

Agreement for E-Voting Services dated this 10th day of May 2010.

BETWEEN:

THE TOWNSHIP OF AUGUSTA
Of R.R. 2 Prescott, ON K0E 1T0
(herein called “the Municipality”)

- and -

INTELIVOTE SYSTEMS INC.
Of 201 Brownlow Avenue, Suite 25, Dartmouth, Nova Scotia, B3B 1W2
(herein called “ISI”)

WHEREAS ISI has developed application software, procedures and expertise to provide an electronic voting system incorporating voting through secure wireless, telephone and internet connections, in conjunction with mail-in votes and ballots cast in person at polling stations (“the ISI System”);

AND WHEREAS the Municipality wishes to obtain from ISI the use of the ISI System to conduct its municipal election on the Election Date(s) defined in Article 1 below;

AND WHEREAS ISI and the Municipality wish to set forth the terms applicable to the use of the ISI System for the Municipality’s Election on the Election Date(s);

NOW THEREFORE FOR the mutual consideration set forth herein, the adequacy of which is hereby acknowledged, ISI and the Municipality, intending to be legally bound, agree as follows:

1. Definitions

- 1.1 “Interactive Voice Response” and “IVR”- means the capability for electors to listen to voting options and to cast a vote(s) through a telephone system including wireless phones.
- 1.2 “Internet Enabled Connection Service”- means the capability for electors to connect through the internet to a website and to read the voting options and to cast a vote(s) through the internet connection.
- 1.3 “PIN”- means a unique personal identification number assigned to each Eligible Elector.
- 1.4 “Control Centre”- means the location at which ISI sets up the control access and monitoring of the database and processing functions of the ISI System.

- 1.5 “Election Date(s)”- means the following days: October 18, 2010 until October 24, 2010 and October 25, 2010.
- 1.6 “Advance Voting Dates”- means the following dates: October 18, 2010 to October 24, 2010
- 1.7 “Voting Decision”- means one or more slates of candidates in which the elector is entitled to vote in a predetermined manner and any number of questions on which the elector is entitled to vote.
- 1.8 “Voting Window”- means the hours designated by the Municipality during the Election Date(s) and the hours and dates designated by the Municipality as advance poll dates during which Eligible Electors are entitled to cast their vote.
- 1.9 “Consulting Services”- means the services described in Schedule “A” hereof which are to be rendered by ISI.
- 1.10 “Candidates’ Agents” -- means persons accredited by the Municipality as a candidate, or agent or scrutineer of a candidate.
- 1.11 “Candidate Reports”- means an electronic record in an agreed upon format produced and made available to candidates’ Agents during the Voting Window at times agreed upon in advance between the Municipality and ISI showing the name or other identifier for each Eligible Elector recorded on the ISI System for each Eligible Elector and which of those Eligible Electors have voted.
- 1.12 “Contract Administrator”- means the persons identified in Article 4 as primary Contract Administrators or other Contract Administrators.
- 1.13 “Eligible Elector”- means a person who the Municipality has determined is eligible to vote in the Election and to whom a PIN has been provided.
- 1.14 “Election Officials”- means the persons who the Municipality designates in writing to ISI as the persons who have jurisdiction over the legal control and conduct of the Election, including the usual powers and authority of a Chief Electoral Officer (CEO) and/or returning officer, whose rulings ISI shall be compelled to comply with.
- 1.15 “Polling Officials” -- means the persons overseen by the Election Officials who are operating officials in the election, serving as deputy returning officers, poll clerks or in other roles at polls or at other locations.
- 1.16 “Website Voting Address”- means an Internet Protocol address to be agreed upon between the Municipality and ISI to which Eligible Electors may connect through a web browser and cast their votes.

- 1.17 “Telephone Voting Number”- means the telephone number to be agreed upon between the Municipality and ISI to which Eligible Electors may connect through a telephone including a wireless telephone and cast their votes.
- 1.18 “Auditor” – means a third party or an individual assigned by the Municipality to conduct audit processes that have been agreed to by the Municipality and ISI and who will be responsible to render an official opinion as to the validity of the total voting process as conducted by ISI and the Election Officials.

2. Provision of ISI Systems

- 2.1 ISI hereby agrees to provide the use of the ISI System to the Municipality and to its Eligible Electors during the Voting Window and to provide any required and agreed to Consulting Services to the Municipality for the municipal election and the Municipality shall pay the fee set out in article 7 to ISI in accordance with the payment terms set out in clause 7.1.4.

