this contract, or out of the use of disposal by or for the account of the Government of such supplies or construction work.

- (b) This indemnity shall not apply unless the Contractor shall have been informed as soon as practicable by the Government of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in its defense. Further, this indemnity shall not apply to

1. An infringement resulting from compliance with specific written instructions of the Contracting Officer directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a



- manner of performance of the contract not normally used by the Contractor;
2. An infringement resulting from addition to or change in supplies or components furnished or construction work performed that was made subsequent to delivery or performance; or
  3. A claimed infringement that is unreasonably settled without the consent of the Contractor, unless required by final decree of a court of competent jurisdiction.

(c) This patent indemnification shall cover the following items: (List and /or identify items to be included under this indemnity)

**AGREEMENT IN ITS ENTIRETY** This agreement constitutes the entire agreement between the Government and the Contractor concerning the testing and / or demonstration of the equipment specified herein. There are no other understandings, agreements, representations, conditions, warranties, or other terms, expressed or implied, which are not specified herein. This agreement may be changed, amended or modified only by the written agreement of the Contractor (authorized representative) and the Government (Contracting Officer).

21. In Witness whereof, the parties hereto have executed this agreement as of the day and year above. The signatures of the parties below indicate their acceptance of the terms and conditions of this agreement.

THE U.S.GOVERNMENT

BRIJOT Imaging Systems, Inc.

BY: MAXINE W. Robinson

BY: Mitchel Lasker

NAME: Maxine A. Robinson

NAME: [Signature]

TITLE: Contracting Officer  
U.S. Marshall Service

TITLE: CEO & President

## **SCHEDULE A**

### **LIST OF EQUIPMENT FOR LOAN:**

**QTY. (2) BIS-WDS GEN 2 Systems**

**WDS1603-G2-B1**

**BIS-WDS® GEN 2, 16 SENSOR UNIT 3 M FOCAL, FIRST INSTALLATION BUNDLE**

**Includes BRK100GR: BRACKET, OUTDOOR, WALL & POLE MOUNT, GREY**

**Includes DOC100EN-EM-G2: PRODUCT DOCUMENTATION SET**

**Includes WDS-1-SVS: SERVICE & SUPPORT FOR FIRST YEAR**

**Includes WDS-ET: WDS EDUCATION & TRAINING**

**Includes TRG202EN: INSTALLATION & SET-UP - ONE DAY**

**NOTE: INCLUDES TWO CONSECUTIVE DAYS OF TRAINING AND EDUCATION. LOCATION - ORLANDO, FLORIDA.**

**NOTE: UNITS ARE BEING PROVIDED AS A NINETY (90) DAY TRIAL ONCE INSTALLED IN THE NEW FEDERAL COURTHOUSE IN ORLANDO, FLORIDA AND REMAINS THE PROPERTY OF BRIJOT IMAGING SYSTEMS, INC. AND BRIJOT TECHNICIANS SHALL HAVE REASONABLE ACCESS TO THE UNIT AS NECESSARY.**

## **SCHEDULE C**

Required electrical conductivity, cabling, monitoring and integration equipment.

- Power Supply: 110 to 240 VAC, 50 or 60 Hz, 125 W consumption. The BIS-WDS Gen2 camera is equipped with a NEMA 5-15P male plug for use in North America. For deployments in other countries, the appropriate plug should be procured locally.
- Monitor: 1024 x 768, 72 Hz, D-sub 15 (VGA) connector compatible.
- Keyboard/Mouse: USB compatible.
- Internet: 10/100 Ethernet, RJ45 compatible.
- Cabling: Sufficient cabling to connect to underside access point of BIS-WDS Gen 2 Camera.

## SCHEDULE D

### INTENDEND USE OF PRODUCT

The BIS-WDS® GEN 2 may be used only in strict accordance with the terms of this Equipment License Agreement and user's manual provided with the BIS-WDS® GEN 2. Furthermore, the BIS-WDS® GEN 2 is intended to serve as a first-line tool of analysis to identify concealed objects. While the BIS-WDS® GEN 2 identifies concealed objects, it is not intended to be the sole or final method of determining whether a scanned item is in fact a concealed object, and users are urged to proceed with a second step of analysis or investigation of persons identified by the BIS-WDS® GEN 2 as possibly carrying a concealed object.

The BIS-WDS® GEN 2 camera uses passive millimeter wave technology to collect data and render an image of objects underneath a person's clothing with an expected 85% detection rate under the following conditions:

- The objects may be made of metal, plastic, ceramic, liquids, gels, and composites including those used to construct weapons and explosive devices.
- The BIS-WDS® GEN 2 camera can be deployed within indoor environments where the interior room temperature does not exceed 80 degrees F.

b2/7E

- The person must be presented to the camera one person at a time at normal walking speed (i.e. 3 mph)

b2/7E

- The BIS-WDS® GEN 2 camera can be deployed within both indoor and outdoor environments where environmental considerations have been evaluated and any necessary corrective actions deployed.