

**AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA AND
SEQUOIA VOTING SYSTEMS, INC.
FOR A DIRECT RECORDING ELECTRONIC VOTING SYSTEM**

This Agreement is entered into effective April 29, 2003, between the County of Santa Clara, a political subdivision of the State of California ("County"), and Sequoia Voting Systems, Inc., a Delaware corporation ("Sequoia"), to provide a Direct Recording Electronic Voting System to County for use by the County Registrar of Voters.

RECITALS

1. All California counties with punch-card voting systems, including the County of Santa Clara, are required by court order to convert from their present systems to a new system no later than March 2, 2004.
2. County issued a Request for Proposal (RFP) #2565 for ROV Direct Recording Electronic (DRE) Voting System, on July 19, 2002, and received Sequoia's response to the RFP on August 9, 2002.
3. County's objective is to procure and implement a high-quality, efficient and cost-effective system that will deliver accurate, error-free and rapid results for all elections.
4. Sequoia is certified by the State of California and the United States government to provide these products and services to replace County's present punch-card voting system.
5. Sequoia represents that it has the necessary resources to provide these products and services and to successfully conduct all elections and canvasses beginning with the November 4, 2003 election in accordance with this Agreement.
6. County desires to purchase Sequoia's AVC Edge Touch Screen Voting System, Sequoia 400-C Optical Scan Ballot Counters and related software, products and services as set forth in this Agreement.

AGREEMENT

1. EXHIBITS AND CONTENTS

This Agreement includes these attached exhibits:

Exhibit A	Hardware, Software and Support Services Compensation Plan
Exhibit B	Statement of Work
Exhibit C	Description of Warranty, Maintenance and Support
Exhibit C1	AVC Edge and Card Activator – Terms of Extended Warranty
Exhibit C2	Sequoia 400-C Optical Scan Ballot Counter – Terms of Extended Warranty
Exhibit D	WinEDS Software – Terms of Software License
Exhibit E	Indemnity and Insurance
Exhibit F	Performance Bond
Exhibit G	Designation of Sub-Contractors
Exhibit H	Escrow Agreement

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This Agreement also includes these sections:

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| 1. Exhibits and Contents | 19. Original Warranty |
| 2. Term | 20. Extended Warranty |
| 3. Systems and Services to be Purchased | 21. Consumables |
| 4. Compensation and Payment | 22. Cartridge Readers, Additional Results Cartridges and the AVC Edge Voting Systems |
| 5. Time Schedule | 23. Voter Card Enhancement |
| 6. Sequoia's Other Responsibilities | 24. Asset Inventory Tracking Database |
| 7. County's Other Responsibilities | 25. Guarantee of Support |
| 8. Changes | 26. Documentation |
| 9. Designation of Subcontractors | 27. Provisional Ballot |
| 10. Project Management | 28. Instant Runoff Voting |
| 11. Training | 29. Termination |
| 12. Media, Voter Education and Outreach | 30. Insurance |
| 13. Transportation of Equipment | 31. Performance Bond |
| 14. Delivery Schedule | 32. Voter Verified Paper Record Pilots |
| 15. Systems Installation | 33. Voter Verified Paper Record |
| 16. Acceptance Testing | 34. Rights to Sell |
| 17. Software License and Maintenance Fee | 35. Other Provisions |
| 18. Access to Software Source Code | |

2. TERM

The term of this Agreement is April 29, 2003, through September 30, 2008, unless terminated earlier in accordance with its provisions. By advance written notice to Sequoia, County has the right to extend the hardware and software maintenance and support services portions of this Agreement for an additional period or periods not to exceed a total of 15 years.

3. SYSTEMS AND SERVICES TO BE PURCHASED

3.1 As used in this Agreement, the term "Systems" collectively includes all aspects of the AVC Edge Touch Screen Voting System, Sequoia 400-C Optical Scan Ballot Counter System and related software, products and services to be provided pursuant to this Agreement, including but not limited to all firmware, hardware, equipment, devices, materials, components, specifications and other items.

3.2 Sequoia must provide the Systems as stated in this Agreement at the prices set forth in Exhibit A.

3.3 Sequoia must furnish and deliver the Systems to the County and install the Systems at the site designated by the County.

3.4 Sequoia grants to the County a license to use all necessary software and other intellectual property for the Systems.

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4. COMPENSATION AND PAYMENT

4.1 The full price to County for the Systems is \$18,904,509.38 as stated in Exhibit A, including all applicable sales and use taxes.

4.2 County must pay \$6,500,000 to Sequoia within 30 days after County's acceptance of the first 2000 AVC Edge and 400-C Optical Scan Ballot Counter units and related items. Sequoia will invoice County upon delivery of these 2000 units and related items. This invoice will prominently display the statement "PAYABLE ON COMPLETION OF FORMAL ACCEPTANCE PROCESS."

4.3 County must pay \$6,175,000 to Sequoia within 30 days after County's acceptance of the last 3500 AVC Edge and 400-C Optical Scan Ballot Counter units and related items, or within 30 days after receipt of invoice, whichever is later. Sequoia will invoice County upon delivery of these 3500 units and related items. This invoice will prominently display the statement "PAYABLE ON COMPLETION OF FORMAL ACCEPTANCE PROCESS."

4.4 County must pay the remaining balance of \$6,229,509.38 to Sequoia no later than August 31, 2004, with no interest.

4.5 With respect to the payment required by section 4.4 only, late payment by County will subject County to late charges at the rate per annum of 1.5% (150 basis points) on the late balance.

5. TIME SCHEDULE

5.1 Sequoia must complete all activities in accordance with the Implementation Schedule contained in Exhibit B.

5.2 It is critically important to County that all activities be completed on a timely basis. If Sequoia anticipates possible delay in completing any activity, it must promptly notify County in writing.

6. SEQUOIA'S OTHER RESPONSIBILITIES

In addition to its other responsibilities stated in this Agreement, Sequoia must:

6.1 Provide services for the November 4, 2003 election, the March 4, 2004 Presidential Primary Election and the November 2, 2004 Presidential Election, as described in Exhibit B.

6.2 Be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services as required by this Agreement. Sequoia must provide all services in accordance with applicable federal, State and local laws and regulations, and in a manner consistent with generally accepted professional and technical standards of the election industry except as otherwise stated in this Agreement.

6.3 Provide all new (not reconditioned) equipment and products that conform with applicable federal, State and local laws and regulations.

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6.4 Assign a Project Manager as stated in Exhibit B. County has the right to approve in advance in writing all Sequoia staff assigned at any time to this project, which approval shall not be unreasonably withheld or delayed. Sequoia's Project Manager must successfully manage the proper performance of Sequoia's obligations as stated in this Agreement. Except in emergency circumstances, Sequoia must not reassign or replace assigned staff without County's prior written consent, which will not be unreasonably withheld or delayed. Sequoia must replace any staff member with an equally qualified person satisfactory to County. County is not be responsible for any costs associated with changes in Sequoia staff.

6.5 Cooperate with County in performing this Agreement; and be available on-site and for consultation with County at reasonable times as requested by County after reasonable advance notice.

6.6 Cooperate with County's periodic review of Sequoia's performance. County may report its comments to Sequoia in writing as needed. County's review or comments (written or otherwise) will not relieve Sequoia of its obligations as stated in this Agreement.

6.7 Comply with all requirements of agencies that provide Proposition 41 funds or Help America Vote (HAVA) funds, or that may provide other funds in the future, to County for any aspect of the Systems.

7. COUNTY'S OTHER RESPONSIBILITIES

In addition to its responsibilities as stated elsewhere in this Agreement, County must:

7.1 Cooperate with Sequoia in performing this Agreement, and be available for consultation with Sequoia at reasonable times as requested by Sequoia after reasonable advance notice.

7.2 Furnish or make available for examination or use by Sequoia, after advance notice by Sequoia, County data (e.g., copies of previously prepared reports, maps, plans, specifications, records, ordinances, codes, or regulations) reasonably necessary for Sequoia's performance of this Agreement. Sequoia must return any original data as provided or requested by County. County must make reasonable efforts to assist Sequoia in obtaining similar data from third parties. Sequoia may rely on this data as being accurate.

7.3 Thoroughly test all future upgrades and enhancements before using the Systems in any election.

8. CHANGES

Except as specifically stated in this Agreement, County personnel have no authority to order or direct any changes to this Agreement. Sequoia must not provide any equipment, services or other items that would cause County to incur additional costs beyond those stated in this Agreement, without the prior approval of County's Board of Supervisors or authorized designee. Failure by Sequoia to secure proper prior written authorization from County for additional equipment, services or other items beyond those specifically stated in this Agreement may be a waiver by Sequoia of any claim for additional compensation

related to such items; and such items may be deemed to be included in the compensation stated in this Agreement.

9. DESIGNATION OF SUBCONTRACTORS

Sequoia must not use subcontractors for work to be completed under this Agreement, except as may be approved in writing in advance at the reasonable discretion of the County Executive or the County Executive's designee. Exhibit G, as completed by Sequoia, reflects Sequoia's present intention not to use subcontractors.

10. PROJECT MANAGEMENT

10.1 Sequoia must provide an on-site Project Manager through December 31, 2003, and 300 hours of in-County Project Manager time during calendar year 2004.

10.2 After initial implementation of the Systems for the November 2003 election, Sequoia must provide 300 hours of on-site project management. This is in addition to the on-site, pre-election, during election and post-election support as defined in Exhibit C, under Annual Recurring Services. County has the right to purchase additional services at \$75 per hour plus travel costs from Oakland to San Jose through December 31, 2005.

10.3 Sequoia must provide the support defined in Exhibit C, under Annual Recurring Services, through September 2008. County has the right to renew these support services for the period October 1, 2008, through September 30, 2014, for an annual fee of \$30,000. Beginning October 1, 2014, the annual fee is subject to price increases of 5% per annum.

11. TRAINING

11.1 Sequoia must provide on-site training for the full system implementation (e.g., operations, testing, acceptance and maintenance of the WinEDS software, AVC Edge Voting system and Sequoia 400-C Optical Scan Ballot Counters, and all other ancillary equipment and software).

11.2 Sequoia must develop the content of poll worker training with County, and provide on-site "train the trainer" training to County staff and on-site poll worker training through December 31, 2004, at dates and times mutually agreed upon by the parties.

11.3 In addition to the "train the trainer" training, Sequoia must provide 340 hours of on-site poll worker training through December 31, 2004. Of the 340 hours, 200 hours must be utilized for on-site poll worker training in 2003 and 140 hours for on-site poll worker training in 2004.

11.4 If all 340 hours of on-site training is not utilized by County by December 2004, County has the right to use the remaining hours in 2005. County also has the right to purchase additional poll worker training services at \$75 per hour plus travel costs from Oakland to San Jose through December 31, 2005.

11.5 Sequoia must provide the WinEDS systems training to 8 County staff members, and the equipment systems training to 5 County staff members, including the AVC Edge and the Sequoia 400-C Optical Scan Ballot Counter.

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12. MEDIA, VOTER EDUCATION AND OUTREACH

12.1 Sequoia must provide 250 hours of support through December 31, 2004, to County to provide communication strategy and support to address the media, voter education and outreach. Details of the Voter Education Deliverables in specified in Exhibit B.

12.2 County has the right to purchase additional services at \$200 per hour through December 31, 2005.

13. TRANSPORTATION OF EQUIPMENT

13.1 All shipments shall be F.O.B. County's facilities. Sequoia will select the carrier, unless otherwise requested in advance by County. Sequoia must ship all items, with insurance and freight prepaid, to the site(s) designated by County. Sequoia's selection of the carrier shall not be deemed as an assumption of additional liability by Sequoia, and the carrier shall not be Sequoia's agent.

13.2 Sequoia must notify County when any equipment or other items are shipped to ensure delivery dates that are mutually agreeable and in accordance with the Implementation Schedule in Exhibit B.

13.3. Title to the equipment shall pass from Sequoia to County upon delivery of equipment inside County's elections facility.

14. DELIVERY SCHEDULE

The delivery schedule for the Systems is detailed in Exhibit B.

15. SYSTEMS INSTALLATION

15.1 Sequoia must install the Systems as described in this Agreement. Sequoia must also provide appropriate training to County staff prior to and subsequent to delivery of the Systems as required by this Agreement.

15.2 For the on-site delivery of Sequoia services and after reasonable advance notice by Sequoia, County must make all necessary arrangements to provide Sequoia personnel with sufficient work space and access to install the equipment and software during normal business hours or at such other times as the parties agree. If it becomes necessary to work outside of normal business hours, County must arrange for appropriate access to buildings or resources that Sequoia personnel may reasonably require.

15.3 The Systems to be delivered shall be new when delivered and in accordance with all specifications as stated in this Agreement, and shall be in the same configuration as has already been certified for these Systems by the federal certifying authority and the State of California.

15.4 During the original and extended warranty periods, County has the right to return defective equipment, materials, or other components of the Systems to Sequoia at no cost to County. Sequoia has the option to take delivery of these items in Santa Clara County. Items will be either replaced or repaired, at Sequoia's option, and returned to County

without charge as soon as reasonably possible and in no event later than 14 days before an election. Repaired or replaced items will be subject to acceptance testing as provided in this Agreement.

16. ACCEPTANCE TESTING

16.1 Sequoia will test the Systems, including but not limited to logic and accuracy, at the manufacturer's facility prior to delivery to County. After delivery to County, verification of the Systems functions will be done according to the acceptance testing requirements as stated on Exhibit B. If actual delivery of equipment does not vary significantly from the schedule stated in this Agreement, County shall complete acceptance testing for each AVC Edge electronic voting device, Sequoia 400-C Optical Scan Ballot Counter and all related equipment and software within 15 days after receipt of each shipment. If actual delivery of equipment does not vary significantly from the delivery schedule stated in this Agreement, County's failure to notify Sequoia of non-acceptance within such 15 day period shall be deemed acceptance by County. Sequoia must perform the acceptance testing procedures to the extent County so requests, provided County notifies Sequoia at least 30 days in advance of scheduled delivery.

16.2 County must notify Sequoia in writing when acceptance testing has been completed. County must identify in writing any functions that have not performed correctly. Sequoia must repair or replace any unaccepted or defective component within 15 working days after notification. County must test the corrections within 10 working days of receipt. The failure of County to notify Sequoia of non-acceptance of replacement or repaired components within such 10 working day period shall be deemed acceptance by County.

16.3 Sequoia has the right, upon advance written notice to County, to have its own personnel or representative present to observe or assist with acceptance testing at County's site to assure conformance with established testing procedures.

17. SOFTWARE LICENSE AND MAINTENANCE FEE

17.1 Sequoia grants to County a non-exclusive right to the WinEDS Election Management Software provided by Sequoia in relation to the AVC Edge Touch Screen Voting System, the 400-C Optical Scan Ballot Counter, and related ancillary products, on the terms stated in Exhibit D. This right is non-transferable except to the extent that County exercises the rights stated in section 34.2 of this Agreement.

17.2 Sequoia waives its usual annual license and maintenance fee for the WinEDS Election Management Software through September 2008.

17.3 From October 1, 2008, through September 30, 2013, the annual fee for license and maintenance is \$52,500 plus tax, if any.

17.4 Beginning October 1, 2013, the annual fee for license and maintenance is \$72,500 plus tax, if any.

17.5 Beginning October 1, 2014, the annual license and maintenance fee is subject to price increases limited to 5% per annum.

17.6 The annual license and maintenance fee includes upgrades to the software furnished

by Sequoia under this Agreement at no additional cost, but County has discretion whether to implement upgrades. Sequoia must ensure that software upgrades are in compliance with federal certifying authority and California Secretary of State certification. County is responsible for testing these upgrades to ensure compliance with County's requirements.

18. ACCESS TO SOFTWARE SOURCE CODE

Sequoia must continuously maintain an escrow agreement covering software source code for the AVC Edge Touch screen Voting System and the Sequoia 400-C Optical Scan Ballot Counter System as described in Exhibit H.

19. ORIGINAL WARRANTY

19.1 The warranty period to which this section 19 applies is from the effective date of this Agreement until 1 year after County acceptance (as defined in section 16 and Exhibit B), or through September 2004, whichever is later (the "Warranty Period").

