

AMENDMENT NO. 1
TO SECRETARY OF STATE CONTRACT NUMBER 217 (the "Contract")
BETWEEN
THE OFFICE OF THE OHIO SECRETARY OF STATE ("SECRETARY")
AND
DIEBOLD ELECTION SYSTEMS, INC. ("VENDOR")

WHEREAS, on July 16, 2004 Secretary and Vendor entered into a Contract (SOS Contract No. 217, hereafter the Contract) for the purpose of providing voting systems in compliance with the Help America Vote Act (HAVA);

WHEREAS, Secretary and Vendor, pursuant to Article XVI of the Contract, hereby enter into this Amendment to modify the Contract; and

NOW THEREFORE, the Parties agree as follows:

1. The Contract is amended to add the following definition for Voter Verified Paper Audit Trail (VVPAT) as §2.30 of the Contract and renumber the existing definitions for Voting System, Voting Unit, and VWD Unit as §§2.31, 2.32 and 2.33 respectively.

2.30 Voter Verified Paper Audit Trail means a physical paper printout on which the voter's ballot choices, as registered by a direct recording electronic voting machine, are recorded. The voter shall be permitted to visually or audibly inspect the contents of the physical paper printout. The physical paper printout shall be securely retained at the polling place until the close of the polls on the day of the election. After the physical paper printout is produced, but before the voter's ballot is recorded, the voter shall have the opportunity to accept or reject the contents of the printout as matching the voter's ballot choices. If a voter rejects the contents of the physical paper printout, the system that produces the voter verified paper audit trail shall invalidate the printout and permit the voter to recast the voter's ballot. Any system that produces a voter verified paper audit trail shall be accessible to disabled voters, including visually impaired voters, in the same manner as the direct recording electronic voting machine the produces it.

2. The Contract is amended to modify §3.05 which shall now read as follows:

3.05 During the term of this Contract, including any renewals or extensions hereof, Vendor will provide the Voting Systems to the Secretary and the Counties as a most favored customer ("MFC"). "MFC" means a customer(s) of Vendor who receives pricing terms that are at least as favorable as those received by any other customers except the federal government. To make the determination as to whether or not the Secretary and the Counties are MFCs the Total Cost of Ownership of the Voting Systems is to be compared. In the event that Vendor provides for an itemized cost in Schedule B for specific components and only a component is purchased, then that itemized cost of the component shall be the

basis for comparison of a purchase of a component. However, if a component is dependent upon other components to cast or tally a vote the formula used in schedule B to derive the total cost of ownership must be utilized to derive the cost of the component(s). For example, if a DRE is dependent upon another component to cast or tally a vote, and the County is only purchasing a DRE, then the other component shall be built into, on a prorated basis, in the price of the DRE. For items not itemized in Schedule B, Vendor shall provide Secretary and Counties MFC pricing. For the period between the effective date of this Contract and the date after the first Federal election, the Secretary and Counties may only examine pricing within a 60-day period before and after the proposed purchase. MFC status is to be afforded to the Secretary and the Counties regardless of the quantities of Voting Systems or Voting Unit purchased by the Secretary or Counties. If Vendor offers during the term of this Agreement any of its other customers except the federal government pricing terms that are more favorable than the pricing terms of this Agreement, the more favorable pricing terms offered to such other customers will apply to all purchases thereafter under this Agreement.

3. The Contract is amended to add §3.08 which shall read as follows:

3.08 In order to provide and deploy approved voting systems in Ohio, all certification requirements set out in Schedule A of the Contract must have been met by May 13, 2005. This deadline shall apply to all vendors who provide and deploy voting systems pursuant to HAVA.

4. The Contract is amended to modify the first paragraph of §4.04, however all subsections thereto shall remain unchanged. §4.04 shall now read as follows:

4.04 Secretary shall be obligated to pay Vendor 65% of the Total Cost of Ownership fee for the voting systems delivered to the applicable County as described in Schedule B upon acceptance by the Secretary and County. Secretary and County, with assistance from the Vendor, will follow the acceptance criteria and procedure described below. All references to voting systems shall incorporate by reference a VVPAT as the same is defined herein and in §2.30 of the Contract. In the event acceptance is not achieved under §4.04(a) and (b) of the Contract, use of the Voting System in an election shall constitute acceptance.

