

DFM ASSOCIATES
MASTER AGREEMENT
SANTA BARBARA COUNTY

THIS MASTER AGREEMENT (“Agreement”) is made and entered into as of July 1, 2009 by and between DFM ASSOCIATES, a California corporation (“DFM”), and THE COUNTY OF SANTA BARBARA, a political subdivision of the State of California (“County”).

RECITALS

A. This Agreement replaces an earlier service contract approved by the County purchasing agent first entered into between DFM and County in 1999 for the license of DFM Software to the County.

B. DFM is willing to do any or all of the following at the request of the County:

- (1) To lease or license DFM Software to the County;
- (2) To lease or sublicense Third Party Software to the County; and/or
- (3) To provide Consulting Services to the County.

C. The purpose of this Agreement is to generally describe the various products and services DFM is willing to provide to the County if and when the County chooses to utilize them, and to establish the basic contractual terms and conditions under which those products and/or services will be provided, subject to additional terms and provisions set forth in a separate Addendum which will specify the product or service and the particular terms and provisions applicable thereto.

TERMS AND CONDITIONS

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the following definitions, which incorporate by reference the standard definitions of the computer industry established by trade usage or custom to the extent such standard definitions do not contradict specific definitions set forth herein:

Addendum/Addenda refers to any addendum attached to this agreement which specifically identifies the product or service to be provided by DFM to the County and the price, payment terms and other applicable information related thereto.

Computer Hardware refers to any computer, whether a main frame, mini-computer, personal computer or file server, and related computer peripheral equipment and accessories.

Computer Hardware Vendor refers to the corporation or other entity which manufactures or supplies the Computer Hardware.

Confidential Information refers to various County information that County desires to protect against unrestricted disclosure, including, without limitation: County non-publicly available data; any nonpublic information or documentation concerning County's business or future products or plans that are learned by the other party during the performance of this Agreement; and information that is designated as confidential and, subject to Section 6.6 of the Agreement, that may be exempt from disclosure to the public or other unauthorized persons under either State or federal statutes. The following are also hereby designated County Confidential Information: all data relating to County clients and employees, including but not limited to names, addresses, Social Security numbers, e-mail addresses, telephone numbers, financial profiles, credit card information, driver's license numbers, medical data, and law enforcement records; all data accessed through the process of performing the requirements of this Agreement; and such other Confidential Information as is described in this definition. Also DFM should take reasonable precautions to safeguard the confidentiality of vital records as prescribed in Health & Safety Code, sections 102230, 102231, 103525, 103526 & 103527.

Consulting Services refers to any or all of the services which DFM is capable of and willing to provide to the County, including consultation with the County regarding its data processing and information systems.

DFM Software refers to and includes any or all software systems developed by DFM, which DFM is willing to provide to the County.

File Maintenance refers to the ability to update a database.

Installation refers to a one time occurrence on the date that DFM Software is first uploaded onto the County computer system or the date that hardware is activated at the County offices. Installation shall not include the dates that DFM Software Releases are uploaded or hardware is upgraded.

Initial Installation Fee refers to the fee to be paid by the County to DFM for the initial installation of any Specified DFM Software and/or any Specified Computer Hardware.

Lease Term refers to the term of the lease between the County and DFM regarding the County's right to use any DFM Software and/or to utilize any Consulting Services. The initial Lease Term will be set forth on the Addendum and will be extended automatically pursuant to the terms of this Agreement.

Manuals refers to any documents, reports, instructions or writings, and any annotations thereto, that explain or depict, generally or in detail, any aspect of any particular DFM Software, including but not limited to, all procedures and workings thereof, and the Manuals may be on any format, including hard copy, on disk or on CD-ROM or any other media.

Monthly Fee refers to the monthly charge by DFM to the County for the right of the County to use any Specified DFM Software or to utilize any Specified Consulting Service.

Programs refers to all programs, sets of instructions and statements to be used directly or indirectly on the Computer Hardware to facilitate, directly or indirectly, the use(s), maintenance or enhancement of any particular DFM Software.

Software Enhancement refers to the addition of a new DFM Software Subsystem or the revision of any existing Subsystem for any particular DFM Software.

Software Maintenance refers to the maintenance of the Programs and the resolution of any problems with respect to any Programs concerning internal coding and operation thereof. The term Software Maintenance is meant to include those modifications, additions and revisions of any particular DFM Software mandated by new legislative enactments.

Software Release refers to the most recent revision of any particular DFM Software.

Specified Consulting Service refers to any particular Consulting Service identified on an Addendum attached hereto.

Specified DFM Software refers to any particular DFM Software identified on an Addendum attached hereto.

Specified Operating System Software refers to the operating system software provided by a third party vendor for the Computer Hardware used by the County on which the Specified DFM Software will operate.

Subsystem refers to any portion of any particular DFM Software which is related to a specific functional area within the department of the County which is using the Specified DFM Software pursuant to this Agreement.

Third Party Software refers to any software, the rights of which are owned or held by an corporation or entity other than DFM.

Third Party Software Vendor refers to any corporation or other entity which has authorized DFM as a reseller or grants DFM the right to use and/or sublicense its software or which licenses the County directly to use its software.

ARTICLE 2.
NOT USED

ARTICLE 3.
RIGHT TO USE DFM SOFTWARE

All of the following provisions of this Article 3 shall apply to the lease of any Specified DFM Software by the County from DFM unless expressly modified or supplemented by the DFM Software Addendum.

3.1 DFM Software Addendum. DFM agrees to lease to the County, on a non-exclusive basis, the DFM Software identified on a DFM Software Addendum. The Specified DFM Software and all prices and payment terms with respect thereto shall be set forth on the DFM Software Addendum except to the extent any such provisions are covered by Article 3 or elsewhere in this Agreement. The County shall have no right to use any DFM Software unless and until the DFM Software Addendum has been signed on behalf of the County and DFM, and then, in such event, the County's rights are limited to the use and/or lease of the Specified DFM Software on the terms set forth herein and therein. The County's rights to use any Specified DFM Software are governed and restricted by the terms of this Agreement.

3.2 Installation of the Specified DFM Software. On or before the installation date set forth on the DFM Software Addendum, or as soon thereafter as is reasonably practicable, DFM shall install the DFM Software. The DFM Software shall be deemed to have been installed when the County is able to log into the EIMS and perform maintenance and look-up functions on its core databases.

3.3 Initial Installation Fee. The initial installation fee for any Specified DFM Software will be set forth on the DFM Software Addendum. The County agrees to pay the initial installation fee to DFM upon installation of the Specified DFM Software.

3.4 Monthly Fee. The initial Monthly Fee for the right to use any Specified DFM Software will be set forth on the DFM Software Addendum applicable thereto. As consideration for the non-exclusive right to use the Specified DFM Software, the County agrees to pay DFM the Monthly Fee within thirty (30) days after receipt of a correct invoice. Unless otherwise provided on the DFM Software Addendum, the Monthly Fee for the first full month of any Lease Term shall be paid at the time any Specified DFM Software has been installed. If any rental payment date falls on a day of the month other than the first day of such month, or if any rental payment is for a period which is shorter than one month, the rental for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to one-thirtieth (1/30) of the then current Monthly Fee. DFM reserves the right to increase the Monthly Fee, by an amount not to exceed seven percent (7%) per annum, as of July 1st of each year of the Lease Term upon ninety (90) days prior written notice to the County.

3.5 Right to Use the Specified DFM Software. DFM grants to the County the nonexclusive right to lease and use the Specified DFM Software on the terms and subject to the conditions set forth in this Agreement. The County's right to use and lease any Specified DFM Software specifically excludes the right to sublicense, assign, sublease or otherwise transfer the Specified DFM Software and/or any of the County's rights hereunder or therein.