19.2 Sequoia warrants that the Systems equipment and products will operate materially in accordance with the specifications set forth in this Agreement and be free of defects in material or workmanship.

19.3 Sequoia warrants that the Systems equipment and products will operate according to all express requirements of this Agreement and all documentation provided by Sequoia.

19.4 Sequoia warrants that the Systems will conform to all applicable federal, State and local statutes, codes, ordinances, resolutions and other regulations, as the same exist on the date of this Agreement, and will be fit for the sole purpose of properly conducting all federal, State and local government elections.

19.5 Sequoia must correct any failure of the Systems to comply with the warranties set forth in section 19.2 through 19.4 (collectively, the "Warranties") as reasonably identified by County. Subject to the limitations and other provisions of this Agreement, Sequoia is responsible for any direct damages, cost or expenses caused by or resulting from any failure of the Systems to comply with the Warranties. Permitted or required approval by County does not relieve Sequoia of its obligations except as otherwise specified in this Agreement.

19.6 The Warranties do not cover damage, defects, malfunctions or failure caused by: (1) failure by County to materially follow Sequoia's installation, operation, or maintenance instructions or its failure to materially fulfill its obligations under this Agreement; (2) County's modification of the Systems; (3) County's abuse, misuse, or negligent acts; or (4) lightning, fire, flood, accident, actions of third parties not under the reasonable control of Sequoia, or other events outside Sequoia's reasonable control. Any acts or omissions of Sequoia's principals, officers, employees, agents, subcontractors, consultants, vendors or suppliers are expressly recognized to be within Sequoia's control.

19.7 Sequoia is not required to repair or replace:

19.7.1 Paper, seals, or keys;

19.7.2 Products that have been repaired or altered by persons other than

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those expressly approved in writing by Sequoia;

- 19.7.3 Products from which serial numbers have been removed, defaced or changed;
- 19.7.4 Products damaged as a result of accident, disaster, theft, vandalism, neglect, abuse or use of any product for a purpose other than the purpose for which it is designed, or use not in accordance with instructions furnished by Sequoia;
- 19.7.5 Products that have been subjected to undue physical, mechanical or electrical stress or alteration, or any conversion by persons other than those expressly approved in writing by Sequoia.

19.8 The express warranties set forth in sections 19.2 through 19.4, and any extended warranties expressly described in section 20 of this Agreement, are in lieu of all other warranties, express or implied, statutory or otherwise, including but not limited to any warranty of fitness for a particular purpose, warranty of merchantability, satisfactory quality, usefulness or timeliness. The remedies expressly set forth in this section 19 are the sole and exclusive remedies available to County for breach of any such warranties. This section 19.8 is not intended to impair County rights under section 31 (Performance Bond).

19.9 County acknowledges that Sequoia software may contain materials provided by other developers. Sequoia makes no warranty or representation whatsoever as to those materials not prepared by Sequoia contained in the software.

19.10 With respect to claims arising from breach of this original warranty by Sequoia, Sequoia shall not be liable to County for any loss of profits, loss of business, loss of data, loss of use or any other indirect, incidental special or consequential loss or damage whatsoever, whether in an action in contract, negligence or other tort, even if the parties or their representatives have been advised of the possibility of such damages. This limitation does not affect Sequoia's liability under section 31 of this Agreement.

20. EXTENDED WARRANTY

20.1 Sequoia must provide an extended warranty, as stated in Exhibits C1 and C2, for the AVC Edge voting machines, Sequoia 400-C Optical Scan Ballot Counters and the Card Activators at no additional cost between the end of the Warranty Period specified in section 19.1 and September 30, 2008.

20.2 County has the right to purchase this extended warranty for the AVC Edge voting machines:

- 20.2.1 From October 1, 2008, through September 30, 2013, for \$412,500 per year (or \$75 per unit, whichever is less).
- 20.2.2 Beginning October 1, 2013, for \$440,000 per year (or \$80 per unit, whichever is less).

20.2.3 Beginning October 1, 2014, price increases are limited to 5% per annum.

20.3 County has the right to purchase this extended warranty for the Card Activators:

20.3.1 From October 1, 2008, through September 30, 2014, for \$25,000 per year (or \$20 per unit, whichever is less).

20.3.2 Beginning October 1, 2014, price increases are limited to 5% per annum.

20.4 County has the right to purchase this extended warranty for the 400-C Optical Scan Ballot Counters:

20.4.1 From October 1, 2008, through September 30, 2014, for \$15,000 per year (or \$5000 per unit, whichever is less).

20.4.2 Beginning October 1, 2014, price increases are limited to 5% per annum.

20.5 Upgrades are only required and performed to provide enhancements to the firmware or improved functionality, conform to new State laws (provided they do not fundamentally change the nature or functionality of the Systems), or comply with other provisions of this Agreement.

21. CONSUMABLES

In accordance with sections 32 and 33, Sequoia must provide either the Voter Verified Paper Record (VVPR) printers or the onboard printers. Depending on which printers are provided, Sequoia must provide the printer paper rolls at no additional charge to County for a period of 3 years from the effective date of this Agreement.

22. CARTRIDGE READERS, ADDITIONAL RESULT CARTRIDGES AND THE AVC EDGE VOTING SYSTEMS

22.1. If Sequoia develops a new multiple-rack cartridge reader/writer solution, County has the right to purchase these new cartridges at 20% discount off list price.

22.2 The additional result cartridges provided by Sequoia to County will have 128MB of memory. If County requires additional memory for early voting, Sequoia must provide 50 result cartridge jackets at no additional cost to the County.

22.3 Sequoia must provide 150 of the AVC Edge Voting Systems with 256MB memory result cartridges.

23. VOTER CARD ENHANCEMENT

Sequoia must work with County to provide a certified voter card to assist blind or sight impaired voters with the ability to insert the voter card accurately and easily in the AVC Edge Voting system.

24. ASSET INVENTORY TRACKING DATABASE

Sequoia will assist County in County's development of its Asset Inventory Tracking

Database. Sequoia will provide the barcodes on the Systems at no additional cost to County.

25. GUARANTEE OF SUPPORT

Sequoia must provide County with extended warranty and support for the equipment and software at no additional cost to County through September 2008. Thereafter, Sequoia must provide extended warranty and support for the equipment and software for up to 20 years from the effective date of this Agreement, provided County continues uninterrupted payment for the extended warranty and support.

26. DOCUMENTATION

26.1 Sequoia must provide to County, federal authorities, and the California Secretary of State all necessary documentation to meet all State of California certification requirements for all upgrades to the Systems for the term of this Agreement and through 2023. Sequoia must provide this documentation as stated in Exhibit B, including, but not limited to, a user guide or training manual, maintenance manual and system documentation.

26.2 Sequoia must amend all documentation to indicate changes in hardware and software made after the System is certified ready to use and all documentation shall be delivered to County in proper form prior to payment.

27. PROVISIONAL BALLOT

Sequoia must take all commercially reasonable steps to ensure that the electronic Provisional Ballot is certified by the federal certifying authority and the California Secretary of State by July 31, 2003. Sequoia will not be held responsible for any failure to timely certify that is caused by factors beyond Sequoia's reasonable control.

28. INSTANT RUNOFF VOTING

Following direction and certification from the California Secretary of State, Sequoia must provide the all necessary computer software for instant runoff election capability within a reasonable time to be agreed by the parties. If instant runoff voting is authorized in the State of California and required by County, Sequoia must develop and certify an upgrade within a reasonable time to be agreed by the parties.

29. TERMINATION

29.1 Subject to section 35.3 of this Agreement, either party has the right to terminate this Agreement if the other party substantially fails to fulfill its obligations under this Agreement through no fault of the terminating party. A party desiring to exercise this right of termination must first give the other party not less than 30 days advance written, and an opportunity to cure such failure(s) within 30 days. Sequoia has no right to give notice of termination and opportunity to cure within any 30-day period immediately before an election.

29.2 If this Agreement is terminated, County must pay to Sequoia all undisputed amounts due to Sequoia under this Agreement for the period prior to the date of termination. Upon receipt of a termination notice from County, and payment by County to Sequoia of

all undisputed amounts owing to Sequoia under this Agreement, Sequoia shall deliver or otherwise make available to the County all deliverables as required under this Agreement.

30. INSURANCE

Sequoia must provide County with certificates of insurance as stated in Exhibit E. If Sequoia fails to maintain any of the required insurance coverage, the County has the right to declare Sequoia in breach. The insurance requirements stated in Exhibit E do not relieve Sequoia of its responsibilities as otherwise stated in this Agreement or applicable law.

31. PERFORMANCE BOND

31.1 Sequoia must deliver to County a performance bond duly executed by a reputable surety company reasonably satisfactory to County, and Sequoia must pay all premiums and related costs. Sequoia and the surety must sign the bond. Exhibit F is the form of performance bond that Sequoia must provide. The bond will be issued by an insurance company that is either a California Admitted Surety or a current Treasury Listed Surety (Federal Register), and is either a current A.M. Best A IV rated surety or has a current Standard and Poors rating of A.

31.2 The performance bond will be in an amount of 100% percent of the Agreement price. It will ensure Sequoia's faithful performance of this Agreement, and will, subject to section 31.3 below, be adequate to provide all funds needed for County to pay for equipment, staff, extra help and overtime, to complete any affected election and obtain vote certification by the Secretary of State within the time required by law.

31.3 Subject to section 35.3 of this Agreement, the performance bond shall provide for the immediate release of funds to County upon notice of a material breach of this Agreement by Sequoia, which breach has not been cured within 15-day notice and cure periods according to the process otherwise set forth in section 29, County need not file a legal action to avail itself of bond proceeds. County may draw upon the performance bond only to the extent required to reimburse County for the actual, direct and reasonable costs incurred by County in procuring from alternate suppliers goods and services necessary to replace the functionality of those that Sequoia is obligated to provide to County under this Agreement and that have not been provided due to Sequoia's breach of this Agreement. The amounts to be paid to County under the performance bond are subject to the limitations of section 35.14 (Limitation on Sequoia's Liability).

31.4 The performance bond must be in effect until the Systems are fully installed and accepted by County in accordance with this Agreement, and the March 2004 voting cycle is completed and the vote certified by the Secretary of State, or until April 15, 2004, whichever is earlier. The bond shall provide that it cannot be cancelled by the bonding company for any reason except upon 30 days written notice to County of the bonding company's intent to cancel. If the bonding company gives this notice, Sequoia must immediately, and in no event later than 15 days after this notice, provide a replacement bond acceptable to County or an alternative performance security approved by County.

31.5 Sequoia's failure to satisfy this section 31 during the term of this Agreement may be deemed a material breach of this Agreement. If County reasonably deems any surety or sureties unsatisfactory at any time, County must notify Sequoia and Sequoia must

substitute a new surety or sureties satisfactory to County as soon as reasonably possible. County need not make further payments on this Agreement until Sequoia tenders and County accepts a substitute surety or sureties. County shall act reasonably in determining the acceptability of the performance bond and issuing surety.

32. VOTER VERIFIED PAPER RECORD PILOTS

32.1 If required by County, County and Sequoia will undertake a local Voter Verified Paper Record (VVPR) Pilot/random validation count for the November 4, 2003 election, and for the March 2, 2004 election. County must submit the proposal for these Pilots to the Secretary of State for necessary authorizations. If County exercises this local option, Sequoia must provide County with 75 VVPR units for 15 precincts for the November 4, 2003 Pilot, and an additional 75 VVPR units, so that 30 precincts will be accommodated for the March 2004 Pilot.

32.2 Sequoia must work with County to develop the process, and to implement and train County staff to conduct the two Pilots. Sequoia must provide 1 in-County technician to respond to any significant problems that may occur with the printing capabilities in the precincts.

32.3 During these two elections, the Pilots will enable voters to generate a voter verified paper record of their votes cast at the time they vote.

33. VOTER VERIFIED PAPER RECORD

33.1 If a Voter Verified Paper Record (VVPR) method is mandated by the California Secretary of State or federal government, or allowed by the Secretary of State on a local option basis that County elects to implement, within 6 to 12 months after certification by the Secretary of State Sequoia must provide:

33.1.1 5500 VVPR devices to County at no additional cost.

33.1.2 A test and deployment plan, revised procedures, and revised training materials for the various levels of trainees (systems administrator, ROV supervisors, and poll workers) for the VVPR devices and procedures, including maintenance, election preparation, and election day operations procedures. County must review and approve or define required changes to Sequoia's proposed tests and procedures. Within 15 days Sequoia must modify the proposed tests, procedures, and training materials as appropriate to conform to County changes. County must perform acceptance tests on these devices in conformance with the approved test plan and report failed devices back to Sequoia using a process similar to that described for the DRE voting machines.

33.1.3 Materials that specifically define the steps required to integrate the VVPR units with the DRE machine, both physically, electrically, and electronically, and these procedures must be simple and straightforward.

33.1.4 All VVPR units in conformance with the multi-language capabilities required for the DRE equipment, as well as any mandates of the Secretary of State. If the necessary technology is not available in the industry at the time Sequoia is required to comply with this section 33.1.4, Sequoia may delay compliance until

such technology becomes available and is in use in the industry.

33.1.5 A mutually agreed number of technical resources to County to respond to problems that may occur during the first election using VVPR equipment as an official voting method.

33.2 If the VVPR method is not mandated by the California Secretary of State or federal government, and any permitted local option is not exercised by County, Sequoia must provide County with, and install, all 5500 onboard printers instead of VVPR units, at no additional cost.

34. RIGHTS TO SELL

34.1 County has the right to upgrade to new equipment provided by Sequoia at additional cost. If County exercises this right, it has both of the following rights:

34.1.1 To sell any or all of the equipment provided under this Agreement ("Legacy Equipment") to any government agency. Sequoia must identify any potential customers known to Sequoia for County.

34.1.2 To transfer to the government agency all of its rights under this Agreement to software licenses and maintenance and support of software, and the Legacy Equipment, if the third party agrees with Sequoia to implement a voting system on terms (including limitations on rights to software licenses and maintenance and support of software) acceptable to Sequoia and such third party executes an assumption agreement and other agreements as may be required by Sequoia.

34.2 At any time during the term of this Agreement, at County's option, Sequoia must use its reasonable best efforts to assist County in selling its Legacy Equipment and achieving fair market, residual value as determined by the marketplace to be applied to the purchase price of any new Sequoia voting systems.

34.3 The intent of this section is to prevent any impairment of County's ability to realize fair market value for its Legacy Equipment on the used equipment market. Sequoia must not unreasonably withhold its consent to a voting system implementation agreement with the government entity. Sequoia does not guarantee or represent the value or salability of the Legacy Equipment.

35. OTHER PROVISIONS

35.1 Compliance with Election Regulations: Sequoia, including its officers, employees and agents, must maintain all licenses and certifications required by the State of California or other jurisdictions material to this Agreement at all times while performing services under this Agreement. This project is subject to all applicable election laws, rules and regulations.

35.2 Patent Indemnity:

35.2.1 VVPR units only: If Sequoia provides VVPR units under section 33 of this Agreement, the parties must promptly negotiate in good faith to determine Sequoia's patent indemnity obligations that are as similar as

reasonably possible to those set forth in section 35.3.2 below.

- 35.2.2 All other items: Sequoia must not provide County with a product or design that violates or infringes any United States copyright or any registered United States patent, trade secret or other intellectual property right of a third party. If County promptly notifies Sequoia in writing of any third party claim against County that any software or other item provided to County by Sequoia infringes any such rights, Sequoia must indemnify, defend and hold County harmless against these claims. Sequoia shall have exclusive control over the conduct, compromise and settlement of all such claims. But Sequoia need not indemnify County to the extent the alleged infringement is caused by (1) modification of the software or item by County or any third party not expressly authorized by Sequoia in writing; (2) use of the software or item other than in accordance with the documentation or this Agreement; (3) County's failure to use acceptable non-infringing corrections or enhancements made available by Sequoia; or (4) information, specifications or materials provided by County or any third party. If any software or other item is, or in Sequoia's reasonable opinion is likely to be, held to be infringing, Sequoia must, at its expense and option and to the extent commercially feasible: (1) procure the right for County to continue using it; or (2) replace or modify it so that it becomes non-infringing while giving equivalent performance.

