



FORENSIC
TECHNOLOGY

September 10, 2015

Mr. Victor Murillo
Iowa Division of Criminal Investigation
Criminalistics Laboratory
2240 South Ankeny Boulevard
Ankeny, Iowa 50023

Ultra Electronics

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Subject: **Budgetary Proposal for our IBIS® TRAX-HD3D™ Upgrade**
(Our reference S-03638 Rev. 02)

Dear Mr. Murillo:

Ultra Electronics Forensic Technology Inc. (hereinafter referred to as **Forensic Technology**) is pleased to provide the **Iowa Division of Criminal Investigation** (hereinafter referred to as the **Customer**) with this price quote for upgrading the IBIS® TRAX-3D™ system to our latest generation IBIS® TRAX-HD3D™ technology.

Some of the advantages of upgrading to IBIS TRAX-HD3D are:

- The acquisition of cartridge cases using high-definition 3D topography at the micrometer level increases the quality of the captured surface detail
- Greater correlation performance of 3D adds to the existing 2D correlation performance of cartridge cases
- Correlation performance is maintained as datasets of cartridge cases grow significantly larger
- Exceptional 3D visual comparison capabilities of cartridge case images give unlimited freedom of visualization to experts
- Pure 3D information provides a consistent view of cartridge case surface markings, independent of lighting conditions and user influence
- Widescreen, higher resolution MATCHPOINT screen for a larger image viewing area that displays more images in one view

The total price for the proposed upgrade is **US\$ 21,709**. This pricing includes the provision of the latest hardware for the BRASSTRAX Acquisition Station. The software upgrade to TRAX 3.0 is required to use HD3D but can only be deployed by Forensic Technology once it has been accepted and approved by ATF.

Item	Description for Iowa DCI (Site 036US)	Unit Price	Qty	Price (USD)
1.	Hardware upgrade of one (1) BRASSTRAX Acquisition Unit from hardware version H2 to the latest generation HD3D technology , including shipping, installation and commissioning services:	\$21,709	1 lot	\$21,709
2.	Hardware upgrade of BRASSTRAX and MATCHPOINT workstations (computer, monitor, keyboard and mouse) if one or more units are below the hardware baseline established by Forensic Technology for optimal performance.	Included		
3.	Software upgrade to TRAX 3.0	Included as part of the existing ATF contract. See note 1 below		
TOTAL (United States Dollars)				\$21,709

The total price also includes the following services:

- Decommissioning of existing IBIS equipment and data transfer
- On-site installation and start-up by our certified technicians
- Technical hotline, 24 hours a day, 7 days a week
- Travel and living expenses for our installer
- Shipping charges DDP Customer Premises (Incoterms 2010)

NOTES:

1. **The software upgrade to TRAX 3.0 is required to use HD3D. The software upgrade to TRAX 3.0 can only be deployed by Forensic Technology once it has been accepted and approved by ATF.**
2. **The support of the equipment at Site 036US, in Iowa, once upgraded as a result of this project, will continue to be covered by the existing ATF contract.**
3. **After decommissioning the existing IBIS TRAX-3D components, Forensic Technology will ship some of its components back to its facilities. The Customer will be responsible for the disposal of the remaining components, if any.**

Should you have any questions about this proposal, please do not hesitate to contact the undersigned in Montreal, Canada at number +1 514 489 4247 or via e-mail at stacy.stern@ultra-ft.com. We look forward to your reply.

Sincerely yours,

A handwritten signature in black ink that reads "Stacy Stern". The signature is written in a cursive style with a large, stylized 'S' at the beginning.

Stacy Stern, M.F.S.
Regional Sales Director
North America, Caribbean & Australia

Attachment: - Terms and Conditions

TERMS & CONDITIONS

1. Currency

All prices are quoted in **United States Dollars**.

2. Offer Validity Period

This offer expires on **December 15, 2015**.

3. Delivery

The delivery of the equipment will be within 120 days after receipt of order and payment.

4. Shipping

The equipment will be shipped DDP Customer Premises (Incoterms 2010). With the exception of income taxes and extraordinary storage fees, any taxes, duties, and other charges related to customs clearance and importation of the goods are for the account of Forensic Technology.

5. Payment Terms

Forensic Technology's terms of payment are 100% net 30 days after shipment.

6. Warranties, Material, Workmanship, and Title

Forensic Technology warrants to the Customer that all products delivered by Forensic Technology shall be new and free from defects in material, workmanship, and title.

Forensic Technology expressly warrants the products manufactured by it, as meeting the applicable Forensic Technology specifications.

Forensic Technology makes no other warranties either expressed or implied (including without limitation warranties as to merchantability or fitness for a particular purpose). The Customer retains responsibility for the application and functional adequacy of the purchased system.

The customer or any other third party must not alter the system's configuration, either by installing hardware/software or modifying system parameters. Should any modifications be performed by any party other than Forensic Technology, Forensic Technology reserves the right to void the balance of the system's warranty.

7. Property Title and Risk of Loss

Title and risk of loss of the equipment shall pass to the Customer when the equipment arrives at the point of delivery, regardless of completion of on-site Test Procedure and other services required under the contract.

8. Installation

The installation of the hardware upgrade at the Customer-prepared site will be concluded within **one (1) working day**.

9. On-Site Acceptance

Following the installation at the Customer site, Forensic Technology will execute a Test Procedure. Upon the successful completion of this on-site Test Procedure, the system shall be deemed accepted and the Customer's authorized personnel shall be required to sign the *Certificate of Conformance and Final Customer Acceptance* form. Acceptance on-site is not to be construed as transfer of title of ownership to the Customer, which is addressed under paragraph 7 herein.

10. Duties, Taxes, Fees, Charges and Assessments

With the exception of income taxes and extraordinary storage fees, any taxes, duties, and other charges related to customs clearance and importation of the goods are for the account of Forensic Technology.

11. Arbitration

In the event of any dispute, claim, question, or disagreement arising from or relating to the contract resulting from this proposal or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be finally settled by arbitration under UNCITRAL rules, at a neutral venue and under applicable law to both parties.

12. Limitation of Liability

Except as may be prohibited by applicable local law, in no event shall Forensic Technology be liable for any special, incidental, indirect, or consequential damages whatsoever (including, without limitation, damages for loss of business profits, business interruption, loss of business information, or any other pecuniary loss) arising out of the use of or inability to use the software or the delivery or failure to deliver support services, even if Forensic Technology has been advised of the possibility of such damages.

13. Termination for Convenience

Upon notice to that effect from the Customer, should any contract resulting from this proposal be terminated for the convenience of the Customer, Forensic Technology shall be entitled to compensation from the Customer. Such compensation shall be the greater of:

- reimbursement of its costs as at the effective date of termination, plus an amount for profit on such costs; or
- monies paid to Forensic Technology as advance payment against the contract.

Any amount payable to Forensic Technology further to termination shall not exceed the original contract price.

14. Force Majeure

Forensic Technology shall not be liable for any delay or failure to perform any of its obligations hereunder due to causes beyond its control and without its fault or negligence. Such causes shall be deemed to include, but not be limited to: acts of God or the public enemy; national emergencies, war, civil disturbances,

insurrection or riot; strikes, lockouts, or any other industrial disputes; fire, explosion, flood, earthquake or other catastrophes; energy shortages; serious accident, epidemic or quarantine restriction; embargoes, allocations necessitated by material shortages, delays in deliveries by Forensic Technology's suppliers or subcontractors, or failure of transportation; or any law, order, regulation, direction or request of any government which have effect on this contract.