

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
SOUTHTECH SYSTEMS, INC. FOR SOFTWARE LICENSING AND SERVICES**

THIS AGREEMENT, entered into this ____ day of _____, 20____,
by and between the COUNTY OF SAN MATEO, hereinafter called "County," and
SOUTHTECH SYSTEMS, INC., hereinafter called "Contractor" or "SouthTech;"

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of providing software licensing and related project and maintenance services to the Department of the Assessor-County Clerk-Recorder.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Exhibits and Attachments

The following exhibits and attachments are included hereto and incorporated by reference herein:

- Exhibit A — Services & Statement of Work
- Exhibit B — Payments and Rates
- Attachment 1 — Contractor's Declaration
- Attachment 2 — Insurance Documents

2. Services to be Performed by Contractor

In consideration of the payments set forth herein and in Exhibit "B," Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

3. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed two hundred sixty-three thousand, two hundred fifty dollars (\$263,250.00 U.S.),

4. Term and Termination

Subject to compliance with all terms and conditions, the term of this Agreement shall be from October 7, 2008 through October 6, 2011.

This Agreement may be terminated by Contractor, the County Assessor-County Clerk-Recorder or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to County. Upon termination, Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

5. Availability of Funds

County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of federal, state, or County funds, by providing written notice to Contractor as soon as is reasonably possible after County learns of said unavailability of outside funding.

6. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.

7. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Assignability and Subcontracting

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the County’s prior written consent shall give County the right to automatically and immediately terminate this Agreement.

9. Insurance

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the County of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.
- (2) **Liability Insurance** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- (a) Comprehensive General Liability \$1,000,000
- (b) Motor Vehicle Liability Insurance \$1,000,000
- (c) Professional Liability \$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

10. Compliance with Laws; Payment of Permits/Licenses

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment "I," which prohibits discrimination on the basis of handicap in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. Further, Contractor certifies that the Contractor and all of its subcontractors will adhere to all applicable provisions of Chapter 4.106 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware.

In the event of a conflict between the terms of this agreement and State, Federal, County, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

11. Non-Discrimination and Other Requirements

- A. *Section 504 applies only to Contractor who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.

- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
 - (i) termination of this Agreement;
 - (ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
 - (iii) liquidated damages of \$2,500 per violation;
 - (iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

12. Compliance with Contractor Employee Jury Service Ordinance

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employees' regular pay the fees received for jury service.

13. Retention of Records, Right to Monitor and Audit

(a) Contractor shall maintain all required records for three (3) years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a federal grantor agency, and the State of California.

(b) Reporting and Record Keeping: Contractor shall comply with all program and fiscal reporting requirements set forth by appropriate federal, state and local agencies, and as required by County.

(c) Contractor agrees to provide to County, to any federal or state department having monitoring or review authority, to County's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

14. Merger Clause

This Agreement, including the exhibits and attachments attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

15. Controlling Law and Venue

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or the United States District Court for the Northern District of California.

16. Notices

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when both (1) transmitted via facsimile to the telephone number listed below and (2) either deposited in the United States mail, postage prepaid, or when deposited for overnight delivery with an established overnight courier that provides a tracking number showing confirmation of receipt for transmittal, charges prepaid, addressed to:

In the case of Contractor, to:
SouthTech Systems, Inc.
Attn: Grant Gyulnazaryan
4181 Flat Rock Drive, Suite 300
Riverside, CA 92505

In the case of County, to:
County of San Mateo
Assessor-County Clerk-Recorder
Attn: Warren Slocum
555 County Center, Floor 3
Redwood City, CA 94063

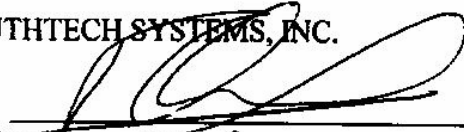
In the event that the facsimile transmission is not possible, notice shall be given both by United States mail and an overnight courier as outlined above.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

SOUTHTECH SYSTEMS, INC.