35.3 Mandatory Dispute Resolution Procedure: County and Sequoia must make a good faith effort to resolve any dispute or problem relating to or arising under this Agreement. Within 10 business days after written notice of a dispute or a problem sent by either party, Sequoia's Vice President of Operations and County's Project Manager will meet to discuss the issue involved. If the dispute or problem is not resolved within 7 business days of this meeting, Sequoia's President and County's Registrar of Voters will meet directly and attempt to resolve the dispute or problem. Other meetings will follow as necessary or as requested by either party, provided, however, that this section 35.3 is not intended to limit or restrict the rights of either party to seek any judicial remedy.

35.4 Indemnification: Sequoia's duty to indemnify County is stated in Exhibit E.

35.5 Contracting Principles: This Agreement is a Type I service contract, subject to the Resolution of Contracting Principles adopted by the Board of Supervisors on October 28, 1997. Accordingly, Sequoia must:

35.5.1 Comply with all applicable federal, state, and local rules, regulations, and laws during the term of this Agreement.

35.5.2 Maintain records of its operations under this Agreement. These records must be maintained during the term of this Agreement and for a period of three (3) years from termination of this Agreement or until all claims, if any, have been resolved, whichever period is longer, or longer if otherwise required under other provision of this Agreement.

Failure by Sequoia to comply with this section may be considered a material breach of this Agreement and may, at County's option, constitute grounds for termination and/or non-

renewal of this Agreement. County must give Sequoia reasonable notice of any intended termination or non-renewal on the grounds of noncompliance with this section, and the opportunity to respond and discuss County's intended action.

35.6 Nondiscrimination: Sequoia must comply with all applicable Federal, State, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Sequoia must not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Sequoia must not discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

35.7 Confidential Information: Sequoia and County must keep confidential all information, including, without limitation, voter records, obtained in performing this Agreement as required by State, federal or local laws or regulations.

35.7.1 Information that either party may acquire from the other in conjunction with this Agreement or the products or services provided by Sequoia hereunder are considered "Confidential Information," if so marked or identified, or if its confidential nature is reasonably apparent. Sequoia must not use this Confidential Information except to provide services to County, and will not disclose or transfer this Confidential Information to others, except to Sequoia's employees who reasonably require it for purposes of this Agreement and who agree to maintain its confidentiality. County will not disclose Confidential Information of Sequoia to any third party (except to employees of County having a need to know or where disclosure is required by applicable law, and then on not less than 10 days prior written notice to Sequoia. Each party must safeguard all Confidential Information in its possession. However, neither party is prevented from using or disclosing information that:

35.7.1.1 The receiving party can demonstrate by written records was known to that party before the date of disclosure hereunder;

35.7.1.2 At the time of disclosure was in the public domain;

35.7.1.3 Becomes part of the public domain, except by breach of this Agreement;

35.7.1.4 Is lawfully disclosed to the receiving party on a non-confidential basis by a third party who is not obligated to any other party to retain the information in confidence; or

35.7.1.5 Is used or disclosed with the disclosing party's prior written

approval.

35.7.2 Sequoia must not improperly disclose any information to County that is the proprietary property of a third party. But if Sequoia does so, it must hold County and its contractors harmless and indemnify them against all claims, damages and costs as a result of County's use or disclosure of this third party information in accordance with the procedures stated in section 35.2.

35.8 Notices: All notices required by this Agreement will be deemed given when in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing in accordance with this section:

To Sequoia: Sequoia Voting Systems
7677 Oakport Street, Suite 800
Oakland, CA 94621
Attn: President

To County: County of Santa Clara/Registrar of Voters
1555 Berger Drive
San Jose, CA 95112

35.9 Governing Law: This Agreement has been executed and delivered in, and will be construed and enforced in accordance with, the laws of the State of California. The venue for legal action regarding this Agreement shall be in the County of Santa Clara.

35.10 Assignment: Except as stated in section 34 of this Agreement, any attempt by a party to assign or otherwise transfer any interest in this Agreement without the prior written consent of the other party is void. Any subsequent owner of Sequoia must fulfill all the obligations of Sequoia as stated in this Agreement

35.11 Relationship of Parties: Sequoia must perform all work and services as an independent contractor and not as an officer, agent, servant or employee of County. No provision of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties except that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the right to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as explicitly stated herein.

35.12 Employees: County shall not solicit for employment, whether directly or indirectly, employ, engage or contract during the term of this Agreement or within a period of 2 years thereafter, for work on voting and election matters, any person who is employed or contracted by Sequoia during the duration of this Agreement. If a person who is employed or contracted by Sequoia seeks to be employed or contracted by County prior to the expiration of said 2-year period, County shall promptly advise Sequoia in writing. County agrees that the restrictions set forth in this section 37 are fair and reasonable and are in addition to and not in substitution for any similar restrictions in any other agreements between the parties.

35.13 Non-Appropriation: If funds are not appropriated in any fiscal year for payments by County under this Agreement, and are not appropriated for the cost of other Systems performing substantially the same function that would replace the Systems hereunder, County has the right to terminate this Agreement without penalty on or before September 30th of such fiscal year by giving 30 days written notice. County administration must make every reasonable effort including, but not limited to, requesting budget funds to be appropriated in order to avoid termination of this Agreement. Upon termination of this Agreement under this section, Sequoia has the right to recover any and all amounts then due or accrued.

35.14 Limitation on Sequoia's Liability: Sequoia's total aggregate liability to County for any loss, damage, costs or expenses under or in connection with the Agreement howsoever arising, including without limitation loss, damage, costs or expenses caused by breach of contract, negligence, strict liability, breach of statutory or any other duty shall not exceed:

35.14.1 During the time the performance bond required by section 31 remains outstanding, the amount of the performance bond.

35.14.2 Once the performance bond is no longer outstanding, the sum of \$4.6 million.

35.14.3 Sequoia shall not be liable to County for any loss of profits, loss of business, loss of data, loss of use or any other indirect, incidental, special or consequential loss or damage whatsoever, howsoever arising, whether in an action in contract, negligence or other tort, even if Sequoia or its representatives have been advised of the possibility of such damages. Costs to the County for conducting an election, or the process necessary to solicit and engage a new election services provider, are not limited by this section 35.14.3.

35.15 No Third Party Beneficiaries: Except as specified in section 34.2 of this Agreement, this Agreement is not intended and will not be construed to create any rights in third parties.

35.16 Titles and Headings: The titles and headings of sections, subsections and Exhibits are for convenience only and are not intended to affect the proper construction of this Agreement.

35.17 Construction: This Agreement was drafted jointly by the parties. They intend that any legal principle favoring construction of language for or against the drafter in case of dispute does not apply to this Agreement

35.18 Entire Agreement: This Agreement, including its attached exhibits, constitutes the entire agreement between County and Sequoia relating to the subject matter of this Agreement. It supersedes any oral or written negotiations. This Agreement is modifiable only by a written document signed by both parties.

35.19 Severability: If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect its validity or enforceability.

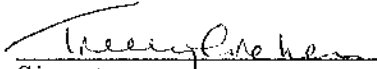
TC

35.20 Waiver: No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing, and shall apply only to the specific instance expressly stated.

Therefore the parties, through their duly authorized representatives, have executed this Agreement on the dates shown below:

SEQUOIA VOTING SYSTEMS, INC.

COUNTY OF SANTA CLARA


Signature

TRACEY GRAHAM
Name (Print)

PRESIDENT
Title

Date: April 12th, 2003

Signature

Blanca Alvarado, Chairperson
Board of Supervisors

Date: _____

ATTEST:

Phyllis A. Perez, Clerk
Board of Supervisors

APPROVED AS TO FORM &
LEGALITY:


Ann Miller Ravel, County Counsel

Te

EXHIBIT A

Hardware, Software and Support Services Compensation Plan

Exhibit A
Hardware, Software and Support Services
Compensation Plan

A	Hardware	Unit Price	Quantity	Cost	Total Cost
1	AVC Edge DRE Touch Screen Units	\$3,150	5500	\$17,325,000	
2	Audio Voting Hand Control and Headset	\$250	1250	\$312,500	
3	Card Activators	\$700	1250	\$875,000	
4	Sequoia 400-C Absentee Counter	\$75,000	3	\$225,000	
5	Manual Cartridge Readers	\$1,000	30	\$30,000	
6	WinEDS Primary and Backup Servers	\$25,000	2	\$50,000	
7	Desktop Workstations	\$2,000	5	\$10,000	
8	Laptops	\$3,000	25	\$75,000	
	Total Hardware Costs				\$18,902,500

B	Software	Unit Price	Quantity	Cost	Total Cost
9	Windows NT Election Database (WinEDS)			\$485,000	
10	Software needed for Sequoia 400-C Ballot Tabulation, Ballot Printing & WinEDS Connectivity			\$75,000	
	Total Software Costs				\$560,000

C	Software Integration - DFM Interface with WinEDS			Included	
D	Implementation including training			Included	
E	Maintenance - First Year of Warranty			Included	
F	DFM Replacement				
G	Technical Support - First Year Tech Support			Included	

H	Other Ancillary Costs	Unit Price	Quantity	Cost	Total Cost
11	Vote Simulation Cartridges	\$100	300	\$30,000	
12	Additional Results Cartridges with 128MB	\$100	300	\$30,000	
13	AVC Edge Transportation Carts	\$400	1125	\$450,000	
14	External Battery Packs	\$200	200	\$40,000	
	Total Other Ancillary Costs				\$550,000

I	Other Costs	Unit Price	Quantity	Cost	Total Cost
15	Activation Cards (25 Per Card Activator)	\$3.10	31250	\$96,875	
16	AVC Edge Covers/Wheels and Handles	\$150	200	\$30,000	
17	Spare Parts, Tools and Supplies Inventory		LOT	\$50,000	
18	Cartridge Trays	\$25	175	\$4,375	
	Total Other Costs				\$181,250

	Total A through I Costs				\$20,193,750.00
	Discount				-\$2,730,000.00
	Subtotal				\$17,463,750.00
	Sales Tax @ 8.25%				\$1,440,759.38
	Total Costs (FSI Turnkey Solution)				\$18,904,509.38

TR

Exhibit A
Hardware, Software and Support Services
Compensation Plan

J	Annual Recurring Services		Quantity	Cost
19	Onsite pre, during and post election support years 2 - 5		LOT	Included
20	AVC Edge Extended Warranty for years 2-5		5500	Included
21	Sequoia 400-C Absentee Counter Extended Warranty - years 2 - 5		3	Included
22	Card Activator Extended Warranty - years 2-5		1250	Included
23	WinEDS Software Annual License Fees - years 2 - 5			Included
K	Training - Poll Worker, Voter Education & Project Management			
24	Additional 300 hours on-site Project Mgmt through 12/31/04			Included
25	Additional 340 hours on-site poll worker training through 12/31/04			Included
26	Additional 250 hours Media, Voter Education Support through 12/31/04			Included
L	Hardware and Consumables			
27	50 Result Cartridge Jackets for the Additional Result Cartridges			Included
28	Upgrade 150 AVC Edge Voting Machines with 256MB memory			Included
29	1500 Onboard Printers for November 2003 Election			Included
30	4000 Onboard Printers (optional) if County does not want the Voter Verified Paper Record Units OR 5500 Voter Verified Paper Record Units			Included
31	Printer paper rolls for 3 years from effective date of Agreement			Included
M	Voter Verified Paper Record Pilots			
32	Develop process, implement, train staff and conduct the two Pilots for the November 2003 and March 2004 elections			Included

Compensation Agreement:

Refer to section 4 - Compensation and Payment in the Agreement.

EXHIBIT B

Statement of Work

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 - 4.2 AVC Edge® Acceptance Testing
 - 4.3 Maintenance and Diagnostic Testing
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 - 5.3 Cartridge Programming and Testing
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 - 6.2 Under-Voting
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 - 6.4 Instant Runoff Voting
 - 6.5 Provisional Voting
 - 6.6 Emergency Plan, Disaster Recovery Plan and Checklists
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 - 7.2 Poll Worker Training
- 8. Media, Voter Education and Outreach**

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10.	Transportation Planning
11.	Post-Election Debriefing, Staff Discussion, and Evaluation
Exhibit B-1	Product Description ‘SimGenerator’ Software Simulation Scripting Tool
Exhibit B-2	Santa Clara County Touch-Screen Voter Education Deliverables
Exhibit B-3	Sequoia Voter Education Deliverables
Exhibit B-4	List of Spare Parts Provided by Sequoia
Exhibit B-5	Hardware Specifications

1. INTRODUCTION

The goal of this project is for Sequoia to provide a direct recording electronic voting system to County for use by the County Registrar of Voters. The County's objective is to implement a high-quality, efficient and cost-effective system that will deliver accurate, error-free and rapid results for all elections. The Statement of Work (SOW) is developed by both parties to implement the system, provide project management, training and support for a successful implementation.

2. PROJECT MANAGEMENT

2.1 Phase I

Phase I will be during the full system implementation of the Sequoia for the November 4, 2003 Election. Sequoia's Project Manager will be dedicated entirely to this project and will be required to be on-site and full-time (consistent to the departments work hours) and available commencing when the contract is signed through December 15, 2003. Sequoia's Project Manager will be responsible for meeting all milestones and project tasks performed as scheduled.

Along with the County's Project Manager, Sequoia's Project Manager will assist in coordinating the County work including the planning, communication and direction of the systems implementation. Sequoia's Project Manager shall be responsible for providing the direction, expertise and leadership for the project planning of all tasks required for the successful implementation of the DRE voting systems project through a single Project Manager. The completion of these tasks shall be cooperatively managed by Sequoia's Project Manager and the County's Project Manager.

The County's Project Manager and Sequoia's Project Manager will meet weekly, and include other team members as appropriate. The meeting will be a forum to discuss and manage the project's progress, which will include tracking milestones (completed or missed), resources expended, evaluating the status of issues and identifying any actions needed to meet deadlines. The County's Project Manager will document items discussed and distribute the minutes to designated team members.

Sequoia's Project Manager is the key project person, identifying specific Sequoia personnel for the Project. Sequoia's Project Manager will be the primary contact for all project change requests.

2.2 Phase II

Phase II of Project Management will be for the remainder of the first two years of the contract. Sequoia shall provide on-site support for the November 2003 Election; including, but not limited to: any troubleshooting that may be needed due to newly

installed hardware/software; on-site installation; on-site acceptance testing to prepare and test the equipment's function before every election; logic and accuracy testing to test/prepare the systems to demonstrate that the hardware and software being used for the Election is accurate; and field support on Election Day and Night.

After initial implementation of the Systems for the November 2003 election, Sequoia must provide 300 hours of on-site project management. This is in addition to the on-site, pre-election, during election and post-election support as defined in Exhibit C, under Annual Recurring Services. County has the right to purchase additional services at \$75 per hour plus travel costs from Oakland to San Jose through December 31, 2005.

3. IMPLEMENTATION PLAN AND SCHEDULE

3.1 Implementation Plan

Sequoia's Project Manager and County's Project Manager shall provide an Implementation Plan specifying the details on all tasks necessary to successfully complete the DRE project. Each task identified will include a start and end date and the responsible parties involved. The Implementation Plan will include, but will not be limited to, a detailed Implementation Project Plan, which includes product delivery with implementation dates, System Acceptance Testing Plan, a Training Plan specifying training dates and curriculum to parties requiring training, as well as a Communication Plan. As may be required, the implementation plan may be amended upon mutual agreement between the County and Sequoia. See the following pages for the Implementation Plan.

