

Approved Attorney Relationship with the Chicago Title Family of Companies

The Chicago Title Family of Companies (the “Company”) is proud to be an active part of the approved attorney system of title certification and closing in North Carolina. Quality representation of clients by qualified, diligent attorneys can provide both the best service to clients and the lowest occurrence of claims for preventable risks.

Under NC law, title insurance policies and commitments are issued by us only upon receipt of a certification or opinion on title from a licensed North Carolina attorney. (See "Real Estate Closings in North Carolina" published by North Carolina Bar Association Real Property Section.) *[here suggest hyperlink to http://www.ncbar.org/legal_prof/sections/Rp/general/closings_nc.asp]* In addition, lenders and purchasers frequently request assurances in the form of a Closing Protection Letter *[hyperlink to Chicago Bull on NCTIRB, http://www.northcarolina.ctt.com/docs/pdf/bull_icl200309.pdf]* which we will only issue to approved attorneys and issuing agents, as provided by state law. N.C.G.S. 58-26-1. Therefore, we maintain an active list of Approved Attorneys. To qualify to become and remain an Approved Attorney, the following standards of practice and cooperation apply:

1. **No Attorney Client Privilege**

The obligations as an approved attorney hereunder do *not* create an attorney-client relationship with the Company.

2. **Approved Attorney - Definition and Scope**

The Approved Attorney is not the Company's agent for any purpose and will not represent themselves as such. However, they may represent themselves orally and in writing to other persons as an Approved Attorney of the Company, and the Company may represent to other persons that they are an Approved Attorney.

3. **Examination of Records**

At any reasonable time or times the Company may examine and copy the Approved Attorney's files, books, accounts and other records related to liabilities of the Company and professional services provided by the attorney as an Approved Attorney for the Company, PROVIDED such examinations shall be in compliance with the rules of the North Carolina State Bar and authorized by clients whose information is disclosed by such examinations. In the event of a claim, the authority to examine the attorney's files, books, accounts and other records shall continue after termination of their status as an Approved Attorney. The Approved Attorney will provide evidence of three-way reconciliation of accounts containing funds collected in connection with transactions in which the Company's title insurance is involved. The Company may make inquiries into the Approved Attorney's personal and employment history, as well as any matters related thereto. The Approved Attorney authorizes employers, schools, firms, or persons to release information in response to such pre- and/or post-association inquiries, and the Approved Attorney thereby releases same from liability in responding to such inquiries.

4. **Maintenance of Professional Liability Policy**

The Approved Attorney agrees to maintain my Professional Liability Policy at a level of coverage not less than the amount shown on the Approved Attorney's latest application approved by the Company so long as they are an Approved Attorney for the Company, and the Approved Attorney will notify the Company in the event such insurance is cancelled or is no longer maintained. The Approved Attorney agrees to provide the Company with a copy of the Declarations page of said Policy, if requested.

The Approved Attorney's liability to the Company for any loss, cost or damage which the Company may sustain arising out of the performance of the Approved Attorney's professional services, shall be based upon the standards of professional conduct and service of attorneys in that community without regard to whether or not their Professional Liability Policy provides such coverage.

In addition, the Approved Attorney agrees to indemnify the Company against any and all loss, cost or damage which the Company may sustain on account of the following acts or failure to act by the Approved Attorney or by any employee of the Approved Attorney: (a) fraud, (b) negligence, (c) willful disregard of the Company's rules and instructions, or (d) loss or misapplication of client's funds entrusted to the Approved Attorney.

5. **Duties of Approved Attorney**

The Approved Attorney will:

- A. Provide the title search and opinions in compliance with the standards of practice of a North Carolina licensed attorney competent to handle real estate transactions

