

FIRST AMENDMENT
TO CONTRACT FOR A STATEWIDE VOTING SYSTEM
CONTRACT No. GTA000040
MODIFICATION OF THE DEPLOYMENT SCHEDULE AND FOR OTHER
PURPOSES

THIS FIRST AMENDMENT TO THE CONTRACT FOR A STATEWIDE VOTING SYSTEM (this "First Amendment") is made this 31st day of July, 2002, between the **SECRETARY OF STATE** of the State of Georgia (the "Secretary of State"), and **DIEBOLD ELECTION SYSTEMS, INC.**, a corporation organized under the laws of the State of Delaware ("Diebold") (together, the "Parties").

WHEREAS, the Secretary of State and Diebold entered into a certain Contract for the purchase of a statewide voting system, Contract No. GTA000040, dated May 3, 2002, (the "Contract") and said Contract providing for the deployment and complete training on the use of the voting system set forth in Appendix "D";

WHEREAS the Secretary of State and Diebold have determined that the training plan as set forth in Appendix D of the Contract requires modification as it relates to the training phase and the creation of county election databases and ballots as scheduled under the deployment schedule of Appendix "D" (hereinafter "Deployment Schedule"); and

WHEREAS, as a direct result of training schedule modifications, Diebold has agreed to create the county election databases and ballots for use in the November 2002, General Election ("Service Bureau") and the Secretary of State has agreed to reschedule the delivery of the Server units initially scheduled for delivery on July 31, 2002 to August 30, 2002.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements and for other good and valuable consideration contained herein, the Parties agree to this First Amendment as follows:

1. Diebold shall reschedule the training of poll workers originally scheduled for October 21, 2002 through October 31, 2002, and instead conduct the training from September 23, 2002 through October 18, 2002.
2. Diebold shall segment the complete training portion of the Deployment Schedule originally scheduled for completion by July 31, 2002 into the following two training modules described below:

A. Module One. Diebold shall provide 2-day training to County Election Officials regarding operations of the Voting System in the November 2002, General Election by July 31, 2002 in areas that include the following:

- (i.) Diebold shall train the County Election Officials on how to use the Direct Recording Electronic (“DRE”) voting devices and Optical Scan absentee devices of the Voting System on Election Day;
- (ii.) The training shall include a brief overview of the GEMS software element of the Voting System;
- (iii.) The training shall include DRE and OS manuals necessary for training assistance;
- (iv.) The training shall include L&A Test training;
- (v.) The training shall include Opening Election Day functions;
- (vi.) The training shall include Closing Election Day functions;
- (vii.) The training shall include creating and generating Election Day reports;
- (viii.) The training shall include Troubleshooting;
- (ix.) The training shall include how to train August 20th Demo personnel;

B. Module Two. Diebold shall provide 3-day training to County Election Officials on the software and programming functions of the Voting System relating to pre-Election Day, Election Day, and post-Election Day activities. Diebold shall provide Module Two training to at least 2 County Election Officials from every county identified by the Secretary of State for participation in the Module Two training. The 3-day training shall begin on January 2, 2003 and conclude by March 31, 2003 and will provide training in areas that include the following:

- (i) Diebold shall provide training that includes Gem Server and software manuals that conform to the current versions of software approved by Dr. Brit Williams of Kennesaw State University;
- (ii) Diebold shall provide training that includes training on the functions, capabilities, and uses of GEMS including programming GEMS, building election databases, and creating election ballots;
- (iii) Diebold shall train Election officials on sending precinct results by modem; and
- (iv) Diebold shall include instructions on the use of “J Result Client Operations” (remote display of election results).

C. Kennesaw State University Support. In support of Module-two training, Diebold shall work in conjunction with Kennesaw State University in developing and preparing an educational training module for training County and State officials on the functions and uses of the GEMS server and GEMS server software.

3. Diebold shall provide a Service Bureau function to all 159 counties for the November 2002, General Election and any subsequent runoffs, as follows:

- (i) Diebold shall create and build an election database for each Georgia county for the November 2002, General Election and any subsequent runoff;

- (ii) Diebold shall create and prepare for each Georgia county all election ballots for County and State elections for the November 2002, General Election and any subsequent runoff;
- (iii) Diebold shall create PCMCIA cards and memory cards for every County DRE and optical scan unit;
- (iv) Diebold shall deliver the election databases, ballots, PCMCIA cards and memory cards to each Georgia county and shall cause the election database to be loaded onto each county server, the PCMCIA cards to be installed into their designated DRE units, and the memory cards to be installed into their designated optical scan units;
- (v) Diebold shall hire not less than 36 regional technicians to deliver the election databases, ballots, PCMCIA cards and memory cards to each county, and the 36 regional technicians shall install the database onto each county's server, the PCMCIA cards into each County's designated DRE, the memory cards into the designated optical scan unit, and program the Encoders to provide the correct ballot style for each precinct in each county;
- (vi) Diebold shall deliver and install the election database, the PCMCIA cards and memory cards in every county on or before October 25, 2002;
- (vii) Diebold's 36 regional technicians shall also provide assistance to the counties with county Logic and Accuracy Testing, with preparing the Voting System for Election Day use, and with technical support needed on Election Day.

The placement of 36 regional technicians into the county regions from September 10, 2002 through November 5, 2002, shall be in addition to and not in lieu of Diebold's existing obligation to provide 159 software technicians for pre-Election Day, Election Day and post Election Day technical support or the 1 field technician (rover) designated per 30 precincts with a minimum of at least 1 field technician per county, if the county does not have 30 precincts.

4. The modifications to the training dates and server delivery dates of the Deployment Schedule set forth above are reasonably consistent with Diebold's original undertaking and shall not effect the remaining dates of delivery for the Voting System and parts thereof or any other terms or conditions of the original Contract except as stated herein. Except as expressly amended herein, the Contract shall remain in full force and effect.

5. Diebold shall, if requested, promptly use its commercially reasonable best efforts to satisfy any objections or conditions of the United States Department of Justice ("DOJ"), regarding this First Amendment, including without limitation the amendment to the Deployment Schedule of the Contract. Diebold agrees to cooperate with representatives of DOJ and to provide any information requested by DOJ, if necessary.

6. The Secretary of State shall withhold \$430,560.23 dollars from the payment initially scheduled to be made on November 30, 2002, as provided by Exhibit "M" of the Contract until Diebold has completed Module Two training, scheduled to be completed by March 31, 2003, to the reasonable satisfaction of the Secretary of State.

IN WITNESS WHEREOF, each of the parties has executed this First Amendment to the Contract by its duly authorized officers, as of the 31st day of July 2002.

DIEBOLD ELECTION SYSTEMS, INC.

By: _____


Robert Urosevich, President

SECRETARY OF STATE

By: _____


Cathy Cox