



# Revision to ASR and/or Exhibits/Attachments

**Date:** February 1, 2008

**To:** Darlene J. Bloom, Clerk of the Board of Supervisors

**CC:** County Executive Office

**From:** Renee Ramirez, Orange County Assistant Clerk-Recorder

**RE:** Agenda Item(s) # 23 for the February 5, 2008 Board Meeting

**ASR Control #(s):** 08-000177

**Subject:** Multi-County Electronic Recording Delivery System

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## Explanation:

After the Clerk-Recorder Department received Approval As To Form of the ASR and attachments by County Counsel, subsequently Karen Prather, Deputy, has requested the following revisions.

Revised Recommended Action(s)

1. Change Recommended Action 1 from "Authorize the Clerk-Recorder, or designee, to issue purchase order to SouthTech Systems, Inc. for the purchase of all proprietary and ownership rights for an electronic recording delivery system for \$2,520,000" to "Authorize the Clerk-Recorder, or designee, to issue a price agreement with SouthTech Systems, Inc. for the purchase of all proprietary and ownership rights for an electronic recording delivery system for \$2,520,000 plus applicable taxes."

2. Change Recommended Action 2 from "Authorize the Clerk-Recorder to execute a Multi-County Agreement to be utilized by the counties of Orange, Los Angeles, Riverside, and San Diego to share in the ownership and ongoing maintenance of an electronic recording delivery system, and to make changes as needed to the agreement after approval by County Counsel" to "Authorize the Clerk-Recorder to execute a Multi-County Agreement to be utilized by the counties of Orange, Los Angeles, Riverside, and San Diego to share in ownership and ongoing maintenance of an electronic recording delivery system, and to make changes as needed to the agreement."

Make modifications to the:

Subject

Background Information

Summary

Add the following language at the end of the Background Information: "A copy of the price agreement is available for review in the Office of the Clerk of the Board."

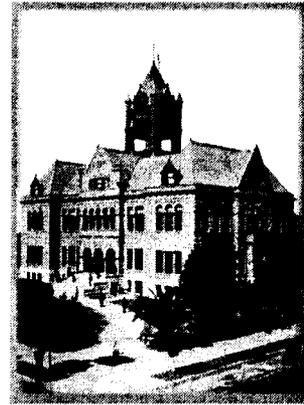
Revised Exhibits/Attachments (attached)

Price Agreement

Additional Information and/or Correspondence (attached)



COUNTY OF ORANGE  
OFFICE OF COUNTY  
CLERK-RECORDER  
TOM DALY



## Price Agreement for Electronic Recording Delivery Software Purchase

October 1, 2007

*Prepared By:*

**SouthTech Systems, Inc.**

**E-Gov Solutions • Software Development  
Electronic Document Management Systems**

4181 Flat Rock Drive, Suite 300  
Riverside, California 92505  
Phone (951) 354-6104  
Fax (951) 354-6107  
[www.southtechsystems.com](http://www.southtechsystems.com)

## PRICE AGREEMENT IDENTIFICATION SHEET

The price agreement is submitted by SouthTech Systems, Inc.  
([www.southtechsystems.com](http://www.southtechsystems.com))

Address: 4181 Flat Rock Drive, Suite #300, Riverside, CA 92505  
Telephone Number: (951) 354-6104

Authorized Company Representatives: Jose Dominguez, President and Grant Gyulnazaryan, Vice President and CIO

Work services will commence within 7 calendar days after signing this price agreement.

Corporation Taxpayer Identification No. 51-0564578

**PRICE AGREEMENT WITH SOUTHTECH SYSTEMS, INC. FOR PURCHASE  
OF ALL PROPRIETARY AND OWNERSHIP RIGHTS OF AN ELECTRONIC  
RECORDING DELIVERY SYSTEM**

This price agreement for all proprietary and ownership rights of an electronic recording delivery system (hereinafter referred to as "agreement") is made and entered into as of the fully executed by and between SouthTech Systems, Inc. (hereinafter referred to as "Contractor"), and the County of Orange, a political subdivision of the State of California (hereinafter referred to as "County").

**RECITALS**

WHEREAS, COUNTY desires to purchase all proprietary rights and ownership of a multi-county electronic recording delivery system; and

WHEREAS, CONTRACTOR is willing to provide all proprietary and ownership rights of an electronic recording delivery system; and

WHEREAS, County Board of Supervisors has authorized the purchasing agent or his designee to enter into a price agreement for the purchase of all proprietary and ownership rights of an electronic recording delivery system; and

NOW, THEREFORE, the parties mutually agree as follows:

**ARTICLES**

This agreement, including the following attachments, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this agreement. This agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties. The attachments are:

- a. General Terms and Conditions
- b. Scope of Work
- c. Project Schedule and Deliverables
- d. Cost and Payment Schedules
- e. Professional Service Rates
- f. Background Information
- g. Letter from SouthTech Systems, Inc.

## **GENERAL TERMS AND CONDITIONS**

- A. **Governing Law and Venue:** This AGREEMENT has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this AGREEMENT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.
- B. **Entire Contract:** This AGREEMENT, when accepted by the CONTRACTOR either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire AGREEMENT between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing. Electronic acceptance of any additional terms, conditions or supplemental contracts by any COUNTY employee or agent, including but not limited to installers of software, shall not be valid or binding on COUNTY unless accepted in writing by COUNTY'S Purchasing Agent or his designee, hereinafter "PURCHASING AGENT."
- C. **Amendments:** No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.
- E. **Delivery:** Time of delivery of goods or services is of the essence in this AGREEMENT. COUNTY reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind COUNTY to accept future shipments nor deprive it of the right to return goods already accepted at CONTRACTOR'S expense. Overshipments and undershipments of goods shall be only as agreed to in writing by COUNTY. Delivery shall not be deemed to be complete until all goods or services have actually been received and accepted in writing by COUNTY.
- F. **Acceptance/Payment:** Unless otherwise agreed to in writing by COUNTY, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of COUNTY, and 2) payment shall be made in arrears after satisfactory acceptance.
- G. **Warranty:** CONTRACTOR expressly warrants that the goods/services covered by this AGREEMENT are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon CONTRACTOR'S part to indemnify, defend and hold COUNTY and its indemnities as identified in paragraph "P" below, and as more fully described in paragraph "P", harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the goods/services to conform to such warranties, faulty work

performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

- H. Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this AGREEMENT, CONTRACTOR shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this AGREEMENT. CONTRACTOR warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, property right, or trade secret right of any third party. CONTRACTOR agrees that, in accordance with the more specific requirement contained in paragraph "P" below, it shall indemnify, defend and hold COUNTY AND COUNTY INDEMNITIEES harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorneys fees, costs and expenses.
- I. Assignment or Sub-Contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this AGREEMENT nor any portion thereof may be assigned or subcontracted by CONTRACTOR without the express written consent of COUNTY. Any attempt by CONTRACTOR to assign or sub-contract the performance or any portion thereof of this AGREEMENT without the express written consent of COUNTY shall be invalid and shall constitute a breach of this AGREEMENT.
- J. Non-Discrimination:** In the performance of this AGREEMENT, CONTRACTOR agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. CONTRACTOR acknowledges that a violation of this provision shall subject CONTRACTOR to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.
- K. Termination:** In addition to any other remedies or rights it may have by law, COUNTY has the right to terminate this AGREEMENT without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of contract, any misrepresentation or fraud on the part of the CONTRACTOR. Exercise by COUNTY of its right to terminate the AGREEMENT shall relieve COUNTY of all further obligation.
- L. Consent to Breach Not Waiver:** No term or provision of this AGREEMENT shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. Remedies Not Exclusive:** The remedies for breach set forth in this AGREEMENT are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this CONTRACT does not preclude resort by either party to any other remedies provided by law.
- N. Independent Contractor:** CONTRACTOR shall be considered an independent contractor and neither CONTRACTOR, its employees, nor anyone working under CONTRACTOR shall be considered an agent or an employee of COUNTY. Neither CONTRACTOR, its employees nor anyone working under

CONTRACTOR shall qualify for workers' compensation or other fringe benefits of any kind through COUNTY.

**O. Performance:** CONTRACTOR shall perform all work under this AGREEMENT, taking necessary steps and precautions to perform the work to COUNTY'S satisfaction. CONTRACTOR shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the CONTRACTOR under this AGREEMENT. CONTRACTOR shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of COUNTY required in its governmental capacity, in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors.

**P. Indemnification and Insurance:**

**Indemnification Provisions:** CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies which COUNTY'S Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by CONTRACTOR pursuant to this AGREEMENT. If judgment is entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

**Insurance Provisions:** Prior to the provisions of services under this contract, the contractor agrees to purchase all required insurance at contractor's expense and to deposit with the County Certificates of Insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this contract have been complied with and to keep such insurance coverage and the certificates therefore on deposit with the County during the entire term of this contract. In addition, all subcontractors performing work on behalf of contractor pursuant to this contract shall obtain insurance subject to the same terms and conditions as set forth herein for contractor.

All insurance policies required by this contract shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability), which shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management. Contractor shall be responsible for reimbursement of any deductible to the insurer. Any self-insured retentions (SIRs) or deductibles shall be clearly stated on the Certificate of Insurance.

If the contractor fails to maintain insurance acceptable to the County for the full term of this contract, the County may terminate this contract.

**Qualified Insurer:** The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier).

Minimum insurance company ratings as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com** shall be A-(Secure Best's Rating) and VIII (Financial Size Category).

County of Orange  
 Electronic Recording Delivery System

If the carrier is a non-admitted carrier in the state of California, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

This policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability with broad form property damage and contractual liability	\$1,000,000 combined single limit per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence
Sexual Misconduct Liability	\$1,000,000 per occurrence

All liability insurance, except Professional Liability, required by this AGREEMENT shall be at least \$1,000,000 combined single limit per occurrence. Professional Liability may also be provided on a "Claims Made" basis. The minimum aggregate limit for the Commercial General Liability policy shall be \$2,000,000.

The County of Orange shall be added as an additional insured on all insurance policies required by this contract with respect to work done by the contractor under the terms of this contract (except Worker's Compensation/Employers' Liability and Professional Liability). An additional insured endorsement evidencing that the County of Orange is an additional insured shall accompany the Certificate of Insurance.

All insurance policies required by this contract shall be primary insurance, and any insurance maintained by the County of Orange shall be excess and non-contributing with insurance provided by these policies. An endorsement evidencing that the contractor's insurance is primary and non-contributing shall specifically accompany the Certificate of Insurance for the Commercial General Liability and Sexual Misconduct Liability.

All insurance policies required by this contract shall give the County of Orange 30 days notice in the event of cancellation. This shall be evidenced by an endorsement separate from the Certificate of Insurance. In addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate.

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

*County of Orange*  
*Electronic Recording Delivery System*

All insurance policies required by this contract shall waive all rights to subrogation against the County of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting in the scope of their appointment or employment.

If contractor's Professional Liability policy is a "claims made" policy, contractor shall agree to maintain professional liability coverage for two years following completion of contract.

The Commercial General Liability policy shall contain a severability of interests clause.

The Contractor is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation or be self-insured in accordance with the provisions of that code. The contractor will comply with such provisions and shall furnish the County satisfactory evidence that the contractor has secured, for the period of this contract, statutory Workers' Compensation insurance and Employers' Liability insurance with minimum limits of \$1,000,000 per occurrence.

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the contractor fails to provide the insurance certificates and endorsements within seven days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty days of receipt of such notice, this AGREEMENT may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.

The County of Orange Certificate of Insurance and the Special Endorsement for the County of Orange can be utilized to verify compliance with the above-mentioned insurance requirements in place of commercial insurance certificates and endorsements.

**Q. Bills and Liens:** CONTRACTOR shall pay promptly all indebtedness for labor, materials and equipment used in performance of the work. CONTRACTOR shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, CONTRACTOR shall promptly procure its release and, in accordance with the requirements of paragraph "P" above, indemnify, defend, and hold COUNTY harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

**R. Changes:** CONTRACTOR shall make no changes in the work or perform any additional work without the COUNTY'S specific written approval.

**S. Change of Ownership:** CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR'S business prior to completion of this AGREEMENT, the new owners shall be required under terms of sale or other transfer to assume CONTRACTOR'S duties and obligations contained in this AGREEMENT and complete them to the satisfaction of COUNTY.

