

THE CORPORATION OF THE
TOWN OF PELHAM
BY-LAW #2252 (2001)

Being a by-law to authorize the Mayor & Clerk to enter into a Purchase Agreement with Global Election Systems Inc. For the purchase of vote tabulating equipment.

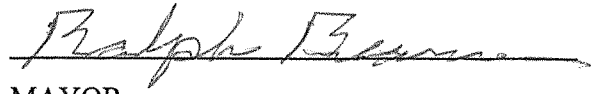
WHEREAS Council has agreed to purchase three (3) Accu-Vote tabulating machines from Global Elections Systems Inc. for municipal election purposes;

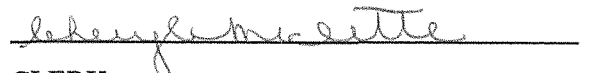
AND WHEREAS it is deemed desirable to enter into an agreement with Global Election Systems Inc. for the purchase of such equipment;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF PELHAM ENACTS AS FOLLOWS:

- (1) THAT the Purchase Agreement attached hereto and made part of this by-law between the Corporation of the Town of Pelham and Global Election Systems Inc. be and the same is hereby approved.
- (2) THAT the Mayor and Clerk be and each of them is hereby authorized and instructed on behalf of the Corporation of the Town of Pelham to execute the said Purchase Agreement and the Clerk is hereby authorized to affix the Corporate Seal thereto.

READ A FIRST, SECOND AND THIRD TIME
AND FINALLY PASSED BY COUNCIL THIS
5th. DAY OF FEBRUARY, 2001 A.D.


MAYOR


CLERK

THIS AGREEMENT DATED FOR REFERENCE THIS 5th. DAY OF FEBRUARY, 2001.
BETWEEN:

TOWN OF PELHAM,
20 PELHAM TOWN SQUARE
P. O. BOX 400
FONTHILL, ONTARIO
L0S 1E0
(Hereinafter referred to as the "Town")
OF THE FIRST PART

- and -

GLOBAL ELECTION SYSTEMS INC.
SUITE 350 - 1200 WEST 73RD. AVENUE
VANCOUVER, B.C.
V6P 6G5
(Hereinafter referred to as "GES")
OF THE SECOND PART.

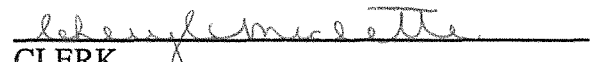
1. The Town agrees to purchase from GES, and GES agrees to sell to the Town, the ACCU-VOTE SYSTEM as described in the schedule attached hereto as Schedule "A" (The Equipment for the total price of \$16,945.25 including PST and GST) calculated in accordance with Schedule "A".
(A) The price contained in Schedule "A" shall be available to the Town until the first day of June, 2001.
(B) GES certifies the Equipment will comply with all Year 2000 requirements. Failure to do so, GES will provide all upgrades at no cost to the Town to ensure Year 200 compliancy.
2. GES represents and warrants that the Equipment delivered pursuant to this Agreement will be free from defects in design, operation or fitness for purpose of use during the term of this Agreement and that, upon delivery, the Equipment will be free and clear of all liens and encumbrances.
3. This agreement, the right to receive payment and all rights hereunder, shall not be assignable by either party without the written consent of the other, which shall not be unreasonably withheld. However, nothing in these provisions shall prevent GES from pledging the proceeds of this contract as security so long as the pledge does not affect the rights and duties of each party herein.
4. GES shall promptly notify the Town, in writing, if GES changes its name or address.
5. Time is of the essence with respect to this Agreement.
6. No waiver by either party of any default by the other party shall constitute a waiver of any other default by such party.

7. This agreement including Schedules A, B and C (attached) constitutes the sole and entire agreement between the parties, and supersedes any previous agreements, understandings and arrangements between the parties relating to Optical Scan Voting Equipment. This Agreement may not be amended except in writing signed by each of the parties hereto, their permitted successors and assigns. No agreements or understandings shall be binding on either party hereto unless specifically set forth in this agreement.
8. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidation of the remaining provisions and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.
9. GES's Extended Equipment Warranty Agreement as outlined in Schedule "C" is herewith incorporated in the terms and conditions of this Agreement.
(A) The terms and conditions of this Agreement shall apply to the Equipment which the Town purchases in full.
10. Any reference to cost in this Agreement shall be in Canadian dollars and any reference to credits to the Town shall be in Canadian dollars.
11. The provisions contained in this Agreement shall remain binding with necessary modifications where the Town, or parts thereof, is subject to a municipal government restructure.
12. This Agreement is governed by the laws of the Province of Ontario.