3.6 Documentation. DFM shall provide, at a minimum, one set of Manuals for the DFM Software for use in electronic format in accordance with the terms of this Agreement. Upgrades and revisions to the Manuals shall be provided as part of post Installation Services as long as the County remains current on payment of its Monthly Fees. There shall be no additional charge for the Documentation or updates thereto, in whatever form provided. DFM's Documentation shall be comprehensive, well structured, and indexed for easy reference. If DFM maintains all or a part of its documentation on a web site, DFM may fulfill some or all of the obligations set forth in this section by providing County access to its web-based Documentation information. DFM may also provide such information on CD-ROM. DFM grants County a nonexclusive license to use, modify and reproduce the Documentation furnished pursuant to this Section for its own internal use at no additional charge, provided that such copies contain all copyright notices and other proprietary markings contained on the original, and are kept confidential in accordance with Section 6 herein.

3.7 DFM Software Releases. DFM shall provide the County with all Software Releases for the Specified DFM Software within one hundred twenty (120) days after the new Software Release becomes generally available to other DFM customers. The cost of the Software Releases is included in the Monthly Fee. Installation of the DFM Software Releases will be coordinated by DFM and a designated representative of the County. The new Software Release shall be installed on County's parallel server for testing by County for a period of three months, or within a time frame convenience to County, before the new Software Release is transferred to County's main server for standard operation.

3.8 Change Management. With respect to DFM's standard Software Enhancements and Software Releases, DFM will inform the County at least three days, or any other period of time as agreed to by the parties, prior to implementing any material changes to the DFM Software or any changes which could materially affect County's use of the DFM Software as contemplated in this Agreement.

3.9 Authorized Maintenance. All Software Maintenance, Software Enhancements and Software Releases shall be provided and installed by employees or authorized agents of DFM.

3.10 Post Installation Services. DFM agrees to provide the County with post-Installation services as follows:

(a) DFM agrees to provide maintenance of the Specified DFM Software to correct program errors and to use good faith reasonable efforts to correct compatibility problems among such Computer Hardware, Specified DFM Third Party Software and the Specified DFM Software, the cost of which is included in the Monthly Fee for such Specified DFM Software; and

(b) DFM agrees to provide Software Releases covering applicable legislative changes and enactment of new laws applicable to such Specified DFM Software, the cost of which is included in the Monthly Fee.

3.11 Training. DFM agrees to provide the County with the following training services with respect to any Specified DFM Software:

(a) DFM will establish, with the help of a designated representative of the County, which users will participate in training and on which subsystems.

(b) DFM will develop a training schedule with sufficient training to allow the department or agency of the County which will have primary responsibility for using the Specified DFM Software to operate it.

(c) DFM will conduct the actual training sessions, including “hands on” and formal classroom training, with the initial training to be on-site at the County’s facilities.

User training costs for any Specified DFM Software are included in the Initial Installation Fee and the Monthly Fee. There are no additional costs for training. As subsystems of any Specified DFM Software are enhanced or changed to conform to new requirements, users will be provided training with respect thereto on an on-going basis. Training with respect to enhanced or changed subsystems can be on-site or regional, depending on the material and individual needs of the users.

3.12 Limitation on DFM’s Obligations. Notwithstanding any other provision of this Agreement to the contrary, DFM has no duty or obligation to perform any Software Maintenance or to provide the County with any Software Enhancements or Releases, or to provide any training to the County with respect to any Specified DFM Software if the County fails or refuses to utilize the most current revision of the Specified Operating System Software required by DFM; provided, however, in any event, DFM shall give the County at least one-hundred twenty (120) days prior written notice of the need to upgrade or replace the version of the Specified Operating System Software which the County is then using, and DFM shall consult with the County’s user group regarding the scheduling of such changes.

ARTICLE 4. CONSULTING SERVICES

DFM agrees to provide the County with any Specified Consulting Services which are identified on the Consulting Services Addendum, including, without limitation, enhancement and modification programming for the County to meet any unique requirements of the County, subject to availability of DFM technical personnel and agreement regarding a mutually acceptable hourly rate for DFM's technical personnel. All terms and pricing for the Specified Consulting Services, including the nature of the Specified Consulting Service, hourly rate(s) charged by DFM therefore, the payment terms and any other applicable terms and conditions related thereto, will be set forth on the Consulting Services Addendum.

ARTICLE 5. OBLIGATIONS AND RESPONSIBILITIES OF THE COUNTY

5.1 Access to Facilities. The County shall provide DFM and its employees and authorized agents access to the County's facilities, including the Computer Hardware, and shall provide them with adequate facilities (including a desk, work area and computer), to enable DFM to perform its obligations under this Agreement in an effective, efficient and professional manner. Access shall be provided during the County's usual business hours upon reasonable prior notice except in the case of an emergency when access shall be provided as soon as is reasonably practicable.

5.2 Commercial Access. The County shall limit the commercial access to or use of any Specified DFM Software without the prior written approval of DFM, which approval may be conditioned by DFM upon receipt of an acceptable sublicense agreement between the County and the proposed commercial user and the payment to DFM by the County of a reasonable additional license and/or use fee with respect thereto. The County's obligation to limit commercial access or use is expressly restricted to those situations in which the County has actual knowledge of such commercial access or use and the County is not expressly precluded or prohibited by law from enforcing the provisions of this Section 5.2. For purposes hereof, the term "commercial access" means any access to or use of any Specified DFM Software other than (i) by the County for its own internal use in order to fulfill its duties, or (ii) by any person for its non-commercial private use; and "non-commercial private use" means any use or access by such person who is physically present at any County premises for which no consideration is paid, charged or received by the County. It is contemplated that a business which sells or uses the County's Data in a commercial enterprise, such as a title company, can be included in the exception described in clause (ii) above to the extent it is physically present at the County's facilities when it is accessing or using the Specified DFM Software to examine the County's Data and/or to update its own data base. The term "physically present" is meant in its literal sense and it is not intended to

cover or include off-site access of any kind, including without limitation, off-site access using modems and other communications equipment.

5.3 Specified Operating System Software. The County shall be solely responsible for, and shall pay all costs and expenses associated with, the purchase or license of, and the installation and maintenance of, the appropriate version of the Specified Operating System Software required by DFM at any time or from time to time. The County acknowledges and understands that upgrading of Computer Hardware and of the Specified Operating System Software and any other applications software used in conjunction with the DFM Software will be required from time to time; provided, however, in any event, DFM shall give the County at least one-hundred twenty (120) days prior written notice of the need to upgrade or replace the version of the Specified Operating System Software which the County is then using, and DFM shall consult with the County's user group regarding the scheduling of such changes.

ARTICLE 6. PROPRIETARY ASPECTS OF THE DFM SOFTWARE; CONFIDENTIALITY COVENANTS

6.1 Protection of Confidentiality of DFM Software. DFM has taken reasonable security measures to protect the secrecy and confidentiality of the DFM Software. All employees of DFM and other persons who have designed, developed or programmed all or any portion of the DFM Software, or any software included therein, or who otherwise have knowledge of or access thereto, have been adequately notified that the DFM Software is proprietary to DFM and is not to be divulged, used or exploited except as expressly authorized by DFM in writing.

6.2 Confidentiality Covenants of the County. The County acknowledges and agrees that the DFM Software, and all constituent parts thereof, is valuable only as long as it remains secret and confidential. Accordingly, the County agrees to take all steps reasonably necessary to protect and maintain the confidentiality of all DFM Software and to prevent it from entering the public domain or falling into the hands of others not bound by this Agreement. In furtherance hereof, the County agrees as follows:

(a) The County shall use its good faith reasonable efforts to restrict access to any Computer Hardware running or capable of accessing the DFM Software, and to the DFM Software itself, to prevent unauthorized personnel from acquiring significant or confidential information concerning the DFM Software.

(b) To the extent reasonably practicable, the County shall require all persons who will have access to any DFM Software, to sign on an annual basis a confidentiality agreement, in a form provided by DFM which is acceptable to the County.