5. The Contract is amended to modify §7.01(b) which shall now read as follows:

7.01(b) In no event shall the total cost to the Secretary under this contract for goods delivered and services performed as detailed in Article II exceed ONE HUNDRED FIFTEEN MILLION SEVEN HUNDRED THIRTEEN THOUSAND NINE HUNDRED DOLLARS AND 00/100 (\$115,713,900), which is the Total Cost of Ownership set forth in Schedule B.

6. The Contract is amended to modify §8.02 which shall now read as follows:

8.02 The performance bond shall be in an amount of 150% of the fee paid and owing for supplying the DRE Voting System to a particular County and 100% of the fee paid and owing for supplying the PCOS Voting System to a particular County. The Vendor must procure the performance bond upon acceptance of the Voting Unit by Secretary and County. In order to receive payment as outlined in

Section 4.04, Vendor must attach a copy of the performance bond for that County with its invoice.

7. The Contract is amended to modify Schedule A by adding §21. DRE Required Components which shall read as follows:

21. DRE Required Components

The DRE shipment includes:

- One (1) Touch Screen – TSX
- One (1) AVFM
- One (1) ADA kit per polling location
- One (1) memory card
- Minimum of One (1) Optical Scan Absentee Voting Reader per county (See Addendum A for actual per county figures.)
- Three (3) encoders per precinct
- Ten (10) voter cards per precinct
- Two (2) supervisor cards per precinct
- One (1) GEMS server per county

8. Schedule A is further amended by adding §22. Voter Verified Paper Audit Trail (VVPAT) which shall read as follows:

§22. Voter Verified Paper Audit Trail (VVPAT). All references in the Contract to DRE, except as set out in §2.13, shall be understood to include reference to a VVPAT device as the same is now defined herein as §2.30 of the Contract. All DRE voting devices purchased and deployed in Ohio shall be required to also have a VVPAT attached to said DRE at a ratio of one VVPAT for every DRE (1:1).

9. The Contract is amended to replace Schedule B, dated 1/30/04, with a new attached Schedule B dated as of the date of this Amendment.

10. The parties hereby acknowledge and agree that the fully encumbered price for DRE required components as set out in paragraph 7 above is Two Thousand Seven Hundred Dollars and 00/100 (\$2700.00). For the avoidance of doubt (a) Vendor may not charge additional amounts for the DRE required items in paragraph 7 that are within the limits stated in that paragraph (e.g., no charge for ADA kits up to one per polling location), (b) the fully encumbered price will also apply to any purchases of additional DRE units with county funds, (c) if counties purchase additional DRE units without additional DRE required items, the fully encumbered price will not be reduced, and (d) if counties purchase additional DRE required items beyond the limits stated in paragraph 7 (e.g., ADA kits beyond one per polling location) the additional per-unit charges in Schedule B will apply. The pricing of any products and services requested by counties that are not identified in Schedule B will not affect the analysis of whether MFC pricing has been provided for items identified in Schedule B.

11. The Contract is amended to modify Schedule C by replacing §8 Unit Quantity Requirements which shall now read as follows:

§8 Unit Quantity Requirements. The Secretary has determined that the purchase of one DRE with a VVPAT voting unit for every 175 registered voters in the state is appropriate for this Contract. For Counties choosing to use PCOS as their primary Voting System, the Secretary has determined that the purchase of no more than one PCOS device for every precinct in the County is appropriate for this Contract. At least one optical scan absentee ballot voting unit may be purchased in appropriate quantities for every County that must change from punch card absentee voting. There will also be a license obtained for any software associated with any of these Voting Systems.

12. Schedule C is further amended by revising the first paragraph of §7 therein to now read as follows:

Within thirty (30) days after the Secretary's issuance of the final Purchase Order, provide a written final training program and an implementation schedule for poll workers and elections officials.

13. Schedule C is further amended by revising the third paragraph of §9 therein to now read as follows:

For the period covered by the warranty, the Vendor must develop a complaint resolution tracking process that will be submitted for the Secretary's Project Manager's approval within twenty (20) working days after the Secretary's issuance of the final Purchase Order.

14. Wherever provisions of this Amendment No. 1 conflict with any provisions in the Contract, the provisions of Amendment No. 1 shall prevail.

