

equipment, furnish all materials, except as may otherwise be noted in the Description, and perform all services necessary for the Work specified in the Description, and will accept as full payment the price more particularly described in the Description and agree that the Project be impacted all as is more particularly described in the Description.

By Donk Kaplan
Title Project Director
Authorized Person

_____ The Change Order is **NOT APPROVED**.

The Change Order is **APPROVED**, including any Board of Supervisors approval necessary to adjust the Maximum Contract Sum. Pursuant to Section 6.4.2 of the Agreement, the Agreement shall be amended to reflect a Maximum Contract Sum of \$33,277,833. The deliverable schedule _____ is is not amended by an attached amended deliverable schedule.

Pursuant to Section 6.3.5 of the Agreement, **notwithstanding a dispute over the Change Order, the Contractor is directed to perform the work included in the Description on a time and materials basis, not to exceed \$ _____.**

Pursuant to Section 6.3.4 of the Agreement, because of County delay in approval or disapproval, the Agreement shall be amended to reflect a/n — day adjustment to the delivery date of all deliverables identified in response to item 3, above.

The dispute resolution process has resulted in the award of an equitable adjustment of \$ _____ for the Work described herein, and pursuant to Section 6.4.4 of the Agreement, the Agreement shall be amended to reflect a Maximum Contract Sum of \$ _____.

Description of Change

Section 3 of Exhibit M requires Contractor to deliver a letter of credit to County within ten (10) days of the Effective Date of the Agreement. Contractor requests the requirement for a ten (10) day delivery be extended to thirty (30) days.

Extending the delivery date for the letter of credit will not affect the cost or other delivery date.

COUNTY OF SAN DIEGO
DEPARTMENT OF PURCHASING AND CONTRACTING

CONTRACT AMENDMENT AUTHORIZATION
AND INDEPENDENT CONTRACTOR AGREEMENT AMENDMENT

DATE May 28, 2004

COUNTY CONTRACT NO. 46619

AMENDMENT NO. 2

Title of Agreement: REGISTRAR OF VOTERS - INTEGRATED VOTING SYSTEM

Pursuant to Section 6 ("Changes") of the Agreement, the following Work is contemplated that is not included in the scope of the SOW.

Initiated by: Contractor _____ County X

Based on negotiations held between the County of San Diego and Diebold, Inc. and DESI, Inc., Contractor is requested to review the attached Amendment Number Two describing changes to the Agreement (the "Description").

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposed change is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted in the Description, and perform all services necessary for the Work specified in the Description, and will accept as full payment the price more particularly described in the Description and agree that the Project be impacted all as is more particularly described in the Description.

By Thomas Suckeski
Title Senior Vice President, Strategic Development & Global Marketing
Authorized Person

The Change Order is **APPROVED**, including any Board of Supervisors approval necessary to adjust the Maximum Contract Sum. Pursuant to Section 6.4.2 of the Agreement, the Agreement shall be amended to reflect a Maximum Contract Sum of \$ N/A . The deliverable schedule N/A is N/A is not amended by an attached amended deliverable schedule.

Pursuant to Section 6.3.5 of the Agreement, **notwithstanding a dispute over the Change Order, the Contractor is directed to perform the work included in the Description on a time and materials basis, not to exceed \$ N/A.**

Pursuant to Section 6.3.4 of the Agreement, because of County delay in approval or disapproval, the Agreement shall be amended to reflect a/n N/A day adjustment to the delivery date of all deliverables identified in response to item 3, above.

The dispute resolution process has resulted in the award of an equitable adjustment of \$ N/A for the Work described herein, and pursuant to Section 6.4.4 of the Agreement, the Agreement shall be amended to reflect a Maximum Contract Sum of \$ N/A.

PROJECT MANAGER REVIEW AND RECOMMENDED APPROVAL:

By Jaeg M. Pless
Project Manager

Date 6/9/2004

APPROVED,
DIRECTOR OF PURCHASING AND CONTRACTING

By Mark J. McCall

Date 6/9/2004

**AMENDMENT NUMBER TWO
TO
AGREEMENT FOR REGISTRAR OF VOTERS
DIRECT RECORD ELECTRONIC VOTING SYSTEM BY AND BETWEEN COUNTY
OF SAN DIEGO AND DIEBOLD ELECTION SYSTEMS, INC., and
DIEBOLD, INCORPORATED**

THIS AMENDMENT NUMBER TWO (the "Amendment Number Two") is entered into and effective as of May 28, 2004, by and between the County of San Diego ("County") on the one hand, and Diebold, Incorporated ("Diebold, Inc."), together with its wholly owned subsidiary, Diebold Election Systems, Inc. ("DESI, Inc.", jointly and severally with Diebold, Inc. "Contractor"), on the other hand.