3. Specifications

- 3.1 The ISI System shall permit a person submitting a PIN, or a PIN and any other voting credential agreed upon by the Municipality and ISI, to access the ISI System and to cast the votes permitted by the Municipality on the Voting Decisions in respect of each PIN in any of the manners set out in clauses 3.2, 3.3, 3.4 and 3.5, to record through verifiable records in what manner and when the votes of each PIN were cast, to ensure that votes may be cast in respect of the Voting Decisions only once for each PIN and to ensure that no record is kept or is recoverable which allows the identification of the candidates for whom votes were cast by a PIN, or how votes were cast in answer to questions by a PIN.
- 3.2 The ISI System shall enable IVR ports which will allow Eligible Electors to telephone the Telephone Voting Number and upon entering the elector’s PIN, or a PIN and any other voting credential agreed upon by the Municipality and ISI, to vote in respect of each Voting Decision by Interactive Voice Response.
- 3.3 The ISI System shall enable an internet enabled application through a Website Voting Address that will enable each Eligible Elector to connect to the Website Voting Address and upon entering that elector’s PIN, or a PIN and any other voting credential agreed upon by the Municipality and ISI, to vote in respect of each Voting Decision by Internet Enabled Connection Service.
- 3.4 The ISI System shall, if required, enable the Polling Officials to securely enter in the ISI System the PIN or name of each Eligible Elector at the time they are given a paper ballot at a polling station to vote in person and to determine at such time if any vote has previously been cast using such PIN and to record on the ISI System that a vote has been cast in respect of that PIN;

- 3.5 The ISI System shall, if required, enable the Polling Officials to securely enter in the ISI System the PIN or name of each Eligible Elector delivering a mail-in ballot and to determine at such time if any vote has previously been cast using such PIN and to record on the ISI System that a vote has been cast in respect of that PIN.
- 3.6 Access to the ISI System via any voting telephone number and to the internet website address shall be restricted to only the times and dates set out in the Voting Window unless directed by the Election Officials to extend or reduce the Voting Window.
- 3.7 The ISI System shall enable the Auditor to access the ISI System and cast auditing votes during the Voting Window which can be tracked as auditing votes and removed from any final vote tally so as to obtain assurance that the ISI System is functioning properly.
- 3.8 The ISI System shall enable Election Officials and/or the Auditor to have secure access to the tally of votes cast by Interactive Voice Response and Internet Enabled Connection Service after the close of the Voting Window.
- 3.9 The ISI System shall enable ISI personnel to shutdown the ISI System and, in such case, the prescribed message shall be recorded on the Interactive Voice Response and displayed on Internet Enabled Connection Service.
- 3.10 The ISI System shall enable the Candidates and/or Candidates' Agents to have access to the Candidate Module, if such service is requested to be enabled by the Election Officials.

4. Contract Administration

- 4.1 Each party shall designate the name, address, telephone, fax and email addresses of a primary Contract Administrator. The Contract Administrator shall be responsible for arranging all meetings, visits and consultations between the parties and for the transmission and receipt of all official notices and for all administrative matters such as invoices, payments and amendments.

The primary Contract Administrator for ISI shall be:

Name: Janet Hood
Telephone: (902) 481-1158
Fax: (902) 481-0360
Email: Janet.hood@intelvot.com

The primary Contract Administrator for the Municipality shall be:

Name: Linda Robinson
Telephone: (613) 925-4231
Fax: (613) 925-3499
Email: lrobinson@augusta.ca

- 4.2 Any party may by notice in writing to the other party's primary Contract Administrator designate a different person as Contract Administrator for a specific aspect of the administration of the contract.
- 4.3 The Contract Administrators will be available Monday through Friday 9:00 a.m. to 4:30 p.m. Eastern Standard Time, excluding lunch hours and a reasonable number of days spent out of the office and shall respond within 1 business day of the receipt of any request for information or request for decisions that are communicated between the Contract Administrators.
- 4.4 Each party may change its Contract Administrators by notice to the other party's primary Contract Administrator.
- 4.5 Each of the Contract Administrators shall communicate with each other promptly as to the status of information, procedures and progress on each of their respective tasks as set out in this Agreement and to advise the other forthwith upon the occurrence of any material change in such plans.
- 4.6 If any party (first party) receives notice from the other party that the first party's Contract Administrator is not carrying out his or her duties to the satisfaction of the other party, then the first party shall promptly designate another person as its Contract Administrator.

