

EXHIBIT 1

ELECTRONIC RECORDING AGREEMENT

THIS AGREEMENT, dated _____, 2020, is between the office of the County Recorder and Registrar of Titles for St. Louis County, Minnesota, (“Recorder”) and the City of Duluth (“Submitter”)

Mailing address: 411 W. First Street, Room 120

City, State, Zip: Duluth, Minnesota 55802

Phone number: (218) 730-4333

Email address: derjavec@duluthmn.gov

IN CONSIDERATION of each party’s performance of their respective obligations under the terms and conditions of this agreement, the parties agree as follows:

- 1. BACKGROUND AND PURPOSE OF AGREEMENT** – Recorder desires to offer the recording of real property documents by electronic means providing for the receiving and transmitting of documents electronically in substitution for conventional paper documents and to assure that transactions are not legally invalid or unenforceable as a result of the use of available electronic technologies, to the mutual benefit of the parties of the transactions.
- 2. TERMINOLOGY** – For purposes of the Agreement, “Electronic Recording” is defined to be the electronically based submission of documents from a Submitter to Recorder and electronically based receipt of confirmation of recording from Recorder to Submitter based on the level of automation and structure of the transaction and is characterized by Model 2 of Electronic Recording further described in this agreement. When used in this agreement, the term Submitter includes without limitation the Submitter itself as a legal entity, and all officers, agents, members, and employees of the Submitter. The term Recorder shall include the appointed recorder of deeds, and all deputies and employees of the recorder of deeds.
- 3. PROGRAM ELIGIBILITY** – Attorneys, full service banks, mortgage bankers, title companies and other trusted entities may submit real property records for Electronic Recording. Electronic Recording mandates a close working relationship as well as mutual trust between the Recorder and the Submitter. All parties of the Electronic Recording transaction shall seek to operate and maintain a secure recording system that safeguards parties to recordation from deceit, fraud and forgery. This Agreement further outlines the procedures and rules for the trusted relationship between the Recorder and Submitter to facilitate a safe and secure Electronic Recording relationship. Participation in the Electronic Recording program is voluntary and the Submitter agrees

to abide by the terms and conditions of this agreement as a condition to program participation. There will be no added fees or costs of any kind charged by the Recorder for Electronic Recording aside from those authorized by Minnesota law pertaining to recording documents. The Submitter will be required to meet Recorder requirements in order to record electronically.

4. **LEVELS OF RECORDING** – Electronic Recording in St. Louis County is currently provided on the basis of Model 2 recording as mutually agreed upon by Recorder and Submitter as follows:

Model 2 – The Submitter transmits scanned images of ink-signed documents along with electronic indexing information to the Recorder. Indexing data is provided as an accommodation to Recorder but should not be cause for rejecting a document submitted for electronic recording. Proper indexing of received documents remains the responsibility of the Recorder. Recorder performs an electronic examination of the imaged documents and indexing data, and then completes the recording process. The electronic version of the recorded document is returned electronically to Submitter along with the electronic recording data.

5. **PROGRAM PARTICIPATION REQUIREMENTS** – The Electronic Recording program is defined by the requirements attached to this Agreement. Attachment A defines the technical specifications including format and transmission protocols for recording documents electronically. Submitter agrees to provide the transmission to the Recorder following the specifications outlined in Attachment A. Submitter understands that the specifications may change from time to time. In the event changes to the specifications are required, the Recorder will provide a written notice to the Submitter, and Submitter will comply with new specifications within a mutually agreed upon timeframe. Attachment B contains the document and indexing specifications for the Electronic Recording program. Any Recorder’s specific editing rules may also be described in this attachment. Attachment C contains the hours of operation for the Electronic Recording program. No party shall be liable for any failure to process transactions and documents pertaining to them when such failure results from any act of nature or extraordinary event 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). If the system used by the Recorder results in delays or power failures which interfere with the normal course of business, the Recorder will notify the Submitter within a reasonable timeframe with a choice of using a courier service or waiting until the problem has been remedied. Attachment D provides the payment method supported for the Electronic Recording

program. Attachment E provides an abbreviated document code list. All St. Louis County document codes may be used.