- T. Force Majeure:** CONTRACTOR shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this AGREEMENT caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided CONTRACTOR gives written notice of the cause of the delay to COUNTY within 36 hours of the start of the delay and CONTRACTOR avails himself of any available remedies.
- U. Confidentiality:** CONTRACTOR agrees to maintain the confidentiality of all COUNTY and COUNTY-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this AGREEMENT. All such records and information shall be considered confidential and kept confidential by CONTRACTOR and CONTRACTOR'S staff, agents and employees.
- V. Compliance with Laws:** CONTRACTOR represents and warrants that services to be provided under this AGREEMENT shall fully comply, at CONTRACTOR'S expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by COUNTY in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by COUNTY. CONTRACTOR acknowledges that COUNTY is relying on CONTRACTOR to ensure such compliance, and pursuant to the requirements of paragraph "P" above, CONTRACTOR agrees that it shall defend, indemnify and hold COUNTY and COUNTY INDEMNITEES harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.
- W. Freight (F.O.B. Destination):** CONTRACTOR assumes full responsibility for all transportation scheduling, packaging, handling, insurance, and other services associated with delivery of all products deemed necessary under this AGREEMENT.
- X. Pricing:** The AGREEMENT bid price shall include full compensation for providing all required goods, in accordance with required specifications, or services, as specified herein or when applicable, in the scope of services attached to this AGREEMENT, and no additional compensation will be allowed therefore, unless otherwise provided for in this AGREEMENT.
- Y. Waiver of Jury Trial:** Each party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this AGREEMENT and/or any other claim of injury or damage.
- Z. Terms and Conditions:** CONTRACTOR acknowledges that it has read and agrees to all terms and conditions included in this AGREEMENT.
- AA. Headings:** The various headings and numbers herein, the grouping of provisions of this AGREEMENT into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.
- BB. Severability:** If any term, covenant, condition or provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

- CC. **Calendar Days:** Any reference to the word "day" or "days" herein mean calendar day or calendar days, respectively, unless otherwise expressly provided.
- DD. **Attorney Fees:** In any action or proceeding to enforce or interpret any provisions of this CONTRACT, or where any provisions hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.
- EE. **Interpretation:** This AGREEMENT has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this AGREEMENT. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this AGREEMENT by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this AGREEMENT against the party that has drafted it is not applicable and is waived. The provisions of this AGREEMENT shall be interpreted in a reasonable manner to effect the purpose of the parties and this AGREEMENT.
- FF. **Authority:** The parties to this AGREEMENT represent and warrant that this AGREEMENT has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.
- GG. **Notices:** Any and all notices, requests, demands, and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person deliver, if delivery is by direct hand, or upon delivery on the actual day of receipt or not greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

**FOR COUNTY:**

ORANGE COUNTY  
Clerk-Recorder Department  
12 Civic Center Plaza, Room 101  
Santa Ana, CA 92701  
Attn: Renee Ramirez, Assistant Clerk-Recorder  
(714) 834-2510

**FOR CONTRACTOR:**

SouthTech Systems, Inc.  
4181 Flat Rock Drive, Suite 300  
Riverside, CA 92505  
Attn: Jose Dominguez, President  
(951) 354-6104

## **SCOPE OF WORK**

The following information summarizes the Scope of Work which SouthTech Systems will perform for the County of Orange Clerk-Recorder Department.

1. SouthTech Tech Systems will develop a new version of the I-ER System, which will be known as "Electronic Recording Delivery System - California Edition (ERDS-CA). The system will include all components and functionality required by the Attorney General's handbook on Electronic Recording Delivery Systems technical standards and security requirements. The design of the system will conform to the authorized multi-county capability.
2. The base technology in which this proposed solution is developed is .NET C#, .NET Framework 2.0 and MS SQL 2003.
3. The ERDS-CA system modules to be provided by SouthTech Systems will include:
  - Multi County ERDS-CA Portal
  - Multi County ERDS-CA Administration Module
  - Client e-filing imaging and order processing
  - e-Filing Server (Multi-county version)
4. SouthTech Systems will provide technical; support for installing and testing the system at the County of Orange Clerk-Recorder's Department to replace the current Internet Electronic Recording System.
5. The new ERDS will be configured to integrate using the SouthTech System Application Programming Interface (API) for the Orange County Clerk-Recorder's suite of recording systems.
6. The ERDS-CA software will be the sole property of Orange County Clerk-Recorder. SouthTech System will retain the rights to the ERDS Software outside of California.
7. Technical services will be provided by SouthTech Systems to complete system design, programming, data conversion, system installation, system configuration, testing and implementation. Technical documentation and training will also be provided. SouthTech Systems will provide up to 320 hours of services at no additional cost to support the implementation process.
8. Technical services will be provided by SouthTech Systems to obtain system certification from the Attorney General or designated system security auditors. SouthTech Systems estimates this will require up to 120 hours of services at no additional cost to support the system certification process. SouthTech System is guaranteeing compliance with the AG standards and will assist the County Clerk-Recorder to obtain this approval at no additional

costs. SouthTech Systems guarantees the system to be AG compliant. Final payment on the system is not due until the system has successfully been certified by the AG.

9. Department and Technical documentation and training for Clerk-Recorder IT and Operational Management staff will be provided. SouthTech Systems will provide up to 320 hours of services at no additional cost to support the installation, data conversion, configuration, testing and implementation process.
10. Orange County Clerk-Recorder will own all rights and ownership of the ERDS-CA Edition of the software developed. The Clerk-Recorder will have the unconditional rights to license, sell, maintain, provide free of charge, host this software to any of the other 57 California County Recorders to allow use of the system on a State wide basis. Only Orange County can distribute the software in California. SouthTech will not market an alternative and is not obligated or promised any work associated with implementation at any other California County.
11. There is no obligation for any California County Clerk-Recorder who decides to use this software to use SouthTech Systems for software development or maintenance.
12. SouthTech Systems Inc. will not appear on the software as a brand or copyright.
13. SouthTech Systems understands that the company will no longer be able to sell the ERDS to California counties. SouthTech Systems continues to have the rights to sell, license or host of this system outside of California.
14. Software warranty for the ERDS-CA Edition and technical support services for two (2) years after system acceptance is included.
15. The County Clerk-Recorder's Office is responsible for providing all third party operating systems, database and network software needed for these applications.
16. The County Clerk-Recorder's Office is responsible for providing all computer hardware and communications equipment needed for the ERDS-CA application.
17. The pricing for this project includes the cost of travel, hotel and meals for SouthTech Systems staff to perform the following anticipated onsite work at the Orange County Clerk-Recorder's Office. This includes:
  - Initial project planning meeting and review of scope of work
  - Discovery of system design requirements for data conversion, customization and system configuration for ERDS-CA System...
  - Review of final design and configuration requirements.
  - System installation, final application configuration and testing at user site.
  - User training.
  - Technical services for Go Live with ERDS-CA application
  - Post implementation on site support for update and supplemental training

18. SouthTech Systems will be reimbursed for reasonable out of pocket expenses for travel if travel is required to Sacramento or other locations to complete the AG required system certification and security review processes.