5. Obligations of the Municipality

- 5.1 The Municipality shall:
 - 5.1.1 Ensure that at all times it has a Contract Administrator ready, willing and competent to communicate with ISI on any issue relevant to this contract.
 - 5.1.2 Allocate appropriate resources with the necessary knowledge and authorization to work with ISI in defining tasks for all stages of activity leading up to and including Election Day(s); establish mutually agreed upon timelines for these tasks; coordinate all tasks assigned to the Municipality; provide all information required to configure the ISI system as early as possible in the overall event schedule. A draft project plan detailing some of these tasks is provided in Schedule C.
 - 5.1.3 Pay ISI for services such amounts as are outlined in Article 7 and pay to third parties such costs which pursuant to this contract and to Schedule "A" the Municipality is responsible to bear and to indemnify ISI in respect of such costs.
 - 5.1.4 Supply at its cost appropriate equipment, as required, such as computer hardware, internet access, telephone service at any, or all, polling stations.

- 5.1.5. Engage a qualified third party or an individual to conduct audit processes that have been agreed to by the Municipality and ISI and who will be responsible to render an official opinion as to the validity of the total voting process as conducted by ISI and the Election Officials.

6. Obligations of ISI

6.1 ISI shall:

- 6.1.1. Arrange at its cost in consultation with the Municipality for a Telephone Voting Number capable of handling not less than such number of calls per minute as is specified by ISI based on the number of Eligible Electors;
- 6.1.2. Arrange at its cost in consultation with the Municipality for a Website Voting Address capable of handling not less than such number of connections per minute as is specified by ISI based on the number of Eligible Electors;
- 6.1.3. Provide the ISI System functioning in accordance with the Specifications set out in Clause 3 connected to the Telephone Voting Number and Website Voting Address to the Eligible Electors during the Voting Window;
- 6.1.4. Perform with diligence in a timely manner in accordance with generally accepted professional standards and practices recognized in the Information Technology Industry the Consulting Services described in Schedule “A”;
- 6.1.5. Abide by decisions of the Election Official and comply with instructions from the Auditor and Election Officials in respect to operations of the ISI system providing that such instructions and decisions do not adversely impact the operation or integrity of the ISI system;
- 6.1.6. Ensure that the voting instructions are available on the ISI System during the Voting Window;
- 6.1.7. Make available online to the Election Official and/or Auditor at the end of the Voting Window the results of votes cast for each candidate and question; and
- 6.1.8. Cause a duly qualified individual to meet with the Municipality at the offices of the Municipality in the event that any other communication is demonstrably ineffective to resolve any outstanding issues.

7. Fee and Payment Terms

- 7.1 The Municipality agrees to pay to ISI:
- 7.1.1. A base services fee equal to \$2.00 per Eligible Elector being the number of eligible and enumerated electors in the ISI System on Election Day(s);
 - 7.1.2. A services and postage fee equal to \$1.00 per Eligible Elector for the creation, printing and distribution of voter instruction kits;
 - 7.1.3. Any fees for additional consulting services described in Schedule “B”;
 - 7.1.4. The fees payable pursuant to clause 7.1.1 and 7.1.2 are payable as follows:
 - a) 25% of the base services fee of \$2.00 per Eligible Elector on execution of this Agreement, based on the number of Eligible Electors as determined by the previous list of electors used for the most recent election held in the Municipality; (Approximately 5,420 electors which equals \$2,710).
 - b) The services and postage fee of \$1.00, for each Voter Information Kit to be sent to each Eligible Elector, on September 1, 2010; and,
 - c) the balance of the service fee 14 days after the Election Date;
 - 7.1.5. The Municipality shall pay in addition to the fees stated above Goods and Services Tax and any other taxes applicable to the provision of such services.
 - 7.1.6. Any fee or portion thereof not paid on the date on which it is payable shall bear interest at the rate of 12% per annum calculated and applied monthly.

8. Ownership and Rights

- 8.1 ISI shall maintain ownership of all intellectual property rights associated with the ISI System and the Municipality is only entitled to the data concerning the Election generated by the ISI System and the Municipality shall have no other rights in or further use of the ISI System.