EXHIBIT B
STATEMENT OF WORK

3.2 Implementation Schedule

No.	Task Name	Start	Finish	Resource Name
1	Board of Supervisor's Approve DRE Contract	4/29/2003	4/29/2003	County/Sequoia
2	Sequoia Project Manager On-Site	4/30/2003	12/15/2003	Sequoia
3	Warehouse Modifications	4/30/2003	6/23/2003	County
4	Site preparation for Computer Room and Warehouse	4/30/2003	5/30/2003	County
5	Establish Joint County & Sequoia Implementation Team	4/30/2003	5/2/2003	County/Sequoia
6	Members of the Joint County/Sequoia Implementation Team appointed	4/30/2003	4/30/2003	County/Sequoia
7	Fully Analyze Jurisdictional Requirements	4/30/2003	5/2/2003	County/Sequoia
8	Analyze and Establish Report Requirements including Electronic Exports	4/30/2003	5/30/2003	County/Sequoia
9	Obtain all Report Samples	4/30/2003	5/2/2003	County/Sequoia
10	Establish Critical Timeline & Project Plan	4/30/2003	5/15/2003	County/Sequoia
11	Specify and Order Hardware, Software and Supplies for the DRE & Absentee System	5/1/2003	5/2/2003	County/Sequoia
12	Create Media & Voter Education & Outreach Plan	5/1/2003	12/11/2003	County/Sequoia
13	<i>Planning for Ballot Layout, Sample Ballots & Absentee Ballots.</i>	5/1/2003	6/13/2003	County/Sequoia
14	<i>Determine & Create Outreach Materials, Guides (including Q&A) and Posters</i>	5/1/2003	6/13/2003	County/Sequoia
15	<i>Create PSA Regarding New System</i>	5/1/2003	6/13/2003	County/Sequoia
16	<i>Create a Standard Public Relations Plan</i>	5/1/2003	5/21/2003	County/Sequoia
17	<i>Create Public Awareness PowerPoint Presentation</i>	5/1/2003	6/13/2003	County/Sequoia
18	<i>Develop a Media Guide</i>	5/1/2003	6/12/2003	County/Sequoia
19	<i>Develop Voter Education Program</i>	5/1/2003	5/7/2003	County/Sequoia
20	<i>Ongoing meetings with Disabled Organizations and Other Community Groups, Media, etc</i>	5/1/2003	12/11/2003	County/Sequoia
21	Schedule The County's Staff Training	5/5/2003	5/9/2003	County/Sequoia
22	Begin Contract RFP/RFQ Process for Printing, Translation Services and Official Ballot. Current Contract expires 6/30/03 (DDD 7wks)	5/5/2003	6/30/2003	County
23	Manufacture of DRE units week; 250 + Units the first Week and 500 + Thereafter, Total 5,500 units.	5/5/2003	9/8/2003	Sequoia
24	Manufacture 250+units/week 1	5/5/2003	6/30/2003	Sequoia
25	Manufacture 500+ units/week 2	5/12/2003	7/7/2003	Sequoia
26	Manufacture 500+ units/week 3	5/19/2003	7/14/2003	Sequoia
27	Manufacture 500+ units/week 4	5/27/2003	7/21/2003	Sequoia
28	Manufacture 500+ units/week 5	6/2/2003	7/28/2003	Sequoia
29	Manufacture 500+ units/week 6	6/9/2003	8/4/2003	Sequoia
30	Manufacture 500+ units/week 7	6/16/2003	8/11/2003	Sequoia
31	Manufacture 500+ units/week 8	6/23/2003	8/18/2003	Sequoia

EXHIBIT B
STATEMENT OF WORK

32	Manufacture 500+ units/week 9	6/30/2003	8/25/2003	Sequoia
33	Manufacture 500+ units/week 10	7/7/2003	9/2/2003	Sequoia
34	Manufacture 500+ units/week 11	7/14/2003	9/8/2003	Sequoia
35	Create County Jurisdictional Information	5/5/2003	6/17/2003	County/Sequoia
36	Establish File Format with DFM	5/5/2003	5/14/2003	County/Sequoia/DFM
37	Create & Update New Polling Sites/Consolidations	5/5/2003	7/18/2003	County
38	DRE Transition Planning	5/6/2003	5/14/2003	
39	<i>Overall</i>	5/6/2003	5/14/2003	County/Sequoia
40	<i>Early Voting</i>	5/6/2003	5/14/2003	County/Sequoia
41	<i>Provisional</i>	5/7/2003	5/14/2003	County/Sequoia
42	DRE Project Kickoff	5/8/2003	5/8/2003	County/Sequoia
43	Provide Precinct, District, and Office Information	5/8/2003	5/14/2003	County
44	Begin Planning for Voting Device Delivery Process. Contract Services May be Required.	5/12/2003	5/12/2003	County/Sequoia
45	Design and Order Specialized Image for the Voter Activation Card	5/13/2003	8/1/2003	County/Sequoia
46	<i>Design</i>	5/13/2003	5/14/2003	County/Sequoia
47	<i>Place Order</i>	5/15/2003	5/21/2003	County/Sequoia
48	<i>Proof</i>	5/22/2003	6/5/2003	County
49	<i>Delivery</i>	6/6/2003	8/1/2003	County/Sequoia
50	Sequoia to Deliver 20 DRE Machines for Outreach and Ancillary Supplies for Expanded Demonstrations	5/13/2003	5/15/2003	Sequoia
51	Introduction to Voting Equipment (For DRE Expanded Outreach Demonstrations) Training	5/13/2003	5/15/2003	County/Sequoia
52	Finalize Warehouse Design & Installation Schedule with Subcontractors	5/13/2003	6/20/2003	County/Sequoia
53	County Profile Database Created	5/15/2003	6/4/2003	Sequoia
54	Voter Education/Outreach Activities	5/19/2003	11/1/2003	County
55	Drayage Plan, RFP Development	5/19/2003	6/23/2003	County/Sequoia
56	Precinct Supply Review & Development	5/19/2003	6/30/2003	County/Sequoia
57	Develop Poll Worker Training	5/20/2003	8/1/2003	County/Sequoia
58	<i>Produce Poll Worker Training Materials, including Manuals</i>	5/20/2003	8/1/2003	County/Sequoia
59	Determine Remote Ballot Counting Plan (If Applicable)	5/20/2003	5/20/2003	County/Sequoia
60	Establish Network & Hardware Requirements for Central System	5/22/2003	5/23/2003	County/Sequoia
61	Meet with County Election & IT Departments to Establish Specifications	5/22/2003	5/30/2003	County/Sequoia
62	Finalize and Order Equipment	5/30/2003	5/30/2003	County/Sequoia
63	Voter Education and Community Outreach Activities on New System and Demonstrations to Organizations, i.e., serving the disabled, senior centers, political and labor organizations.	6/1/2003	11/1/2003	County/Sequoia
64	FY04 Budget Discussions and Review	6/2/2003	6/6/2003	County

**EXHIBIT B
STATEMENT OF WORK**

65	Establish system-wide security plan	6/2/2003	6/16/2003	County/Sequoia
66	Reports Provided for Data Proofing	6/5/2003	6/12/2003	Sequoia
67	All Information Proofread and Submitted Back to Sequoia	6/6/2003	6/12/2003	County
68	Receive Hardware and Software, Acceptance Tested and Completed	6/13/2003	6/17/2003	County/Sequoia
69	Voter Verifiable Paper Audit Trail--Pilot Project Planning	6/16/2003	11/1/2003	County/Sequoia
70	Begin County Staff Training for DRE & Absentee Systems	6/23/2003	8/6/2003	County/Sequoia
71	Warehouse Technician & Acceptance Test Training on the Edge	6/23/2003	6/27/2003	County/Sequoia
72	Printing, Translation Services & Official Ballot Contract Expires	6/23/2003	6/23/2003	County
73	Machines Begin to be Shipped. Total DRE Devices=5,500	6/30/2003	9/8/2003	County/Sequoia
74	Arrival of Ancillary Items--Audio Devices, Card Activators, etc.	6/30/2003	8/11/2003	Sequoia
75	DRE Application Testing on Server	7/7/2003	7/10/2003	County/Sequoia
76	DRE Devices Begin to Arrive, 250-500 First Week, Acceptance Testing 1	7/7/2003	7/14/2003	County/Sequoia
77	500+ Machines Arrive, Acceptance Testing 2	7/14/2003	7/21/2003	County/Sequoia
78	500+ Machines Arrive, Acceptance Testing 3	7/21/2003	7/28/2003	County/Sequoia
79	500+ Machines Arrive, Acceptance Testing 4	7/28/2003	8/4/2003	County/Sequoia
80	500+ Machines Arrive, Acceptance Testing 5	8/4/2003	8/11/2003	County/Sequoia
81	500+ Machines Arrive, Acceptance Testing 6	8/11/2003	8/18/2003	County/Sequoia
82	500+ Machines Arrive, Acceptance Testing 7	8/18/2003	8/25/2003	County/Sequoia
83	500+ Machines Arrive, Acceptance Testing 8	8/25/2003	9/1/2003	County/Sequoia
84	500+ Machines Arrive, Acceptance Testing 9	9/1/2003	9/8/2003	County/Sequoia
85	500+ Machines Arrive, Acceptance Testing 10	9/8/2003	9/15/2003	County/Sequoia
86	500+ Machines Arrive, Acceptance Testing 11	9/15/2003	9/22/2003	County/Sequoia
87	Install System Hardware (S+B119ervers) and Application Software	7/8/2003	7/10/2003	Sequoia
88	Coordinate Installation with County Election & IT Depts.	7/8/2003	7/9/2003	Sequoia
89	Install Central Count Absentee 400-C System Hardware & Software	7/8/2003	7/10/2003	Sequoia
90	Absentee System Hardware & Software Testing	7/8/2003	7/10/2003	County/Sequoia
91	Upload County Jurisdictional Database Files Already Created and Proofed. Install System Hardware (Servers) & Application Software	7/10/2003	7/10/2003	Sequoia
92	Election Management System Training	7/15/2003	7/25/2003	County/Sequoia
93	Create Cartridges, Machine Assignment, Tally	7/15/2003	7/17/2003	County/Sequoia
94	Election Preparation, Ballot Layout	7/22/2003	7/25/2003	County/Sequoia
95	E-88 Last Day for Candidates to File	8/4/2003	8/4/2003	County
96	Sequoia's 400-C Absentee System Training	8/5/2003	8/6/2003	County/Sequoia

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97	E-81 Last Day for Candidate Extension. CFS Finalized	8/11/2003	8/11/2003	County
98	E-81 BL Rec. CFS Files (DFM Download)	8/11/2003	8/11/2003	County
99	Election Contests Finalized	8/14/2003	8/14/2003	County
100	Perform Ballot Layout	8/14/2003	9/26/2003	County/Sequoia
101	E74 Precinct Consolidations	8/18/2003	8/18/2003	County
102	System Application Election Preparation (Election Data Collection including Sample Ballot Proofs and Absentee Ballots)	8/25/2003	9/26/2003	County/Sequoia
103	Create Election Database and Parameters	8/25/2003	8/29/2003	County/Sequoia
104	Enter Candidates & Proposal Information, Ballot Style Creation & Ballot Layout	9/1/2003	9/5/2003	County/Sequoia
105	Proofread DRE Ballot Information	9/8/2003	9/12/2003	County
106	Make Corrections, final proofs, export files for printing	9/15/2003	9/26/2003	County/Sequoia
107	Determine & Finalize Tally Plans	9/22/2003	9/25/2003	County/Sequoia
108	Create Precinct Reporting for Ballot Counting	9/22/2003	9/23/2003	County/Sequoia
109	Develop Check-in Procedures for Election Night	9/24/2003	9/26/2003	County/Sequoia
110	Create Workflow Chart	9/24/2003	9/26/2003	County/Sequoia
111	Determine Personnel Requirements-Election Night Training	9/24/2003	9/26/2003	County/Sequoia
112	Determine Election Materials Needed (checklists, trays, pens, etc)	9/24/2003	9/26/2003	County/Sequoia
113	Train the Trainer Classes (including materials to be used for manuals)	9/23/2003	9/25/2003	County/Sequoia
114	Ballot Layout Completed	9/26/2003	9/26/2003	County
115	Create PCMCIA Cards to Load Election Data onto DRE Devices	9/29/2003	10/20/2003	County/Sequoia
116	AVC Edge Pre-Lat, Sealing and Prep for Election	9/29/2003	10/14/2003	County/Sequoia
117	Vote Simulation Script Written	9/29/2003	10/1/2003	County/Sequoia
118	Perform Tally Stress Test	9/29/2003	10/10/2003	County/Sequoia
119	Create Database for Tally Stress Test	9/29/2003	10/3/2003	County/Sequoia
120	Poll Worker Training	9/29/2003	11/3/2003	County/Sequoia
121	Load & Label DRE Cartridges	10/2/2003	10/6/2003	County/Sequoia
122	Pre-LAT Testing & Edge Shipping Prep	10/7/2003	10/14/2003	County/Sequoia
123	Develop Test Plan	10/6/2003	10/8/2003	County/Sequoia
124	Order Needed Assets	10/6/2003	10/8/2003	County/Sequoia
125	Schedule Support Personnel	10/9/2003	10/9/2003	County/Sequoia
126	Test Date	10/10/2003	10/10/2003	County/Sequoia
127	Perform Logic & Accuracy Testing	10/2/2003	10/20/2003	County/Sequoia
128	Absentee Voting on DRE Machines	10/6/2003	11/4/2003	County/Sequoia
129	Absentee Voting (By Mail)	10/6/2003	11/4/2003	County/Sequoia
130	Early Voting on DRE Machines (in office)	10/6/2003	11/4/2003	County/Sequoia

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131	Delivery of DRE Devices and Precinct Supplies to Polling Places and Setup	10/20/2003	10/31/2003	County/Sequoia
132	AVC Edges picked up from Warehouse	10/20/2003	10/24/2003	County
133	Deploy Activation Units	10/20/2003	10/24/2003	County
134	Deliver Precinct Supplies	10/27/2003	10/31/2003	County
135	Full System Roll Out for all Precincts in UDEL Election	11/4/2003	11/4/2003	County/Sequoia
136	Perform Canvass	11/5/2003	12/5/2003	County/Sequoia
137	Perform Provisional Voting Ballot Resolution	11/5/2003	12/3/2003	County/Sequoia
138	Perform 1 % Recount	11/5/2003	12/5/2003	County/Sequoia
139	Post Election Meeting and Evaluations	12/5/2003	12/15/2003	County/Sequoia

4. TESTING AND SECURITY

Sequoia shall provide software and hardware tools as described in this section A, Exhibit B1 Sequoia Product Description 'SimGenerator' Software Simulation Tool, to support the testing needs of the County.

4.1 Acceptance Testing

Sequoia shall provide an Acceptance Test Plan (ATP). The ATP shall identify all tests necessary to demonstrate compliance with the requirements of the Article 13 of the California State Voting Systems Certification. Sequoia will identify the type and quantity of equipment required for acceptance testing. Sequoia and the County shall finalize the development of the test plan and procedures prior to the acceptance-testing phase. Sequoia shall be responsible for providing all training and training materials required to support the acceptance testing.

4.2 AVC Edge® Acceptance Testing

Sequoia shall assist the county in creating an Acceptance Testing Log Sheet and Machine Log, to be used as a control sheet showing which AVC Edge® machines have been received, tested and accepted. This form will be completed individually for each unit, noting any physical damage, and shall contain the results of each test conducted. Any damage shall be reported on the Bill of Lading, provided by the shipper. In the event that the County has any shipping problems or discrepancies, the County will make the driver aware of any issues, note on the Bill of Lading along with the name and number of the shipper's agent for claim resolution.

The County shall provide Sequoia with records that identify units that did not successfully pass acceptance testing and will return a copy of any test form for units that failed for any reason.

4.2.1 Physical Inspection

The County will utilize Sequoia's procedures for each individual AVC Edge®:

The County will inspect all cartons or packaging for external damage, inspect the outside of the machine and casework for concealed damage, open the machine and inspect the Display Screen, the Printer, the Poll Worker Panel display and the rest of the physical package for concealed damage, open the storage compartment in the bottom of the machine case, check for the Power Cord and the Machine Leg components, check the Serial Number of the AVC Edge® against the Bill of Lading and record on the County's receiving form.

The County agrees to do the following:

4.2.2 Acceptance Test, Check-Off List

1. Inspect machine for any external damage.
2. Open up the machine. Check for internal damage.
3. Turn on machine. Make sure that the machine menu appears without any power up error messages.
4. Check the screen contrast and touch-screen calibration as necessary.
5. Check the time and date. Change if necessary.
6. Check for optional items, such as legs.
7. Make sure that the machine has a Results Cartridge.
8. Insert the Results Cartridge into the Results Port
9. Open the PRE LAT polls
10. Insert the Simulation Cartridge into the Auxiliary Port.
11. Begin the Vote Simulation.
12. Close polls, and check the Results Report
13. Power down, power up, system goes to official Election mode.
14. Vote the system as desired.
15. Close polls, and check the Results Report.
16. System Reset.
17. Power System down and close up unit.

