

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING, dated 3/3/16

is between Tom Green County, TX Clerk's Office ("COUNTY") with its principal offices located at 124 W. Beauregard, San Angelo, Tx 76903 and Texas State Bank, 2201 Sherwood Way, San Angelo, TX 76901

Tom Green County desires to offer customers the option of recording documents by electronic means providing for the receiving and transmitting of documents electronically as an alternate means to conventional paper based documents to the mutual benefit of the COUNTY and the parties of the recording transactions.

For purposes of this Memorandum of Understanding, **Electronic Recording** is defined to be the electronically based submitting of documents from Texas State Bank to COUNTY and electronically based receipt of confirmation of recording from COUNTY to Texas State Bank.

All parties of the Electronic Recording transaction desire to operate and maintain a secure recording system that safeguards parties to recordation from deceit, fraud and forgery. This Memorandum of Understanding outlines the procedures and rules for the trusted relationship between the parties involved in Electronic Recording in order to facilitate a safe and secure Electronic Recording relationship. Participation in the Electronic Recording program voluntary.

Texas State Bank and the COUNTY recognize the need to ensure that only original documents holding original signatures are submitted for electronic recording.

The COUNTY performs an electronic examination of the electronic documents and indexing information then completes the recording process using the electronic documents.

Texas State Bank acknowledges that Electronic Recording permits the submitters to prepare, sign, and transmit in electronic format documents, and that the documents shall be considered as the "original" record of the transaction in substitution for, and with the same intended effect as, paper documents.

The electronic recording data, including Recorder's File, where appropriate will be returned to Texas State Bank.

Neither the COUNTY nor Texas State Bank shall be liable to the other for any special, incidental, exemplary or consequential damages arising from or as a result of any unintentional delay, omission or error in the Electronic Recording transmission or receipt.

Neither party shall be liable for any failure to perform processing of the transactions and documents 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 electronic recording transactions.

Either party may terminate the Memorandum of Understanding for any reason by providing 30 days written notice of termination.

There will be no added fees or costs of any kind charged by the COUNTY for Electronic Recording nor will Texas State Bank charge any fees to the COUNTY for Electronic Recording. Texas State Bank will be required to meet COUNTY requirements in order to record electronically.

COUNTY Responsibilities:

COUNTY shall attempt to protect the integrity of the Recordation process through ongoing monitoring of documents received and recorded through Electronic Recording means.

COUNTY shall test and maintain Electronic Recording software and hardware required to operate the Electronic Recording capability. COUNTY, however, shall be held harmless and not liable for any damages resulting from software or equipment failure.

COUNTY shall apply the same level of diligence in handling documents submitted electronically as those submitted through the normal manual paper process. Documents received on any business day after 4:00 p.m. CST may be process on the next business day in the order that they are received.

Texas State Bank **Responsibilities:**

Texas State Bank shall work to ensure that all security measures and credentials, implements are protected from unauthorized access. Texas State Bank assumes all responsibility for documents submitted through unique credentials provided to Texas State Bank for the purposes of engaging in Electronic Recording.

Texas State Bank shall be diligent in ensuring that documents submitted for Electronic Recording have been checked before submission for errors, omissions, and other deformities that would impact the validity of the document. The diligence includes adherence to COUNTY indexing and formatting standards.

Texas State Bank acknowledges that Electronic Recording permits its submitters to prepare, sign and transmit in electronic formats documents to the COUNTY; the documents shall be considered as the "original" record of the transaction in substitution for, and with the same intended effect as paper documents.

Texas State Bank must maintain an electronic audit trail of all activity.

) Texas State Bank is responsible for supporting any technical issues associated with Electronic Recording through their submitting software program. Texas State Bank is solely responsible for any and all costs of the system or services that enable Texas State Bank to meet the Electronic Recording Program requirements.

For payment of COUNTY recording fees, Texas State Bank will place funds in an escrow account with COUNTY and maintain a minimum balance of at least \$500.