15. This amendment is effective from the date of signing through the remaining term of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed on the date shown below by their respective duly authorized representatives.

SECRETARY:

By: Monty Lobb
Monty Lobb

Title: Assistant Secretary of State

Date: 5/19/05

Diebold Election Systems, Inc.:

By: Thomas Swidarski
Thomas Swidarski

Title: President

Date: 5/19/05

85-0394190
FEDERAL TAX ID NUMBER

**Diebold
Total Cost of Ownership
SCHEDULE B**

Items	Quantity		Diebold Unit Price	Unit of Measure	Diebold Total Price
DRE (1)					
DRE w/2yr warranty and 1 AccuView Printer Module (AVPM)	35,851	x	\$ 3,250.00	each	\$ 116,516,750
Maintenance YR3	35,851	x	\$ 45.00	each	\$ 1,613,295
Maintenance YR4	35,851	x	\$ 45.00	each	\$ 1,613,295
Maintenance YR5	35,851	x	\$ 45.00	each	\$ 1,613,295
Software License YR3	35,851	x	\$ 18.00	each	\$ 645,318
Software License YR4	35,851	x	\$ 18.00	each	\$ 645,318
Software License YR5	35,851	x	\$ 18.00	each	\$ 645,318
** Total DRE w/5yr warranty	35,851	x	\$ 3,439.00	each	\$ 123,281,689
ADA (1)					
ADA w/2yr warranty and 1 AccuView Printer Module (AVPM)	7,006	x	\$ 3,250.00	each	\$ 22,769,600
Maintenance YR3	7,006	x	\$ 45.00	each	\$ 315,270
Maintenance YR4	7,006	x	\$ 45.00	each	\$ 315,270
Maintenance YR5	7,006	x	\$ 45.00	each	\$ 315,270
Software License YR3	7,006	x	\$ 18.00	each	\$ 126,108
Software License YR4	7,006	x	\$ 18.00	each	\$ 126,108
Software License YR5	7,006	x	\$ 18.00	each	\$ 126,108
** Total ADA w/5yr warranty	7,006	x	\$ 3,439.00	each	\$ 24,093,694
Optical Scanner (2)					
Optical Scanner w/2yr warranty	-	x	\$ 4,200.00	each	\$ -
Maintenance & License YR3	-	x	\$ 124.20	each	\$ -
Maintenance & License YR4	-	x	\$ 124.20	each	\$ -
Maintenance & License YR5	-	x	\$ 124.20	each	\$ -
** Total Optical Scanner w/5yr warranty	-	x	\$ 4,572.60	each	\$ -
Optical Scanner w/high speed ABS (3)					
Optical Scanner w/high speed ABS & w/2yr warranty	58	x	\$ 8,700.00	each	\$ 497,200
Maintenance & License YR3	58	x	\$ 225.00	each	\$ 12,600
Maintenance & License YR4	58	x	\$ 239.25	each	\$ 13,230
Maintenance & License YR5	58	x	\$ 248.06	each	\$ 13,891
** Total Optical Scanner w/high speed ABS & 5yr warranty	58	x	\$ 9,400.31	each	\$ 526,921
Optical Scanner w/standard speed ABS (3)					
Optical Scanner w/standard speed ABS & w/2yr warranty	118	x	\$ 2,545.50	each	\$ 300,369
Maintenance & License YR3	118	x	\$ 125.00	each	\$ 14,750
Maintenance & License YR4	118	x	\$ 125.00	each	\$ 14,750
Maintenance & License YR5	118	x	\$ 125.00	each	\$ 14,750
** Total Optical Scanner w/standard speed ABS & 5yr warranty	118	x	\$ 2,920.50	each	\$ 344,619
EMS (5)					
Software w/2yr license and AVPM	42,857	x	\$ -	per unit	\$ -
License YR3	42,857	x	\$ 25.00	per unit	\$ 1,071,425
License YR4	42,857	x	\$ 25.00	per unit	\$ 1,071,425
License YR5	42,857	x	\$ 25.00	per unit	\$ 1,071,425
** Total EMS w/ 5yr warranty	42,857	x	\$ 75.00	per unit	\$ 3,214,275
Implementation (Through May 2008 Election) (5)					
Project Management	42,857	x	\$ 157.49	per unit	\$ 6,749,370
Delivery	42,857	x	\$ -	per unit	\$ -
Unpacking & Removal of packaging	42,857	x	\$ -	hour	\$ -
Configuration (Hardware)	42,857	x	\$ -	per unit	\$ -
Acceptance Testing	42,857	x	\$ -	per unit	\$ -
Installation (Software)	42,857	x	\$ -	per unit	\$ -
** Total Implementation Costs	42,857	x	\$ 157.49	per unit	\$ 6,749,370