4.2.3 Flash Card Acceptance Testing

Sequoia's experts must be on-site to assist in the acceptance, preparation, training and loading of flash cards into the DRE voting devices during full system implementation. Sequoia shall provide written procedures for all processes relative to the preparation of the DRE voting devices for an "Election Ready" mode. Sequoia shall assure that all preparation processes meet the completion dates as set forth by the Implementation Plan.

4.3 Maintenance and Diagnostic Testing

Sequoia shall provide on-site technical staff for all AVC Edge[®] processing tasks relative to the preparation, deployment, troubleshooting, recovering, repair and re-inventory of the DRE Voting Equipment for Full System Implementation.

4.4 Pre-Election Logic and Accuracy Testing

The County shall perform a Pre-LAT test on each AVC Edge[®] and results cartridge. See attachment Exhibit B1, Logic and Accuracy, and Exhibit B2, Sequoia AVC Edge[®] Security System Overview and Product Description 'SimGenerator', Software Simulation Scripting Tool.

4.4.1 AVC Edge® Pre-Election Logic and Accuracy Test

The AVC Edge® must perform a Pre-Election Logic and Accuracy Test ("Pre-LAT"). Essentially, this is a simulation of the Election Day voting process under which the AVC Edge® will operate. The Pre-LAT begins by moving the Polls Switch to the Open Position. The AVC Edge® automatically begins to verify that the ballot control logic and the system parameters residing in internal memory are the same as that in the Results Cartridge. When verification is complete, a Pre-LAT Zero Proof Report is printed to show that all candidate and question counters are at zero when the Pre-LAT begins.

The technician activates the AVC Edge® (simulating the Poll Worker), and then enters simulated voter selections (thus exercising the ballot control logic) and then casts votes. It is recommended that a predetermined voting pattern be entered into the AVC Edge®. The voting pattern should insure that each candidate receives at least one vote, should test over-voting in each contest, and should test any complex ballot features, such as endorsed candidates or primary elections. Use of such controlled test data insures vote-counting accuracy.

After all the Pre-LAT, voter data has been entered; moving the Polls Switch to the Closed position closes the polls. The AVC Edge® will print the Pre-LAT Results Report (extra copies of this report may be printed, if needed). It is also possible to obtain a visual display of vote totals by pressing individual voting selector switches. The Results Report should be compared to the controlled test data to verify that the AVC Edge® is correctly counting votes.

Upon completion of verification of the Pre-LAT, the technician signs the verification section on the Results Report indicating successful completion. Note that during this test the Public and Protective Counters increment just as if the AVC Edge® were in the election mode.

Logic and accuracy testing for the system and individual units: system must be able to accommodate ballot rotation and Instant Runoff Voting.

4.4.2 Vote Simulation

The Vote Simulation feature provides for the automatic selection of candidates and casting of votes during the Pre-LAT. This provides for high volume testing and for more extensive testing than might otherwise be practicable through purely manual Pre-Election Logic and Accuracy Test. Vote Simulation is done with a Vote Simulation Cartridge. This Cartridge is programmed by WinEDS with a series of votes called a script. One script can be created for each ballot style and used on several machines. Vote Simulation is initiated by inserting the Vote Simulation Cartridge into the right cartridge port before the Pre-LAT polls are opened. When the technician opens the Pre-LAT polls, he responds yes on the LCD display to begin

Vote Simulation. A zero proof report is printed; the machine casts the ballots stored on the Vote Simulation cartridge and processes them exactly as if they had been cast through the voter panel. At the completion of the simulation script, the technician can continue voting manually. When the polls are closed, the Pre-LAT Results Report is printed, indicating it was generated by a Vote Simulation.

4.4.3 Sealing the AVE Edge®

After the Pre-LAT has been completed, the AVC Edge® is ready to be sealed for shipment to the polling site. This process includes recording the Protective Counter Number, placing a numbered seal through the Results Cartridge, placing a numbered seal through the Polls Switch Cover and placing Pre-LAT Zero Proof Report and Results Reports into the Machine Preparation Envelope. The AVC Edge® may then be placed in the closed position.

4.4.4 Results Cartridges

Sequoia's System shall have security features in place, which will identify, monitor and prevent tampering. The following integrity checks shall be in place in the WinEDS:

- Each Results Cartridge is "branded" with the destination AVC Edge® serial number.
- A cross check (CRC) is calculated for each of the data files that comprise the ballot definition. These CRC values are stored along with the ballot data.

While the ballot is loading, the AVC Edge® shall initialize itself for the upcoming election based on the ballot files read from the Results Cartridge. The ballot definition on the Results Cartridge shall be subjected to the following tests before it is loaded into the AVC Edge®:

- The serial number on the Results Cartridge must match this AVC Edge®.
- The ballot file CRC values calculated & stored by WinEDS are validated.
- Ensure there is no vote data already stored on the cartridge, of any type: ballot images, write-in names, candidate totals counters and selection code totals counters.
- Ensure that file sizes make sense, for example, that there are an equal number of candidates in the ballot definition as there are candidate summary totals counters.

Any failure in the above tests shall cause the AVC Edge® to declare an error, and to reject the Results Cartridge. Once the tests listed above are completed successfully, the data from the Results Cartridge is copied into the AVC Edge® Audit Trail

memory. From this point forward the AVC Edge® will not operate without the correct Results Cartridge installed.

4.4.5 Absentee Logic and Accuracy Test

The Absentee optical scan system shall be tested prior to each election by using a pre-marked set of ballots that the results have been determined accurate and verified. The procedure must follow the guidelines prescribed in the documentation operating the Sequoia 400-C.

Sequoia shall provide all necessary reports and/or files to allow for proofreading of the ballot types generated, ensuring that the data has been applied accurately. Reports for proofreading, ordering, sample ballot creation, etc. must be customizable to the County's needs and specifications.

4.5 Post Election Logic and Accuracy Testing

A standard feature of the AVC Edge® that may be used optionally by the user is the Post- Election Logic and Accuracy Test ("Post-LAT"). This feature is used to verify that the AVC Edge® logic has the ability to count votes accurately and has not been compromised since the Pre-LAT. The Post-LAT is very similar to the Pre-LAT in that the first thing done is to print out a Zero Proof Sheet. Then the AVC Edge® is voted. Vote Simulation may be used. When the voting is completed, a results tape is printed to verify the logic and accuracy.

The "Famous Names" test deck sample election (EGLDEM4C) EMS files should be already installed on the system. The system should come with a set of sample "Famous Names" test deck ballots for running a sample election. Use these ballots for the Acceptance Test. After running the Test Deck, obtain a Results Report from the system and compare the results to the pre-determined results of the Test Deck.

4.6 Data Security

Sequoia's firmware that operates the system shall render the system hacker-proof. The CPU board shall be designed to prevent a RAM intrusion. Sequoia shall take steps to ensure the accuracy and reliability of the voting data entrusted to it.

These steps include, but shall not be limited to:

- Data shall be saved redundantly via separate data paths
- Data shall be saved in both ballot image and summary total format
- Ballot image data includes a CRC value to allow detection of memory errors
- The AVC Edge® validates the saved data after the casting of each voter's ballot, and at each power up while the ballot is loaded.

This validation includes, but shall not be limited to:

- Byte-by-byte comparison of the two redundant memories
- Confirmation that all ballot image CRC values are correct
- A recalculation and comparison of the ballot image totals and summary totals
- Any error in the above tests is considered fatal. If one were to occur, that machine would report an error condition and disable itself from further voting. The process of saving votes on the AVC Edge® involves double and triple-checks at each step.

Additional checks shall include, but not limited to:

- Data read from a file, such as vote totals to be incremented are read twice and compared before being used.
- Data being written to a file is read back twice and compared to the original data.
- Arithmetic operations such as bit packing and incrementing are double-checked.

Any error in the above tests is considered fatal. If one were to occur, that machine would report an error condition and disable itself from further voting.

4.7 Audit Trail

Sequoia shall provide an audit trail that is an unalterable, randomized electronic record (ballot image) of all votes cast during an election. The ballot image is redundantly stored in the AVC Edge® and the Results Cartridge. The ballot image and summary totals data is stored in memory that has a file system organization and is stored in two separate files. In the case of a recount, the AVC Edge® can reconstruct the election ballot-by-ballot while preserving the anonymity of the voters. All ballot image and write-in name data is stored in randomized fashion within its particular file. The randomizing function is based on a 32-bit maximal length pseudo-random sequence that is further randomized by the seconds-value of the current time. The pseudo-random sequence “state” is maintained in non-volatile memory and is initialized only during manufacture; the sequence does not restart from the same “seed” value at each power up. This process protects the anonymity of the voter.

Sequoia’s AVC Edge® shall provide an alphanumeric printout for both ballot-by-ballot and summary data from an optional on-board, self-contained thermal printer. Additional copies can be printed on demand.

4.8 Security

Sequoia will assist the County in preparing a plan to establish a system-wide security plan. Sequoia shall provide security procedures for the DRE voting devices to ensure that a “non-tampering” status is perpetuated for all stages of handling in the preparation, Election Day usage, recovery and storage of the DRE Voting Devices.

Sequoia will assist the County in the County's development of an Asset Inventory Tracking Database, which electronically tracks the election history of usage for each voting device, tracks DRE units and Voter cards, and tracks DRE systems to the polling places and back to the warehouse. All voting devices and Card Activators shall be bar-coded with the device serial number by Sequoia prior to shipment to the County.

5. SOFTWARE INSTALLATION AND ELECTION SETUP

5.1 Election Definition

Sequoia's Election Database System shall have the capability of importing election data in California SOS format from DFM's database (EIMS) to generate ballot layout use to conduct an election, except the election specific state codes. Once the data is imported, no additional entry or modification should be necessary unless an error was made on the EIMS side. Sequoia shall work with DFM to have this menu (capability) in placed in EIMS system as the time of delivery.

Sequoia's WinEDS Election Management System has the capability to import data from the county's EIMS software system. Imported data will be utilized for both DRE and Absentee balloting.

The absentee and sample ballot component must have the ability to produce a separate, special ballot for "60-day" Federal voters.

5.2 Ballot Layout

Sequoia's Ballot Layout/Generation System must support English, Spanish, Vietnamese, Chinese and Tagalog, both in written and audio format; and, have the ability to add new languages.

Sequoia shall assist the County in developing a software application to link each appropriate language translation to the text and audio files for all contests, races, and measure text.

Sequoia's System shall have the ability to import data in all languages via direct importation to appropriate files or cut and paste. The County shall be able to edit all ballot layout files in all languages.

Sequoia must include an absentee ballot generation component, a DRE ballot generation component, an audio ballot generation component, and a sample ballot generation and interface component. Sequoia's System must able to use the same import file from DFM (EIMS). Once ballot layout is completed for DRE, it should also work for the Absentee System.

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Sequoia's Ballot Layout/Generation System must have quality audio capability utilizing human voice recordings, rather than a computer voice simulation program.

Sequoia's WinEDS election management system shall support single input of customer profile data such as voting locations, precincts, political subdivisions, offices, parties and machines; use this data to simultaneously manage multiple elections by multiple users.

Sequoia shall work with the County and the current printer (Merrill Corporation) to create a simple method of transferring sample ballot information to the printer for production. Each output page (DRE page) file shall be an electronic representation of the exact DRE screen page and shall be a "stand-alone" entity, as each page may be repeatedly used and in several combinations. Each DRE page shall be supplied in its own file or if all pages are supplied in a single file, each must be separable. The printer must be able to extract any single page from the file for output. Since pages on the printing press are printed in "signatures", it must be possible to use the pages "out of sequence". In order to minimize possible error, the essential "name" of the page should be embedded in the file for automated processing, rather than relying on a naming convention that requires human interaction.

Sequoia's System must produce a cross-reference guide indicating the appropriate pages, in their appropriate order, to be placed into each ballot type.

Sequoia shall have the ability to import the candidate/contest information directly from the DFM's Election Information Management System and create the absentee ballot, DRE ballot, and sample ballot from the same imported file.

Sequoia's System shall be capable of importing audio and text files (all languages).

While the absentee ballot shall be generated from the same imported file as the DRE ballot, Sequoia's absentee component shall allow for the flexibility of changing fonts, headings, columns, etc., without modifying the DRE or Sample Ballot components.

Sequoia's System must have the ability for the user to view the DRE, absentee and sample ballot pages in the layout/generation module rather than requiring the user to switch to an emulation program or actual voting unit.

The System must be able to print the absentee, DRE and sample ballot pages for proofreading purpose.

The System shall have the ability to handle characters (such as solid diamond) placed before a candidate's name, without interfering with the randomized alphabet or rotation.

Sequoia's Ballot Layout/Generation System must have security features as defined in the FEC Voting System Standards that allow for the assignment of specific, restricted, user-access rights to prevent modification of the ballot by unauthorized users.

5.2.1 Absentee Ballot Layout

Sequoia's Optech 400-C optical scan systems for Absentee Voting shall have the ballot capacity to accommodate up to three columns in width and 22" in length, tabulate 1, 2, or 3 column folded and non-folded ballots of variable length, have a high speed rating of 400 ballots per minute or 24,000 per hour. Ballots shall be processed in any of four orientations, reading the back and front simultaneously.

Sequoia shall provide flexibility in designing system reports, flexible column section for voting positions, ability to process absentee ballots in "mixed mode" and security measures.

5.3 Cartridge Programming and Testing

The AVC Edge[®] receives the election definition from WinEDS through the Results Cartridge. Prior to the elections, the profile information that contains all of the precincts (voting locations and political subdivision assignments) and contests is entered into WinEDS for each election type. This information only need be entered once and then modified in future elections. Upon completion of the profile data, the candidates and/or questions for the particular election are entered into the system. A basic procedure for entering and validating the information is followed. Upon completion of the data entry, WinEDS creates a Results Cartridge for each AVC Edge[®] to be used in the election. The Results Cartridge will contain all of the ballot styles for the precincts that have been assigned to each AVC Edge[®].

5.3.1 Perform The Pre Election Logic And Accuracy Test

The AVC Edge[®] must perform a Pre-Election Logic and Accuracy Test ("Pre-LAT"). Essentially, this is a simulation of the Election Day voting process under which the AVC Edge[®] will operate. The Pre-LAT begins by moving the Polls Switch to the Open Position. The AVC Edge[®] automatically begins to verify that the ballot control logic and the system parameters residing in internal memory are the same as that in the Results Cartridge. When verification is complete, a Pre-LAT Zero Proof Report is printed to show that all candidate and question counters are at zero when the Pre-LAT begins. The technician activates the AVC Edge[®] (simulating the Poll Worker), and then enters simulated voter selections (thus exercising the ballot control logic) and then votes cast. It is recommended that a predetermined voting pattern be entered into the AVC Edge[®]. The voting pattern should insure that each candidate receives at least one vote, should test over-voting in each contest, and should test any complex ballot features, such as endorsed candidates or primary elections. Use

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of such controlled test data insures vote-counting accuracy. After all the Pre-LAT, voter data has been entered; moving the Polls Switch to the "Closed" position closes the polls. The AVC Edge[®] will print the Pre-LAT Results Report (extra copies of this report may be printed, if needed). It is also possible to obtain a visual display of vote totals by pressing individual voting selector switches. The Results Report should be compared to the controlled test data to verify that the AVC Edge[®] is correctly counting votes. Upon completion of verification of the Pre-LAT, the technician signs the verification section on the Results Report indicating successful completion. Note that during this test the Public and Protective Counters increment just as if the AVC Edge[®] were in the election mode.

The Vote Simulation feature provides for the automatic selection of candidates and casting of votes during the Pre-LAT. This provides for high volume testing and for more extensive testing than might otherwise be practicable through a purely manual Pre-Election Logic and Accuracy Test. Vote Simulation is done with a Vote Simulation Cartridge. This Cartridge is programmed by WinEDS with a series of votes called a script. One script can be created for each ballot style and used on several machines.

Vote Simulation is initiated by inserting the Vote Simulation Cartridge into the right cartridge port before the Pre-LAT polls are opened. When the technician opens the Pre-LAT polls, he/she responds "yes" on the LCD display to begin Vote Simulation. A zero proof report is printed; the machine casts the ballots stored on the Vote Simulation Cartridge and processes them exactly as if they had been cast through the voter panel. At the completion of the simulation script, the technician can continue voting manually. When the polls are closed, the Pre-LAT Results Report is printed indicating results were generated by a Vote Simulation.