COUNTY OF SAN MATEO

By: _____


Grant Gyulnazeryan
VP & CFO

By: _____

President, Board of Supervisors, San Mateo
County
Adrienne J. Tissier

Date: September 19, 2008

Date: _____

ATTEST:

By: _____

Clerk of Said Board

EXHIBIT A: SERVICES & STATEMENT OF WORK

In consideration of the payments set forth in Exhibit “B”, Contractor shall provide the following services:

1. PROJECT SUMMARY

This Statement of Work (SOW) defines the areas or scope of work required for successful execution of this project and clearly identifies Contractor’s and County’s project responsibilities. It also describes the project management processes for performing this work, the criteria for determining that the work has been successfully completed and the methodology that will be used to control scope, quality, and costs.

The purpose of this project is to develop, install, implement, and provide product training at the County’s Office of the Assessor-County Clerk-Recorder (“SMCARE”) for Land Records Indexing and Social Security Number (“SSN”) Redaction. SouthTech will deliver a fully integrated, turnkey solution to support these new business processes.

2. Indexing Software Deliverable

FLEX Index is an automated data entry product that has been developed to work in conjunction with an end-to-end county recorder application, such as SouthTech’s LandDocs system. FLEX Index uses an Optical Character Recognition (“OCR”) engine to convert scanned images to a digital format. Then a rules-based search engine uses algorithms to locate a combination of key words and phrases that identify the type of document that is processed. After classifying the document type, FLEX Index applies another set of rules to look for other key words and phrases to identify the information to be captured and indexed into the SouthTech LandDocs application.

FLEX Index focuses on capturing data from the document types that make up 80% of the volume, which typically include:

- abstract of judgment
 - abstract of support judgment
 - affidavit of death
 - assignment of mortgage
 - assignment of rents
 - certificate of delinquency of personal property tax lien
 - financing statement
 - modification of deed of trust
 - mortgage-deed of trust
 - notice of completion
 - notice of default
 - notice of federal tax lien
 - notice of rescission
 - power of attorney
 - quit claim deed
 - release of lien (county, state & federal)
 - request for notice of default
 - satisfaction of judgment
 - satisfaction of mortgage
 - subordination agreement
 - substitution of trustee
- Automatically extracts relevant recorded information such as grantor(s), grantee(s),

legal description, related records, return to address and other user state-defined data fields (up to 6 fields) *regardless of where the information resides in the document*, as defined by this SOW

- Presents the “auto-indexed” document and corresponding image to the user for verification
- Walks the user through the verification process by automatically finding and highlighting the extracted information in the displayed image
- Allows the user to approve the data or to use tools such as banding and highlighting features to extract the data directly from the document and populate application fields
- Provides an exception-based workflow process for image QC and staff questions
- Includes dynamic layout and configurable fields
- Includes Filtering, Validation and Keyboard Shortcuts
- Supports Zoom, Pan, Highlight, and Rotate screen manipulations
- Exports the approved data in a standard XML or open source format

“Indexing System Architecture”

The following technologies are used to accomplish the indexing process:

- Microsoft SQL Server 2005 or 2008 Express Edition as the backend database
- Nuance OCR Engine version 15 for OCRing the documents
- LeadTools version 15 engine for image and PDF file processing
- Proprietary and sophisticated rules engine developed by Extract Systems
- Flex Index is built on the Microsoft COM object framework
- Flex Index can run on Windows XP, Windows Vista, Windows Server 2003, and Windows Server 2008 using the latest available service packs from Microsoft.
- “Out of the box machine scalability”: Flex Index can be deployed on multiple machines as required to meet processing throughput specifications (additional licensing costs apply for each machine)
- “Out of the box processor scalability”: Flex Index can utilize the full processing power of multi-core server machines to maximize throughput.

3. Redaction Software Deliverables

ID Shield is an automated redaction solution using Optical Character Recognition (OCR) and Intelligent Character Recognition (ICR). Our ability to achieve accuracy rates consistently higher than 90 percent is a result of our experienced rule writers and image clean-up tools allowing us to capture sensitive information in skewed, speckled, or lesser quality images often found in historical documents.

ID Shield programmatically locates and redacts sensitive personal information on scanned images, on a historical or go forward basis. The redaction process will be according to governing statutes. In addition, the application will provide the ability to identify and redact other types of personal information (i.e., birth dates, driver license number, etc).