WHEREAS, effective December 9, 2003, County and Contractor entered into County Contract Number 46619 ("Agreement") for the provision of an Integrated Voting System, including a direct record electronic voting system whose components specifically included, among other things, the AccuVote TSx Touchscreens ("TSx"); and

WHEREAS, pursuant to the Agreement, including the Statement of Work, all Contractor Hardware must comply with all applicable Election Laws and Regulations, including maintaining Secretary of State certification in respect of the DRE; and

WHEREAS, County desires to obtain and Contractor desires to provide a non-DRE System to be used in one or more Elections (as necessary pursuant to the terms hereof) subsequent to the March 2004 Election.

NOW, THEREFORE, the parties mutually agree to amend the Agreement as follows:

I. Construction.

- A. This Amendment Number Two is hereby incorporated by this reference, and is deemed a part of the Agreement.
- B. Except for the changes set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.
- C. Capitalized terms used without definition in this Amendment Number Two have the meanings ascribed to them in the Agreement, including in any Exhibits attached to the Agreement. Unless otherwise expressly stated in this Amendment Number Two, Paragraph references and Exhibit references are to the Agreement and the Exhibits attached thereto.

II. Definitions. As used in this Amendment Number Two:

- A. "Availability of the Certified DRE" means the date that is six months (or such shorter period as may be specified in writing by County in its discretion) following the date of County's written approval, under Paragraph 5.1, of a Task/Deliverable Acceptance Certificate relating to Contractor's implementation of a Certified DRE.

- B. "Certified DRE" means the TSx, or another equivalent DRE acceptable to County, that has been federally qualified and state certified, conditional qualification or certification being insufficient for this purpose.
- C. "Letter of Credit" has the meaning set forth in Paragraph III.J of this Amendment Number Two.
- D. "non-DRE System" means Contractor's AccuVote-OS, including all Accuvote-OS Hardware and Accuvote-OS Software delivered under this Amendment Number Two, and configured according to the terms and conditions of this Amendment Number Two, including all attachments hereto, or an equivalent system reasonably acceptable to County, delivered to conduct an election without the use of a Direct Record Electronic Voting System.
- E. "non-DRE System Project Implementation Plan" has the meaning set forth in Paragraph III.C of this Amendment Number Two.
- F. "non-DRE System Warranty Period" has the meaning set forth in Paragraph III.E(i) of this Amendment Number Two.
- G. "November 2004 Election" means the November 2004 Presidential Election
- H. "TSx" has the meaning set forth in the preamble.

III. Non-DRE System Elections.

A. General.

Without limiting Contractor's obligations to implement an Integrated System that includes a Certified DRE but subject to Paragraph III.L of this Amendment Number Two, Contractor will provide, at no additional cost to County, a non-DRE System for the November 2004 Election, and any subsequent Election taking place before the earlier of January 1, 2007, or Availability of the Certified DRE. County and Contractor shall meet and confer regarding the configuration for implementing the non-DRE System at the precinct, regional or central level, or any combination thereof. County agrees to consider Contractor's recommendations regarding such configuration, but Contractor acknowledges that County is entitled to determine the final configuration, and County will notify Contractor of such determination on or before June 10, 2004. Contractor agrees to provide, at its cost, certified tabulation hardware, firmware and software, technical training, Election-day support, necessary drayage, ballot transfer bags, cardboard voting booths, and all other goods and services listed in Exhibit P of the Agreement and services and support associated with the above configuration selected by County. Additionally, Contractor will provide a 10,000-ballot test deck and such hardware and software as necessary for County to perform stress testing of optical scan central count and precinct count systems, including GEMS version 1.18.18 and version 1.18.19.