General Understanding

COUNTY will not incur any liability for the information electronically transmitted by Texas State Bank to COUNTY.

COUNTY will not incur any liability for any breach of security, fraud or deceit as a result of Electronic Recording.

Neither the COUNTY nor Texas State Bank nor any Electronic Recording Provider shall be liable to the other for any special, incidental, exemplary or consequential damages arising from or as a result of any unintentional delay, omission or error in the Electronic Recording transmission or receipt.

) The Electronic Provider, COUNTY, and Texas State Bank will attempt in good faith to resolve any controversy or claim arising out of or relating to Electronic Recording through either Negotiation or mediation prior to initiating litigation.

The COUNTY and Texas State Bank acknowledge that the electronic recording process is an emerging technology and the electronic recording process, all parties agree to meet to discuss changes and additions to this Memorandum of Understanding.

ENTIRE AGREEMENT. Except as expressly provided otherwise herein, this Agreement represents the entire agreement between the parties.

TERMINATION. Either party may terminate this Agreement without cause with 30 days written notice to the other party. User remains responsible for the 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, Texas State Bank agrees to release the COUNTY from any liability in connection with the electronic filing and recordation of documents under this Agreement. Parties to the electronic recording transactions understand that there are no warranties, express or implied, in connection with such transactions.

ATTACHMENTS

Attachment A defines the technical specifications including format, models of recording supported, and transmission protocols of the electronic records required by **COUNTY**.

Texas State Bank agrees to provide the transmission to the **COUNTY** following the specifications outlined. Texas State Bank understands that the specifications may change from time to time. In the event changes to the specifications are required, the **COUNTY** will provide all written notice to Texas State Bank within a reasonable timeframe.

Agreed and Accepted

By: Vance Jones
Name: VANCE JONES
Title: E.V.P.
Date: 3/3/16

Tom Green County, TX

By: Tom Green (COUNTY)
Name: Steve Hsrd
Title: County Judge
Date: 3-15-16

Attachment A

Technical Specifications

Electronic Recording is defined based on the level of automation and structure of the transactions. The three levels of automation are as follows:

Model 1 Submitting organizations transmit scanned images of ink signed documents to the county. The county performs an electronic examination of the imaged documents and then completes the recording process using the imaged document. The electronic version of the recorded document is returned electronically to the submitting organization.

Model 2 Submitting organizations transmit scanned images of ink signed documents along with electronic indexing information to the county. The county performs an electronic examination of the imaged documents and indexing data, and then completes the recording process using the imaged copy and electronic indexing information. The electronic version of the recorded document is returned electronically to the submitting organization along with the electronic recording data.

Model 3 Submitting organizations transmit documents which have been created, signed and notarized electronically along with the electronic indexing information. The county performs an electronic examination of the electronic documents and indexing information then completes the recording process using the electronic documents.

- 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 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. Texas State Bank must work with the COUNTY to accommodate their use. Digitized signatures, notary signatures, and notary seals are immediately acceptable.

7) Indexing Requirement and Imaging Standards:

Will be determined by Texas State Bank and the COUNTY during the implementation process.

8) Acceptance/Rejection of Documents:

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

Submitted documents that are rejected by COUNTY will be returned to Texas State Bank in electronic format after rejection, along with a description of the reason(s) for rejection. These documents will be electronically returned to the originating submitter for correction and resubmission.

Attachment B

Contact Information

Tom Green County:

Gary Monico
Chief Deputy County Clerk
Gary.Monico@co.tom-green.tx.us
325-659-6553

Send ePay Reports to: Gary.monico@co.tom-green.tx.us
Primary Contact for IT/Ops at County: Gary.Monico@co.tom-green.tx.us

Company Name: Texas State Bank

Contacts:

Larry Zapata
Janet Velasquez
Teresa Frizell
Monique Arredondo