OCR every page of each scanned image and:

- Identifies target privacy information regardless of where the information resides in the document
- Electronically highlights the located information on the image for QC

- Uses multiple methods to identify privacy information
- Allows for user-defined criteria
- Can redact multiple regions on the same page
- Can locate handwritten information on an image
- Ease of use QC process to confirm information to be redacted
- Optimize application to allow for “one keystroke” approval or dismissal of the redacted information
- Partial redaction of data, defined at character level, for example Social Security Number 987-56-1234 would be redacted to [REDACTED]-1234
- Allows the user to redact information on the image using a textual or physical location basis from multiple image location
- Supports tools like “word-wrap”, “rubber-banding”, “cut and paste”, “drop and drag”, etc.
- Generates a new electronic image with the redacted information burned into the image
- Retain OCR Records and coordinates for each redacted region on an image and store in a database.
- Comprehensive Statistical Reporting

In addition:

- Supports multiple redaction environments and parallel processes. This means that images can simultaneously be processed on a “go forward” as well as a “historical” basis.
- Iterative reprocessing will allow previously redacted images to be reprocessed and provide the ability to redact new categories of privacy information without rescanning or making an OCR pass of the image again.
- Provides the standards and software API’s to support integration to existing or future Image Management or Recording Software systems.

“Redaction System Architecture”

The following technologies are used to accomplish the redaction process:

- Microsoft SQL Server 2005 or 2008 Express Edition as the backend database
- Nuance OCR Engine version 15 for OCRing the documents
- LeadTools version 15 engine for image and PDF file processing
- Proprietary and sophisticated rules engine developed by Extract Systems
- ID Shield is built on the Microsoft COM object framework
- ID Shield can run on Windows XP, Windows Vista, Windows Server 2003, and Windows Server 2008 using the latest available service packs from Microsoft.
- “Out of the box machine scalability:” Flex Index can be deployed on multiple machines as required to meeting processing throughput specifications (additional licensing costs apply for each machine)
- “Out of the box processor scalability:” Flex Index can utilize the full processing power of multi-core server machines to maximize throughput.

4. PROJECT DELIVERABLES

The Deliverables that this project will produce are:

- Software Deliverables

- Hardware Deliverables
- Training Deliverables
- Documentation Deliverables
- Project Manager Deliverable
- Integration Deliverables
- Testing Deliverables
- UAT Sign off & Documentation
- Go Live Deliverables and Documentation.

5. PROJECT CONTROL PROCESSES AND MANAGEMENT METHODS

5.1. Communication Plan. In order to keep the Project Sponsors, Project Managers, and Project Team informed on the progress for the project, a communication plan provides the structure of all communications between Contractor and County. The communication plan will specify when the various meetings take place, what information the status reports will contain and outline the issue tracking and resolution procedures.

5.2. Project Status Meetings. The Contractor Project Manager (“PM”) and County Project Manager will meet regularly to update the project’s progress, discuss and approve deliverables, resolve issues, discuss and approve change requests and work to ensure the success of the project. The meetings may be conducted on site at County premises or by conference call. The Contractor PM will handle all arrangements for meetings. Both parties will determine frequency of meetings determined by project requirements. All project documents, deliverables, status reports, meeting notes etc will be kept by Contractor electronically and in project binders. Copies will be provided to the County Project Team.

5.3. Issue Tracking and Resolution Strategy. An issue is defined as a problem or an obstacle that prevents the project from progressing or is outside the requirements of the contract.

- All issues will be logged and maintained by Contractor and County project managers.
- All issues identified by any County or Contractor staff will be reported.
- Contractor will make available an Issues Log in a web-based medium.
- Necessary resources will be made available to resolve issues on the Issues Log and report their progress in each status meeting.

PROJECT PHASES

Phase One – Project Kickoff

This is the official start of the project. It begins prior to the actual execution of this Agreement.

Objectives:

- Confirm key contacts for overall project for SouthTech Systems and its subcontractor Extract Systems, LLC, and for SMCARE
- Review and approve the project plan and timeline estimates
- Confirm a communications plan, including the scheduling of regular status meetings

- Identify any known project risks, constraints, or assumptions not listed in this SOW
- Order Hardware and Software
- Review Integration Design Document
- Provide remote connectivity and County access as required
- Deliver approximately twelve months of recording history (images and index data)
- Identify top 80%-85% of recording documents and their corresponding types to be indexed
- Develop business rules to support the redaction of Social Security Numbers.