- (i) As between Contractor and County, Contractor will own the non-DRE System and County shall not hold itself out as the owner of the non-DRE System. County shall not, directly or through a third party, move any part of the non-DRE System outside San Diego County without Contractor's permission (except and only to the extent required by applicable Election Laws and Regulations), or surrender control of, sell or grant a security interest in any part of the non-DRE System.

- (ii) County shall use reasonable measures to avoid damage or loss to the non-DRE System, normal wear and tear excepted.
- (iii) Upon the earlier of January 1, 2007, or Availability of the Certified DRE, County shall promptly return possession of all components of the non-DRE System to Contractor (or make them available for retrieval by Contractor) at Contractor's expense.

B. Accuvote-TS Model DRE.

Without limiting Contractor's obligations with respect to a non-DRE System, Contractor further agrees to provide, at no cost to County, the use of up to two hundred (200) DRE units, and any and all necessary peripherals, should it be determined by the Secretary of State that such use in San Diego County is permissible. County shall notify Contractor of the number of such DRE units to be provided no later than August 1, 2004. County agrees to seek clarification and Secretary of State authorization for such use to provide a centralized option for voters with disabilities.

C. Non-DRE System Project Implementation Plan

No later than fifteen (15) days following County's notice to Contractor of the configuration for the non-DRE System pursuant to Paragraph III.A of this Amendment Number Two, Contractor shall provide to County's Project Manager an initial project implementation plan for the non-DRE System. Contractor and County promptly shall review and revise the draft project implementation plan as necessary, and Contractor shall submit the final project implementation plan within twenty (20) days following Contractor's submission of the initial Project Implementation Plan for the non-DRE System to County (the final project implementation plan shall hereinafter be referred to as the "non-DRE System Project Implementation Plan").

D. Delivery of Non-DRE System

The non-DRE System provided pursuant to this Amendment Number Two is and shall be deemed "Contractor Hardware" and "Integrated Systems Software" hereunder and components of the Integrated System, provided that Contractor will retain title to the non-DRE System pursuant to Paragraph III.A(i) of this Amendment Number Two. County's use and access in respect of the Non-DRE System software and firmware shall be pursuant to the terms of the License set forth in Paragraph 15 (Ownership; License), provided that County's licenses to such software and firmware will expire upon the earlier of January 1, 2007, or Availability of the Certified DRE. Contractor agrees, however, that there shall be no license fee associated with the non-DRE System software and firmware, nor shall there be any increase in the Integrated Systems Software Maintenance Fee for the non-DRE System software and firmware provided and licensed hereunder. Contractor shall deliver the non-DRE System in accordance with the non-DRE System Project Implementation Plan.

E. Non-DRE System Warranty and Maintenance

- (i) Contractor hereby represents and warrants to County that the non-DRE System shall perform in accordance with its Specifications and this Amendment Number Two, the

Agreement and any related documentation, including any Exhibits, Change Orders, or further amendments thereto. Contractor's warranty of the non-DRE System shall commence upon the date County accepts the non-DRE System device in accordance with the terms and conditions mutually agreed upon by the parties in the non-DRE System Project Implementation Plan for delivery and acceptance, consistent with this Amendment Number Two and the Agreement and shall continue until the earlier of January 1, 2007, or Availability of the Certified DRE (the "non-DRE System Warranty Period"). Contractor shall provide all Maintenance Services for the non-DRE System, including correction of all Deficiencies in accordance with Exhibit C (Schedule of Maintenance) through the expiration of the non-DRE System Warranty Period, but Contractor shall not charge, and County shall not pay, any Maintenance Fees.

- (ii) Without limiting the generality of Contractor's warranties set forth in this Amendment Number Two, Contractor represents, warrants and covenants to County that the non-DRE System it provides to County hereunder shall be, at all times prior to the earlier of January 1, 2007, or Availability of the Certified DRE, state-certified and federally qualified. Contractor shall bear the cost of any modifications to the non-DRE System required to maintain such state certification and federal qualifications.

F. Certification of GEMS Software Version 1.18.19.

Contractor agrees to submit, using any acceptable mechanism, the updated Integrated Systems, including GEMS version 1.18.19 to the Secretary of State for certification as soon as practicable. County agrees to advise the Secretary of State of County's need for certification or authorization to use this specific component in Elections conducted by County using Integrated Systems provided by Contractor.