## **COUNTY CLERK-RECORDER'S RESPONSIBILITY**

The following responsibilities will be assumed by the County Clerk-Recorder:

1. Provide all equipment needed to host this application, including installation and testing services. SouthTech Systems will assist in defining specifications and configuration.
2. Act as the lead to request Attorney General ERDS System Certification and support the review process and Security Review process with technical and operational staff.
3. Provide training staff, facilities and equipment for authorized electronic recording e-filers. This includes processing any required background checks and documentation required by the AG.
4. Hardware for Recorder staff workstations and scanners, and submitter's workstations and scanners are not included in this price agreement. Typical cost for a Submitters workstation and scanner is \$3,000 to \$5,000 depending on the size of the monitor, computer speed and storage capacity and speed of the scanner. All equipment is off the shelf products and existing equipment can be utilized if compatible with the .NET Framework.

## PROJECT RESPONSIBILITIES

The following chart reflects the division of the project responsibility between the County and SouthTech Systems. This price agreement is based on these assumptions.

<b>Activity/ Task</b>	<b>County Clerk-Recorder Responsibility</b>	<b>Vendor Responsibility</b>
Project Oversight	<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Contract Management</li> </ul>	<ul style="list-style-type: none"> <li>• Professional services associated with implementation</li> <li>• Vendor Project Management</li> </ul>
General	<ul style="list-style-type: none"> <li>• Acquire any required servers, database management system, and other hardware and software needed to operate the ERDS-CA</li> </ul>	<ul style="list-style-type: none"> <li>• Specify the hardware and software requirements for the new ERDS-CA</li> </ul>
System Requirements	<ul style="list-style-type: none"> <li>• ERDS-CA defined requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Confirm and finalize County Clerk-Recorder unique or gap system requirements</li> </ul>
Conversion Planning	<ul style="list-style-type: none"> <li>• Provide ERDS-CA department management, end-user and database analyst support</li> <li>• Participate in planning, testing and completion of the database conversion phase of the project</li> </ul>	<ul style="list-style-type: none"> <li>• Data analysis to confirm data needed by the ERDS-CA to support County Clerk-Recorder functional requirements and meet the AG system design and security requirements</li> <li>• Develop conversion mappings and cross-references including criteria for editing and scrubbing of data</li> <li>• Develop conversion plan</li> </ul>
Conversion	<ul style="list-style-type: none"> <li>• Provide technical assistance with legacy data analysis</li> <li>• Participate in database conversion testing</li> <li>• Final acceptance of converted data</li> </ul>	<ul style="list-style-type: none"> <li>• Development (if not currently existing) utilities for data conversion of existing data and for any interfacing systems</li> <li>• Initial data conversion for testing</li> <li>• Analysis and acceptance of conversion outputs</li> <li>• Final conversion just prior to production</li> </ul>
Testing	<ul style="list-style-type: none"> <li>• Review of test results</li> </ul>	<ul style="list-style-type: none"> <li>• Test data development</li> <li>• Analysis of test results</li> </ul>

County of Orange  
Electronic Recording Delivery System

Unit Testing of Individual Programs	<ul style="list-style-type: none"> <li>IT develop test plan for monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Test data development</li> <li>Analysis of test results</li> </ul>
Integration Test (All Programs)		
	<ul style="list-style-type: none"> <li>IT develop test plan for monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Test data development</li> <li>Analysis of test results</li> </ul>
User Acceptance Test	<ul style="list-style-type: none"> <li>Review and approve test results</li> </ul>	<ul style="list-style-type: none"> <li>Develop test plan</li> <li>Develop test scenarios</li> <li>Develop test data</li> <li>Perform test</li> <li>Document test results</li> <li>Correct errors prior to next test phase</li> </ul>
Evaluation (prior to full production status)	<ul style="list-style-type: none"> <li>Evaluate that hardware, application, users, and other elements are ready and in place</li> </ul>	<ul style="list-style-type: none"> <li>Assist as needed</li> </ul>
Policies, Procedures & Training	<ul style="list-style-type: none"> <li>Prepare P&amp;P manuals and update as needed</li> </ul>	<ul style="list-style-type: none"> <li>Coordination with requirements specification</li> <li>Assist in development of P&amp;P manuals</li> </ul>
ERDS-CA Systems Training	<ul style="list-style-type: none"> <li>Staff scheduling and availability for training</li> <li>Training facility and equipment</li> <li>Scheduling of training including number of classes and number of participants per class</li> </ul>	<ul style="list-style-type: none"> <li>Timely and comprehensive training tailored for System Administration of new ERDS-CA</li> </ul>
End User Training	<ul style="list-style-type: none"> <li>Staff scheduling and availability for training</li> <li>Conduct end user training</li> </ul>	<ul style="list-style-type: none"> <li>Assist as needed</li> </ul>

## PROJECT STAFFING

The following chart reflects SouthTech Systems' staff and a general description of the County's staffing that is required for this project and the approximate time period they will be required. Availability of the proper County staff is important to meet the schedule for the project and avoid any unforeseen costs.

<b>COUNTY CLERK-RECORDER Staffing</b>					
<b>Role</b>	<b>Description</b>	<b>Duration</b>	<b>Dates<sup>1</sup></b>	<b># FTE's</b>	<b>Person Months</b>
Project Manager	<i>Overall Project Manager leading County Clerk-Recorder and Vendor Activities</i>	90 calendar days	TBD	.5	3
Administrative Assistant	<i>Provide administrative support to Project Manager and coordination of requesting AG system certification</i>	90 calendar days		.5	3
Workflow Analysts	<i>Document current workflow, policies, procedures, and develop new workflow</i>	90 working days		1 <sup>2</sup>	3
User Analysts	<i>During requirements analysis, user table setup and user acceptance testing</i>	5 working days		1	.5
Programmer/Analyst #1	<i>During data conversion planning, data conversion and user security table setups</i>	10 working days		1	.5
Programmer/Analyst #2	<i>Complete application for AG system certification and coordinate process to hire authorized security auditor as a consultant for security review.</i>	90 working days		1 <sup>3</sup>	.5
Database Analyst	<i>During installation, testing and implementation phases, load and test application</i>	3 working days		1	.25

<sup>1</sup> Dates will be determined when the project plan is finalized. It is understood that the County may need to adjust the preliminary schedule included in this price agreement to work around other work priorities.