- 6. RECORDER RESPONSIBILITIES** – Subject to limitations set forth below, Recorder shall endeavor to protect the integrity of the Electronic Recording process through ongoing monitoring of documents received and recorded through Electronic Recording. Recorder shall test and maintain Electronic Recording software and hardware required to operate the Electronic Recording capability. However, it is agreed that Recorder shall not be liable to Submitter or its customers for any damages resulting from software or equipment failure. Recorder shall endeavor to institute reasonable security procedures to authenticate verbal communications with Submitter representatives and shall apply the same level of diligence in handling documents submitted electronically as those submitted through the normal manual process. However, nothing in this agreement shall be construed to require the Recorder to monitor or review the content of the document submitted for Electronic Recording except for review to determine acceptability under the Recorder’s recording and/or formatting requirements.
- 7. SUBMITTER RESONSIBILITIES** – Submitter acknowledges that Electronic Recording permits it to transmit electronically original paper documents and business records and such images of documents or records shall be considered the “original” record of the transaction in substitution for, and with the same intended effect as, a paper document delivered to the Recorder’s office for recording. Submitter shall ensure that only original documents are used to create the electronic documents. Submitter shall be diligent in ensuring that documents submitted for Electronic Recording have been checked before submission for errors, omissions, scanning defects, illegible areas, and other deficiencies that would affect the Recorder’s ability to record the document and the public notice to be created thereby. Submitter shall ensure that all security measures and credentials implemented by Submitter representatives are protected and shall implement and maintain rigorous password requirements and protection. Submitter assumes all legal liability and responsibility for documents submitted through unique credentials provided to Submitter for the purposes of engaging in Electronic Recording and it shall be the obligation of the Submitter at its own expense to defend and indemnify Recorder against any claim or cause of action asserted by anyone against the Recorder as a result of a breach of security caused by or resulting from Submitter’s failure to implement and maintain security measures with respect to Electronic Recording conducted through the Recorder. The Submitter and its representatives warrant to Recorder that records submitted to Recorder for Electronic Recordation shall be accurate and complete and acknowledge responsibility for the content of the documents submitted through the Electronic Recording program. Submitter hereby agrees to defend and indemnify at its own expense Recorder against any claim, cause of action, or other dispute which arises

as a result of Submitter or its representative's initiation or processing of an electronic transaction unless such action is a direct result of any negligent act or negligent omission of Recorder. Further, Submitter shall be solely responsible for any and all costs of the system or services provided to Submitter that enables Submitter to meet the Electronic Recording program requirements under this agreement. It is further understood and agreed that Recorder will not be liable for any breach of security, fraud or deceit in the conduct of the transaction, by Submitter or any person under the supervision or control of the Submitter or its representatives, and the Submitter at its own expense agrees to defend and indemnify Recorder against any claim or cause of action pertaining to any claim for damages against Recorder as a result of such breach of security, fraud, or deceit.

- 8. LIMITATIONS OF LIABILITY** – Except as expressly set forth herein, neither the County nor the Recorder shall be liable to the other for any special incidental, exemplary or consequential damages arising from or as a result of any delay, omission, or error in the Electronic Recording transmission or receipt of documents. Neither the County nor the Recorder shall be liable for any failure outside either party's reasonable control including, without limitation, any mechanical, electronic, or other communications failure which prevents the parties from transmitting or receiving the Electronic Recording transactions.
- 9. TERMINATION** – Any party may terminate this Agreement for any reason by providing 30 days written notice of termination. Further, Recorder may terminate this agreement immediately for any cause with notice of termination given to Submitter as soon as reasonably practicable in the event Recorder determines there has been material breach of any term or condition of this agreement or breach of security warranting immediate termination of services.
- 10. CHANGES IN TECHNOLOGY** – The Recorder and Submitter 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 electronic recording process, the Recorder and Submitter will, as needed, discuss changes and additions to this Agreement and systems operated hereunder. However, Recorder reserves the right to implement amendments to this agreement or attachments to it with notice to Submitter. In the event Submitter disagrees with such changes and cannot comply with them, its sole recourse shall be to terminate this agreement and discontinue use of Electronic Recording services provided under this agreement.
- 11. NO WAIVER OF IMMUNITY** – The parties hereto understand and agree that the Recorder, and the government of St. Louis County, Minnesota, in general, and all their officials, deputies, directors, agents and employees, are relying on, and do not waive or intend to waive any provisions of governmental, sovereign, or official immunity by

entering or carrying out this agreement as provided by the Minnesota Statute and the government of St. Louis County, Minnesota, and their officials, deputies, directors, agents and employees.