G. Certification of TSx.

- (i) Upon Availability of the Certified DRE, such Certified DRE shall be subject to all applicable terms and conditions of the Agreement and shall continue to comply with all applicable Election Laws and Regulations, as such laws and regulations may be amended from time to time during the Term, all at no additional cost to County. County and Contractor shall amend the Project Implementation Plan, to set forth the Work plan for the availability, tracking of certification status, installation of necessary modifications (if any), configuration, testing, implementation and operation of, and training for, the Certified DRE. Additionally, the Project Implementation Plan shall provide a plan by which Contractor, at no additional cost to County, shall provide Election support and training, including a Voter Awareness Program, for two consecutive County-wide Elections following Availability of the Certified DRE.
- (ii) Upon Availability of the Certified DRE, the Certified DRE are and shall be deemed Contractor Hardware and any software accompanying the certified TSx shall be deemed Integrated Systems Software subject to the License set forth in Paragraph 15 (Ownership; License).

H. Payment for Integrated System with Certified DRE.

Exhibit B (Price and Schedule of Payments) to the Agreement, including the payment schedule set forth therein, is amended in its entirety by Attachment 1 (Exhibit B: Price

and Schedule of Payments) to this Amendment Number Two. The parties hereby acknowledge and agree that the RAS Dial in Server, identified as Item 23 in the original Schedule 1 to Exhibit B of the Agreement, shall be deleted from the Attachment 1 (Exhibit B: Price and Schedule of Payments) to this Amendment Number Two and that the deletion of the RAS Dial in Server shall reduce the Maximum Contract Sum payable hereunder.

I. Decertification.

Without limiting the generality of any Contractor warranties or covenants under the Agreement, including under this Amendment Number Two, if at any time during the Term following Availability of the Certified DRE, the Integrated Systems or any component thereof, including the Certified DRE: (i) is decertified for use in California by the Secretary of State or any other governmental agency, including any judicial authority, or (ii) fails to comply with any Election Laws and Regulations, then in either instance and upon County's election, Contractor shall, at no cost to County and without limiting (except as provided in the following sentence) any of County's rights or remedies under the Agreement or at law or in equity and without limiting Contractor's obligations under the Agreement, provide to County a non-DRE System reasonably acceptable to County, including all the goods and services set forth on Exhibit P, necessary for County to conduct Elections. If County elects to receive such non-DRE System and services following any of the events described in clauses (i) or (ii) above, then County agrees that, for the twelve (12) month period following County's election, County will not terminate the Agreement for default pursuant to Paragraph 33 (Termination for Default) or file suit against Contractor seeking damages in respect of such defaults under clauses (i) or (ii) above. County's forbearance in the preceding sentence terminates immediately upon the date Contractor ceases to provide (or notifies County that it intends to cease providing) or otherwise breaches its obligations in respect of such non-DRE System. County's forbearance does not in any way limit County's rights and remedies in respect of any other breaches or defaults by Contractor.

J. Letter of Credit

Diebold, Inc. agrees to deliver to County a financial guarantee in the form of a fully authorized and executed irrevocable letter of credit ("Letter of Credit") in the amount of Fifteen Million Dollars (\$15,000,000) no later than the expiration date of the Performance Bond (a final draft of which shall be provided no later than thirty (30) days prior to the expiration of the Performance Bond), which Letter of Credit shall remain in effect for the entire remaining Term of the Agreement. The Letter of Credit, in substantially the form attached as Attachment 2 (Letter of Credit) to this Amendment Number Two, is and shall be a new Exhibit Q (Letter of Credit) to the Agreement. The Letter of Credit shall guarantee payment of damages, losses and related investigations, claims administration, and defense expenses arising out of the failure of Contractor to implement and comply fully with the terms and conditions and Contractor obligations set forth in the Agreement, including this Amendment Number Two, with County.

K. Insurance, Indemnification and Limitation of Liability for DRE System

Contractor agrees, until the earlier of termination of this Agreement by County or Availability of the Certified DRE, to hold County harmless and without risk and liability (pursuant to the terms and conditions originally contained in the Letter Agreement, dated September 29, 2003, paragraph 2 entitled "Insurance, Indemnification and Limitation of Liability"), for any damage to any DRE in County's possession . All other insurance provisions of the Agreement remain in effect. Contractor, at the request of County, further shall reimburse County for the cost of any transportation and extra warehousing space that must be procured due to the concurrent use of the non-DRE System and storage of the TSx units. County will use reasonable efforts to minimize any such costs.