<sup>2</sup> Additional personnel may be desirable to meet needs of AG system design and documentation requirements.

<sup>3</sup> Additional personnel may be desirable to meet needs of AG system security review and software escrow requirements.

<b>COUNTY CLERK-RECORDER Staffing</b>					
<b>Role</b>	<b>Description</b>	<b>Duration</b>	<b>Dates<sup>1</sup></b>	<b># FTE's</b>	<b>Person Months</b>
	database				
Network Analyst	During installation, testing, implementation, monitor and tune network performance	10 working days		1	.25
Documentation Analyst	During review and approval of testing and implementation, document internal workflow and business rules	5 working days		1	.25
Training Instructor	During training of users and trainers, review and approve training materials	30 working days		24	.50

<sup>1</sup> Dates will be determined when the project plan is finalized. It is understood that the County may need to adjust the preliminary schedule included in this price agreement to work around other work priorities.

<sup>2</sup> Additional personnel may be desirable to meet needs of AG system design and documentation requirements.

<sup>3</sup> Additional personnel may be desirable to meet needs of AG system security review and software escrow requirements.

<sup>4</sup> More than one is desirable to provide back up.

## **TRAINING**

SouthTech Systems has a standardized training methodology that emphasizes knowledge transfer. We will train trainers who can then train end users and provide system management and continuity into the future. SouthTech will also provide training manuals for both the County and the submitter.

The types of training for the solutions include:

- Technical administrator training
- Functional administrator training
- User training broken up into sub-categories when jobs are segregated (i.e. scanning, indexing, cashiering, etc.)

Included in this price agreement are three days of on site training for ERDS-CA. Additionally, we have included up to ten days on site technical support to complete final testing, installation, conversion and provide go live technical support.

## **MAINTENANCE AND SUPPORT**

SouthTech Systems will provide two years warranty for all software provided to the Orange County Clerk-Recorder as part of this price agreement. The Technical Support and Software Upgrade Subscription will begin after the new ERDS-CA system goes live. SouthTech will provide direct phone support from 9:00 a.m. to 5:00 p.m. Monday through Friday except for holidays. SouthTech will provide the County with emergency telephone numbers for off-hours emergency support. The technical support agreement covers all routine maintenance, problem analysis and resolution, supplemental training, documentation updates using telephone technical support and WebEx remote access services of up to 4 hours per month. If additional services are needed for enhancement, modifications and new development discounted labor rates will be used as provided on Exhibit C of this price agreement and subject to COL adjustments in the future.

## **PROJECT DELIVERABLES**

Exhibit A reflects the detailed project deliverables and estimated dates of completion. This schedule will be finalized in coordination with County Clerk-Recorder's designated Project Manager to deal with staff availability and development environment equipment acquisition. The project schedule can also be modified during the project by mutual agreement for unanticipated project problems, delays due to availability of County Clerk-Recorder staff or other delays experienced in obtaining the AG system certification and security auditor approval. Any proposed change in schedule will be discussed with the SouthTech Systems Project Manager and mutually agreed upon.

The project will be on a fixed cost basis. Normal short term delays will not impact the price. It is recognized by the County that a significant project delay requested by the County could impact the completion of the project and may require adjustments to the project cost. Correspondingly, SouthTech Systems recognized the importance of timely completion of the project to meet the County Clerk-Recorder's requirements and avoid conflicts with operational deadlines and workloads.

## **COST & PAYMENT SCHEDULE**

Exhibit B reflects the detailed fixed cost and payment schedule based on deliverables for this project. The cost is made up of delivery of software development source code for the existing I-ER System plus software development, professional services and two-year software technical support for the new ERDS-CA edition. The software development services and annual software technical support maintenance are not subject to State sales tax. No additional cost will be incurred by the County unless a contract amendment, work request or subsequent agreement is approved by the authorized County Clerk-Recorder representative.

Each task group must be completed and accepted by the County prior to payment. SouthTech Systems will invoice the County Clerk-Recorder upon completion of a task group. If any additional work is requested above the scope of work, the services will be billed separately and in accordance to the procedures mutually agreed upon. Reimbursable out of pocket expenses may be billed monthly on a separate invoice. Payments are due within 30 days of receipt of invoice.

## **COST ASSUMPTIONS-IMPLEMENTATION AND CONVERSION**

The completed ERDS-CA software will be the sole property of the County of Orange Clerk-Recorder's Department, which will have unlimited rights to the system.

1. The County Clerk-Recorder's Office is responsible for providing all equipment including servers, workstations, tape backup machines, printers, scanners, receipt printers and check endorsement equipment necessary for these software applications.
2. Additional onsite work sessions can be provided if they become necessary. If additional services outside the scope of work of this price agreement are requested, the County Clerk-Recorder's department will compensate SouthTech Systems for staff time at the rate for professional services contained in Exhibit C of this price agreement and reimburse out of pocket travel expenses.
3. The cost of data conversion is included in this price agreement and is based on the mutual assumption of the County Clerk-Recorder Department and SouthTech Systems that the data to be converted is clean and does not need to be scrubbed or manually corrected. It will be the County's responsibility to review the conversion results and identify any exceptions that must be researched and corrected.
4. SouthTech Systems has agreed to provide Software Maintenance and Technical Support Agreement for two years (24 months) after implementing the ERDS-CA System.
5. The County will be provided with telephone technical support for ongoing maintenance and problem resolution. SouthTech Systems uses the WebEx Internet based customer service product for secure remote access to servers and workstations in a manner authorized by the County. Access to the County's server and workstations through WebEx allows SouthTech to provide a high level of service. If this service or a similar VPN type of access is not provided the County will be subject to additional charges for services due to extra time required to meet the County's needs. SouthTech Systems will provide the WebEx Customer Support communications service at no additional expense to the County Clerk-Recorder.
6. The County Clerk-Recorder will be eligible for discounts on future professional services required for enhancements and projects not included in the scope of this project and the associated maintenance agreements. Attachment D is provided to report the current standard rates. As a subscriber to an annual maintenance agreement the County Clerk-Recorder's office will qualify for the Level One (10%) discount rates. Larger projects may qualify for additional discounts of 15 to 20%. The County may also choose to prepare a scope of work and request SouthTech Systems to provide a fixed price bid on work request and new development projects in the future.