Deliverables at Conclusion of this Phase:

- A finalized communication plan
- A finalized project schedule
- County will provide 10,000 day-forward documents (2007-2008), and the corresponding index data to be used to develop the indexing and redaction rules for future processing. County will also provide 10,000 documents from 1980 to 2006 to be used in developing a redaction rules for the historical images
- County to approve top recording documents and their corresponding types for coding
- County will provide documentation and/or business rules on indexing standards
- Kick off meeting and first Status Report completed
- County signs off on: (1) project kick-off has occurred.; (2) roles and responsibilities have been assigned; (3) project schedule and Scope of Work (SOW) is completed; (4) County has provided document history; and (5) status report completed.

Estimated Timeline:

As discussed in the conference call on September 11, 2008, this process should begin upon the execution of the signed agreement. As a result of the upcoming elections, we recommend this phase start and be completed within two weeks after contract approval. A notional timeline and project plan is attached.

Phase Two – Business Rule Development & SouthTech Application Integration

These tasks are primarily offsite task.

Objectives:

- SouthTech integration with Extract to create new GUI user interface screens
- Create an import program for indexing and redaction - develop business rules
- County to identify data elements to be indexed
- Development process (estimated duration: 35 days)

Deliverables at the Conclusion of this Phase:

- Completed import of images history
- Completed guidelines document
- Approved business rules development
- County has received hardware, and installed with operating system on network

Estimated Timeline:

Phase Two will be approximately 5 weeks long. During this phase, the primary task to be

completed is the rule writing process, and will require minimal involvement from the County as they prepare for the upcoming elections.

Phase Three – Installation and Testing

The object of this phase is to install on-site, in a test environment. Contractor will test the software, the integration, and analyze results.

Objectives:

- Set-up Test Environment
- Install New Application
- Identify any further development requirements
- Conduct integration testing and identify issues and determine resolutions.
- County will provide Extract Systems with remote access to the redaction and indexing servers through a secure connection, such as VPN.

Deliverables at the Conclusion of this Phase:

- Technology Software Solution as defined in SOW.
- Extract Systems will create Business Rules Document
- Integration completion and sign off
- County authorizes system is ready for pilot operation

Estimated Timeline:

On-site installation will begin November 10, 2008 and be completed in about two weeks.

Phase Four – Pilot and Post-Pilot

This phase will allow County to conduct business in a simulated production environment to verify proper software functioning and finalize an acceptable workflow process. Tasks include:

- Import test documents
- Process documents through application
- Review processed documents
- Document and evaluate results
- Address any issues from pilot
- Retest any final changes
- Conduct additional end user training as needed
- Confirm “Go Live Date”
- Conduct additional training as needed.

Deliverables at the Conclusion of this Phase:

- Conduct additional training if needed
- Reconfigure environments for live processing
- Document and complete any changes necessary for “Go Live”

Estimated Timeline:

The pilot process will happen in conjunction with Phase Three while Extract Systems is on site. **THE APPLICATION MUST BE COMPLETELY READY TO GO LIVE BY**

JANUARY 1, 2009.

Phase Five – Training

Extract Systems will train up to 18 users, in two-hour sessions as scheduled by the County. Additional training will be conducted at Go Live and Post-Go Live phases for IT staff and administrators.

Objectives:

- Validation of business rules for data indexing and redaction acceptance
- Integration completed
- List any issues to date, assign severity, assigned resources and resolution
- First round of training completed

Deliverables at the Conclusion of this Phase:

- Training classes completed
- User Guides issued
- IT support guides issued

Estimated Timeline:

Training will take place at the time of installation.