L. County Forebearance.

Until the earlier of January 1, 2007, or Availability of the Certified DRE, County agrees not to terminate the Agreement for default pursuant to Paragraph 33 (Termination for Default) or file suit against Contractor alleging breach, in either instance, based on Contractor's inability to provide a Certified DRE. Notwithstanding anything herein to the contrary, County's forbearance in the preceding sentence terminates immediately upon the date Contractor ceases to provide (or notifies County that it intends to cease providing) or otherwise breaches its obligations in respect of such non-DRE System. County's forbearance does not in any way limit County's rights and remedies in respect of any other breaches or defaults by Contractor under the Agreement, including under this Amendment Number Two.

IV. Amendments to the Agreement:

A. Paragraph 1 (Applicable Documents) is amended as follows:

Inserted as a new Paragraph 1.21:

"1.21 EXHIBIT Q – LETTER OF CREDIT"

B. Paragraph 2.23 (Deliverable) is amended as follows:

"2.23 "Deliverable" means a service, product, or good to be provided by Contractor to County under this Agreement and identified as a numbered Deliverable in the SOW or in the Project Implementation Plan, including DRE Hardware or non-DRE System components as well as the specifications for any hardware or other goods to be purchased directly by County."

C. Paragraph 2.54 (Project Implementation Plan) is amended as follows:

"2.54 "Project Implementation Plan" has the meaning set forth in Subparagraph 4.5, and as used herein further includes the non-DRE System Project Implementation Plan."

D. Paragraph 5.3 (Integrated Systems Acceptance) is amended as follows:

"5.3 Integrated Systems Acceptance. Contractor shall be deemed to have achieved "Integrated Systems Acceptance:" (a) upon its completion of all phases (including installing, implementing, and testing Integrated Systems Software) in accordance with the

SOW; (b) the successful implementation of all functions and features of each portion of the Integrated Systems has been verified by Contractor; (c) when all applicable Deliverables have been installed and operate in accordance with the SOW (including the Specifications), as determined by County's Project Director, (d) when Contractor has achieved Availability of the Certified DRE and two consecutive County-wide Elections have taken place following such date for Availability of the Certified DRE, which Elections the parties intend, but are not bound hereby, to be the March 2006 and November 2006 Elections, and (e) County's Project Director has provided Contractor with written approval, as evidenced by County's Project Director's countersignature to the applicable Task/Deliverable Acceptance Certificate, of Contractor's achievement of Integrated Systems Acceptance (the date of satisfaction of the foregoing, including County's written approval thereof, shall be referred to as the "Integrated Systems Acceptance Date"). Written approval of County's Project Director of Contractor's achievement of Integrated Systems Acceptance shall not be unreasonably delayed, and County's Project Director shall endeavor to approve or disapprove such Task/Deliverable Acceptance Certificate within ten (10) days."

E. Paragraph 50 (System Use) is amended as follows:

"50. SYSTEM USE. Following installation by Contractor and prior to final acceptance by County, County shall have the right to use, in a production use mode, any completed portion of the Integrated Systems, without any additional cost to County where County determines that it is necessary for County operations, provided that such production use, other than in respect of a non-DRE System provided for County's use in accordance with the terms of this Agreement, including any amendments hereto, shall continue for not longer than two County wide Elections. Such production use shall not restrict Contractor's performance under this Agreement and shall not be deemed Integrated Systems Acceptance; provided, however, if County has used the Integrated System containing the Certified DRE for two County wide Elections, other than the March 2004 primary Election and the November 2004 General Election, in a production use mode, and Contractor still has not achieved Integrated Systems Acceptance, then within three (3) months following the second County wide Election, County either must deem Contractor to have achieved Integrated Systems Acceptance, or County must terminate this Agreement. Notwithstanding anything in this Agreement to the contrary, Contractor acknowledges that County's use of the Integrated Systems in the March 2004 Election does not count as use of the Integrated Systems for purposes of Integrated Systems Acceptance."

IN WITNESS WHEREOF, the parties have caused this Amendment Number Two to County Contract No. 46619 to be executed by their duly-authorized representatives.