SouthTech Systems will provide the County Clerk-Recorder with a master copy of all user guides, operational instructions, system development source code and all technical and user

documentation. The County Clerk-Recorder will be responsible for the reproduction and binding that meets their internal needs for distribution to staff.

7. SouthTech Systems has a separate service agreement with the Clerk-Recorder which covers technical support for the Recorder's suite of software products. The existing agreement will cover the upgraded software. Renewal of the service agreements is optional.

### ***COPY OF SOURCE CODE IN ESCROW***

Upon project completion SouthTech Systems will provide the County Clerk-Recorder Department with a copy of the development source code for ERDS-CA edition. The source code is provided to meet the AG system certification and security requirements and to provide "Back-up Protection". The software source code will be update by SouthTech as required during the two year software maintenance and technical support service period. Updates of the escrow software after the warranty period expires may be arranged by the County of Orange approving the optional annual service agreement or approval of any other service agreement to assist the Clerk-Recorder in this effort.

## EXHIBIT A

### PROJECT SCHEDULE & DELIVERABLES

Task Group	Deliverable/Action	Estimated Days Needed
1.	<b>Project Management</b> a. Project kick off meeting b. Establish Steering Committee. c. Review Scope of Work with management and technical staff for all systems. d. Prepare and issue final detailed project plan with updated scope of work.	Day 1-2
2.	<b>Hardware Readiness Support</b> a. Assist Department IT staff with review of existing server, scanners, printers workstations and network capability. b. Assist department in selecting any equipment and 3 <sup>rd</sup> party software needed. c. Provide technical support for installation and configuration of hardware and third party software.	Week one
3.	<b>Final Design ERDS-CA Edition Application</b> a. Gather required data for ERDS-CA and design requirements required by the AG. b. Complete requirements analysis. (The requirements analysis looks at your business rules and maps them to the functions within the system. It includes a review of workflow and any interfaces with other systems.) c. Complete final design document for County Clerk-Recorder ERDS-CA and review with Project Manager and IT staff.	Week Three
4.	<b>Complete ERDS-CA Programming and Testing</b> a. Programming and testing for ERDS-CA b. Creation of Multi County Portal, Administration module, Submitters' e-filing, Recorders e-filing, ExamDocs Workflow Manager and API for Cashier/Fee Accounting and Property Recording Systems.	Week Three to Thirty Two
5.	<b>Configuration of ERDS-CA System</b> a. Installation in test environment b. Assist County IT staff to configure users and privileges c. Assist County IT staff to configure tables d. Conduct system admin training	Week Thirty Three
6..	<b>Prepare Training Materials and User Guides</b> a. Prepare and review training plan. b. Prepare training materials. c. Deliver master copy of user guides and training materials to	Week Thirty Four

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 Electronic Recording Delivery System

	County for reproduction and binding.	
7..	<b>Conduct User Training for County Clerk-Recorder Staff</b>	Week Thirty Five
8.	<b>Go Live County Clerk-Recorder ERDS-CA System</b> a. Provide onsite go-live technical support. b. Provide supplemental training as needed. c. Research problems and questions. d. Complete coding corrections.	Week Thirty Five to Thirty Six
9.	<b>Complete System Escrow and Documentation Requirements</b> a. Provide a copy of finished development source code b. Provide a copy of all system documentation as required by the AG c. Provide a copy of all user manual and training materials	Week Thirty Seven
10.	<b>Post Implementation Technical Support</b> a. Provide 30 days post implementation technical support for County Clerk-Recorder ERDS-CA System b. Provide 24 months of warranty technical support for post-implementation technical support and programming modifications needed to meet AG and application requirements.	Starts Week Thirty Eight and continues for 24 months

The actual project schedule dates are dependent upon contract approval and the project start date. The schedule can also be impacted by availability of Clerk-Recorder staff, AG Certification and necessary equipment the County must acquire to establish a test environment. Project has been bid on a fixed price basis so finalization of the actual dates on the project schedule will not impact price and payment terms.

## EXHIBIT B

### COST & PAYMENT SCHEDULE

#### Electronic Recording Delivery System (ERDS-CA) System

Item #	Software Development and Services Electronic Recording Delivery System – California Version (ERDS – CA)	Percentage of Fixed Price Agreement	Amount
#1-A	Project retainer to establish project team and make all necessary arrangements for staff, equipment necessary to complete this project.	30%	\$756,000
#1-B	Provide Copy of existing software development source code for I-ER System for all components of the current ER System.	N/A	No Charge
#2	Delivery of agreement, initial project plan, schedule and completion of hardware readiness plan.	10%	\$252,000
#3	Completion of Gap Analysis, enhancements list, system design for new ERDS-CA Edition, system layouts, output examples, security document and project plan.	10%	\$252,000
#4-A	System development for ERDS-CA System including all programming and testing of the following modules: <ul style="list-style-type: none"> <li>• Multi County ERDS-CA Portal</li> <li>• Multi County ERDS-CA Administration Module</li> </ul>	10%	\$252,000
#4-B	System development for ERDS-CA System including all programming and testing of the following modules: <ul style="list-style-type: none"> <li>• Client e-filing imaging and order processing</li> <li>• e-Filing Server (Multi-county version)</li> </ul>	10%	\$252,000
#5	Delivery of ERDS-CA development source code and documentation. System installation, configuration, data conversion and testing of ERDS-CA modules in a test environment	10%	\$252,000
#6	Completion of ERDS-CA System training and implementation, with go live technical support onsite and remote telephone support as needed for first 30 days of operation.	10%	\$252,000
#7	Completion of AG system certification and security review	10%	\$252,000

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	process, including escrow requirements for source code and documentation.		
#7	Post Implementation Technical Support and Software Maintenance for 24 months after system is implemented.		Included
	<b>TOTAL FIXED PRICE</b>		\$2,520,000.00

## EXHIBIT C

### PROFESSIONAL SERVICES RATES

SouthTech Systems  
 Professional Services Standard Rates  
 (Effective November 1, 2007)

Position Title	Standard Rates	Prepaid Block of Hours		
		100-249 10% Discount	250-499 15% Discount	500 or more 20% Discount
	Hourly Rates			
Principal Developer	\$ 225.00	\$ 202.50	\$ 191.25	\$ 180.00
Project Manager	\$ 200.00	\$ 180.00	\$ 170.00	\$ 160.00
Senior Programmer/Analyst	\$ 175.00	\$ 157.50	\$ 148.75	\$ 140.00
Programmer/Analyst	\$ 150.00	\$ 135.00	\$ 127.50	\$ 120.00
Trainer/Technical Support	\$ 125.00	\$ 112.50	\$ 106.25	\$ 100.00