- B. Comply with the Good Funds Settlement Act and applicable ethical and professional requirements of the NC General Statutes and the NC State Bar in providing title certification and closing services to clients. Satisfy all requirements set forth on the title insurance commitment and the updates in a timely, prudent and ethical manner with due regard to recognized professional standards of practice.
- C. Follow closing instructions for the transaction provided by the lender and/or client to be insured.
- D. Collect at closing and remit 100% of the title insurance premium.
- E. Promptly record the closing documents, and within thirty (30) days of closing the transaction, provide to the Company the final title opinion, the necessary documents to evidence satisfaction of the commitment requirements including the recording of documents, and remit the premium for the policies to be issued by the Company.
- F. Promptly deliver the title insurance policies from the Company to the insured(s) or provide the contact information for the Company to forward same to the insured(s) when issued.
- G. Notify the Company immediately upon receipt of notice of:
 - (1) any claim or potential claim or threat of litigation regarding professional services rendered in a real estate matter for which the Company provided any type of coverage,
 - (2) the Approved Attorney's suspension or removal from the list of licensed attorneys with the North Carolina State Bar,
 - (3) the Approved Attorney's removal from the approved list of any title insurance company operating in North Carolina, for cause.
 - (4) On any matter proposed to be insured, fully disclose to the Company all matters of which the Approved Attorney may have knowledge, whether recorded or unrecorded, which may affect the title to the premises or the validity, enforceability or priority of the transaction and the related documents. If because of the attorney-client relationship or for any other reason the Approved Attorney cannot fully disclose all relevant matters, the Approved Attorney will withdraw the opinion and will not seek any coverage from the Company. The Approved Attorney must acknowledge and understand that any matter not so disclosed may be the basis for elimination or denial of coverage to their client as well as a violation of the Approved Attorney's obligations to the Company.
- H. Be responsible for maintaining the privacy and security of the Approved Attorney's Username and Password on any electronic system and any signature stamp of the Approved Attorney's signature used to produce and transmit title opinions or correspondence to the Company or its agents or affiliates, that the Approved Attorney will assure that no unauthorized use is made of same, that any order placed using same shall be authorized by the Approved Attorney and under their direct supervision.
- I. Be fully responsible for any order placed using the Approved Attorney's Username and Password or the Approved Attorney's signature stamp or by facsimile or electronic transmission from the Approved Attorney's staff or apparent representatives (with or without the Approved Attorney's signature) as if under the Approved Attorney's original inked signature. Company, its agents or affiliates, may rely on same in accepting any orders and producing closing protection letters, commitments, policies, endorsements, and requested correspondence or assurances regarding any matter.

6. Claims

If a claim is made to the Approved Attorney, if the Approved Attorney receives notice of a potential claim or if the Approved Attorney receives notice of litigation which may result in a claim arising out of professional services provided by the Approved Attorney or title insurance or closing protection services provided by the Company, the Approved Attorney must give prompt written notice to the Company within three (3) business days from the date the Approved Attorney receives the claims, potential claims, or notice of claim or litigation and will lend all reasonable assistance, without charge to the Company, in investigating or contesting such claims, if due in part or whole to an erroneous action or representation by the Approved Attorney.

7. Termination

Their status as an Approved Attorney may be terminated by either of the Approved Attorney or the Company upon written notice, but such termination shall not affect any obligation or liability incurred by the Approved Attorney as an Approved Attorney of the Company. Notice to the Approved Attorney may be given at the address on their application or the latest address supplied by the Approved Attorney to the Company. If the Approved Attorney should be considered as an Approved Attorney, any false, misleading, or omitted information in their application, resume, or other submitted information may disqualify the Approved Attorney from approval. Also, in the event of approval, any false, misleading, or omitted information in any application, resume or other submitted information may result in the immediate termination of said approval.

8. Non-waiver of Rights

The failure of the Company to enforce strictly the performance by the Approved Attorney of any provision of this Agreement or to exercise any rights or remedy following from the Approved Attorney's breach of any condition or the acceptance by the Company of any payment, remittance, or other performance during the Approved Attorney's failure to perform or during the Approved Attorney's breach shall not be a waiver by the Company of

its rights under the Agreement and shall not be construed to be an amendment or modification of this Agreement.

9. Renewal of Agreement

The Company may request verification of my renewal of the Approved Attorney's professional liability policy each year. The approved attorney agreement shall continue in force and effect with regard to any title opinion submitted or closing handled by the Approved Attorney for which Company is providing title insurance or closing protection coverage based on the attorney's being (or having been) an Approved Attorney of the Company. .

Attorneys who protect and maintain these standards of practice in the profession and cooperation in the industry are the anchors who protect the system for future generations. Chicago Title is happy to be a part of this proud history!