(c) The County shall not duplicate or reproduce (except to the extent reasonably required to back-up the Specified DFM Software in the ordinary course of business or to create a test instance for evaluating system patches, enhancement or providing training), in any manner, any DFM Software, or any component or constituent parts thereof, and agrees not to disseminate, display or use any DFM Software, or any component or constituent parts thereof, of any information or material concerning any DFM Software, except as is reasonably necessary for the County to perform its functions using any Specified DFM Software and to comply with the terms of this Agreement.

(d) The County shall notify DFM immediately of any and all unauthorized disclosures, or any suspected unauthorized disclosures of any DFM Software.

6.3 **Binding Effect.** Notwithstanding the fact that certain employees, agents, contractors, subcontractors or licensees of the County are not parties to this Agreement, the terms and provisions of this Article 6 shall be binding upon the County and all of its officers, employees, agents, contractors, subcontractors and licensees.

6.4 **Discovery of Specified DFM Software by Legal Process.** If at any time, a party to any litigation involving the processes, function or departments of the County which uses any Specified DFM Software, seeks by way of litigation or legal process to discover information in any way related to any Specified DFM Software, or requires the production of any Specified DFM Software, or any component or constituent part thereof, the County shall promptly notify DFM of such matter as soon as the complaint, subpoena or discovery request has been served on the County or its lawyers, but in no event later than ten (10) days after service thereof. Prior to the time specified in the legal document, court order, subpoena or moving papers for the disclosure of information relating to, or the delivery of all or any portion of any Specified DFM Software, the County shall cooperate with DFM so as to maintain, to the maximum extent reasonably practicable and permitted by law, the confidentiality and secrecy of all Specified DFM Software and to request, if requested by DFM, a protective order of the court or legal forum to avoid further disclosure or divulgence of any matters relating to any Specified DFM Software and to assure the continued protection of the confidentiality thereof. However, such action is to occur only in the event that DFM is unable to make timely intervention into said legal action or proceeding. DFM shall reimburse the County for all reasonable legal fees and expenses which it incurs resulting from actions it has taken pursuant to this Section

6.5. **Confidentiality Covenants of DFM.**

(a) Access and Protection. During the term of the Agreement, DFM will have access to and become acquainted with Confidential Information of County, including County's records. Except for disclosure pursuant to Section 6.6, DFM, and its officers, employees and agents, shall, subject to State laws and regulations and in accordance with this Section 6.5(a), maintain all Confidential Information of the County in confidence and at least to the extent that it protects the confidentiality of its own proprietary information of like kind, but in no event with less than reasonable care. DFM will not at any time use, publish, reproduce or disclose any Confidential Information, except to authorized employees, contractors and agents requiring such information under confidentiality requirements no less restrictive than this Section 6.5(a), as authorized in writing by the County, as otherwise specifically permitted herein, or to perform its obligations as authorized hereunder. DFM shall take all steps necessary, including without limitation oral and written instructions to all staff to safeguard, in accordance with applicable federal, State and County law, regulation, codes, and this Section 6.5(a), the County's Confidential Information against unauthorized disclosure, reproduction, publication or use, and to satisfy its obligations under this Agreement. Except for disclosures pursuant to Section 6.6 below, DFM agrees that prior to disclosing any Confidential Information of County to any third party, it will obtain from that third party a written acknowledgment that such third party will be bound by the same terms as specified in this Section 6.5(a) with respect to the Confidential Information. In addition to the requirements expressly stated in this Section 6.5(a), DFM and its Subcontractors will comply with any policy, rule, or reasonable requirement of County, the State and the federal government that relates to the safeguarding or disclosure of information relating to applicants and recipients of County's services, DFM's operations, or the Services performed by DFM under this Agreement.

(b) Injunctive Relief and Indemnity. DFM shall immediately report to County any and all unauthorized disclosures or uses of County's Confidential Information of which it or its employees, contractors or agents are aware or have knowledge. DFM acknowledges that any publication or disclosure of County's Confidential Information to others may cause immediate and irreparable harm to County. If DFM should publish or disclose such Confidential Information to others without authorization, County shall immediately be entitled to injunctive relief or any other remedies to which it is entitled under law or equity without requiring a cure period. DFM shall indemnify, defend, and hold harmless County from all damages, costs, liabilities and expenses (including without limitation reasonable attorneys' fees) caused by or arising from DFM's failure to protect County's Confidential Information. As a condition to the foregoing indemnity obligations, County will provide DFM with prompt notice of any claim of which County is aware and for which indemnification shall be sought hereunder and shall cooperate in all reasonable respects with DFM in connection with any such claim.

(c) Audit. DFM hereby authorizes County to monitor, audit or investigate DFM's use of County Confidential Information collected, used, or acquired by DFM under this Agreement.

(d) Return. Subject to record retention laws, DFM shall promptly return to the County, on termination or expiration, all of the County's Confidential Information, including copies thereof.

6.6 Public Records. Notwithstanding the above, DFM acknowledges that this Agreement shall be a public record under State law. Any specific information that is claimed by DFM to be Confidential Information must be clearly identified as such by DFM. To the extent consistent with State law, County will maintain the confidentiality of all such information marked Confidential Information.

6.7 Exceptions. The following information shall not be subject to the restrictions of this Article 6: information previously known when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach hereof; information which is developed by one party independently of any disclosures made by the other party of such information; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

6.8 Survival. The provisions of this Article 6 shall remain in effect following the termination or expiration of this Agreement.

ARTICLE 7. WARRANTIES AND LIMITATIONS

7.1 Limited Warranty - Specified DFM Software. DFM warrants, for the sole benefit of the County and no other person or entity, that the Specified DFM Software shall be capable of performing the core functions set forth on the DFM Software Addendum related thereto, subject to the limitations set forth in Section 7.2 below and on the Specified DFM Software Addendum. This is DFM's sole express warranty with respect to any Specified DFM Software. Any claim by the County against DFM for breach of its express warranty must be in writing and must be promptly delivered by the County to DFM. In the event of any breach of DFM's express warranty, the County's sole and exclusive remedy against DFM, and DFM's sole and exclusive liability to the County, shall be that DFM, at its sole cost and expense, shall exercise good faith (for all purposes of this Agreement, the term "good faith" shall have the same meaning as that term is defined and used in California

Commercial Code Section 2103(1)(b)) reasonable efforts to provide adequate programming services to correct such inherent defect, as DFM and the County deem necessary or appropriate. Warranty service performed in accordance with this Section shall be performed during normal weekday business hours, excluding DFM holidays. With respect to any reported errors that result or will result in significant interruption of the County's productivity or down time ("Business Impacting Failures"), DFM shall use its best efforts to begin error correction procedures within twenty-four (24) hours after receipt of such report. With respect to any reported errors that do not constitute Business Impacting Failures, DFM shall use its good faith reasonable efforts to begin error correction procedures no later than seventy-two (72) hours after receipt of such report. DFM's sole and exclusive obligation under the foregoing warranty shall be to exercise its good faith reasonable efforts to implement appropriate error corrections in response to notices from the County of such errors.

7.2 Warranty Limitations Specified DFM Software. Notwithstanding the warranty provisions set forth in Section 7.1 above, all of DFM's obligations with respect to such warranties shall be contingent upon the County's use of the Specified DFM Software in accordance with this Agreement and in accordance with instructions provided by DFM from time to time, including those set forth in the Manuals, as the same may be amended, supplemented or modified from time to time. DFM shall have no warranty obligation:

(a) With respect to any portion of the Specified DFM Software which has been:

(i) Operated by the County or its employees, agents, contractors, subcontractors or licensees in a manner inconsistent with the requirements set forth in the Manuals or elsewhere, or that has been modified by any party other than DFM;

(ii) Damaged in any manner by any cause other than any act or omission of DFM;

(iii) Operated or maintained in environmental conditions outside the parameters designated by DFM in the Manuals or elsewhere;

(iv) Subjected to extreme power surges or electromagnetic field(s);

(v) Reinstalled without the prior written consent of DFM; or

(vi) Determined by DFM to have an error or defect, which fact is conveyed to the County together with supplemental instructions on how to avoid or circumvent the error or defect, and the County fails or refuses to follow the supplemental instructions.