9. Representations and Warranties

- 9.1 ISI represents and warrants that:
- 9.1.1. Use of the ISI System as described in this Agreement does not infringe the intellectual property rights of any person;
 - 9.1.2. ISI has and will have full and sufficient right to supply the use of the ISI System during the Voting Window;

- 9.1.3. ISI shall engage a national service provider(s) to provide a very high level of reliability, security, scalability and performance for a high volume transaction, mission critical solution; and
- 9.1.4. ISI will destroy all formats of information relating to Voting Decisions upon receipt of instructions from the Election Official to do so.
- 9.1.5. The person(s) signing this contract are duly authorized to execute and deliver it on behalf of ISI and that it is a duly binding obligation of ISI.
- 9.2 The Municipality represents and warrants that:
 - 9.2.1. The Municipality has the authority and jurisdiction to engage ISI for the provision of the ISI System for its municipal election and that the person(s) signing this contract are duly authorized to execute and deliver it on behalf of the Municipality and that it is a duly binding obligation of the Municipality.

10. Remedies

- 10.1 If a party fails or refuses at any time to perform its obligations under this Agreement, then the other party may deliver the defaulting party notice of intent to terminate this Agreement, which notice shall specify the alleged failures or refusals and, if within three business days of receipt of the notice the defaulting party shall not have cured all the defaults set out in the notice or presented a plan reasonably acceptable to the other party to cure these defaults, the other party may, at its option elect to terminate this Agreement.
- 10.2 If the Municipality terminates this Agreement as a result of all the positions up for election being acclaimed, then the Municipality shall reimburse ISI all out-of-pocket expenses incurred for the planning and delivery of the municipal election in addition to the installments payable pursuant to clauses 7.1.4(a).
- 10.3 If the Municipality terminates this Agreement for any reason other than the reason stated in clause 10.2 without material default by ISI, then the Municipality shall pay ISI fifty percent (50%) of the total fees that would be payable pursuant to Article 7 if the ISI System had been employed for the municipal election, except that a deduction shall be made of any fees payable under 7.1.2 that have not been incurred by ISI.
- 10.4 And any payments previously paid by the Municipality to ISI shall be deducted from amounts otherwise payable pursuant to clause 10.3.

11. Force Majeure

- 11.1 Either party shall be excused from delays in performing or from its failure to perform hereunder to the extent that such delays or failures result from an act of god, fires,

floods, explosions, insurrection, war or riots, unusually severe weather, epidemics or quarantine restrictions, governmental priorities or allocations regulations or any cause beyond the reasonable control of the party including without limiting the generality of the foregoing, a failure of communication facilities, labor trouble or strikes by employees of telecommunications providers including suppliers of application software to ISI, and restraint by Court or public authority.

12. Limitation of Liability

- 12.1 ISI's liability for damages howsoever caused, whether in contract or in tort, including negligence, shall be limited to the actual direct damages suffered by the Municipality and in no event shall ISI be able liable for any indirect, consequential or punitive damages of the Municipality or any other person. In any event, the liability of ISI for the breach of any representation, warranty or covenant shall not exceed the total fee payable to ISI by the Municipality pursuant to this Agreement regardless of the number of claims.

13. Miscellaneous

- 13.1 This Agreement may be executed in several counterparts, all of which taken together shall constitute one single Agreement between the parties.
- 13.2 The parties and their representatives signing this Agreement hereby acknowledge and represent that the representatives signing this Agreement are authorized and have full authority to enter into this Agreement on behalf of the parties for whom they have signed.
- 13.3 No delay or admission by either party to exercise any right or power occurring upon any noncompliance or default by other party shall impair any such right or power or to be construed as a waiver thereof, unless such waiver is in writing.
- 13.4 This Agreement, including the Schedules referred to in this Agreement, constitutes the entire agreement of the parties with regard to the subject matters addressed in this Agreement and this Agreement supersedes all prior or contemporaneous agreements or discussions or representations, whether oral or written with respect to the subject matter of this Agreement and this Agreement cannot be varied, amended, waived or discharged except in writing signed by all parties.
- 13.5 Time is of the essence to the performance of the party's obligations under this Agreement.
- 13.6 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 13.7 This Agreement may not be assigned to any other party without the written consent of the other party.

TOWNSHIP OF AUGUSTA

Per: R. Robinson

Per: M. Campbell

INTELIVOTE SYSTEMS INC.

Per: Dean Smith