

Good morning, I am Donna Kinville, City Clerk for South Burlington and I will only be speaking about my professional interactions with blockchain. I will not be speaking on behalf of the VMCTA and there have been no conversations regarding blockchain within the association.

I was approached a few months ago by Kate Purcell, a team from the attorney's office of Gravel and Shea as well as individuals from Propy (blockchain company) to be involved in a pilot project for using blockchain technology to record deeds. During that meeting I was intrigued enough to want to learn more about blockchain for several reasons: I hadn't heard about blockchain prior to this meeting, how safe is the process and most importantly, is there an advantage to my citizens by using blockchain.

I agreed to begin the pilot program knowing that we could end the pilot at any time. There are 4 levels of engagement in this pilot program. The first level is to receive and record documents which contain the blockchain information, the second level is for the clerk's staff to input the recording information into the blockchain, the third level is for Propy to electronically send the deed(s) through our current land recording software and the fourth step (in the future) is for Propy's software to become our land record system using blockchain. I believe that the 4th level may have already morphed a bit and may continue to change as we move further into this pilot. I know that I am oversimplifying this and may not be completely accurate in this description but I see this as a document management system (I call it a project manager) which grants access to invited, interested parties into the work flow. All the data is encrypted and each entry by an invited person in the project manager's queue becomes a permanent document. Etched in stone has been a common phrase that has been used for any entry into the blockchain.

As a result of this pilot program, I am told, that South Burlington has the first recorded blockchain deed in the country. Now this was a very basic transaction as no money exchanged hands for the transfer of property as it was only a name change but it was done through the blockchain. Since we do not have the ability to electronically receive the document, either technologically nor statutorily, the document (attachment A) was received in our office in a paper format and was processed through our recording system the same as any other document would be recorded. The only thing that differs in this deed from other deeds is the hashtag notation and QR code which gives the blockchain's location are contained in the deed. After the deed was returned to the property owner, the recording information was entered into the blockchain by someone outside of my office.

I have since met with Kate, Michelle from Bauer and Gravel and 2 people from Propy as they attempt to understand what is needed in the State of Vermont for a deed to be recorded and the process of how we do it. Level 2 is a process in the works and should be available for review in the next few months. I expect that we will be involved in this pilot for level 2 and will wait and decide our involvement in the project when level 3 is ready and available.

That has been my involvement in recording a blockchain land record document. As this pilot continues I will need to decide where I stand on blockchain technology for real estate

transactions, by weighing the pros and the cons. I know that many of the professions which currently deal with land records, including my fellow clerks, will have questions and concerns if this becomes a reality in the State of Vermont.

I will tell you that this one transaction has generated a lot of phone calls from all over the country and Montreal, mostly from various tech magazines but also one of Virginia county recorders, attorneys, title insurers, and interested citizens.

CITY CLERK'S OFFICE

Received Feb 21, 2018 11:32A

Recorded in VOL: 1412 PG: 199

OF So. Burlington Land Records

Attest:

Donna Kinville

City Clerk

WARRANTY DEED

KNOW ALL PERSONS BY THESE PRESENTS that KATHERINE M. PURCELL, of Burlington, County of Chittenden and State of Vermont ("Grantor"), in consideration of the sum of Ten and More Dollars, paid to her full satisfaction by KP2 LLC, a Vermont limited liability company with a place of business in Burlington, County of Chittenden and State of Vermont ("Grantee"), by these presents, does hereby **GIVE, GRANT, SELL, CONVEY and CONFIRM** unto the said Grantee, KP2 LLC, and its successors and assigns forever, a certain piece of land with all improvements thereon and appurtenances thereto in the City of South Burlington, County of Chittenden and State of Vermont (the "Premises"), described as follows, viz:

Being all and the same lands and premises conveyed to Katherine M. Purcell by Warranty Deed of Maurilio Fabiano dated March 18, 1988 and recorded in Volume 259 at Page 382 of the South Burlington Land Records, and being more particularly described therein as follows:

"Being all and the same lands and premises conveyed to the within Grantor by Warranty Deed of Stephen B. Jamison and Patricia A. Jamison dated 10/23/85 and recorded in Volume 214, Page 226 of the South Burlington Land Records and being more particularly described therein as follows:

'Condominium Apartment 143, Cluster 6, Twin Oaks Condominium, together with a 3.073 percent interest in the Common Areas and Facilities and Limited Common Areas and Facilities as set forth in the Declaration dated August 20, 1980, of record in Volume 162 at Page 264 of the City of South Burlington Land Records.

Said premises are subject to the Declaration of Condominium for Cluster 6 of the Twin Oaks Condominiums, dated August 20, 1980, recorded in Volume 162, Page 264; the Bylaws of the Twin Oaks Condominium Association, Cluster 6, dated August 20, 1980, recorded in Volume 162, Page 273; and an Agreement and Declaration of Covenants, Conditions, Easements and Liens, dated January 16, 1979, recorded in Volume 143, Page 514, as amended by instruments dated February 20, 1979 and April 9, 1979, recorded in Volume 143, Page 559 and Volume 150, Page 110, respectively, and as confirmed by an instrument dated January 31, 1980, recorded in Volume 157, Page 475. The lands are further subject to Land Use Permits dated October 19, 1979 and November 27, 1979, recorded in Volume 157, Pages 184 and 272, respectively...'

Stephen B. Jamison and Patricia A. Jamison join in the execution of this deed to convey any interest they may have in this premises as a result of a defect in the execution of their deed to the Grantor herein."

The Premises are subject to: (a) taxes assessed on the Grand List not delinquent on the date of this Deed, which Grantee herein assumes and agrees to pay as part of the consideration for this Deed subject to such taxes being prorated between Grantor and Grantee on the date this Deed is delivered; (b) the provisions of municipal ordinances, public laws and special acts; and (c) all easements and rights of way of record, not meaning to reinstate any claims barred by operation of the Vermont Marketable Record Title Act, 27 V.S.A. § 601, *et seq.*

Reference is hereby made to the above-mentioned instruments, the records thereof and the references therein contained in further aid of this description.

TO HAVE AND TO HOLD the said granted Premises, with all the privileges and appurtenances thereto, to the said Grantee, **KP2 LLC**, and its successors and assigns, to their own use and behoof forever; and the said Grantor, **KATHERINE M. PURCELL**, for herself and her successors and assigns, does covenant with the said Grantee, and its successors and assigns, that until the ensealing of these presents, Grantor is the sole owner of the Premises, and has good right and title to convey the same in the manner aforesaid, that the said Premises are **FREE FROM EVERY ENCUMBRANCE**, except as aforementioned; and they hereby engage to **WARRANT and DEFEND** the same against all lawful claims whatsoever, except as aforementioned.

This conveyance has been recorded in smart contract 0xa188e5a3da203f8ebc72ec7578532926dc1d3bec of the public Ethereum blockchain.



IN WITNESS WHEREOF, the parties do hereby execute this Warranty Deed this 20th day of February, 2018.

Katherine M. Purcell

Katherine M. Purcell

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

On this 20th day of February, 2018, personally **KATHERINE M. PURCELL**, to me known to be the person who executed the foregoing instrument, and she acknowledged this instrument, by her signed, to be her free act and deed.

Before me, *Michelle N. Farkas*

Notary Public

Printed Name: Michelle N Farkas

Notary commission issued in Chittenden County
My commission expires: 2/10/19

Vermont Property Transfer Tax
32 V.S.A. Chap 231
--ACKNOWLEDGEMENT--
RETURN REC'D-TAX PAID BOARD
OF HEALTH CERT. REC'D.
VT LAND USE & DEVELOPMENT
PLANS ACT. CERT. REC'D
Return No. _____
Donna Kinville City Clerk
Date Feb 21, 2018

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