- 12. SEVERABILITY** – In the event any portion of this agreement is found to be unlawful or unenforceable, the remaining terms and conditions of this agreement shall remain in full force and effect between the parties.
- 13. THIRD PARTIES** – The provisions of this agreement are not intended to be for the benefit of any person or entity which is not a party to this agreement or not specifically mentioned in this agreement as a person or entity intended to benefit from this agreement, and no such person or entity shall obtain any rights under any provision of this agreement or shall by reason of any provision under this agreement make any claim against any named party to it or person mentioned in it.
- 14. MISCELLANEOUS** – The section captions in this agreement are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions hereof. This agreement shall be construed and enforced in accordance with the laws of the State of Minnesota. This agreement constitutes the entire agreement between the parties and any prior written or oral agreements are without affect. This agreement expressly replaces and entirely supersedes any previous agreements between the parties, oral or written. Any addenda or amendments to this agreement must be in writing and executed by the parties.

[Remainder of this page is intentionally left blank.]

IN WITNESS THEREOF the parties or their duly authorized representatives have executed this agreement to be effective on the date first above written or the last date listed below, whichever occurs later, but in the event dates below are blank or incomplete, then the date first above written shall be the effective date.

Agreed and Accepted:

CITY OF DULUTH

**St. Louis County Public Records and
Property Valuation Director**

By: _____
Mayor

Mary Garness

Attest: _____
City Clerk

Date: _____

Dated: _____

Countersigned:

City Auditor

Approved as to form:

City Attorney

Attachment A – Technical Specifications

Format of the Transmitted File

The PRIA format standard will be used.

Images will be in PDF or multi-page Group IV TIFF format.

Returned File Format

PRIA file format standard will be used.

Images will be in multi-page Group IV TIFF format.

Imaging Standards

Document images will be captured as multipage Group IV TIFF images.

Documents will be scanned at a minimum 300 dpi.

Documents will be scanned in portrait mode.

Pages will be scanned and submitted correctly oriented.

Scanned documents will be legible. Legible in this instance means a clear, readable image – including signatures and notary seals - and in which all portions of each page are captured.

Document font size must meet standardization requirements.

Margins that do not meet standardization requirements will be recorded as a non-standard document.

DOCUMENTS THAT FAIL TO MEET THESE REQUIREMENTS WILL NOT BE ACCEPTED FOR ELECTRONIC RECORDING.

Attachment B – Document and Indexing Specifications

Eligible Document Types

All documents types sized 8 ½ x 14 or smaller will be acceptable, with the following exceptions:

1. Currently documents to be reviewed by the Examiner of Titles.

Documents will be recorded in the order presented.

RECORDER Specific Document Type Coding

Document should be identified as Abstract or Torrens. Batches submitted for recording must contain all Abstract or all Torrens documents. If a document(s) is both, please submit to Torrens first for recording. Once the recorded document is received, resubmit to Abstract for recording and include the Torrens recording cover page to save time and avoid overcharging.

All County specific “Document Codes” may be used. An abbreviated document code list is attached as Attachment E. It is the Recorder’s intention to not reject documents based on incorrect document types. Rather the Recorder will correct the document type as a part of the acceptance process.

Indexing Fields for each Document Code

All documents submitted will require these minimum index fields:

Document type - Abstract or Torrens

First Grantor and First Grantee

Document code or Instrument Code

Recording fees

Document Image Quality Control Standards

Scanned documents will be legible. Legible in this instance means a clear, readable image- including signatures and notary seals – and in which all portions of each page are captured. Submitters will be responsible for the clarity and brightness of the image.