EXHIBIT B: PAYMENTS AND RATES

In consideration of the services provided by Contractor in Exhibit “A”, County shall pay Contractor based on the following fee schedule:

A. PRICING

	<u>Unit Price</u>	<u>Extended</u>
Software (San Mateo County ID Shield and Flex Indexing):		
<i>ID Shield</i> to be installed at the County location for back file & day forward processing. <i>Flex Indexing</i> to be installed at the County location		
Day Forward redaction (estimated 1 million images)	\$0.01	10,000.00
Back file redaction (estimated 22 million images)	\$0.005	110,000.00
ID Shield license	\$2,000.00	2,000.00
ID Shield annual support (included)	No Charge	No Charge
Flex Index perpetual license	\$72,000.00	72,000.00
Flex Index annual support	\$9,750.00	9,750.00
Software Sub-Total		\$203,750.00
Professional Services:		
Land Docs Extract Id Shield redaction integration	No Charge	No Charge
Land Docs Extract Flex Index integration	No Charge	No Charge
On site Flex Index installation and configuration	\$5,000.00	\$5,000.00
On site ID Shield installation & configuration	\$5,000.00	\$5,000.00
Professional Services Sub-Total		\$10,000.00
Total Cost		\$213,750.00

B. PAYMENTS

1. Payment Schedule. County shall make payments to Contractor in the amounts and according to the dates specified in the following table:

	SouthTech Systems (Extract)	Cost (\$)	Due 1/1/09	Due 6/1/09	Due 1/1/10	Due 6/1/10	Due 1/1/11
Implement Go Forward	ID Shield:						
	Go Forward redaction: (1M images/yr avg) x (\$0.01)	10,000*					
	ID Shield license	2,000					
	Flex Index: Perpetual License	72,000					
	Annual Maintenance (Y1)	9,750					
	Miscellaneous:						
	Installation and configuration	10,000					
	Sub-Total:	103,750	56,750	47,000			

Back-file Ops: FY 2009-10	Back-File Redaction:						
	[(5.6M documents) x (average 4 images / doc) = 22M images] x (\$0.005/ image)	110,000*					
	Sub-Total:	110,000			55,000		55,000
	Sub-Total:	213,750					
Recurring Costs	Annual Maintenance (Y2,3)	19,500			9,750		9,750
	Go Forward Redaction (estimate 1.5M images/year) x (\$0.01/image)	30,000			15,000		15,000
	Sub-Total Recurring Costs:	49,500					
	GRAND TOTAL	263,250	56,750	47,000	79,750		79,750
* NOTE: Image redaction costs will be paid when incurred, not in advance.							

2. Invoices. Contractor shall issue invoices to County, specifying the services and other cost items and related dollar amounts due, and the remittance address. Within 30 days of receiving each invoice, County shall make payment in full.

**County of San Mateo
Contractor's Declaration Form**

I. CONTRACTOR INFORMATION

Contractor Name:	SouthTech Systems, Inc.	Phone:	(951) 354-6104
Contact Person:	Jose Dominguez	Fax:	(951) 354-6107
Address:	4181 Flat Rock Dr., Suite 300 Riverside, CA 92505		

II. EQUAL BENEFIT:

Contractors with contracts in excess of \$5,000 must treat spouses and domestic partners equally as to employee benefits.

- Contractor complies with the County's Equal Benefits Ordinance by:
- offering equal benefits to employees with spouses and employees with domestic partners.
 - offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- Contractor does not comply with the County's Equal Benefits Ordinance.
- Contractor is exempt from this requirement because:
- Contractor has no employees, does not provide benefits to employees' spouses, or the contract is for \$5,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on ____ (date) and expires on ____ (date), and intends to offer equal benefits when said agreement expires.

III. NON-DISCRIMINATION (check appropriate box)

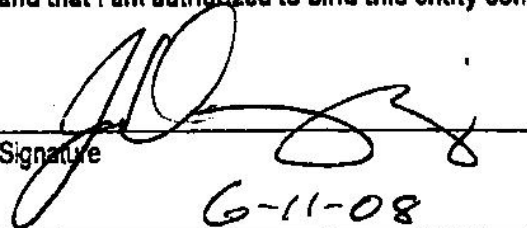
- Finding(s) of discrimination have been issued against Contractor within the past year by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. Please see attached sheet of paper explaining the outcome(s) or remedy for the discrimination.
- No finding of discrimination has been issued in the past year against the Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other entity.