(b) As a result of or in any way connected with any error or defect in the Specified Operating System Software and/or any application software provided by any Third Party

Software Vendor; provided, however, in such event, DFM will use its good faith reasonable efforts to resolve the problem to the extent that a resolution is reasonably available by reprogramming the DFM Software;

(c) As a result of or in any way connected with the County's failure or refusal to use the Specified Operating System Software or to upgrade its Computer Hardware as requested by DFM; or

(d) As a result of or in any way connected with any of the County's Data.

7.3 Disclaimer of Warranties Specified DFM Software. DFM DOES NOT REPRESENT OR WARRANT THAT THE SPECIFIED DFM SOFTWARE WILL BE FREE FROM ERRORS OR THAT ALL ERRORS IN ANY SPECIFIED DFM SOFTWARE WILL BE CORRECTED. THE WARRANTY STATED IN SECTION 7.1 IS THE SOLE AND EXCLUSIVE WARRANTY OFFERED BY DFM. THERE ARE NO OTHER WARRANTIES RESPECTING THE SPECIFIED DFM SOFTWARE, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF DESIGN, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EVEN IF DFM HAS BEEN INFORMED OR IS OTHERWISE MADE AWARE OF SUCH PURPOSE. NO AGENT OF DFM IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF DFM SET FORTH IN THIS ARTICLE 7.

7.4 Limitation on Liability and Remedy Specified DFM Software. THE COUNTY ACKNOWLEDGES THE COMPLEXITY AND INTERRELATIONSHIPS OF EACH OF THE COMPONENT AND CONSTITUENT PARTS COMPRISING ANY SPECIFIED DFM SOFTWARE. THE COUNTY FURTHER ACKNOWLEDGES AND AGREES THAT THE MONTHLY FEE WHICH DFM IS CHARGING FOR ANY SPECIFIED DFM SOFTWARE DOES NOT INCLUDE ANY CONSIDERATION FOR ASSUMPTION BY DFM OF THE RISK OF THE COUNTY'S INCIDENTAL OR CONSEQUENTIAL DAMAGES WHICH MAY ARISE IN CONNECTION WITH THE COUNTY'S USE OF ANY SPECIFIED DFM SOFTWARE. ACCORDINGLY, THE COUNTY AGREES THAT DFM SHALL NOT BE RESPONSIBLE TO THE COUNTY, OR ANY DEPARTMENT, AGENCY OR SUBDIVISION THEREOF, FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE LICENSING, LEASING OR USE OF ANY SPECIFIED DFM SOFTWARE; PROVIDED HOWEVER THAT DFM SHALL BE RESPONSIBLE FOR SUCH INCIDENTAL (BUT NOT CONSEQUENTIAL) COSTS AND EXPENSES ARISING IN CONNECTION WITH ANY INFRINGEMENT OR ALLEGED INFRINGEMENT OF THIRD PARTY PROPRIETARY RIGHTS AS SET FORTH IN ARTICLE 8 BELOW.

**ARTICLE 8.
HOLD HARMLESS - COPYRIGHTS, PATENTS AND LICENSES**

8.1 Indemnification by DFM. DFM, at its own expense, shall indemnify, defend, protect and hold the County harmless against any claim which may be brought against the County or its officers, agents or employees, to the extent that it is based on a claim that the County's use of the Specified DFM Software pursuant to this Agreement, or any of its components or constituent parts leased or licensed hereunder, infringes any patent, copyright, license or trade secret of any third party, and in such event, DFM shall pay all of those costs and damages, including expenses and reasonable attorneys' fees, finally awarded against the County or any of its officers, agents or employees attributable to such claim. Control of the defense, including all negotiations and discussions regarding compromise and settlement, shall be vested in DFM, but shall be with the advice and consent of the County. The obligations of DFM set forth in this Section are conditional upon compliance by the County with all of the provisions set forth in Sections 8.2 through 8.3 below.

8.2 Notice of Claims. The County covenants and agrees to provide DFM with written notice of any actual, threatened or potential infringement claim within thirty (30) days of notice thereof by or to the County.

8.3 Remedial Action. If, in the opinion of DFM, the Specified DFM Software or any of its components leased to the County is likely to or has become the subject of a claim of infringement of patents, copyrights, licenses or trade secrets of any third party, then, without diminishing DFM's obligations to satisfy the final award, DFM may, at its option and expense, either (i) obtain the right for the County to continue to use the Specified DFM Software and its components leased hereunder, or (ii) substitute for the allegedly infringing components other equally suitable components mutually satisfactory to the County and DFM.

ARTICLE 9. TERM

The Lease Term for any Specified DFM Software or any Specified Consulting Service shall be for the period effective July 1, 2009 through June 30, 2010. However, either party may give the other written notice, at least ninety (90) days prior to each June 30th that this Agreement is in effect, of its decision to terminate the Agreement with respect to such Specified DFM Software or such Specified Consulting Service, in which case the term as it relates to such Specified Consulting Service and/or such Specified DFM Software shall terminate on June 30th of that year.

ARTICLE 10. RIGHT TO TERMINATE OR SUSPEND PERFORMANCE; BREACHES

10.1 Non-Appropriation of Funds. The continuation of this Agreement, as it relates to any Specified Consulting Service or to any Specified DFM Software after June 30th of the County's fiscal year, is subject to appropriation by the County's Board of Supervisors for the necessary funding hereof. In the event of non-appropriation of funds for the Monthly Fee, or any other consideration payable to DFM hereunder, this Agreement will automatically and immediately terminate on June 30th of the then-current County fiscal year end as to any Specified Consulting Service and the Specified DFM Software for which no appropriation was approved. Any permissible termination of this Agreement pursuant to this Section shall not relieve the County of its obligations set forth in Article 6 above.

10.2 County Breaches. For purposes of this Agreement, the term "County Breach" or "County Breaches" means any one or more of the following events, acts or occurrences:

(a) Any breach by the County, or any of its officers, employees, agents, contractors, subcontractors or licensees, of any of the provisions of Article 6; provided, however, instead of terminating the Agreement, DFM, in its sole and absolute discretion, may give notice to the County of the breach, demanding adequate assurances from the County that it will protect the proprietary interest of DFM and remedy all prior breaches. In the event that the County fails to provide such adequate assurances and to remedy such breaches within seventy-two (72) hours of receipt of the notice ("Suspense Period"), the Agreement will automatically terminate as if no demand for adequate assurances had been made. For purposes of this Section, the parties agree that the Suspense Period is reasonable based on the proprietary interest to be protected by DFM and the interest of the County to continue the right to use any Specified DFM Software.

(b) Any modification of any DFM Software which is accomplished or undertaken by the County, its employees, or its authorized agents subject to this Agreement other than DFM or its employees or authorized agents, shall give DFM the right to terminate the Agreement, or any portion thereof related to the Specified DFM Software which was subject to the unauthorized modification.

(c) Any breach by the County of any of its monetary obligations to DFM, in which event DFM shall have the right, at any time after thirty (30) days prior written notice, to suspend its performance under this Agreement and, if the County Breach continues for an additional thirty (30) days, then DFM may, at its option, terminate the Agreement, or any portion thereof related to the Specified Consulting Service or Specified DFM Software which was involved in such breach.

(d) Any material breach by the County of any of its other obligations under this Agreement (other than those obligations described in subparagraphs (a) through (c) above), which continues for a period of thirty (30) days after written notice thereof from DFM

specifying the nature of the breach and the curative action, if any, which must be taken, in which event the provisions of Section 10.4 shall become applicable at the expiration of the thirty (30) day period if the breach has not been fully cured at that time.

Subject to the provisions of Section 10.4 below, the remedies in favor of DFM set forth in this Section 10.2 are not exclusive and DFM shall have the right to pursue any other remedy to which it may be entitled.