Notary Requirements per Document

It is the responsibility of the Company to confirm that notary signatures and seals are present on all documents that require them. Inked notary seals are strongly recommended, in place of embossed notary seals which require “darkening” by the Company prior to submittal.

Attachment C – Service Offering

Hours of Operation

Documents may be submitted at any time during the week.

Documents will only be processed on those days and hours that the Recorder Office is open to the public for business.

Documents will not be processed on Recorder holidays, weekends, etc. or in the event of network or equipment failure.

Recorder will attempt to notify Company of any disruption in service, processing schedules and turnaround times.

Recorder shall process electronically submitted documents during normal business hours, 8:00 a.m. to 4:30 p.m. on normal business days, Monday through Friday, excluding holidays.

Return Options

Submitted documents that are accepted for recording will be provided to the Submitter in electronic format after acceptance. Confirmation of acceptance and recordation will be provided to Company in electronic format after recordation is complete. This confirmation will include the document image and Recorder cover page with recording data.

Submitted documents that are rejected will be returned to the Submitter in electronic format after rejection, along with a description of the rejection reason(s).

Attachment D – Payment

Deposit Accounts

Deposit account must be in place in advance of any submissions.

Documents will not be recorded if the deposit account does not have sufficient funds.

Funds will be deducted from deposit account for recording fees, well certificate filing fees, deed tax, and mortgage tax. Fees collected may be adjusted by the Recorder's Office as needed to correctly record the documents submitted. Recording fees are subject to legislative changes.

Filing Fees

Abstract documents

\$46.00 per document

Multiple Satisfactions/Assignments \$46.00 with 4 document citations or less, additional \$10.00 for each document cited over first 4

Well disclosure statement \$50.00

Torrens documents

\$46.00 Original Certificate of Title

\$46.00 document transferring certificate, \$40.00 for each new certificate, thereafter

\$46.00 entry of memorial \$20.00 for multiple certificate entries, thereafter

\$40.00 residue or new additional certificate

\$20.00 exchange certificates and \$20.00 for each new certificate

\$20.00 to refile a previously recorded Torrens document on another certificate

Well disclosure statement \$50.00

Attachment E

Document Codes

A1 - Affidavits	MA - Modification Agreements
AS - Affidavits of Survivorship	MD - Mortgages/Security Agreements etc.
A2 - Agreements	MO - Mortgages
A3 - Amendments	NM - Name Changes
AP - Appointments	NL - Notices of Lien
AI - Articles of Incorporation	LP - Notices of Lis Pendens
AE - Assignments	NF - Notices of Mortgage Foreclosure Sale
AD - Assignments of Contract for Deed	NP - Notices of Pendency
AQ - Assignments Contract Deed\Quit Claim Deed	NY - Notices of Pendency with Power of Attorney
AM - Assignments of Mortgage	93 - Orders
A6 - Assignments of Sheriff Certificate	P1 - Partial Releases
BP - Bankruptcy Papers	P5 - Partial Releases of Agreement
CM - Certificates of Merger	PR - Personal Representative Deeds – Abstract Only
CR - Certificates of Redemption	PA - Powers of Attorney
T2 - Certificates of Trust	QC - Quit Claim Deeds
CL - Clearance Certificates	RR - Releases
CN - Continuations of Financing Statement	RQ - Requests for Notice
CD - Contracts for Deed	RC - Restrictive Covenants
DC - Divorce Decrees	RV - Revocations
ET - Easements – Abstract Only	S5 - Satisfactions of Assignment of Leases & Rents
EM - Extensions of Mortgage	SM - Satisfactions of Mortgage
FS - Financing Statements	67 - Sheriff Certificate of Sale
FL - Fixture Liens	S2 - Subordination Agreements
LS - Leases	TF - Terminations of Financing Statement
L4 - Last Will & Testament	TL - Terminations of Lease
ML - Mechanics Liens	TO - Transfer on Death Deeds
MF - Mobile Home Affixations/Surrenders	WD - Warranty Deeds

Revised 02-7-2019