IV. EMPLOYEE JURY SERVICE (check one or more boxes)

Contractors with original or amended contracts in excess of \$100,000 must have and adhere to a written policy that provides its employees living in San Mateo County up to five days regular pay for actual jury service in the County.

- Contractor complies with the County's Employee Jury Service Ordinance.
- Contractor does not comply with the County's Employee Jury Service Ordinance.
- Contractor is exempt from this requirement because:
- the contract is for \$100,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on ____ (date) and expires on ____ (date), and intends to comply when the collective bargaining agreement expires.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Signature 
Date 6-11-08

Name Jose Dominguez
Title President

ACORD. CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/3/2008

PRODUCER

Wright Insurance Services LLC
125 W El Portal 2nd Floor
San Clemente, CA 92672
(949) 489-1833

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

SouthTech Systems, Inc.
4181 Flat Rock Drive, Suite 300
Riverside, CA 92505

INSURERS AFFORDING COVERAGE

INSURER A: Hartford Insurance Co.
INSURER B: Landmark American Insurance Co.
INSURER C: Endurance Insurance
INSURER D:
INSURER E:

NAIC #

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

FORM NO.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJ. <input type="checkbox"/> LOC	57SBABZ4511	03-06-08	03-06-09	EACH OCCURRENCE \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
A	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO	57SBABZ4511	03-06-08	03-06-09	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WEN0040262-01	02-25-08	02-25-09	<input checked="" type="checkbox"/> WC STATU- TORY LIMITS <input type="checkbox"/> OTH- ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	OTHER Professional Liability	LHR805310	03-07-08	03-07-09	\$1,000,000 Claims Made

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

County of San Mateo
Clerk Assessor Recorder & Elections
Attn: Warren Slocum
555 County Center / 3rd Floor
Redwood City, CA 94063-1665
Fax (650) 363-1903

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

CONTRACT INSURANCE APPROVAL

DATE: 9/18/08

TO: Faiza Steele FAX: 363-4864 PONY: HRD 163

FROM: Assessor-County Clerk-Recorder Attn: Kate Bach

PHONE: 5318 FAX: 5348 PONY: ELC309

The following is to be completed by the department before submission to Risk Management:

CONTRACTOR NAME: SouthTech Systems, Inc.

DOES THE CONTRACTOR TRAVEL AS A PART OF THE CONTRACT SERVICES?
No.

NUMBER OF EMPLOYEES WORKING FOR CONTRACTOR:
Hundreds

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY:
Software licensing, project implementation, and maintenance support services for enhancement component to County Clerk-Recorder's existing SouthTech system, at \$263,250 cost, 3-year term.

The following will be completed by Risk Management:

INSURANCE COVERAGE:	Amount	Approve	Waive	Modify
Comprehensive General Liability	\$1mil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Liability	\$1mil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Liability	\$1mil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workers' Compensation	Saturday	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS/COMMENTS:

Faiza Steele
Faiza Steele

9/18/08
Date

County Counsel Review Form

Date: 9/18/08
To: Rebecca Archer, Deputy County Counsel
From: Assessor-County Clerk-Recorder
Subject: Agreement Review and Approval

Contractor: SouthTech Systems, Inc.

Maximum Amount: \$263,250

Rate of Payment: Annual maintenance fee, and semi-annual or progress payments for implementation

No changes on the standard agreement form

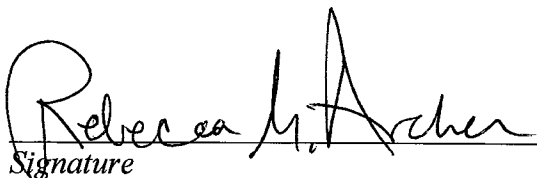
The following sections have been changed on the "standard" agreement:

<i>Section No. & Title</i>	<i>Approved As Is</i> <i>[For County Counsel Use Only]</i>	<i>Modifications Required</i> <i>[For County Counsel Use Only]</i>

Modifications (Please specify modifications to be made below. Use additional paper if needed.):

Approve Agreement/Exhibits/Attachments

Approve Agreement/Exhibits/Attachments with the modifications that have been described


Signature

9-15-08
Date