Maintenance Diagnostics allows the technician to test all the major subsystems and assemblies, correct any error conditions, adjust the LCD brightness, calibrate the touch-screen and set the internal clock.

After the Pre-LAT has been completed, the AVC Edge[®] is ready to be sealed for shipment to the polling site. This process includes recording the Protective Counter Number, placing a numbered seal through the Results Cartridge, placing a numbered seal through the Polls Switch Cover and placing Pre-LAT Zero Proof Report and Results Reports into the Machine Preparation Envelope. The AVC Edge[®] may then be placed in the closed position.

5.4 Ballot Tabulating

Sequoia's Election Database System shall be able to upload in the required format to the California SOS contest file & SOV file. The system shall be able to generate a voted file to test and upload to SOS for "election night reporting" certification.

Sequoia's absentee & DRE system shall use the same tabulating system, meaning a one- setup program should work for both systems. At no time should the County

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setup a separate ballot tabulation program for both systems. Sequoia's WinEDS election management system shall have provisions for controlling which contests are enabled for voting for each voter.

Sequoia shall provide to the County the capability to generate different version of reports, by giving the capability to export data that can be reformatted to create and print reports. Sequoia's WinEDS central system shall have the capability to produce over 100 reports that can be saved in over 20 different formats including CSV, Excel, Dbase, SQL, ASCII Text, PDF and HTML. The System's Reports shall be available for components within the system including System set-up, Profile, Election, Election Setup, Ballot Management, Cartridge, Early Voting, Election Day and Post Election Reports. In addition, Sequoia's central system shall provide specific features outside the normal reporting structure. These include an Election Night scrolling slide show of results in real time; schedule exports to printers and FAX machines; FTP to media outlets and the Secretary of State (if necessary); and scheduled HTML exports for Internet posting.

5.4.1 Absentee Ballot Tabulations

The results from the Sequoia's Optech 400-C are integrated into the WinEDS. Write-in ballots are out-stacked to one-bin and exception ballots to another. The user specifies sorting designations. The results from the 400-C are integrated into WinEDS to provide complete and detailed Election Night reporting. The 400-C is comprised of a high-speed ballot path with three output stations, with a bottom-fed, hopper-style feeder all powered by an industry standard PC. Numerous ballot path sensors track the movement of each ballot in the 400-C and allow for the positive identification and handling of all ballots. Regular maintenance consists of blowing the dust out and cleaning the feed drum.

5.5 Remote and Central Accumulation Center

Sequoia's reporting system must have both software and hardware components. The hardware must consist of devices, in the nature of a data pack or memory card, which permit the secure, physical transmitting results of the individual precincts from the election network hub to the central tabulating location at the County by modem or similar device.

Sequoia's system shall be capable of tabulating precinct results on Election Night, creating electronic file or similar document containing precinct results and allowing them to be transported from a return center or a remote electronic election network hub by modem or other electronic conveyance, to a central tabulating location at the County's office.

5.6 Website Linkage

Sequoia shall provide capability to upload election results (FTP) to County website and SOS automatically at every set period before. This capability shall be part of the Election Database System. Sequoia shall allow election results transmitted from regional sites to the main central site via LAN line modem transfer, via an internal modem or CDPD wireless modem.

5.7 System Interface

5.7.1 DFM Import

Sequoia's Election Database System shall have the capability of importing election data from DFM's database (EIMS) to generate ballot layout use to conduct an election. Once the data is imported, no additional entry or modification should be necessary unless an error was made on the EIMS side. Sequoia shall work with DFM to have this menu (capability) in placed in EIMS system as the time of delivery. The Card Activator shall be able to interface with DFM system, so that additional intervention by the Poll Worker will be greatly reduced during the early voting process.

5.7.2 SOS Result Transfer

The Sequoia's Election Database System shall be able to upload to the following two files and any future file(s) from California SOS: contest file & SOV file. The system shall be able to generate a voted file to test and upload to SOS for "Election Night Reporting" certification.

5.7.3 Absentee System with DFM

The Sequoia's Election Database System & absentee must able to use the same import file from DFM (EIMS). Or once ballot layout is completed for DRE, it should also work for absentee system.

5.7.4 Absentee System with DRE

Sequoia's absentee & DRE system should able to use the same tabulating system, meaning one setup program should work for both systems. At no time should County setup a separate program for both systems.

6. ELECTION DAY/NIGHT AND CANVASS

6.1 Write-In Voting

Sequoia's AVC Edge[®] shall provide a paperless, electronic method of recording and storing write-in votes.

6.2 Under-Voting

Sequoia's AVC Edge® shall warn a voter of potentially under-voting any contest or issue and also allow the voter to under-vote any contest or issue.

6.3 Over Vote Voting

Sequoia's AVC Edge® shall not allow voters to over-vote any contest or issue.

6.4 Instant Runoff Voting

Following the direction and certification from the California Secretary of State, Sequoia must provide all necessary computer software for instant runoff election capability within a reasonable time to be agreed by the parties. If instant runoff voting is authorized in the State of California and required by the County, Sequoia must develop and certify an upgrade within a reasonable time to be agreed upon by the parties.

6.5 Provisional Voting

Sequoia must take all commercially reasonable steps to ensure that the electronic provisional ballot is certified by the federal certifying authority and the California Secretary of State by July 31, 2003. The provisional voting capability shall provide a paper audit record, reproductions of ballots cast, comply with current laws regarding the 1% manual recount, and any voter-requested recount. Sequoia shall provide documentation and training needed for the implementation of electronic provisional voting. Sequoia will assist the County in developing provisional materials and a polling place checklist.

6.6 Emergency Plan, Disaster Recovery Plan and Checklists

Sequoia will assist the County in creating an emergency plan to stay functional and a Disaster Recovery Plan with checklists for polling sites and the County's office.

6.7 Results Cartridge Receipt and Reading

Sequoia's AVC Edge® Audit Trail shall provide an unalterable, randomized electronic record (ballot image) of all votes cast during an election. The system's ballot image is redundantly stored in the AVC Edge® and the Results Cartridge. The ballot image and summary totals data is stored in memory that has a file system organization and is stored in two separate files. In the case of a recount, the AVC Edge® can reconstruct the election ballot-by-ballot while preserving the anonymity of the voters. All ballot image and write-in name data is stored in randomized fashion within its particular file. The randomizing function is based on a 32-bit

maximal length pseudo-random sequence that is further randomized by the seconds-value of the current time. The pseudo-random sequence "state" is maintained in non-volatile memory and is initialized only during manufacture; the sequence does not restart from the same "seed" value at each power up. This process protects the anonymity of the voter.

6.8 Early Voting Results Data Entry (Manual or Automated)

Sequoia will assist the County in creating policies and procedures for Early Voting. Sequoia will provide on-site support for Early Voting at the County's office for the November 4, 2003 Election.

6.9 Post Election

6.9.1 Canvass

Sequoia will assist the County in creating procedures for the conduct of the canvass and any necessary recounts. The system must be able to provide a paper verifiable paper trail to enable a manual recount of all ballots. The system must be able to provide canvass reports including, but not limited to Interim, Semi-Final Official, Final Official, and the Statement of Vote reports. Sequoia will be present to assist the County's staff in the conduct of the canvass and for any recounts through the November 2004 election cycle.

6.9.2 One Percent Manual Tally

Sequoia will assist the County in creating procedures for a manual 1% recount.

6.9.3 Recount

The system must be able to provide for a manual recount process that would utilize the audit trail ballot images printed from the machine or its corresponding cartridge printed via WinEDS to compare the recount totals with the original count. Each ballot image is added to obtain machine, precinct and ultimately county totals. Ballot image summations are then compared against the machine, precinct and county totals from the central system.

7. TRAINING

Sequoia will provide DRE and Absentee voting systems training to County staff. Sequoia to provide on-site training or off-site if it is determined to be more effective by the County, with content, dates and times to be determined by the County. The training programs provided by Sequoia shall include complete, thorough and extensive training for all authorized staff in the administration of the system.

7.1 Staff Training in WinEDS, Edge Maintenance, Edge Operation

Sequoia will provide WinEDS, Edge Maintenance, Edge Operation Systems Training to County staff. Sequoia will provide on-site training or off-site if it is determined to be more effective by the County, with content, dates and times to be determined by the County.

Sequoia shall provide the specified Information Systems Training as well as Logic & Accuracy Training at dates, times and places to be determined by the County.

Sequoia shall provide thorough Ballot Layout/Generation/Proofreading training to the County Ballot Layout Staff. Sequoia shall be available on-site during the hours that Ballot Layout staff is present for on-going training and trouble-shooting during the first election's ballot preparation process; and on-site assistance shall immediately be made available for subsequent elections should the County request. When "bugs" are found, Sequoia shall provide any additional training, if necessary.

Sequoia shall provide Acceptance Testing at dates, times and places to be determined by the County.

Sequoia shall provide on-site technical staff for all warehouse processing tasks relative to the preparation, deployment, and troubleshooting, of the DRE Voting Equipment and Acceptance Testing; such training shall be conducted so that the County shall be self-reliant and independent of Sequoia's technical support within the terms of the Contract. Sequoia's experts must be on-site to provide training and preparation of loading of flash cards.

7.2 Poll Worker Training

Sequoia and the County will develop the content of Poll Worker Training. Sequoia will provide an intense training agenda that includes Sequoia staff teaching the County staff. In addition to the "train the trainer" training, Sequoia must provide 340 hours of on-site poll worker training through December 31, 2004. Of the 340 hours, 200 hours must be utilized for on-site poll worker training in 2003 and 140 hours for on-site poll worker training in 2004. Sequoia will be present at all Poll Worker Training classes for November 4, 2003 UDEL Election. In addition, Sequoia will assist in the development of Poll Worker literature and training films. An instruction manual will be provided in the Training the Trainer Program.

The basic agenda for Poll Worker Training shall include an introduction, administrative information/procedures and equipment demonstration. Also included would be break out sessions that provide hands-on practice with the assembly, use and disassembly of the AVC Edge[®] equipment. The administrative information and equipment demonstration shall either be combined in the presentation or presented

independently of one another. Additionally, Sequoia shall include a troubleshooting section.

The Poll Worker Manual may be reviewed at this point, or any point mutually agreeable to Sequoia and the County. The review shall include, but not be limited to, all Election Day procedures and how to handle special voting situations that may arise.

8. MEDIA, VOTER EDUCATION AND OUTREACH

Sequoia must provide 250 hours of support through December 31, 2004, to County to provide communication strategy and support to address the media, voter education and outreach. Details of the Voter Education plan are specified in Exhibit B2, the County's Touch Screen Voter Education Program and B3, Sequoia's Voter Education Deliverables.

9. WAREHOUSE AND PLANNING

Sequoia will assist the County in planning the necessary upgrades and modifications needed for the storage and processing of the voting equipment. Sequoia shall provide a written list of all tools, equipment, transportation carts, electrical requirements for outlets, and any other Sequoia items, which are required to deploy the system.

10. TRANSPORTATION PLANNING

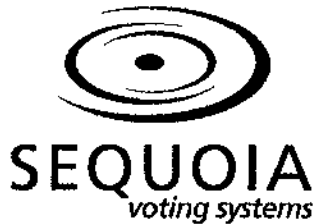
Sequoia will assist the County in creating procedures for the deployment and recovery of the DRE voting system equipment. Procedures shall be developed for a Distribution/Return Center System and a polling place delivery/pickup system. Sequoia will assist the County in creating a plan to accomplish the deployment of up to 5,500 machines, for 1,000 polling places, within the two weeks prior to Election Day.

Sequoia shall provide written safety procedures and instructions for the moving, assembly and disassembly of the DRE voting devices. Safety procedures/instructions will be developed cooperatively by the County and Sequoia, and are to be visible on the outside of each unit.

11. POST-ELECTION DEBRIEFING, STAFF DISCUSSION AND EVALUATION

Sequoia shall participate with the County staff in any post-election debriefing events with staff, Poll Workers, field inspectors and/or the public at large.

EXHIBIT B-1



Product Description
'SimGenerator'
Software Simulation Scripting Tool

1. **General:**

SimGenerator is a Microsoft Windows® (98, 2000, XP) based, vote simulation script writing tool for Sequoia's Edge Voting Machine. SimGenerator creates the files required by the Edge Voting Machine and then loads those files onto the 'Simulation Cartridge' (PCMCIA). SimGenerator creates voting simulations for all hardware and firmware versions of the Edge Voting Machines. SimGenerator is packaged as either as a stand-alone application or as a component of a suite of tools for ballot management, Advanced Edge Utilities (AEU).

2. **Functional Details:**

SimGenerator uses ballots created with WinEDS, yet functions completely independent of WinEDS and workstations containing it. Ballots are first imported into a folder named by the user. Before script generation, SimGenerator checks ballots for proper files and structure and will not generate a script for structurally incorrect or incomplete ballots. SimGenerator's user-interface is incredibly simple and friendly. The user simply selects a ballot and a script format and generates the script. If desired, the operator could change the scripting options and recreate new script files any number of times.

Re-entry of data is eliminated in this fully automated tool. However the user is afforded maximum flexibility with an opportunity to view and edit a script. This facilitates such functions as under/over voting and specific ordering of candidates or selection codes specific language selection and slower execution of the script. 'Write-in' selections are uniquely identified for absolute accuracy. Yes/No contests are handled as a contest with two candidates and 'Vote For One' selection option. Statistical information is provided at the completion of each script giving details of how many candidates, contests and selection codes are used, the format of the script and the approximate time of execution. Simulation scripts generated by SimGenerator are able to execute independently and simultaneously. Scripted votes are accumulated in the Edge as if they were actual votes. Scripts use the Edge's logging system to log all errors encountered during the execution and run to completion without operator intervention unless an error occurs.

SimGenerator generates scripts in three formats. The first format is a staggered pattern. In this format, each candidate of each contest is voted sequentially with an increasing succession of votes. This format verifies all candidate bins used for accumulation on the ballot. The second format selects the first candidate of the first contest for each

EXHIBIT B-1

selection code ordered sequentially. The proper activation of all selection codes present on the ballot is verified in this format. The third format is a combination of the first two formats. In all formats, SimGenerator creates an efficient, predictable and easily verifiable logic and accuracy test of the Edge's accumulation process with respect to a particular ballot. Additionally, SimGenerator can create a 'Universal Simulation Script' for "Early-Voting" machines and/or "Polling Place" machines. This allows for the use of a single script across all ballot styles. With this function, the accumulation bins of candidates of all contests for numerous ballot styles are verified simultaneously.

EXHIBIT B-2

Santa Clara County Touch Screen Voter Education Program
Sequoia Voting Systems

1. Objective

- 1.1 Maximize voter familiarity and comfort with touch screen voting systems.
- 1.2 Reach out to diverse community organizations to ensure that every eligible voter is provided with the tools and education they need to register and vote with confidence on Election Day.
- 1.3 Assist the county election department in recruiting, retaining and training qualified poll workers who are eager and capable of learning the new system.
- 1.4 Gain feedback on machine performance and clarity of instructions for voters, poll workers and election officials.
- 1.5 Use the media hook for the touch screen trial project to help re-educate voters about the proper way to vote a punch card ballot to alleviate the potential for chad-related problems for the vast majority of the voters who will not be voting on touch screens yet.
- 1.6 Demonstrate the ability to conduct a thorough voter outreach program capable of reaching the diverse elements of the County's voting population.

2. Challenges

- 2.1 Use of multiple voting systems for a relatively small segment of the county's voting population will make it difficult to deliver a clear and concise message to voters. Voters may hear broadly delivered messages about one system while they are actually scheduled to vote on another.
- 2.2 Because the County is in a large media market, it will be difficult to obtain extensive and routine coverage by TV and radio news, but limited coverage will be available and must be maximized to demonstrate the value of the technology while simultaneously educating voters and recruiting poll workers.
- 2.3 Touch screen voting devices have many supporters, but also have a few vocal opponents. We can expect the same opponents who unsuccessfully challenged the security and viability of the technology in federal court earlier this year to make some of the same accusations again. Both the county and the vendors should be prepared to respond so their concerns do not jeopardize the long-term goals of the project.