10.3 Debilitating Event. Any of the following events, which occurs with respect to DFM, shall be deemed to be a “Debilitating Event” and shall cause this Agreement to be modified immediately upon notice to the County of such Debilitating Event and shall cause the Agreement to terminate automatically two hundred forty (240) days thereafter:

(a) Any assignment by DFM for the benefit of its creditors; or the entry of a court order appointing a receiver or trustee for all or substantially all of DFM’s assets or properties, which order shall not be vacated, set aside or stayed within sixty (60) days from the day of entry of said court order; or the filing by DFM of a petition in bankruptcy or the commencement of any similar proceeding under any law for the relief of debtors by or against DFM; or

(b) Any permanent cessation by DFM of its business, which is not succeed to by a successor in interest; or

(c) Any voluntary termination or dissolution of DFM pursuant to which the rights of DFM under this Agreement have not been transferred to a successor in interest.

10.4 Transition Period. For purposes of this Agreement, the term “Transition Period” shall mean the sixty (60) day period immediately following the occurrence of a County Breach other than a County Breach related to the payment of money to DFM, or two hundred forty (240) days following the occurrence of a Debilitating Event if County elects to continue using the DFM Software, whichever is applicable. This Agreement shall continue, and all obligations of the parties hereunder shall remain, in full force and effect during the Transition Period subject only to legal impairments on the ability of DFM to perform if the Transition Period arises as a result of a Debilitating Event. Provided, however, in no event shall the Transition Period extend beyond the expiration of the term of this Agreement. The obligations of the County set forth in this Agreement shall continue, to the extent applicable, notwithstanding the termination of this Agreement.

10.5 Obligations of the County At Expiration of Transition Period.

(a) Immediately upon the termination of this Agreement, the County shall return to DFM any and all tangible manifestations of any DFM Software previously delivered by DFM to the County, and any copies, duplicates or reproductions thereof, whether authorized or not.

(b) In the event of the occurrence of a Debilitating Event, the County shall be permitted to continue to use any Specified DFM Software during the Transition Period; provided, however, DFM will not provide any Software Maintenance, Software Enhancements or Software Releases during such period of time; and, provided, further, the obligation of the County to pay the Monthly Fee shall be reduced to an amount equal to eighty percent (80%) of the applicable Monthly Fee which would otherwise be applicable during such period.

10.6 Option to Purchase the Specified DFM Software. In the event of the termination of this Agreement as related to any Specified DFM Software, where such termination is as the result of a Debilitating Event, but only in such event, the County shall have the right and option to purchase the copy of the Specified DFM Software (including a copy of the source code) which it has installed on its Computer Hardware (“Software Purchase Option”) on the terms and subject to the conditions set forth in this Section:

(a) In order to exercise its option pursuant to this Section, the County must deliver to DFM written notice (“Option Notice”) of its intent to exercise the Software Purchase Option, specifying the Specified DFM Software which it desires to purchase, and it must deliver the Option Notice to DFM prior to the expiration of the Transition Period.

(b) The Purchase Price (as that term is defined below) is payable in cash in full not later than thirty (30) days after receipt by DFM of the Option Notice.

(c) The Purchase Price shall be equal to thirty-six (36) times the then applicable Monthly Fee.

(d) The Software Purchase Option is personal to the County and may not be sold or assigned. Strict compliance by the County with all of the provisions of this Section is required. Failure to strictly comply with the time frames shall cause the Software Purchase Option to terminate.

ARTICLE 11.
NO JOINT VENTURE

Nothing contained in this Agreement, or in any Addenda, shall be deemed or construed as creating a joint venture or partnership between the parties. Except as expressly set forth herein, no party by virtue of this Agreement or any Addenda is authorized as an agent, employee or legal representative of any other party, and the relationship of the parties is, and at all times will continue to be, that of independent contractors.

ARTICLE 12. INJUNCTIVE RELIEF

Notwithstanding any provision of this Agreement or of any Addenda to the contrary, either party shall have the right to seek and obtain injunctive relief against the other party from any judicial or administrative authority having jurisdiction, including any municipal or superior court of the State of California or any federal district court.

ARTICLE 13. MISCELLANEOUS PROVISIONS

13.1 Permits and Licenses. DFM and all of its employees and agents shall secure and maintain in force such license and permits as are required of DFM by law in connection with the furnishing of equipment, materials or services necessary for DFM's performance under this Agreement.

13.2 Notices. All notices, requests, demands and other communications required or contemplated hereunder shall be in writing, shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed to have been given upon the earlier of (a) the date of personal delivery to the person to receive such notice at the address indicated below or (b) if mailed to the person to receive such notice at the address indicated below, four (4) business days after the date of posting by the United States Post Office as evidenced by the execution of the return receipt. The parties addresses, for all purposes hereof, are as follows:

If to DFM: DFM Associates
10 Chrysler
Irvine, California 92618
Attn: Thomas G. Diebolt, President

If to the County: County Clerk-Recorder
P.O Box 159
Santa Barbara, CA 93102-0159
Attn: Joseph E. Holland

Clerk, Recorder, and Assessor

Notice of change of address shall be given by written notice but shall not be deemed effective until it has been given in the manner detailed in this Section.

13.3 Sales and Use Taxes. The County shall be responsible for paying, and shall pay, all applicable sales and use taxes. If the County advises DFM that no sales or use taxes are due or collectible, then the County shall indemnify, defend, protect and hold DFM harmless from and with respect to any claim related to the collection, payment or reporting of such sales or use taxes, including all penalties and interest thereon or as a result of the non-payment thereof or the failure to file any return required to be filed, and any attorneys' fees incurred by DFM in enforcing its indemnity rights hereunder or in defending any claim to collect or pay such sales or use taxes.

13.4 Force Majeure. Neither DFM nor County shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism, or other disasters, whether or not similar to the foregoing.

13.5 Assignment. The County and DFM shall not be entitled to assign this Agreement or any of its rights or interest in this Agreement, including any rights or interests in any Addenda. This Agreement contemplates a license between DFM and the County without any right to license, sublicense, assign or sublease. Except as provided herein, this Agreement shall be binding upon the parties hereto and their respective successors and assigns.

13.6 Captions. The captions of the sections and subsections of this Agreement are included for reference purposes only and are not intended to be a part of this Agreement or in any way to define, limit or describe the scope or intent of the particular provision to which they refer.

13.7 Gender; Singular and Plural Number. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes a corporation, partnership or other legal entity when the context so requires. Also, the singular shall include the plural number where the context so requires and visa versa.

13.8 Interpretation. The parties hereto acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and

has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions hereof. In the event of any ambiguity in or dispute regarding the interpretation of this Agreement, or any provision hereof, the interpretation of this Agreement shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the party who is the draftsman of this Agreement.

13.9 Partial Invalidity and Severability. If any provision of this Agreement shall be held or deemed to be, or shall, in fact, be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever; provided, however, if any provision of this Agreement relating to the payment of monies to DFM or any provision of Articles 6, 7, 11 or 13 is found to be inoperative or unenforceable for any reason, then in such event, such provision shall not be severed from or read out of this Agreement. The invalidity of any one or more phrases, sentences, clauses, sections or subsections of this Agreement shall not affect the remaining portions thereof except as provided in the preceding sentence.

13.10 Further Assurances. Each party agrees to cooperate fully with the other party and to execute such further instruments, documents and agreements, and to give such further written assurances as may be reasonably requested by the other party, to better evidence and reflect the transactions described in and contemplated by this Agreement, and to carry into effect the intents and purposes of this Agreement.

13.11 No Implied Waivers. The failure of either party at any time or from time to time to require performance by the other party of any provision hereof shall not affect in any way the right to require such performance at any later time nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of such provision.

13.12 Applicable Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choice of laws, of the State of California applicable to agreements made and to be performed wholly within the State of California.

13.13 Counterparts. This Agreement and any Addenda may be executed simultaneously in one or more counterparts, each of which together shall constitute one and the same instrument.