COUNTY OF SAN DIEGO

By: Winston F. McColl
Winston F. McColl
Its: Director, Department of Purchasing and Contracting

CONTRACTOR

DIEBOLD ELECTION SYSTEMS, INC.

By: Thomas Suidanaki
Its: President

DIEBOLD, INCORPORATED

By: James T. Dewe
Its: Sr. Vice President, CFO

Approved as to form:

John J. Sansone, County Counsel
By: William Johnson
William Johnson, Senior Deputy

**ATTACHMENT 1
TO
AMENDMENT NUMBER TWO
TO
AGREEMENT FOR REGISTRAR OF VOTERS
DIRECT RECORD ELECTRONIC VOTING SYSTEM BY AND BETWEEN COUNTY
OF SAN DIEGO AND DIEBOLD ELECTION SYSTEMS, INC., and
DIEBOLD, INCORPORATED**

EXHIBIT B (PRICE AND SCHEDULE OF PAYMENTS)

**Exhibit B
(Price and Schedule of Payments)
Schedule 1 (Maximum Contract Sum Summary)**

As Amended by Amendment Number Two

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
Precinct Ballot Counters				
1	8,500	AccuVote-TS Electronic Tabulator	\$3,195.00	\$27,157,500.00
2	1,700	AccuVote-TS VIBS Tabulator	\$3,295.00	\$5,601,500.00
3	1,700	Precinct Control Center	\$2,125.00	\$3,612,500.00
4	35,000	VoterCards	\$2.95	\$103,250.00
Absentee/Early Voting				
5	30	Early Voting VoterCard Encoder	\$495.00	\$14,850.00
6	4	Optical Scan Absentee Counter Systems	\$60,000.00	\$240,000.00
Additional Supply Items				
7	2,500	Printer Tape Rolls - spares	\$1.65	\$4,125.00
Vote Counting Application Software/Hardware				
8	1	Integrated System Software (Other than DRE Software)	\$500,000.00	\$500,000.00
9	10,200	DRE Software	\$100.00	\$1,020,000.00
10	1	Voter Registration Interface	\$7,500.00	\$7,500.00
11	1	VC Programmer	\$5,000.00	\$5,000.00
12	1	Central Server System with Back-up	\$49,500.00	\$49,500.00
13	8	Electronic Media Processor	\$4,950.00	\$39,600.00
14	8	Ethernet Hub	\$150.00	\$1,200.00
Ancillary Services				
2003-2004 (All prices are maximums . . . Actual level of support subject to mutual agreement)				
15	1	Installation Onsite Proj. Mgmt.; support personnel; warehouse consulting; site surveys, etc.	\$375,000.00	\$375,000.00
16	1	Testing Acceptance and L & A	\$175,000.00	\$175,000.00
17	1	Training Staff and Poll Worker	\$75,000.00	\$75,000.00
18	1	Voter Awareness Program PR, Voter Outreach, pamphlet design, web site, etc.	\$60,000.00	\$60,000.00
19	1	Logistical and Technical Support Central Office and Election Day Troubleshooters	\$125,000.00	\$125,000.00
20		SubTotal		\$39,166,525.00
21		San Diego County Allowance		(\$11,313,500.00)
22	1,700	Custom Warehouse Cart	\$255.00	\$433,500.00
23		[Intentionally Omitted]		\$0.00
24		SubTotal		\$28,286,525.00
Cost Reimbursement Line Items				
25		Shipping / Insurance Estimate (Not to Exceed Amount)		\$203,500.00
26		Performance Bond Estimate (Not to Exceed Amount)		\$96,750.00
27		Taxes Estimate at 7.75% (Not to Exceed Amount)		\$2,151,401.94
28		Total for Integrated System Acceptance		\$30,738,176.94

Exhibit B
(Price and Schedule of Payments)
Schedule 1 (Maximum Contract Sum Summary)