EXHIBIT B-2

- 2.4 The recent problems by some vendors' unsuccessful installations of touch screen voting systems in Florida, Georgia and Maryland will require ample voter and media education regarding the differences between the Florida deployment of touch screens and the manner in which the County will be deploying the technology. Safeguards must be thoroughly explained to the voters.

3. Media Relations Recommendations

Sequoia has numerous strong relationships with local media that may help the county deliver its message. We are willing to directly contact the media whenever it would be beneficial to the county for us to do so.

Each vendor should provide the county with sufficient information for the County to include in a county media kit and should also provide an ample supply of vendor-specific media kits for the county to provide to members of the media who request them.

3.1 San Jose Mercury News

Partnerships should be established with as many local media outlets as possible, but specifically with the San Jose Mercury News which will likely provide extensive coverage of the pilot project and include pre-election profiles of all voting systems that will be used in the county. The Mercury News has a long-standing commitment to helping improve voter participation and will be an invaluable asset. In addition to including profiles in their newspaper, the Mercury News can also provide ample assistance through their Internet site.

3.2 Weekly Newspapers

Weekly newspapers have always been an effective method of communicating to targeted cities and neighborhoods within the County.

3.3 TV and Radio

Because of the news value in the post-Florida election climate, election Supervisor Jessie Durazo and/or County Supervisors should have ample opportunities to appear on locally produced TV news shows such as KTVU's Mornings on 2, NBC 3, KPIX, and KGO-TV news to demonstrate the new technology. Sequoia has extensive ties to the County and Bay Area print reporters and TV producers who will be contacted to assist the County with voter education activities.

Although the story is more print and television friendly, the audio portion of the ballots will provide a helpful tool to gain radio news coverage. As time permits, we should also schedule local officials on radio programs geared to younger, lower propensity voters to help improve turnout and poll worker recruitment in that demographic group.

EXHIBIT B-2

4. Direct Voter Contact

- 4.1 Sequoia will provide all registered voters in precincts scheduled to vote live ballots with a clearly designed mail piece that demonstrates the proper way to use the AVC Edge.
- 4.2 In addition to teaching voters how to use the equipment in numerous targeted community demonstrations, Sequoia will routinely encourage voters to sign-up as poll workers for Election Day.

5. Community Relations

- 5.1 With former Assistant Secretary of State Alfie Charles on the Sequoia team, Sequoia has unequaled experience reaching out to the County's community leaders, voting rights organizations and professional associations, to the extent that the County wants our direct involvement.
- 5.2 Sequoia will work closely with the county to offer our expertise as a complement to the pre-existing community outreach efforts of the County including extensive demonstrations of the new equipment to schools, community organizations, major area employers, senior centers, etc.
- 5.3 Sequoia will utilize our relationships with national, state and local community organizations to help educate community leaders and encourage them to teach members of their organizations how to use the new technology.
- 5.4 Sequoia thinks it is critical to the success of the project that outreach is conducted to diverse community organizations in as many languages as possible. Sequoia will help support existing county relationships and identify new contacts and organizations that will help the county achieve their outreach goals to these communities.
- 5.5 One of the primary beneficiaries of Sequoia's technology will be elderly and disabled voters. Sequoia will help the county contact voters with special needs to demonstrate how they will be allowed to vote more easily when the new system is fully implemented.
- 5.6 Sequoia strongly recommends that the county invite all of the different organizations that served as plaintiffs in the ACLU/Common Cause et al v. Jones lawsuit to participate in the demonstration voting. It will be important for these organizations that called for the expedited decertification of pre-scored punch card voting systems to be included in the decision-making process. It will also help enlist their assistance in educating the members of their organizations about the systems and recruiting them to serve as poll workers for the county.

EXHIBIT B-2

6. Summary of Voter Education Plan

Sequoia believes that voter education is a critical component to a successful installation of a new touch screen voting system.

We also believe that a properly conducted outreach program can do more than educate voters: it can also improve participation and assist in the recruitment of additional poll workers for county election officials.

The only limitation for a comprehensive outreach campaign is time. The voter education plan we propose is ambitious but completely possible for this November. It will also provide the foundation for the full countywide education program that will be necessary as the county embarks on the full installation of their new voting system.

EXHIBIT B-3

Sequoia Voting Systems Voter Education Deliverables

1. 250 Hours of Alfie Charles' time to provide communications strategy and support, including:
 - 1.1 Development of key messages, key audiences and message delivery strategies
 - 1.2 Development of media advisory template to be distributed prior to all community demonstrations
 - 1.3 Drafting/review of project-related press releases
 - 1.4 Coordination of/assistance with the coordination of media events
 - 1.5 Crisis communication strategy for county
 - 1.6 Assistance with identification of key community partners, such as: local media, trade associations, major employers, labor unions and civic organizations
2. Assist County with the joint development of press kits, which will include:
 - 2.1 Talking points
 - 2.2 Demonstration materials
 - 2.3 Security, Q&A documentation
 - 2.4 Community demonstration calendar
 - 2.5 Sequoia background information
 - 2.6 Interesting Facts & Figures document (number of polling places, number of poll workers, historical turnout, etc.)
 - 2.7 Relevant news clips
 - 2.8 Audio/Video demonstration CD
3. Provide county with:
 - 3.1 Interactive, multi-lingual web-based Edge demonstration
 - 3.2 Electronic "How-to-Vote" demonstration for duplication on CD or DVD

EXHIBIT B-3

- 3.3 PowerPoint presentation for community outreach presentations and media relations activities
- 3.4 Design of multi-lingual voter training brochures to be used during public demonstrations
- 3.5 Step-by-step audio voting instructions produced in Braille
- 3.6 Artwork for sample ballot demonstration on how to vote on the AVC Edge
- 3.7 Assistance with the design and development of materials necessary to comply with the public notice requirements to comply with Section 302(b) of the Help America Vote Act.

EXHIBIT B-4

List of Spare Parts Provided by Sequoia Voting Systems

The following spare parts must be provided by Sequoia to the County. The County has the option to adjust the spare parts list to suit the County's requirements during the full implementation phase.

<i>Quantity</i>	<i>Part Number</i>	<i>Description</i>
45	096030001	Leg Assembly
120	096027802	Cable Assembly Ac Power 10 Foot
120	096028511	Retainer Access Panel With Dimple
120	096006901	Latch
120	096006902	Keeper
120	096027401	Handle
120	096027501	Retainer Handle
30	096050201	Power Supply Assembly
30	096009211-SPR	Assembly Power Panel Spares
120	096006601	Stabilizer
120	096008611	Foot Rubber
30	096048631-SPR	Top Case Assembly 12.1/15.0 Spares
30	096008231-SPR	Assembly Bottom Case 12.1/15.0 Spares
30	096025901	Assembly Pollworker LCD/PWB
30	096007301	Cable Assembly On/Off Switch
30	096024611	Assembly PWB Printer Interface
30	096055011	Assembly PWB LVDS TX/TFT
30	096056041	Assembly PWB LVDS RX
15	096022002	Assembly PWB CPU
30	096007511	Cable Assembly CPU To Battery Charger
30	096026911	Cable Assembly Auto Activation Interface
30	096055111	Cable Assembly CPU To LVDS RX
30	096054411	Cable Assembly LVDS TX To RX
15	096047801	Assembly Printer DPU414 Modified
30	096059621	Assembly Autoactivation

EXHIBIT B-5

Hardware Specifications

1. Servers

Brand: Dell Computer
Model: PowerEdge 8450, 7U Rack-design
CPU: Quad Processor Pentium III Xeon 900MHz w/2M Cache
Hardware Support Service: 3year parts and next business day, on-site labor
Memory: 8GB (16 X 612MB DIMMS)
Cache: 1MB Cache CoHerency Filters
Primary Controller: PERC3/DC-Dual Channel Add-in Raid Card 128 MB Cache (2-Ext Channels)
Secondary Controller: /DC-Dual Channel Add-in Raid Card 128 MB Cache (2-Ext Channels)
Hard Drive Configuration: RAID 1
First Hard Drive: 146GB 10K RPM Ultra 320 SCSI Hard Drive
Second Hard Drive: 146GB 10K RPM Ultra SCSI Hard Drive
Network Adapter: Intel 100 Dual Port Network Adapter
Operating System: Windows 2000 Advanced Server with 25 client licenses
Modem: BoradCom, 56K PCI internal modem, V.92, for Dell Servers
Keyboard: Standard Windows Keyboard, Gray
Mouse: Logitech System Mouse, Gray
CD-ROM Drive: 16X DVD ROM, INT, HH, Gray
Floppy Drive: 3-1/2" 1.44MB Diskette Drive
Rack Mount Rails: 4-post Rack Kit for Dell Rack

2. Workstations

Brand: Dell Computer
Model: OptiPlex SX260 Ultra Small Form Factor
CPU: Intel Pentium 4 processor, 3.06GHz, 533FSB, 512K cache
Hardware Support Services: 3 years, parts and next business day, on-site labor
Embedded Video Board: Integrated Intel Extreme Graphics
Intel Boot Hard Drive: 40GB EIDE, 9.5MM, 5400 RPM
Module Bay Devices: 8X DVD with Software MPEGII
Floppy Drive: 3-1/2" 1.44MB Diskette Drive
Operating System: Windows XP Professional, Service Pack 1, with CD, suing NTFS
Keyboard: Quiet PS/2 Keyboard
Mouse: Logitech USB 2-button Optical Mouse with Scroll
Audio Solution: Integrated Sound Blaster Compatible
Network Adapter: Integrated Intel Gigabit (10/100/1000), with Alert Standard Format
Monitor: Sony 17" Monitor

EXHIBIT B-5

Hardware Specifications

3. Laptops

Model: Not specified

CPU: Mobile Intel Pentium 4, 2.2 GHz-M, with Enhanced SpeedStep Technology

Memory: 512MB

Hard Drive: 30GB

Optical Drive: CD-RW/DVD ROM combination

Operating System: Microsoft Windows XP Professional

Hardware Support Services: 3 Year, on-site, next business day, parts and labor

Laptop Carrying Case: Dell Brand

4. Database

The Election Database System must run on Microsoft SQL 2000 with SP3. Sequoia shall provide 10 user licenses.

EXHIBIT C, C1 and C2

Description of Warranty, Maintenance and Support

AVC Edge and Card Activator – Terms of Extended Warranty

Sequoia 400-C Optical Scan Ballot Counter – Terms of Extended Warranty

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Exhibit C

Description of Warranty, Maintenance and Support

Annual Recurring Services

Sequoia shall provide warranty and maintenance for hardware and software as described in the Agreement and in accordance with the terms of the extended warranty for the AVC Edge Voting units, Card Activators and Sequoia 400-C Optical Scan Ballot Counters.

Sequoia shall also provide on-site pre-election, during election and post-election support to the County as described in this Exhibit C.

Hardware

Quantity

- | | |
|---|-------|
| 1. AVC Edge DRE Touch Screen Units | 5,500 |
| 2. Sequoia 400-C Optical Scan Ballot Counters | 3 |
| 3. Card Activators | 1,250 |

Software

1. Windows NT Election (WinEDS) Software

On-site Pre-Election, During Election and Post Election Support

Sequoia must assign a dedicated Account Manager to the County for on-site support. The Account Manager will be familiar with and responsible for every aspect of the account including: RMA's, election management system, machine maintenance, request for training, maintaining an election calendar, software updates, sales orders, responding to election needs, product shipment and deliveries, tracking and monitoring customer calls, etc. The Account Manager will be assisted by an assigned Technical Support Specialist.

In addition to on-site support, telephone support will be available during normal business hours, Monday through Friday, excluding holidays. Whenever applicable and with 3 days notice from the County, telephone support will be available on weekends and holidays.

Sequoia will provide an election technician to support the election morning call center and tally process for all Primary, General, and UDEL elections through the extended warranty and support period.

Exhibit C
Description of Warranty, Maintenance and Support
Annual Recurring Services

	Description	Qty	10/1/2008	10/1/2009	10/1/2010	10/1/2011	10/1/2012	10/1/2013	10/1/2014	10/1/2015
A	Support									
1	On-site, pre, during and post election support	LOT	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$31,500	\$33,075
B	Hardware									
2	AVC Edge DRE Touch Screen Units	5,500	\$412,500	\$412,500	\$412,500	\$412,500	\$412,500	\$440,000	\$462,000	\$485,100
3	Sequoia 400-C Absentee Counter	3	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,750	\$16,538
4	Card Activators	1,250	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$26,250	\$27,563
C	Software									
5	WinEDS Software	LOT	\$52,500	\$52,500	\$52,500	\$52,500	\$52,500	\$72,500	\$76,125	\$79,931
D	Sales Tax @ 8.25% on items under B and C		\$41,663	\$41,663	\$41,663	\$41,663	\$41,663	\$45,581	\$47,860	\$50,253
E	Total Annual Recurring Services		\$576,663	\$576,663	\$576,663	\$576,663	\$576,663	\$628,081	\$659,485	\$692,460

AVC Edge[®] and Card Activator

Terms of Extended Warranty

Scope of Service

This Extended Warranty shall require Sequoia to do the following:

1. Sequoia will provide all repair parts to replace those which have been broken through normal wear and tear, as determined by Sequoia Voting Systems, Inc. without charge to the Customer as long as this Extended Warranty remains in force.

Defective components or materials should be returned at Sequoia's expense to Sequoia in accordance with Sequoia's instructions, upon receipt from Sequoia of a Return Material Authorization Number ("RMA") and shipping instructions. Goods returned in accordance with the foregoing procedures shall be replaced or repaired, at the option of Sequoia, and returned to the Customer via United Parcel Service within 30 days and where possible at least 14 days prior to an election. Special handling on expedited shipments shall be at the customer's expense. Sequoia has the option to take delivery of these items in Santa Clara County.

2. Sequoia will provide telephone support to answer questions on equipment use or repair during normal business days between 8:00 a.m. and 5:00 p.m. Pacific Time.
3. Sequoia will waive the tuition for its normally scheduled training classes.
4. Sequoia will provide to the Customer software upgrades, which may become available from time to time. Such upgrades shall be installed by the Customer.
5. Any and all firmware upgrades available on the AVC Edge[®]. These upgrades to be installed by the Customer onto the AVC Edge[®] voting units.

Limitations

- 1 Except as otherwise required in the Agreement, this Extended Warranty does not require Sequoia to repair or replace:

- A. paper, seals, batteries, or other consumable parts or supplies,
- B. products which have been repaired or altered by persons other than those expressly approved in writing by Sequoia,
- C. products from which the serial numbers have been removed, defaced or changed,
- D. products damaged as a result of accident, disaster, theft, vandalism, neglect, abuse, use of any product for a purpose other than the purpose for which it is

- E. designed or use not in accordance with instructions furnished by Sequoia, products which have been subjected to physical, mechanical or electrical stress or alteration or any conversion by persons other than those expressly approved in writing by Sequoia,
- F. products used by any person other than Customer's employees or persons under Customer's direct supervision,
- G. equipment that in Sequoia's reasonable opinion cannot be repaired to a maintainable condition.

2. Sequoia will not be liable for any failure or delay in performance under this Extended Warranty due in whole or in part to any cause beyond Sequoia's control, including but not limited to work stoppages, fires, civil disobedience, riots, rebellions, acts of God and similar occurrences.

3. Sequoia expressly disclaims all other warranties, either express or implied, not specifically set forth in the Agreement including, without limitation, the implied warranties of fitness for a particular purpose and merchantability. In no event whatsoever shall Sequoia be liable to Customer for indirect, special or inconsequential damages as a result of its breach of any of the provisions of this Extended Warranty.

4. Sequoia reserves the right to discontinue this Extended Warranty on any machine for the following reasons:

- A. the machine is not being used in accordance with intended purposes
- B. abuse of equipment by the operators
- C. equipment requires shop repair or overhaul, but approval to proceed has been denied by Customer.

5. Customer's exclusive remedy and Sequoia's entire liability in Contract, tort or otherwise, for breach of this Extended Warranty, will be to make all necessary adjustments and repairs, (or at Sequoia's option replace or substitute equipment) to keep the equipment in good operating condition in accordance with the manufacturer's policies then in effect.