13.14 Entire Agreement; Amendment. This Agreement and all Addenda incorporated herein, and all other agreements, documents or writings required to be delivered in connection herewith, contain the entire understanding between the parties hereto with respect to the subject matter hereof and supersede any and all prior or contemporaneous written or oral negotiations and agreements between them regarding the subject matter hereof. No addition, modification or amendment of or to any term or provision of this Agreement, or to this Agreement as a whole, shall be effective unless set forth in writing and signed by all of the parties hereto.

13.15 Independent Contractor. DFM shall perform all of its services under this Agreement as an independent contractor and not as an employee of County. DFM understands and acknowledges that it shall not be entitled to any of the benefits of a County employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure.

13.16 Standard of Performance. DFM represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, DFM shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which DFM is engaged. All products of whatsoever nature, which DFM delivers to County pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in DFM'S profession. DFM shall correct or revise any errors or omissions, at County's request without additional compensation. Permits and/or licenses shall be obtained and maintained by DFM without additional compensation.

13.17 Conflict of Interest. DFM covenants that DFM presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. DFM further covenants that in the performance of this Agreement, no person having any such interest shall be employed by DFM.

13.18 Ownership of Documents. County shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. DFM shall not release any materials under this section except after prior written approval of County.

13.19 Records, Audit, and Review. DFM shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of DFM'S profession

and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. County shall have the right to audit and review all such documents and records at any time during DFM'S regular business hours or upon reasonable notice.

13.20 Insurance. Without limiting DFM'S indemnification of the County, DFM shall procure the following required insurance coverage at its sole cost and expense. All insurance coverage is to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the County Risk Manager. Such insurance coverage shall be maintained throughout the term of this Contract. Failure to comply with the insurance requirements will place DFM in default. Upon request by the County, DFM shall provide a certified copy of any insurance policy to the County within ten (10) working days.

1. **Workers' Compensation Insurance.** Statutory Workers' Compensation and Employers Liability Insurance shall cover all DFM'S staff while performing any work related to the performance of this Contract. The policy must provide that no cancellation, major change in coverage, or expiration will be effective or occur until at least thirty (30) days after we receive notice of that event. If DFM is legally self-insured, DFM will furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if a) DFM has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Contract, and b) DFM submits a written statement to the County stating that fact.
2. **General and Automobile Liability Insurance.** The *general liability* insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations by DFM and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by DFM in the indemnity and hold harmless provisions of the Indemnification Section(s) of this Agreement between DFM and the County. The *automobile liability* insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of DFM pursuant to DFM'S activities hereunder. DFM shall require all subcontractors to be included under its policy or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. The County of Santa Barbara, its officers, employees, and agents shall be **Additional Insured status** on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. **A copy of the endorsement evidencing that the County has been added as an additional insured on the policy, must be attached to the certificate of insurance.** The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention (SIR) over \$10,000 requires approval by the County. Said policy or policies shall include a severability of interest or cross liability clause or

equivalent wording. The policy or policies must contain a provision of the following form: "The insurance afforded by this policy shall be primary and if the County has other valid and collectible insurance, that other insurance shall be excess and non-contributory." *If the policy is a "claims made" policy, DFM will maintain such a claims made policy for a minimum of three (3) years after expiration of the contract.* The policy or policies must provide that the County will be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

13.21 Certificate(s) of Insurance. DFM shall submit to the County the Certificate(s) of Insurance and necessary endorsements documenting the required insurance as specified above prior to this Contract becoming effective. DFM must ensure that current Certificate(s) of Insurance are at all times available in the County's Clerk-Recorder's office as **a condition precedent to any payment by County** under this Contract. County's approval of any insurance shall neither relieve nor decrease DFM'S liability under this Contract.

13.22 Periodic Review of Insurance. The above insurance requirements are subject to periodic review by the County. The County's Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonably based on changed risk of loss or in light of past claims against the County or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of County's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change requiring additional types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement.

13.23 Nondiscrimination. County hereby notifies DFM that County's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and DFM agrees to comply with said ordinance.

13.24 Nonexclusive Agreement. DFM understands that this is not an exclusive Agreement and that County shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by DFM as the County desires.

13.25 Authority. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, DFM hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which DFM is obligated, which breach would have a material effect hereon.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above mentioned.

DFM ASSOCIATES, a California Corporation

COUNTY OF SANTA BARBARA, a political subdivision of the State of California

By _____
Thomas G. Diebolt
President

By _____

Date: _____

Date: _____

TaxID No.

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

By: _____
Deputy

By: _____
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

APPROVED AS TO FORM:
RAY AROMATORIO
RISK MANAGER

By: _____
Deputy

By: _____
RISK MANAGER

RIIMS™ SOFTWARE ADDENDUM

**WHEN SIGNED ON BEHALF OF THE COUNTY AND DFM
THIS ADDENDUM SHALL BECOME A PART OF THAT
CERTAIN MASTER AGREEMENT, DATED AS OF July 1, 2009**

("MASTER AGREEMENT")

RIIMS™ is an acronym for Recorders Information and Image Management System and means the computer software designed by DFM for use in the various steps of the recording process. RIIMS™ includes the RIIMS™ Software, the RIIMS™ Subsystems, any RIIMS™ Enhancement and any RIIMS™ Software Releases. RIIMS™ is proprietary to DFM and reference is made to Article 6 of the Agreement.

- 10 Core Function: The core function of the RIIMS™ is to index documents for later retrieval. The ability of the RIIMS™ to perform the core functions is dependent upon, among other things, all of the following: (1) accuracy and completeness of the County's Data; and (2) continual verification by the County of the accuracy and completeness of the County's Data.
- 20 Description of RIIMS™: RIIMS™ is more particularly described on Exhibit B attached hereto and incorporated herein by this reference.
- 30 Initial Monthly Fee: \$5,259.57 (subject to adjustment as provided in Section 3.4 of the Master Agreement) (See Exhibit B).
- 50 Incorporation of Master Agreement. The provisions of the Master Agreement, including, without limitation, Article 3, are incorporated herein by this reference as if set forth in full.

EXHIBIT B

General Description of RIIMS™

Introduction _The Recorder's Information and Image Management System (RIIMS™) is a software package designed to automate the functions of a County Recorder's office. RIIMS™ is a Windows application designed to work in a networking environment. The system provides facilities for the entry, inquiry, update, verification and balancing of Official Records, Vital Statistics, Work Requests, and Cash Register records. Statistical tracking provides reporting of document detail or counts by statistic types, general ledger accounts, and specific charges.

On-Line Help _ The Recorder's system is designed with context sensitive help. While in a specific screen the on-line help menu is displayed that shows narrative information concerning that functional area of the Recorder's system. Windows standard help narratives are provided.

Full Screen and Field Editing _ Where appropriate, data entered into a field is edited for appropriate values as soon as data entry in that field is completed. Transactions are further edited as they are completed for consistency of data within that transaction.

Formatted Screens _ The data entry and verification screens have similar formats to provide consistency for data entry operators. Pop-up or pull down windows are used extensively throughout the system. These windows display information from look-up tables containing frequently used data such as institutions, customers, document types, etc. Selected look-up data can be automatically inserted in the correct data entry field.

File Backup and Recovery _ RIIMS™ is designed to use industry standard SQL database management systems. This allows the user to take advantage of state-of-the-art Relational Database Management System (RDBMS) technology for data consistency. SQL provides for full logging of transactions for recovery from system failures. Full system backups are also performed utilizing SQL or the operating systems utilities.

Security _ System security is provided through the operating system and SQL username and passwords as well as a RIIMS™ operator code. The use of operator codes provides an additional level of security. These operator codes are unique to each operator and specific to the Recorder's system.

On-Line Indices _ The index files incorporated within the Recorder's system are on-line files. This allows the user to produce printed reports and also to inquire on these indices. The user can look through the index file of choice and may inquire on a specific record. This allows the user to receive specific information without having to print an entire report.

Official Records _ The Official Records index contains entries for all Official Records entered into the system. All Official Record entries must first be entered by an operator and then verified using the Official Records Verification program. This serves to help the Recorder's Office ensure the accuracy of the data entered.