Notes:

1. Customers under an "Annual Software Subscription and Technical Support Agreement" are eligible for the Level 1 discounted rates(10%) for new development, enhancements and work requests.
2. Customers under an "Annual Customer Care Software Subscription and Technical Support Agreement" are eligible for fixed price agreements for large projects. A discount of 10 to 20% from standard professional service rates will be used to develop agreements. The discount rate generally reflects the total "blocks of hours" the service requires. These rates apply to enhancements and new development projects.
  - Level 1 - 10% discount (100 to 249 hours required)
  - Level 2 - 15% discount (250 to 499 hours required)
  - Level 3 - 20% discount (500 or more hours required)
3. Additional discounts may apply under "Partnership Development Agreements". These projects are jointly under taken by SouthTech Systems and a customer to develop new software products. Professional services rates may receive an additional discount for these projects in exchange for SouthTech Systems being granted the rights to the software for resale.

## **EXHIBIT D**

### **BACKGROUND INFORMATION**

#### Introduction

SouthTech Systems, Inc is the software development firm that created the original "Electronic Recording System", which was implemented in June of 1996 by Orange County Clerk-Recorder. This system was replaced by a new version of the system named "Internet Electronic Recording System" (I-ER) because it upgraded communications from leased telephone lines point to point architecture, to an Internet Communications Architecture and provided improved user interface and security.

The I-ER System consists of the following major components:

- Multi County ERDS-CA Portal
- Multi County ERDS-CA Administration Module
- Client e-filing imaging and order processing
- e-Filing Server (Multi-county version)

Orange County has successfully recorded over 4.7 million documents and currently receives 45 to 50 % of monthly recordings transactions through e-filing. This system has been a major technology innovation in the recording industry that improves services to the public and reduces operating costs for the Recorder. Orange County was the first County in California to implement this technology and served as the pilot project for the State.

Assembly Bill 578 (2005) authorizes additional California County Recorders to implement Electronic Recording Delivery Systems. This regulation delegated responsibility to the State Department of Justice Attorney General Department (AG) to develop technology standards for Electronic Recording Delivery Systems and business processes for system certification and ongoing security review. SouthTech Systems has participated in this process and provided extensive technology information to the AG staff to assist in the development of these standards.

The Electronic Recording Delivery System (ERDS) provides an automated alternative to the traditional manual recording process used by title companies and mortgage companies to courier paper documents to the County Recorder for examination and recording. If the documents are incorrect or incomplete, the paper process requires the entire package to be picked up by the requesting company and resubmitted to the County Recorder. This can often result to missing the planned recording date and delaying completion of real property sales transactions.

The ERDS allows authorized filers to scan documents and electronically submit the documents using secured encrypted Internet communications. The documents can be submitted to each County Recorder which has implemented ERDS so they can receive digital images in-lieu of paper documents. The document examination takes place using the digitized images of the Official

Records and supports automated workflow and electronic feedback to the sender. The e-filing document recording transaction is completed in minutes, as compared to days for the manual paper hand-delivered documents. The image is updated with the fee calculations and recording number and a confirming copy of the transaction is electronically returned to the filer. The transaction goes through a quality assurance process and is indexed for permanent storage. The images are retrievable by the Recorders Official Records Grantor/Grantee System and images are retrieved using the Recorders Public Access System. The Recorder office is able to provide a high level of service to authorized submitters, maintain the quality of the document examination process, automate the workflow of examination and recording documents to improve staff productivity and reduces the time required to complete the process for the public customers of the title insurance and mortgage lending companies. The County Recorder is able to confirm the transaction in minutes and saves significant expense on handling of paper documents and returning completed transactions by mail.

## **CONCEPTUAL DESIGN OF ELECTRONIC RECORDING DELIVERY SYSTEM**

The County Recorder authorizes a trusted party such as the title company, mortgage loan processor or government agency to use the electronic recording system (e-filers). A memorandum of understanding is signed indicating the authorized submitter's acceptance of responsibility for verification of original signatures, notary stamps and completeness. Under new AG regulations authorized e-filers will be designated by individuals authorized at each company to submit and will need to pass a background check and optionally undergo a finger printing process.

The e-filer will log into the system using personal security identification and scan documents ready for examination. The batch of documents with specific identifier codes to indicate which county the documents are being filed and what action is to be taken. The digitized or digital images of the document to be examined and recorded are transmitted as an "electronic transaction package" or 'Payload' to the Recorder using encrypted Internet communications.

The digitized or digital documents will be received by the County Recorder. ExamDocs Workflow Manager Module will provide the system capability for the routing, review and approval of official documents submitted as digitized or digital images. The Recorder's staff will receive an alert on their computer system that a document is submitted for review. The document package will be routed to the document examination official. Each document will be reviewed and if an error or omission is found, the documents will be returned electronically with a note describing the problem and action needed. Corrected document packages can be resubmitted, providing immediate action to not miss a recording date. A confirmation notification will be sent to the submitter when a document is recorded, which includes the first page with the official label containing the recording date, number and fee information. The image of the recorded documents will be merged in the master index of all recorded documents to complete the process and make the documents available for retrieval in the Recorder's Public Access System. The ExamDocs Workflow Manager will track transactions and provide a complete history of all interaction, transactions and errors as

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required by the Attorney General's System Design and Security Handbook. (See Exhibit A – Electronic Recording Delivery System Overview)

## EXHIBIT E

### LETTER FROM SOUTHTECH SYSTEMS, INC.

**SouthTech Systems, Inc.**

4181 Flat Rock Drive, Suite 300  
Riverside, CA 92505  
(951) 354-6104

October 1, 2007

County of Orange  
Honorable Tom Daly  
County Clerk-Recorder  
630 N. Broadway  
Santa Ana, CA 92701

Subject: Price Agreement for Electronic Recording System

Attached is our price agreement to sell you all rights and ownership to the current version of Internet Electronic Recording System. This price agreement also includes professional services for implementation technical support to the Orange County Clerk-Recorder Department. This price agreement includes enhancement to the current version of the Electronic Recording System designed to meet the recently adopted State of California regulations issued by the Department of Justice for "Electronic Recording Delivery Systems" as authorized by AB 1738 (2005). These regulations provide authority for the recently released system design and security requirements published by the California State Department of Justice Attorney General's Department in their "Baseline Requirements and Technological Standards" handbook.