6. In no event will Sequoia be liable to Customer for any indirect, special or consequential damages arising out of this Extended Warranty or the use of any equipment and services provided under this Extended Warranty.

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Sequoia 400-C Optical Scan Ballot Counter

Terms of Extended Warranty

Scope of Service

This Extended Warranty shall require Sequoia to do the following:

1. Sequoia will provide all repair parts to replace those which have been broken through normal intended use, as determined by Sequoia Voting Systems, without charge to the Customer as long as this Extended Warranty remains in force.

Defective components or materials should be returned at Sequoia's expense to Sequoia in accordance with Sequoia's instructions, upon receipt from Sequoia of a Return Material Authorization Number (_RMA_) and shipping instructions. Goods returned in accordance with the foregoing procedures shall be replaced or repaired, at the option of Sequoia, and returned to the Customer via United Parcel Service within 30 days and where possible at least 14 days prior to an election. Special handling on expedited shipments shall be at the customer's expense. Sequoia has the option to take delivery of these items in Santa Clara County.

2. Replacement Parts will be replaced on scheduled maintenance trips by Sequoia technicians.
3. One Preventative Maintenance Inspection per year by Sequoia at a mutually decided time and date.
4. Sequoia will provide telephone support to answer questions on equipment use or repair during normal business days between 8:00 a.m. and 5:00 p.m. Pacific Time.
5. Sequoia will waive the tuition for its normally scheduled training classes.
6. Sequoia will provide to the Customer software upgrades, which may become available from time to time. Such upgrades shall be installed by the Customer. They shall be at no cost.

Limitations

1. Except as otherwise required in the Agreement, this Extended Warranty does

Exhibit C2

not require Sequoia to repair or replace:

- A. paper, seals, batteries, or other consumable parts or supplies,
 - B. products which have been repaired or altered by persons other than those expressly approved in writing by Sequoia,
 - C. products from which the serial numbers have been removed, defaced or changed,
 - D. products damaged as a result of accident, disaster, theft, vandalism, neglect, abuse, use of any product for a purpose other than the purpose for which it is designed or use not in accordance with instructions furnished by Sequoia,
 - E. products which have been subjected to physical, mechanical or electrical stress or alteration or any conversion by persons other than those expressly approved in writing by Sequoia,
 - F. products used by any person other than Customer's employees or persons under Customer's direct supervision,
 - G. equipment that in Sequoia's reasonable opinion cannot be repaired to a maintainable condition.
2. Sequoia will not be liable for any failure or delay in performance under this Extended Warranty due in whole or in part to any cause beyond Sequoia's control, including but not limited to work stoppages, fires, civil disobedience, riots, rebellions, acts of God and similar occurrences.
3. Sequoia expressly disclaims all other warranties, either express or implied, not specifically set forth in the Agreement or this Extended Warranty, including, without limitation, the implied warranties of fitness for a particular purpose and merchantability. In no event whatsoever shall Sequoia be liable to Customer for indirect, special or inconsequential damages as a result of its breach of any of the provisions of this Extended Warranty.
4. Sequoia reserves the right to discontinue this Extended Warranty Agreement on any machine for the following reasons:
- A. the machine is not being used in accordance with intended purposes
 - B. abuse of equipment by the operators
 - C. equipment requires shop repair or overhaul, but approval to proceed has been denied by Customer.
5. Customer's exclusive remedy and Sequoia's entire liability in Contract, tort or otherwise, for breach of this Extended Warranty, will be to make all necessary adjustments and repairs, (or at Sequoia's option replace or substitute equipment) to keep the equipment in good operating condition in

Exhibit C2

accordance with the manufacturer's policies then in effect.

6. In no event will Sequoia be liable to Customer for any indirect, special or consequential damages arising out of this Extended Warranty or the use of any equipment and services provided under this Extended Warranty.

EXHIBIT D

WinEDS Software – Terms of Software License

EXHIBIT D

WinEDS SOFTWARE TERMS OF SOFTWARE LICENSE

1. DEFINITIONS

1.1 In this Software License the following terms shall bear the following meanings:

Documentation” the manuals, procedures and materials accompanying the Software.

“Software” WinEDS election management software.

“License Fee” the license fee payable by the Licensee to the Licensor for the license of the Software.

“Specifications” the specifications for the Software set forth in the Documentation.

1.2 Words used in the singular shall include the plural and vice versa.

2. GRANT OF LICENSE

2.1 The Licensor grants to the Licensee a personal, non-transferable and non-exclusive license through September 30, 2008, to use the Software solely for the Licensee's own internal business purposes. The license shall take effect from the date of signature of the Agreement. Except as otherwise stated in the Agreement, this Software License may not be assigned or transferred by the Licensee, voluntarily or by operation of law (including without limitation, by transfer of ownership interests in the Licensee), to any party without the Licensor's express prior written permission. The Licensee shall have no power to grant sub-licenses, prepare derivative works or modify the Software. Any use of all or any portion of the Software not expressly permitted by the terms of the Agreement or this Software License is strictly prohibited.

2.2 Licensor shall retain ownership of all copyright and other proprietary rights in the Software and any modifications or translations thereof. Licensee shall acquire only the limited license to the Software granted under the express terms of Section 2.1 above.

- 2.3 No right is granted to Licensee by this Agreement to use any identifying mark (such as, but not limited to, trade names, trademarks, trade devices, service marks or symbols, and abbreviations, contractions or simulations thereof) owned by, or used to identify any product or service of, Licensor or a corporate affiliate of Licensor. Licensee agrees that it will not, without the prior written permission of Licensor, (i) use any such identifying mark in advertising, publicity, packaging, labelling or in any other manner to identify any of its products or services, or (ii) represent, directly or indirectly, any product or service of Licensee as a product or service of Licensor or such an affiliate or is made in accordance with or utilizes any information or documentation of Licensor or such an affiliate.

3. DELIVERY

- 3.1 The Software shall be supplied in executable form together with one back-up copy and one copy of Software documentation.
- 3.2 Delivery of the Software shall take place at the location(s) and on the dates agreed between the parties.

4. PROHIBITED ACTS

- 4.1 The Licensee shall not (and shall not permit any other party to), except to the extent permitted by law, without the prior written permission of the Licensor:
- 4.1.1 Transfer or copy onto any other disk or hardware or otherwise copy the Software in whole or in part except for purposes of system backup;
- 4.1.2 Reverse engineer, disassemble, decompile, decipher or analyse the Software in whole or in part;
- 4.1.3 Alter or modify the Software in any way or prepare any derivative works of the Software or any part of parts of the Software;
- 4.1.4 Alter, remove or obstruct any copyright or proprietary notices from the Software, or fail to reproduce the same on any lawful copies of the Software; or
- 4.1.5 Use the Software other than as specified in the Agreement.
- 4.1.6 Export, directly or indirectly, any Software to any country outside of the United States, or make disclosure of the Software to any foreign national where such disclosure would require an export license or other governmental permit.

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5. CONFIDENTIALITY

The Licensee acknowledges that the Software is the sole and exclusive property of the Licensor or its licensors, contains confidential information of the Licensor or its licensors and embodies certain valuable proprietary information and trade secrets of the Licensor or its licensors. The Licensee shall not give or make available the Software, or any part thereof, or otherwise disclose confidential information contained in, supplied with or relating to the Software to any third party except to such of its employees and contractors as are required to have access to the Software in the normal course of use of the Software for the purpose permitted under Section 2 and under like conditions of confidentiality as contained in this Section 5. The provisions of this Section 5 shall survive the termination or expiration of the Agreement or this Software License.

6. RETURN OF SOFTWARE

Upon termination or expiration of the Agreement or this Software License, the Licensee shall (i) forthwith return to the Licensor all Software in its possession or control, or, if so requested by the Licensor, destroy all such Software and (ii) purge all Software from any electronic media, and certify in writing to the Licensor that it has been destroyed and purged.

7. TERMINATION

The license herein granted will terminate upon expiration or termination of that certain Agreement between Licensor and Licensee to which this document is attached as Exhibit D.

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EXHIBIT E

Indemnity and Insurance

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COUNTY OF SANTA CLARA
EXHIBIT E

INDEMNITY AND INSURANCE REQUIREMENTS

Indemnity

The Contractor shall indemnify, defend, and hold harmless the County of Santa Clara (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The Contractor shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.

Insurance

Without limiting the Contractor's indemnification of the County, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a certified copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the requesting County department, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Insurance Manager.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified County insurance requirements without 30 days' prior written notice of such

COUNTY OF SANTA CLARA
EXHIBIT E

cancellation or change being delivered to the County of Santa Clara or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance - for bodily injury (including death) and property damage which provides limits as follows:
 - a. Each occurrence - \$1,000,000
 - b. General aggregate - \$2,000,000
 - c. Products/Completed Operations aggregate - \$2,000,000
 - d. Personal Injury - \$1,000,000
2. General liability coverage shall include:
 - a. Premises and Operations
 - b. Products/Completed
 - c. Personal Injury liability
 - f. Severability of interest
3. General liability coverage shall include the following endorsement, a copy of which shall be provided to the County:

Additional Insured Endorsement, which shall read:

“County of Santa Clara, and members of the Board of Supervisors of the County of Santa Clara, and the officers, agents, and employees of the County of Santa Clara, individually and collectively, as additional insureds.”

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by the County of Santa Clara, its officers, agents, and employees shall be excess only and not contributing with insurance provided under this policy. Public Entities may also be added to the additional insured endorsement as applicable and the contractor shall be notified by the contracting department of these requirements.

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COUNTY OF SANTA CLARA
EXHIBIT E

4. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles.

4a. Aircraft/Watercraft Liability Insurance (Required if Contractor or any of its agents or subcontractors will operate aircraft or watercraft in the scope of the Agreement)

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired aircraft/watercraft.

5. Workers' Compensation and Employer's Liability Insurance

- a. Statutory California Workers' Compensation coverage including broad form all-states coverage.
- b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

E. Special Provisions

The following provisions shall apply to this Agreement:

- 1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the County or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
- 2. The County acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by the County upon satisfactory evidence of financial capacity. Contractors obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
- 3. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.

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COUNTY OF SANTA CLARA
EXHIBIT E

4. The County reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments)

Before receiving compensation under this Agreement, Contractor will furnish County with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the County cited herein. If such bond is canceled or reduced, Contractor will notify County immediately, and County may withhold further payment to Contractor until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of County.

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EXHIBIT F
Performance Bond

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CHUBB GROUP OF INSURANCE COMPANIES

Surety Department, 15 Mountain View Road, P.O. Box 1615, Warren, NJ 07061-1615
Phone: (908) 903-3485 • Facsimile: (908) 903-3656

FEDERAL INSURANCE COMPANY PERFORMANCE BOND

Bond No. 8303-31-14

Amount \$18,904,509.30

Know All Men By These Presents,

That we, **SEQUOIA VOTING SYSTEMS**
7677 Oakport Street #800, Oakland, CA. 94621

(hereinafter called the Principal),
as Principal, and the **FEDERAL INSURANCE COMPANY**, Warren, New Jersey, a corporation duly organized under the laws of the State of Indiana, (hereinafter called the Surety), as Surety, are held and firmly bound unto

COUNTY OF SANTA CLARA, CALIFORNIA
1555 Berger Drive, Building 2, San Jose, CA. 95112

(hereinafter called the Obligee),
in the sum of— **Eighteen Million, Nine Hundred Four Thousand, Five Hundred Nine & 30/100—**

(\$ 18,904,509.30 Dollars
) for the payments of which we, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this **11th** day of **April, 2003**

WHEREAS, the Principal entered into a certain Contract with the Obligee, dated **April 29, 2003** for

Supply of Direct Recording Electronic Voting System-RFP#2565

in accordance with the terms and conditions of said Contract, which is hereby referred to and made a part hereof as if fully set forth herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal shall well and truly keep, do and perform each and every, all and singular, the matters and things in said Contract set forth and specified to be by said Principal kept, done and performed, at the times and in the manner in said Contract specified, or shall pay over, make good and reimburse to the above named Obligee, all loss and damage which said Obligee may sustain by reason of failure or default on the part of the said Principal so to do, then this obligation shall be null and void; otherwise shall remain in full force and effect, subject, however, to the following conditions:

(over)

NOTWITHSTANDING ANYTHING CONTAINED IN THE CONTRACT TO THE CONTRARY, THE LIABILITY OF THE PRINCIPAL AND THE SURETY UNDER THIS BOND IS LIMITED TO THE TERM OF THE CONTRACT FROM April 29, 2003 TO April 15, 2004. ANY EXTENSIONS OR RENEWALS OF THIS BOND MUST BE CONSENTED TO IN WRITING BY THE PRINCIPAL AND THE SURETY. FAILURE TO EXTEND OR RENEW THIS BOND BY THE PRINCIPAL AND THE SURETY SHALL NOT CONSTITUTE A DEFAULT UNDER THIS BOND.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligor named herein or the heirs, executors, administrators or successors of the Obligor.

SEQUOIA VOTING SYSTEMS

Principal

By:

Therese Leche

April 12th 2003

FEDERAL INSURANCE COMPANY

By:

Paul E. Rapp III

Paul E. Rapp, III

Atty-in-fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SAN FRANCISCO

} ss.

On April 11, 2003 before me, LORNA E. DECLINES, NOTARY PUBLIC

Date

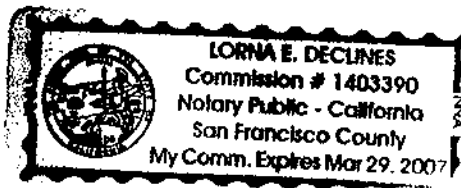
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Paul E. Rapp, III

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Lorna E. Declines

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☒ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: FEDERAL INSURANCE COMPANY

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here



POWER
OF
ATTORNEY

Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company

Attn.: Surety Department
15 Mountain View Road
Warren, NJ 07059

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Robert A. Walsh,

Loma E. Declines, Michael A. Stor, Paul E. Rapp, III and Anthony Maruri of San Francisco, California -----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 17th day of September, 2002


Kenneth C. Wendel, Assistant Secretary


Frank E. Robertson, Vice President

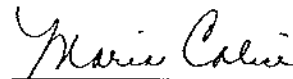
STATE OF NEW JERSEY ss.
County of Somerset

On this 17th day of September, 2002, before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Frank E. Robertson, and knows him to be Vice President of said Companies; and that the signature of Frank E. Robertson, subscribed to said Power of Attorney is in the genuine handwriting of Frank E. Robertson, and was thereto subscribed by authority of said By-Laws and in deponent's presence.



Notarial Seal

MARIA CALISE
Notary Public, State of New Jersey
No. 2183982
Commission Expires Nov. 18, 2005


Notary Public

CERTIFICATION

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:


"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 11th day of April, 2003




Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com

EXHIBIT G

Designation of Sub-Contractors

COUNTY OF SANTA CLARA

EXHIBIT G - DESIGNATION OF SUBCONTRACTORS

Bidder shall completely fill in the form below for each subcontract that exceeds one-half percent (1/2%) of the bidder's total Base Bid. A subcontractor is defined as one whom:

- 1) Performs work or labor
- 2) Provides a service to the bidder
- 3) Specially fabricates and installs a portion of the work according to the plans and specifications.

Work shall be done in compliance with California Public Contract Code 4100-4114 and any amendment thereof.

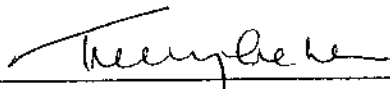
Bidder shall assume full responsibilities for the actions, omissions and errors of subcontractors listed below. No change in subcontractor shall be permitted, after award, without prior written approval from the County Purchasing Department Buyer or his/her designee. Changes in subcontractors without prior written consent from the County Purchasing Department Buyer or his/her designee can result in the cancellation of the purchase order.

NAME OF
SUBCONTRACTOR

COMPLETE ADDRESS
AND TELEPHONE NO.

SPECIALTY

AUTHORIZED SIGNATURE: _____



PRINT OR TYPE NAME: _____

TRACEY GRAHAM

DATE _____

April 12th, 2003

COMPANY NAME: _____

SEQUOIA VOTING SYSTEMS

TELEPHONE NUMBER: _____

(510) 875 1323

ADDRESS: _____

7677 OAKPORT STREET, OAKLAND, CA, 94621