Cash Register _ Fee based transactions are entered into the Cash Register file using the Cash Register Entry program. This file is used to reconcile indexed document fees with the cash register using a batch balancing report. The system is able to cashier all transactions for both the Recorder and County Clerk creating a customer receipt to provide a record of information.

Accounting Data _ The accounting data maintained by the system provides the ability to create detailed accounting activity reports. The system maintains statistical totals on the various document statistic types on a daily, monthly and yearly basis. These statistics can be provided in report form upon request.

Vital Statistics _ Vital Statistics processing consists of the recording of births, deaths and marriages. Data collection for vital records is consistent with the format defined by the State of California. All data elements within the Vital Statistics database is displayed on the screen. The system is able to index the records on various fields, including, but not limited to, Name or Recorder's assigned certificate numbers and year of issuance. The system provides for sealing or replacing and amending Vital Statistics records. The following reports are provided; Abstract Record Reports on Bank Note paper; Birth Alpha Index; Death Alpha Index; and Marriage Alpha Index. Daily report of records entered, deleted, amended, and sealed showing detail and summary information.

Work Requests _ This subsystem is used to keep track of work requests. It interacts with the Accounting Data files to account for the revenue that they generate. A Work Request may take the form of a request for Vital Statistics copies, index search requests or microfilm copy requests. Receipts are automatically printed and work orders may be generated. The generation of an itemized work order is at the discretion of the cashier. The staff has the ability to inquire, update and delete a work order, when necessary, independently from the Cashiering function.

Reports _ System reports provide management information to support the accountability functions of the Cashiering process, data to facilitate system access, and statistical data to monitor internal system processes and ensure data completeness and integrity. All reports have a run date and an appropriate descriptive title. The system will reconcile and report, on

request, all revenue: Total by cashier; Total by cash register (station); Total for all cashiers; and Total for all cash registers (stations). The following reports are a part of the base system: Indexing Reports including: Vital Statistics Transaction Report; Vital Statistics Daily Report; Vital Records Update Report; Daily Official Record Document Report; Daily Index Report; Grantor-Grantee Index; Official Records Updated Report; Error Report; Accounting Report; Charge Register; Charge Register-Summary; Ledger Statistics; Document Statistics; Charge Code Statistic; Accounts Receivable Summary; Accounts Receivable Billing; Update Report; and Work Order Report.

FBN™ SOFTWARE ADDENDUM

**WHEN SIGNED ON BEHALF OF THE COUNTY AND DFM
THIS ADDENDUM SHALL BECOME A PART OF THAT
CERTAIN MASTER AGREEMENT, DATED AS OF July 1, 2009
("MASTER AGREEMENT")**

FBN™ is an acronym for Fictitious Business Name System and means the computer software designed by DFM for use in the filing of fictitious business name statements. FBN™ includes the FBN™ Software, the FBN™ Subsystems, any FBN™ Enhancement and any FBN™ Software Releases. FBN™ is proprietary to DFM and reference is made to Article 6 of the Agreement.

- 10 Core Function: The core function of the FBN™ is to gather data for use in the filing and indexing of Fictitious Business Name Statements. The ability of the FBN™ to perform the core functions is dependent upon, among other things, all of the following: (1) accuracy and completeness of the County's Data; and (2) continual verification by the County of the accuracy and completeness of the County's Data.
- 20 Description of FBN™: FBN™ is more particularly described on Exhibit C attached hereto and incorporated herein by this reference.
- 30 Initial Monthly Fee: Is determined by multiplying the number of fictitious business names filed during the previous calendar year by \$2.10 (subject to adjustment as provided in Section 3.4 of the Master agreement), then this product is divided by 12 yielding the current monthly fee.
- 50 Incorporation of Master Agreement. The provisions of the Master Agreement, including, without limitation, Article 3, are incorporated herein by this reference as if set forth in full.

EXHIBIT C

General Description of the Fictitious Business Name System

The Fictitious Business Name Statement provides an opportunity for a business to declare one or more fictitious names under which it may conduct business operations. The Fictitious Business Name Statement is retained by the Recorder and declared fictitious names are published as information to applicants. Fictitious names, once declared, can be modified and/or abandoned. The initiation, modification, and abandonment of a fictitious name requires public notice. Proof of public notice is provided to and maintained by the Recorder.

A Fictitious Business Name Statement is valid for 5 years. Within 90 days of the application, Proof of Publication must be received from a recognized publisher (Newspaper). Prior to expiration of the Fictitious Business Name Statement, a notice to refile must be generated and sent to the applicant. A refile will be processed without the requirement to provide proof of publication if all information, except the Owner's addresses, is identical to the original application.

Retrieval of Fictitious Business Name Statement records can be by indexes to:

- ◇ Fictitious Business Name
- ◇ Owner Name(s)
- ◇ Document Number
- ◇ Classification of the business

Reports are available to provide:

- ◇ Alphabetical list of all Fictitious Business Names.
- ◇ Listing of Fictitious Business Names and Owners.

The Fictitious Business Name System process is described in the following text:

- The Fictitious Business Name application number is assigned by the system using a unique number series at the time of cashiering.
- The system assigns both the application and expiration date at the time of cashiering.
- The system will accept at least 100 owners' names and business names.
- The system will accept a physical and mailing address for the owner.
- The system will accept a physical and mailing address for the business.
- The Business can have only one physical and mailing address.
- The system will automatically prepare a notice to refile the Fictitious Business Name Statement prior to the expiration of the application (5 years from the application date).
- The system can distinguish between the original application and a refile.
- On a refile, proof of publication processes is disabled if all information, except owner's addresses, is identical to the original application.

- On a refile, the original Fictitious Business Name Statement is stored to indicate that this is a refile.

MLS™ SOFTWARE ADDENDUM

**WHEN SIGNED ON BEHALF OF THE COUNTY AND DFM
THIS ADDENDUM SHALL BECOME A PART OF THAT
CERTAIN MASTER AGREEMENT, DATED AS OF July 1, 2009
("MASTER AGREEMENT")**

MLS™ is an acronym for Marriage License System and means the computer software designed by DFM for use in the issuance of marriage licenses. MLS™ includes the MLS™ Software, the MLS™ Subsystems, any MLS™ Enhancement and any MLS™ Software Releases. MLS™ is proprietary to DFM and reference is made to Article 6 of the Agreement.

- 10 Core Function: The core function of the MLS™ is to gather data for use in the preparation of marriage licenses and the issuance thereof. The ability of the MLS™ to perform the core functions is dependent upon, among other things, all of the following: (1) accuracy and completeness of the County's Data; and (2) continual verification by the County of the accuracy and completeness of the County's Data.

- 20 Description of MLS™: MLS™ is more particularly described on Exhibit D attached hereto and incorporated herein by this reference.

- 30 Initial Monthly Fee: Is determined by multiplying the number of marriage licenses issued during the previous calendar year by \$1.74 (subject to adjustment as provided in Section 3.4 of the Master agreement), then this product is divided by 12 yielding the current monthly fee.

- 50 Incorporation of Master Agreement. The provisions of the Master Agreement, including, without limitation, Article 3, are incorporated herein by this reference as if set forth in full.

EXHIBIT D

General Description of the Marriage License System

The Marriage License process is a two step activity. In the first step, the Clerk-Recorder's office issues either a public or confidential marriage license to the applicants. At this point, the license is nothing more than an application to have a marriage performed. If the ceremony does not take place before the expiration of the license, no further actions take place and all record of the application is erased. Prior to expiration of the license, a notification is sent to the applicants stating that their license is about to expire.

The second step occurs after the completion of the ceremony. At this point, the marriage license becomes a marriage certificate and is returned to the office of the Recorder where it is processed and recorded as a vital statistic record.

The Marriage License System process is described in the following text.