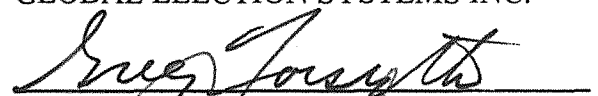
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

TOWN OF PELHAM


MAYOR


CLERK

GLOBAL ELECTION SYSTEMS INC.


GREG FORSYTHE, CANADIAN SALES


ROBERT J. UROSEVICH, PRESIDENT

SCHEDULE "A"

THE EQUIPMENT

PLAN A - PURCHASE

Quantity	Description	Cost	Total
3	14 pound Accu-Vote ballot tabulators including black nylon carrying case, phone and power cables, 12 volt gel-cell battery, 14.4k modem and latest firmware	\$6,995.00	\$20,985.00
	Less rental credit		(\$6,250.00)
		Sub-Total	\$14,735.00
		PST 8%	1,178.80
		GST 7%	1,031.45
		TOTAL	\$16,945.25

SCHEDULE "B"

PAYMENT AND DELIVERY SCHEDULE

1. The Town will remit payment to GES June 1, 2001 or earlier, for the full value contained in Schedule "A" (The Equipment).
2. GES agrees to supply the programmed 128k Memory Cards to the Town in the desired quantities at a cost of \$250.00 per card, or at GES's prevailing rate.
3. The Town shall have the option for an Extended Equipment Warranty Agreement available at a cost of \$95.00 per unit per year commencing November 1, 2001.
4. The Extended Equipment Warranty Agreement cost to the Town may be adjusted from time to time but will be the prevailing rate available to GES's clients.

SCHEDULE "C"

GLOBAL ELECTION SYSTEMS INC. EXTENDED EQUIPMENT WARRANTY AGREEMENT

The Accu-Vote is warranted to be free from defects in materials, parts, and/or workmanship for a period of one (1) year from the date of customer acceptance of such equipment. The same remedies apply during the initial warranty period as are provided for during the extended warranty period.

The EXTENDED WARRANTY is available to the original purchaser of the Accu-Votes upon the expiration of the initial warranty period. The EXTENDED WARRANTY provides for Global Election Systems Inc. to perform full and complete repair or provide replacement of the Accu-Votes, at its option, upon evidence of equipment failure. When special or unusual conditions exist, Global Election Systems Inc. will ship a "loaner" unit to the customer to be used for election activity until full and complete repairs have been completed on the original malfunctioning unit, or a replacement decision has been reached by the Company. In all cases, the Customer will return the malfunctioning unit to Global Election Systems Inc. upon delivery and receipt of the "loaner" unit. Shipping charges, in all cases, shall be borne by the sender.

The cost of the EXTENDED WARRANTY is \$95.00 per Accu-Vote per year. Accu-Votes initially or subsequently purchased by the Customer must be covered by the EXTENDED WARRANTY. Customer may purchase the EXTENDED WARRANTY immediately upon the expiration of the initial warranty period or at any time thereafter. However, should the Customer elect to purchase the EXTENDED WARRANTY at an undetermined future date, then all previous cycles of the non-warranty time must be purchased at the time of the EXTENDED WARRANTY acquisition.

The EXTENDED WARRANTY will remain in full force and effect as long as the Customer continues to pay the per unit fee.

The EXTENDED WARRANTY will not apply if the Accu-Vote System has been damaged by accident, abuse, improper usage, or as a result of service modifications by anyone other than Global Election Systems Inc. or its authorized agent or service representative.

EFFECTIVE DATE:

TOWN OF PELHAM - CHERYL MICLETTE, CLERK

GLOBAL ELECTION SYSTEMS INC. - GREG FORSYTHE, CANADIAN SALES