

Per Andree Swales, Clerks Office,
purchased by Diebold Election Systems
December, 2001

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ELECTION TABULATION
COMPUTER SYSTEM CONTRACT
BETWEEN Municipality of Anchorage
AND GLOBAL ELECTION SYSTEM, INC.

TOTAL: 40 PAGES

This Contract for an Election Tabulation Computer System, (hereinafter the "Contract") is made by and between Municipality of Anchorage, an entity organized under the laws of the State of Alaska (hereinafter referred to as "Customer") and ~~Global~~ Election Systems Inc., a corporation organized under the laws of the State of Delaware (hereinafter referred to as "Global"). The Customer agrees to purchase, and Global agrees to license and/or sell and furnish, the following described goods and services (hereinafter collectively referred to as "the System") in accordance with the terms and conditions set forth herein. This Contract may refer to GLOBAL and the Customer together, as the "parties", or may refer to GLOBAL or the Customer as a "party" to the Contract.

Composition of Contract. This Contract is composed of the general terms and conditions contained in the following sections, together with the listed Exhibits.

General	Sections 1 - 17
System Development and Software Licensing	Sections 18 - 25
System Delivery and Completion	Sections 26 - 32

Exhibit A	Project Pricing Summary
Exhibit B	GLOBAL Software, Services, Training, and Project Management Prices
Exhibit C	Third Party Software and Services Prices
Exhibit D	OEM Hardware and Manufacturer-Supplied Software Prices
Exhibit E	Non-OEM Hardware Prices
Exhibit F	Payment Schedule
Exhibit G	GLOBAL APPLICATION SOFTWARE Licensing Agreement
Exhibit H	Computer Hardware Agreement
Exhibit I	Extended Warranty Agreement (AccuVote/AccuVote-TS)
Exhibit J	GLOBAL Software Support Agreement
Exhibit K	Documentation
Exhibit L	Installation and Training Services
Exhibit M	GLOBAL APPLICATION SOFTWARE Escrow Agreement
Exhibit N	Training Outline

TERMS AND CONDITIONS

GENERAL

1. Definitions. For the purposes of this Contract, the following are defined terms:
 - a. The term GLOBAL APPLICATION SOFTWARE shall mean licensed information processing programs and associated documentation

b. The term GLOBAL APPLICATION SOFTWARE MODULE shall be a subset of APPLICATION SOFTWARE that performs as a logical functional unit of program. APPLICATION SOFTWARE MODULES being licensed under this Agreement are identified in Exhibit G.

c. OEM Hardware and Manufacturer-Supplied Software. Products obtained by GLOBAL through a direct marketing agreement with computer manufacturers.

d. Non-OEM Hardware. Products obtained by GLOBAL from various hardware manufacturers for the benefit of Customer.

2. Term of Contract. The Contract shall commence on the date last executed by both parties, and shall continue through the second Municipal wide Election, or subsequent runoff election if required, which shall occur after final acceptance of the last delivered GLOBAL or third party APPLICATION SOFTWARE MODULE.

3. Legality and Severability. This Contract and the parties' actions under this Contract shall comply with all applicable federal, state and local laws, ordinances, rules, regulations, court orders, and applicable governmental agency orders. If a provision of this Contract is found to be invalid, the parties legally, commercially, and practicably can continue this Contract without that provision, and the remainder of this Contract shall continue force and effect.

4. Choice of Law. Interpretation of this Contract shall be governed by the laws of the jurisdiction in which the customer is located, and the courts of such jurisdiction will have jurisdiction (but not exclusive jurisdiction) to hear and determine all questions relating to this agreement.

5. Waiver. Any failure of a party to assert any right under this Agreement shall not constitute a waiver or a termination of that right, this Agreement, or any provisions of this Agreement.

6. Taxes. The purchase price for the System under this Contract is exclusive of local, state and federal sales, excise, ~~personal property or other similar taxes or duties~~, and any such taxes are assumed and paid for by Customer. Alternatively, Customer may supply GLOBAL a tax exemption certificate in a form satisfactory to GLOBAL.

7. Payment Terms. All amounts past due shall bear interest at the rate of 1-1/2% per month (or the maximum extent allowed under applicable law, whichever is less). Interest charges shall accrue beginning on the date of original invoice if outstanding balance that is thirty (30) days or more past due. Customer shall pay all costs of collection for amounts due hereunder, including reasonable attorney's fees.

8. Liquidated Damages. In no event shall GLOBAL be liable for liquidated damages of any kind whatsoever.

9. Assignment and Right to Subcontract. Either party may assign its rights, obligations, or interests in this Contract by providing thirty (30) days prior written notice to the other party at the addresses identified in this Contract. It is agreed that GLOBAL may subcontract all or any portion of the work without the prior consent of the Customer.

10. Confidential Information. It is expressly understood between the parties that the software, system configuration and unit pricing constitute proprietary information the nature of which is a trade secret, and that disclosure of this information may place GLOBAL at a competitive disadvantage. Therefore, confidential information includes: (1) all APPLICATION SOFTWARE Programs and related documentation, (2) the equipment configuration and any unit prices and extensions thereto contained in Exhibit D, OEM Hardware and Manufacturer-Supplied Software Prices, and (3) the pricing and charges contained in Exhibits B, C, D and E (Pricing Exhibits). The total cost of the System and of each major component is summarized in Exhibit A, Project Pricing Summary, and may be disclosed when it is necessary to disclose that cost by law or governmental regulation. The parties shall treat such information as confidential within their respective organizations. The parties shall not disclose Confidential Information to any person outside their respective organizations unless disclosure is made in response to, or because of, an obligation to any federal, state, or local governmental agency or court with appropriate jurisdiction, or to any person properly seeking discovery before any such agency or court. Each party shall be given the ability to defend the confidentiality of such information to the maximum extent allowable under the law prior to disclosure by the other party of such information. The parties' obligations under this Section shall survive the termination or expiration of this Contract.

11. Warranties.

11.1 GLOBAL APPLICATION SOFTWARE Warranty. GLOBAL warrants that each GLOBAL APPLICATION SOFTWARE MODULE will perform free of software defects that would prevent the System from operating in the manner described in the GLOBAL User Documentation. This Warranty shall commence upon completion of installation and demonstrable operation of each APPLICATION SOFTWARE MODULE and shall continue for a period of twenty-four (24) months.

11.2 OEM Hardware and Manufacturer-Supplied Software, Non-OEM Hardware, and Third Party Software Warranty. GLOBAL warrants that the System will function in accordance with the published documentation for all Hardware and GLOBAL Software. GLOBAL shall pass through to the Customer all warranties provided to GLOBAL by software and hardware manufacturers providing components of this Election Tabulation Computer System.

11.3 With respect to both Sections 11.1 and 11.2 above, THE CUSTOMER UNDERSTANDS AND AGREES THAT EXCEPT FOR THE FOREGOING WARRANTIES, NO OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SHALL APPLY TO THE SYSTEM. ALL SUCH IMPLIED WARRANTIES ARE HEREBY AND EXPRESSLY DISCLAIMED. GLOBAL's sole obligation for breach of the foregoing warranties shall be limited to repairing and/or replacing, at