- The system generates and controls the Recorder's Locator Numbers for Confidential and Public Marriage Licenses.
- The system will cashier Confidential and Public Marriage Licenses.
- The application software provides for the automated indexing of Confidential and Public Marriage Licenses.
- The system provides for the on-line generating and printing of Confidential and Public Marriage Licenses in the format required by State law and County policy.
- The system stores the Marriage License information captured when the License is issued for retrieval when the Marriage Certificate is recorded as a Vital Record.
- The system will automatically generate a notice to be sent to the applicants if the certificate has not been returned 60 days from the date of issue of the license.

RiiMS™ Extract Systems Interface SOFTWARE ADDENDUM

**WHEN SIGNED ON BEHALF OF THE COUNTY AND DFM
THIS ADDENDUM SHALL BECOME A PART OF THAT
CERTAIN MASTER AGREEMENT, DATED AS OF July 1, 2009
("MASTER AGREEMENT")**

RiiMS™ Extract Systems Interface means the computer software designed by DFM for use in the integration of Extract Systems Automated Indexing Software and Extract Systems Automated Redaction Software. The RiiMS™ Extract Systems Interface includes the RiiMS™ Extract Systems Interface Software, the RiiMS™ Extract Systems Interface Subsystems, any RiiMS™ Extract Systems Interface Enhancement and any RiiMS™ Extract Systems Interface Software Releases. The RiiMS™ Extract Systems Interface is proprietary to DFM and reference is made to Article 6 of the Agreement.

- 10 Core Function: The core function of the RiiMS™ Extract Systems Interface is to allow the use of Extract Systems Software for Automated Indexing and Automated Redaction to be used with DFM's RiiMS™ software to automate those functions.

- 20 Installation Fee: The initial project implementation includes the one time license fee for the Extract Systems Automated Indexing and Redaction Software, analysis of Santa Barbara County OR images to develop a target acceptance percentage, implementation of the engineering changes to meet that target and software installation and on-site training in the use of the new software components. The fee for installation of \$70,000.00 was paid in fiscal year 2008-09. The general description of the Extract Software is provided in Exhibit E.

- 30 Initial Monthly Fee: The initial monthly fee for the RiiMS™ Extract Systems Interface is \$2,000.00.

- 40 Flex Index Support: The initial annual fee for the Flex Index support is \$7,000.

- 50 Redaction Per Page Fee: The per page fee for use of the redaction software is \$0.013 based on an initial pre-purchase of a minimum of 3,000,000 pages. Per page fees of a smaller initial pre-purchase will be charged at the rates stated in the attached schedule of fees (see Exhibit F). Future per page fees will be charged at the then prevailing rate for quantities of 3,000,000 or more regardless of the quantity purchased.

60 Incorporation of Master Agreement. The provisions of the Master Agreement, including, without limitation, Article 3, are incorporated herein by this reference as if set forth in full.

Exhibit E

RiiMS™ Extract Systems Integration General Description

1. [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 DFM's RiiMS™ system. FLEX Index uses an Optical Character Recognition 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 DFM RiiMS™ application.

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

<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Abstract of Judgment Release of Lien (County, State & Federal) • Request for Notice of Default • Satisfaction of Judgment • Satisfaction of Mortgage • Subordination Agreement • Substitution of Trustee • Warranty Deed
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- Actual document types to be determined after review of sample documents.
- 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. Santa Barbara wants to capture: Grantor, Grantee, APN, Document Number, and Prior Reference Number.
- 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 rubberbanding 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.

“Describe 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 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

2. [Redaction Software Deliverable]



ID Shield has been used to process redactions in some of the largest and fastest growing areas of the United States including: Las Vegas, Detroit, and Indianapolis. Overall more than 150 government agencies are currently utilizing ID Shield to redact sensitive information from their documents, more than any other redaction provider. ID Shield was one of the first automated redaction solutions with an accuracy rate consistently greater than 90 percent.

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 our competitors 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 (AB1168). 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
- 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 locations
- Supports tools like “word-wrap”, “rubber-banding”, and “highlighting.”
- 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 an XML file.
- 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.

“Describe 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

Exhibit F

Extract Systems ID Shield per Page Image Processing Fee Schedule

The following table lists the fee schedule for purchasing per image pages. The cost of processing an individual image is based on the number of pages in the image.

ID SHIELD PER PAGE PRICING MATRIX							
Images Processed	100,000	250,000	500,000	750,000	1,000,000	3,000,000	3,000,000
Image Page Fee	\$ 0.070	\$ 0.049	\$ 0.035	\$ 0.028	\$ 0.025	\$ 0.020	\$ 0.013

RiiMS™ SECURE Systems Interface SOFTWARE ADDENDUM

**WHEN SIGNED ON BEHALF OF THE COUNTY AND DFM
THIS ADDENDUM SHALL BECOME A PART OF THAT
CERTAIN MASTER AGREEMENT, DATED AS OF July 1, 2009
("MASTER AGREEMENT")**

RiiMS™ SECURE Systems Interface means the computer software designed by DFM for use in the integration of SECURE Systems Software for Electronic Recording by the multi-county consortium including Orange, Los Angeles, Riverside and San Diego. The RiiMS™ SECURE Systems Interface includes the RiiMS™ SECURE Systems Interface Software, any RiiMS™ SECURE Systems Interface Enhancement and any RiiMS™ SECURE Systems Interface Software Releases. The RiiMS™ SECURE Systems Interface is proprietary to DFM and reference is made to Article 6 of the Agreement.

10 Core Function: The core function of the RiiMS™ SECURE Systems Interface is to allow the use of SECURE Systems Software for Electronic Recording to be used with DFM's RiiMS™ software to automate those functions.

20 Installation Fee: The initial project implementation includes the one time license fee for the SECURE Systems Electronic Recording, analysis of Santa Barbara County OR to develop target submitters, implementation of the engineering changes to meet that target and software installation and on-site training in the use of the new software components. The fee for installation of \$10,000.00 and will be conducted in accordance to the attached statement of work in Exhibit G.

30 Initial Monthly Fee: The initial monthly fee for the RiiMS™ Extract Systems Interface is \$1,500.00.

40 Incorporation of Master Agreement. The provisions of the Master Agreement, including, without limitation, Article 3, are incorporated herein by this reference as if set forth in full.

Exhibit G

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 Vendor and Customer 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 Santa Barbara County's Office of the Assessor-County Clerk-Recorder for Electronic Recording of Land Records using the SECURE System. DFM will build a custom integrated interface with RIIMS to support this new business process.

2. Secure System Description

Assembly Bill 578 (Government Code sections 27390 through 27399), authorizes county recorders in California to accept digitized electronic documents and certain digital electronic documents for recordation pursuant to the provisions and regulations developed by the Department of Justice. Electronic recording will provide authorized submitters (title insurers, underwritten title companies, institutional lenders, and government entities) with the ability to submit digitized and certain digital documents electronically through a single port to participating counties. The program enables the counties to improve and modernize its systems of recording and handling real property documents by permitting the delivery, recording, and return of real property documents electronically. The ability to electronically record documents will reduce processing time, staff workload, and material costs associated with managing paper copies and manually maintaining databases. An ERDS compliant system (SECURE) jointly owned and acquired by a consortium of the State's largest counties; Los Angeles, Orange, Riverside, and San Diego counties is in the process of being developed for Attorney General approval and will be made available for use by Santa Barbara County during beginning in FY 2009-2010. The Orange County Clerk-Recorder is hosting the multi-county SECURE electronic recording delivery system and will make it available to counties as participants sharing in the annual maintenance cost of the system. Santa Barbara County will participate in the use of the SECURE system through establishment of a Memorandum of Understanding Agreement approved by the owner Counties. At this time the SECURE system development is expected to be completed by August of 2009 for certification of the system by the Attorney General. DFM Associates will build the interface from the Orange County hosted system to RIIMS.

3. PROJECT DELIVERABLES

The Deliverables for the SECURE custom interface will include:

- Software Deliverables
- Training Deliverables
- Documentation Deliverables
- Project Manager Deliverables
- Integration Deliverables
- Testing Deliverables
- Go Live Deliverables and Documentation