As Amended by Amendment Number Two

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
29	800,000	Option for Absentee Optical Scan Ballots	\$0.37	\$296,000.00
30	14	Integrated Systems Software Maintenance, Aggregate Annual Fee (other than DRE Software) (Annual payments start 12 months after final Integrated Systems Acceptance)*	\$75,000.00	\$1,050,000.00
31	142,800	DRE Software Maintenance, Aggregate Annual Fee (Annual payments start 12 months after final Integrated Systems Acceptance) (10,200 DRE's x 14 years)*	\$5.00	\$714,000.00
33	525,000	Outgoing Mailing Process--Initial Extraction Everett, WA Diebold Facility Ink jet printing, address standardization, automated insertion, mail prep, project management	\$0.30	\$157,500.00
34	175,000	Outgoing Mailing Process-- Add-on @ RoV Ink jet printing, address standardization, technical support, on-site training	\$0.15	\$26,250.00
35	700,000	Incoming Process-Signature verification including software and hardware	\$0.15	\$105,000.00
36	700,000	Outgoing Envelopes	\$0.06	\$42,000.00
37	700,000	Incoming Envelopes	\$0.06	\$42,000.00
38	1	Election Software Setup	\$1,500	\$1,500.00
39	1	Hardware Rental, Setup and Training (envelope printer, server and scanner)	\$10,000	\$10,000.00
40	10	AccuVote-OS Hardware (aka, Precinct Optical Scan Tabulators)	\$5,500	\$55,000.00
Maximum Contract Sum*				\$33,237,426.94

* These items are referred to collectively in the Agreement as the "Integrated Systems Software Maintenance Fee." CPI adjustment based on changes in the CPI for San Diego County (midpoint of first 12 months after expiration of the 12-month warranty = 100)

*Maximum Contract Sum is subject to revision for CPI adjustments and/or services ordered under Schedule 3

**Exhibit B
(Price and Schedule of Payments)
Schedule 2 (Schedule of Payments)**

As Amended by Amendment Number Two

<u>Pay Item</u>	<u>Description</u>	<u>Payable \$</u>	<u>%</u>
1*	Payable by County to Contractor in the following installments, provided no payments shall be required prior to thirty days following County ROV's certification of the November 2004 Election using a non-DRE System provided by Contractor: one installment payment for each lot of 2,000 Certified DRE, approved by County under Paragraph 5.1 of the Agreement.	\$ 18,000,000.00	64%
2	Payable by County to Contractor thirty days following County ROV's certification of the first County-wide Election following Availability of the Certified DRE.	\$ 7,786,525.00	28%
3	Payable by County to Contractor upon Contractor's achievement of Integrated Systems Acceptance.	\$ 2,500,000.00	9%
Sub Total		\$ 28,286,525.00	100%
Estimate for Taxes, Performance Bond and Shipping (reimbursement by County based on actual out-of-pocket costs, and allocated according to percentage of Pay Items 1-3 versus Subtotal)		\$2,451,651.94	
Total for Integrated System Acceptance		\$ 30,738,176.94	

Note : Payments for annual/recurring/optional requirements will be made based on Schedule's 1 and/or 3

Note: County and Contractor will mutually agree upon the items set forth in Schedule 1 to Exhibit B for which allocation of payment applies under this Schedule 2.

*Notwithstanding the payment schedules set forth in Pay Item 1, actual payments by County to Contractor shall not be made until County receives the corresponding payments under HAVA or Proposition 41. However, if such federal and state funds are not released prior to the March 2006 Election, and assuming Contractor has otherwise satisfied the requirements set forth in Pay Item 1, and is not prevented by law from receiving such HAVA or Proposition 41 funds, County agrees to pay Pay Item 1 concurrently with County's payment of Pay Item 2.

Exhibit B
(Price and Schedule of Payments)
Schedule 3 (Other Professional Services)

As Amended by Amendment Number Two

Item

Election Training Center (McKinney, Texas)		
1	GEMS Refresher (5 days)	\$4,000.00
County of San Diego Site (using County hardware - host computer pre-staged)		
2	GEMS Refresher (3 days) (+ travel expenses)	\$7,000.00
3	Poll Worker Training Classes (per day plus travel expenses)	\$1,000.00
4	Election Day On-Site Support (per day, 3-day minimum plus travel expenses)	\$1,000.00
5	Pre-Election AccuVote Preparation (per AccuVote unit plus travel expenses) (includes diagnostics, final ballot testing, election mode prep/testing)	\$50.00
6	General Consulting Services (per day plus expenses)	\$1,000.00
7	General Consulting Services (per hour plus expenses)	\$175.00

(note: travel expenses are portal-to-portal)