Training (Through May 2008 Election)

Election Officials (6)	250	x	\$	2,400.00	person	=	\$	600,000
Poll Workers (7)	48,000	x	\$	20.00	person	=	\$	960,000
Voter Education Assistance (pro rata by # precincts in County) (8)	1,000	x	\$	175.00	hour	=	\$	175,000
Documentation	-	x	\$	-		=	\$	-
** Total Training							\$	1,735,000

Support (Through May 2008 Election)

On-site Support Costs (9)	10,888	x	\$	75.00	hour	=	\$	801,450
Help Desk	-	x	\$	-	hour	=	\$	-
** Total Support							\$	801,450
Total Cost of Ownership (10)		x	\$	3,751.01	each	=	\$	160,758,838
Original Allowance %				7.08%			\$	-
Original Allowance			\$	(265.46)			\$	(11,376,807)
Special Statewide Allowance %				20.84%				-
Special Statewide Allowance			\$	(785.54)			\$	(33,866,051)
Net Total Cost of Ownership			\$	2,700.00			\$	115,713,900

The following assumptions were used to derive the Total Cost of Ownership:

- 1 The total estimate of DRE & ADA Units for the whole state of Ohio is 42,857 units,
- 2 At this time we do not know how many Optical Scanners will be required, so we have set this at 0. After the Counties have chosen their choice of equipment this quantity will be updated and multiplied by the unit cost to calculate total price to the State.
- 3 These estimates are based on the data in Addendum A.
- 4 [INTENTIONALLY OMITTED]
- 5 Quantity based upon total DRE+ADA requirements.
- 6 The SOS estimates that there are a total of 250 election officials in Ohio to be trained.
- 7 The SOS estimates that there are a total of 48,000 poll workers in Ohio to be trained.
- 8 The SOS has used an initial estimate of 1,000 hours of assistance with voter education.
- 9 Services quoted are for full election support through the May 2008 election
- 10 Total Unit Cost of Ownership is calculated by taking the Total estimated cost and dividing by the total estimated quantity of DRE / ADAs.

The vendor agreed to the following contract terms:

- A The unit prices are valid regardless of the number of Counties that the vendor is chosen to supply. It is understood that the quantities will change after the Counties have made their choices.
- B The base year shall be the 1st year of this agreement as it applies to each of the above cost items. The escalation of all such costs after the first year of this agreement will be capped at the lesser of the prevailing increase of the CPI or 5%.
- C All license and maintenance costs are capped at the lesser of the prevailing increase of the CPI or 6% after the 10th year of this Agreement.
- D Diebold must service any County that selects them.
- E [INTENTIONALLY OMITTED]
- F Server costs are included in the above pricing.
- G [INTENTIONALLY OMITTED]
- H There are no additional costs to provide the equipment and services stated in the RFP and clarifications to the State of Ohio.
- I Diebold shall immediately submit for certification in the State of Ohio any software releases for its election systems submitted for certification in any other state. Ohio shall have the right to utilize the latest version of any of Diebold's software that has received certification in any other state at no additional cost beyond the annual maintenance fees set forth in this Schedule B.

UNIT PRICING OF ADDITIONAL ITEMS OVER PER-COUNTY LIMITS

Items	Unit	Per-Unit Price
Precinct Voter Card Encoder	each	\$ 395.00
VoterCards	each	\$ 3.50
Supervisor cards	each	\$ 4.00
PCMCIA Memory Cards (128MB)	each	\$ 135.00
VIBS Kit	each	\$ 320.00

