



CORPORATION SERVICE COMPANY'

**THIS MEMORANDUM OF UNDERSTANDING**, dated June 16<sup>th</sup>, 2015 (this "MOU") is between the **Yadkin County, NC Government Recording Office ("GRO")** with its principal offices located at **101 South State Street Yadkinville, NC 27055**, and Corporation Service Company ("CSC"), a Delaware corporation with principal offices located at 2711 Centerville Road, Wilmington, DE 19808.

The parties acknowledge that Electronic Recording permits its customers ("Submitters") to prepare and sign documents, transmit them in electronic format, and that the transmitted electronic likeness of the original documents can be considered as the "original" record of the transaction in substitution for, and with the same intended effect as, the original paper documents.

For purposes of this MOU, Electronic Recording ("E-Recording") is the electronic submission of documents from CSC to GRO for which GRO will provide CSC an electronic receipt.

Therefore, the parties agree to the following:

**GRO shall:**

Examine the electronic documents and indexing information, and complete the recording process using the electronic documents (the "E-files").

Monitor the documents received and recorded through E-Recording in an effort to insure its integrity.

Shall test and maintain E-Recording software and hardware required to operate the E-Recording capability. GRO, however, shall be held harmless for any damages resulting from software or equipment failure.

GRO shall apply the same level of diligence in handling E-files as those submitted via hard copy. Documents received on any business day after 5 PM local time may be processed the next business day and in the order they were received.

**CSC shall:**

Work to ensure that security measures and credentials implemented are protected from unauthorized access, including by utilizing unique credentials for Submitters.

Maintain an electronic audit trail of all activity.

Be responsible for supporting any technical issues associated with E-Recording through their submitting software program. CSC is solely responsible for any and all costs of the system or services that enable CSC to meet the E-Recording program requirements.

CSC will email a daily report to GRO each evening detailing the documents recorded that day and the associated recording fees owed by submitters ("ePay Report"). Recording fees will be paid daily via ACH by CSC for the E-Files recorded on the prior business day.

**General Understanding**

GRO will not incur any liability for the E-files transmitted by CSC to GRO.

GRO will not incur any liability for any breach of security, fraud or deceit as a result of E-Recording.

Neither party, nor any Submitters (if relevant) shall be liable to the other for (i) any special, incidental, exemplary or consequential damages arising from or as a result of any unintentional delay, omission or error in the E-Recording transmission or receipt; (ii) any failure to perform processing of the E-files where such failure results from any act of God or other cause beyond the party's reasonable control including, without limitation, any mechanical, electronic or communications failure which prevents the parties from transmitting or receiving the E-Recording transactions

Submitters and the parties will attempt in good faith to resolve claims arising out of or relating to E-Recording either through negotiation or mediation prior to initiating litigation.

The parties acknowledge that the electronic recording process is an emerging technology and that state and national standards will continue to evolve. To further the technology and the E-Recording process, all parties agree to meet to discuss changes and additions to this MOU.

This MOU shall not be deemed to create a partnership between CSC and GRO in their respective endeavors, nor cause them to be considered members of any joint enterprise.

**ENTIRE AGREEMENT.** Except as expressly provided otherwise herein, this MOU, together with Attachment A, Technical Specifications, and Attachment B, Contact Information, represents the entire agreement between the parties.

**TERMINATION.** Either party may terminate this MOU without cause with 30 days written notice to the other party. Submitters remain responsible for payment of fees for the filing and recordation of documents prior to the effective date of termination.

**NO WARRANTIES/RELEASE OF LIABILITY.** Absent gross negligence or willful misconduct, CSC agrees to release the GRO from any liability in connection with the E-Recording of documents under this MOU. Parties to E-Recording understand that there are no warranties, express or implied, in connection with such transactions or E-files.

**GOVERNING LAW.** Without regard to state conflict of law provisions, the parties agree that this MOU shall be governed by the laws of the state in which the E-files are recorded, as if this MOU were a contract wholly entered into and wholly performed within that state. Any action to enforce this MOU or any matter related to this MOU shall be brought in any federal or state court within the state in which the E-files are recorded.

**Agreed and Accepted:**

|                                    |                              |
|------------------------------------|------------------------------|
| <b>Corporation Service Company</b> | <b>Yadkin County, NC</b>     |
| By: <u>Scott M. Malfitano</u>      | By: <u>Lisa Hughes</u>       |
| Name: <u>SCOTT M. MALFITANO</u>    | Name: <u>Lisa Hughes</u>     |
| Title: <u>VICE PRESIDENT</u>       | Title: <u>County Manager</u> |
| Date: <u>6-18-15</u>               | Date: <u>7-21-15</u>         |

*Ray Green Dept. Finance Officer*

This instrument has been pre-audited in the manner required by the Local Government Finance and Fiscal Control Act.

6/18/2015

## **Attachment A**

### **Technical Specifications**

***E-Recording*** involves three levels of automation, which are described as follows:

**Model 1** Submitters transmit the E-files of executed original documents (the "Original Copies") to the GRO. The GRO performs an electronic examination of the E-files and then completes the recording process using the E-Files. The E-files of the recorded document are returned electronically to the Submitters.

**Model 2** Submitters transmit E-files of Original Copies along with electronic indexing information to the GRO. The GRO performs an electronic examination of the E-files and indexing data, and then completes the recording process using the E-files and electronic indexing information. The E-files are returned electronically to Submitters along with the electronic recording data.

**Model 3** Submitters transmit documents which have been created, signed and notarized electronically along with the electronic indexing information. The GRO performs an electronic examination of the E-files and indexing information then completes the recording process using the E-files.

1) Format of the transmitted File:

PRIA file format standard will be used. Images will be in single page Group IV TIFF format

2) Communications Protocol and Options:

TCP/IP, HTTP and HTTPS

3) Security Framework:

Encryption will be 128bit file and image encryption. SSL and user login/password will be employed.

4) Returned File Format:

PRIA file format standard will be used. Images will be in single page Group IV TIFF format.

5) Models (or Levels) of Recording Supported:

Models 1, 2 and 3 are supported.

6) Electronic Signatures and Use of Digital Certificates:

The use of Electronic or Digital signatures, notary seals, and notary signatures are supported but are not required. CSC must work with the GRO to accommodate their use. Digitized signatures, notary signatures, and notary seals are immediately acceptable.

7) Indexing Requirement and Imaging Standards:

Will be determined by CSC and the GRO during the implementation process.

8) Acceptance/Rejection of Documents:

Submitted documents that are accepted for recording will be provided to CSC by GRO in electronic format after acceptance. Confirmation of acceptance and recordation by GRO will be provided to CSC in electronic format after recordation is complete. This confirmation will include the document image and GRO recording data. GRO reserves the right to make changes to the index at a later date.

GRO will return rejected documents to CSC in electronic format after rejection, along with a description of the reason(s) for rejection. CSC will electronically return the documents to the Submitter for correction and resubmission.

CSC agrees to provide the transmission to the GRO following the specifications outlined. CSC understands that the specifications may change from time to time. In the event changes to the specification are required, the GRO will provide a written notice to the CSC within a reasonable timeframe.