SouthTech Systems, Inc. has worked for the Orange County Clerk-Recorder to provide software solutions since 1994. Services are also provided to the Orange County Clerk of the Board and 40 other California counties who use SouthTech Systems' Recorder, County Clerks and Clerk of the Board automated systems. These counties include high-volume counties such as Riverside, San Mateo, Fresno and Los Angeles Counties.

The County of Orange Clerk-Recorder was the first County Recorder authorized as to implement a computer system that allowed paper documents to be scanned by authorized high volume submitters, and submitted to the Recorder as digitized images. Orange County, in partnership with SouthTech Systems, was the first County to develop such a system and was the pilot project for the State of California. This system is used by over 150 authorized high volume submitters, such as title insurance companies and mortgage lending companies, for recording real property official

records transactions. SouthTech Systems developed the first Electronic Recording System (ER) for Orange County Clerk-Recorder, which was implemented in June of 1996. The 2<sup>nd</sup> generation system "Internet Electronic Recording" (I-ER) was implemented in March 2001 and is currently in use. The I-ER system is currently used to receive and record 45 to 50% of monthly transactions completed by the Clerk-Recorder's Office. This has resulted in higher level of service to customers and improved staff productivity over paper based manual official records recording business process.

Under Assembly Bill 1738 (2005) the State of California legislature authorized all California County Recorders to implement Electronic Recording Delivery Systems (ERDS). This regulation delegated responsibility to the State Department of Justice Attorney General Department (AG) to develop technology standards for ERDS and defines the processes for system certification and ongoing security reviews. SouthTech Systems has participated in the development of these regulations and provided extensive technology information to the AG staff to assist in the development of these standards. The current Orange County I-ER System served as a model for the legislation and the recently adopted State regulations.

This price agreement is to sell you all rights and ownership to our Electronic Recording software that meets the new technical standards and system security requirements included in the AG technical standards. The new system will be designed and developed using the base source code of the current ER system to provide the option for multi-county use so that authorized submitters can use the same system to submit transactions to different California County Recorders' Offices. Under this price agreement, SouthTech Systems will develop and assist the Clerk-Recorder's Department to implement a replacement system for I-ER which will be the new "*Electronic Recording Delivery Systems - California Edition*" (ERDS-CA).

This system will be developed in a partnership between the Orange County Clerk-Recorder's Department and SouthTech Systems. The ERDS-CA version of the software will be the sole property of the County of Orange Clerk-Recorder Department. Orange County Clerk-Recorder's Department will have unlimited use of the software for recording process at the County of Orange, and the rights to offer the software for use by other California Counties. SouthTech Systems will provide software programming, testing, data conversion, training, implementation technical support and system maintenance services for two years under this price agreement. The scope of this price agreement provides for implementation and technical support to the County Clerk-Recorder to implement the new ERDS-CA version. This price agreement provides the exclusive rights for the County of Orange Clerk-Recorder's Department to make modifications, enhancements. They also have the rights to make this software available to other California Recorders so that a State wide digital document submittal network capability for authorized submitters can be created. This price agreement will restrict SouthTech Systems from offering this system to any California Counties in any way shape of form. SouthTech Systems will be permitted to use the source code to develop an electronic recording system for other jurisdictions outside of California on an unlimited basis.

The development of the System provides a multi-county high transaction system built on the foundation and experience of the Orange County Clerk-Recorder's Office and SouthTech Systems. Due to the I-ER System experience and SouthTech Systems knowledge of the AG technical requirements, the new ERDS-CA will be implemented in a short period of time and for less costs

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than other software development companies would require. The system will be developed to meet the requirements of AB 578 regulations and the AG system design and security standards. The scope of work includes SouthTech Systems' services to program, test, install, configure and implement the system. Technical services include and assistance to the Clerk-Recorder to apply for system certification and complete the system documentation and security review requirements.

Utilization of SouthTech Systems is the most cost effective means to develop the new ERDS-CA and presents an opportunity to build on the success of the past eleven years of being the leader in California, as well as the United States, in utilizing digitized documents and electronic communications for the Official Records recording process. Funding for this system development project will come from the Clerk-Recorder's Trust Fund and not require any County Net Cost contribution. The Recorder's Automation Trust Fund is generated by surcharges collected from Official Records recording transactions, and may only be used for document archival and automated system development, implementation and maintenance, and related equipment, for the Clerk-Recorder's Department.

The total cost of the software development and implementation for ERDS-CA and software licenses for upgrade to Recorders suite of software products and implementation services is \$2,520,000, plus applicable sales tax. This fee provides a comprehensive "Fixed Price" package for all rights and ownership, software modules, technical support for implementation, professional services to assist in obtaining State AG certification, software license authority to distribute the software to 57 other California County Recorders. This price agreement provides a cost effective comprehensive system upgrade for your department and has expansion potential for California Recorders and the submitting title insurance and mortgage lending companies. The development and implementation of a new web based multi-county ERDS-CA will continue Orange County's leadership in implementing technology that improves service to the public and maximizes staff productivity. SouthTech Systems guarantees that the system will be delivered in a fashion which meets or exceeds Attorney General standards.

Thank you for the continuing opportunity to service the County of Orange and your Clerk-Recorder Office.

Sincerely,  
Jose Dominguez  
President

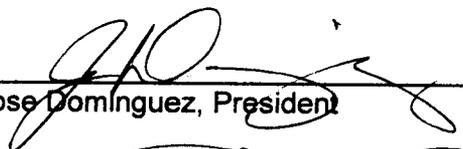
**VENDOR AND COUNTY OF ORANGE  
CLERK-RECORDER DEPARTMENT**

**SIGNATURE PAGE**

In Witness Hereof, the parties hereto have executed this Agreement on the dates shown opposite their respective signature below:

**VENDOR: SouthTech Systems, Inc., a California Corporation**

DATE: 1/31/2008

BY:   
Jose Dominguez, President

DATE: 1/31/08

BY:   
Grant Gyuinazaryan, CFO

**COUNTY OF ORANGE, a political subdivision of the State of California**

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
Tom Daly, Orange County Clerk-Recorder

**COUNTY OF ORANGE COUNTY COUNSEL APPROVED "AS TO FORM":**

DATE: 2/1/08

BY:   
Signature and Title

Approved by Board of Supervisors on: \_\_\_\_\_