RENEWAL FEES

Items	Unit of Measure	Per-Unit Price
DRE		
Maintenance YR6	DRE Unit	\$ 47.80
Maintenance YR7	DRE Unit	\$ 49.05
Maintenance YR8	DRE Unit	\$ 50.85
Maintenance YR9	DRE Unit	\$ 52.05
Maintenance YR10	DRE Unit	\$ 53.80
Software License YR6	DRE Unit	\$ 18.00
Software License YR7	DRE Unit	\$ 18.00
Software License YR8	DRE Unit	\$ 18.00
Software License YR9	DRE Unit	\$ 18.00
Software License YR10	DRE Unit	\$ 18.00
ADA		
Maintenance YR6	ADA Unit	\$ 47.80
Maintenance YR7	ADA Unit	\$ 49.05
Maintenance YR8	ADA Unit	\$ 50.55
Maintenance YR9	ADA Unit	\$ 52.05
Maintenance YR10	ADA Unit	\$ 53.80
Software License YR6	ADA Unit	\$ 18.00
Software License YR7	ADA Unit	\$ 18.00
Software License YR8	ADA Unit	\$ 18.00
Software License YR9	ADA Unit	\$ 18.00
Software License YR10	ADA Unit	\$ 18.00
Optical Scanner		
Maintenance YR6	OS Unit	\$ 124.20
Maintenance YR7	OS Unit	\$ 127.85
Maintenance YR8	OS Unit	\$ 131.75
Maintenance YR9	OS Unit	\$ 135.70
Maintenance YR10	OS Unit	\$ 139.80
Optical Scanner w/high speed ABS		
Maintenance & License YR6	OS Unit	\$ 280.47
Maintenance & License YR7	OS Unit	\$ 273.40
Maintenance & License YR8	OS Unit	\$ 287.16
Maintenance & License YR9	OS Unit	\$ 301.82
Maintenance & License YR10	OS Unit	\$ 316.60
Optical Scanner w/standard speed ABS		
Maintenance & License YR6	OS Unit	\$ 150.00
Maintenance & License YR7	OS Unit	\$ 150.00
Maintenance & License YR8	OS Unit	\$ 150.00
Maintenance & License YR9	OS Unit	\$ 150.00
Maintenance & License YR10	OS Unit	\$ 160.00
BMS		
License YR6	Unit	\$ 45.00
License YR7	Unit	\$ 48.00
License YR8	Unit	\$ 48.00
License YR9	Unit	\$ 48.00
License YR10	Unit	\$ 60.00

Addendum A
Absentee System Configuration by County

	5 High-Speed Scanner Configuration
1	CUYAHOGA
2	FRANKLIN
3	HAMILTON
	4 High-Speed Scanner Configuration
4	MONTGOMERY
5	SUMMIT
6	LUCAS
7	STARK
8	BUTLER
	3 High-Speed Scanner Configuration
9	MAHONING
10	LORAIN
11	LAKE
12	TRUMBULL
13	CLERMONT
14	WARREN
15	MEDINA
	2 Standard-Speed Scanner Configuration
16	LICKING
17	PORTAGE
18	GREENE
19	DELAWARE
20	RICHLAND
21	CLARK
22	WOOD
23	FAIRFIELD
24	COLUMBIANA
25	MIAMI
26	ALLEN
27	WAYNE
28	ASHTABULA
29	GEAUGA
30	TUSCARAWAS
31	JEFFERSON
32	ERIE
33	MUSKINGUM
34	HANCOCK
35	SCIOTO
36	BELMONT
37	ATHENS
38	SANDUSKY
39	MARION
40	LAWRENCE
41	WASHINGTON
42	ROSS
43	DARKE
44	HURON
45	SENECA
46	ASHLAND
47	KNOX
48	AUGLAIZE

49	CRAWFORD
50	SHELBY
51	LOGAN
52	PICKAWAY
53	MERCER
54	OTTAWA
55	CHAMPAIGN
56	FULTON
57	PREBLE
58	UNION
59	BROWN
60	HIGHLAND
	1 Standard-Speed Scanner Configuration
61	GUERNSEY
62	DEFIANCE
63	WILLIAMS
64	PUTNAM
65	CLINTON
66	MADISON
67	JACKSON
68	GALLIA
69	MORROW
70	PERRY
71	COSHOCTON
72	PIKE
73	VANWERT
74	CARROLL
75	HENRY
76	HARDIN
77	ROCKING
78	HOLMES
79	ADAMS
80	MEIGS
81	WYANDOT
82	FAYETTE
83	PAULDING
84	HARRISON
85	MONROE
86	MORGAN
87	NOBLE
88	VINTON