

ORDINANCE NO. 2012-05-047

**AN ORDINANCE REQUESTING THE TRANSFER OF PROPERTY FROM URBANA
SCHOOL DISTRICT NO. 116 AND APPROVING AN INTERGOVERNMENTAL
AGREEMENT FOR TRANSFER OF SAID PROPERTY**

(301 North Race Street)

WHEREAS, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, Urbana School District No. 116 ("District") is a body politic and corporate, organized under and existing pursuant to the School Code of the State of Illinois, 105 ILCS 5/1-1 et seq.; and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., authorizes cooperative agreements between Illinois units of local government and school districts; and

WHEREAS, the Local Government Property Transfer Act, 50 ILCS 605/0.01 et seq., authorizes and provides for school districts to convey, grant, or transfer real estate to any municipality upon the agreement of the corporate authorities governing the respective parties; and

WHEREAS, the District holds legal title to a parcel of real estate commonly known as 301 North Race Street ("Property") within the City; and

WHEREAS, all of the District's territory, including the Property, lies within the corporate limits of the City; and

WHEREAS, the City Council finds and declares that it is necessary or convenient for the City to use, occupy, or improve the Property for the Boneyard Creek Improvements Project and for other public purposes; and

WHEREAS, the City Council desires that the District transfer its rights, title, and interest in the Property to the City by the authority conferred by the Local Government Property Transfer Act and upon such terms of an Intergovernmental Agreement for Transfer of Property between the Board of Education of the District and the City; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The City Council of the City of Urbana hereby requests that the Board of Education of Urbana School District No. 116 execute a deed and take all other necessary and appropriate actions, in conjunction with the necessary and appropriate actions of the City, to transfer the District's rights and title in the parcel of real estate commonly known as 301 North Race Street to the City,

in accordance with the terms of an Intergovernmental Agreement for Transfer of Property between the District and the City.

Section 2.

The transfer of the real estate commonly known as 301 North Race Street in Urbana, Illinois, and legally described below, on such terms as contained in the Intergovernmental Agreement for Transfer of Property attached hereto and incorporated herein, is hereby approved:

Lot 1 of Eastern Illinois Foodbank Replat, as per plat recorded November 7, 1996 in book "CC" at page 220 as Document 96R 28026, in Champaign County, Illinois.

PIN: 91-21-08-452-005

Section 3.

The Mayor, or her designee, be and hereby is authorized to perform all acts necessary on behalf of the City of Urbana to effectuate the purchase of the real estate.

Section 3.

This Ordinance shall be in full force and effect from and after its passage.

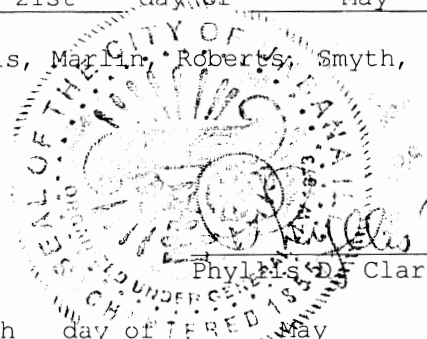
This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this 21st day of May, 2012.

AYES: Bowersox, Jakobsson, Lewis, Martin, Roberts, Smyth, Stevenson

NAYS:

ABSTAINED:


Phyllis D. Clark
Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this 29th day of May, 2012.

Laurel Lunt Prussing
Laurel Lunt Prussing, Mayor
By: Charles A. Smyth, Mayor Pro-tem

INTERGOVERNMENTAL AGREEMENT FOR TRANSFER OF PROPERTY

THIS INTERGOVERNMENTAL AGREEMENT is made between THE BOARD OF EDUCATION OF URBANA SCHOOL DISTRICT NO. 116 (the "Transferor") and THE CITY OF URBANA (the "Transferee") effective on the last date signed by a party hereto. In consideration of the covenants hereinafter set forth, the parties agree as follows:

1. **Property.** The Transferor hereby agrees to transfer, and the Transferee hereby agrees to accept, the following described property (the "Property"):

301 North Race Street, Urbana, Illinois 61801
PIN: 91-21-08-452-005

Lot 1 of Eastern Illinois Foodbank Replat, as per plat recorded November 7, 1996 in book "CC" at page 220 as Document 96R 28026, in Champaign County, Illinois.

2. **Payment.** The Transferee agrees to pay to the Transferor upon delivery of possession the sum of sixty-five thousand dollars (\$65,000), minus credits as provided herein.

3. **Deed.** The Transferor agrees to convey said Property to the Transferee by a good and sufficient Quitclaim Deed, subject only to covenants, conditions, restrictions and easements apparent or of record and to all applicable zoning laws and ordinances.

4. **Evidence of title.**

A. The Transferee shall be responsible for ordering a Commitment for Title Insurance issued by a title insurance company doing business in Champaign County, committing a company to issue a policy in the usual form insurance title to the real estate in the Transferee's name for the amount set forth in Paragraph 2 above. The Transferee shall be responsible for payment of the Transferor's premium and search charges.

B. Permissible exceptions to title shall include only special assessments; zoning laws and building ordinances; easements, apparent or of record; covenants and restrictions of record which do not restrict reasonable use of the premises; existing mortgages to be paid by the Transferor at closing.

C. If title evidence discloses exceptions other than those permitted, the Transferee shall give written notice of such exceptions to the Transferor within a reasonable time. The Transferor shall have a reasonable time to have such title exceptions removed, or, any such exception which may be removed by the payment of money may be cured by deduction from the payment set forth in Paragraph 2 above at the time of transfer. If the Transferor is unable to cure such exception, then the Transferee shall have the option to terminate this Agreement.

5. **Taxes and assessments.** The Property is exempt from payment of real estate taxes in accordance with 35 ILCS 200/15-75, and thus there is no need for provision of real estate tax payment.

6. **Possession.** The Transferor shall deliver possession of the Property to the Transferee not later than July 9, 2012, upon payment of the amount set forth in Paragraph 2 above, at

the Urbana City Building, 400 S. Vine Street, Urbana, Illinois, 61801, or at such other place as the parties may agree.

7. **Improvements.** Because the Property is vacant and without any improvements, there is no need to provide for the possible loss of any improvement, and the Transferee waives the Transferor's compliance with any required disclosures.

8. **Notices.** Any notice required under the Agreement to be served upon the Transferor or Transferee will be effective when deposited in the U.S. Mail, postage prepaid and addressed to the party, or when delivered personally to such party.

9. **Condition of property.** The Transferee agrees to accept the Property in its "as-is" condition, and the Transferor disclaims all warranties express or implied as to the condition of the Property.

10. **Execution and counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. By executing this Agreement, the person executing it as Transferor covenants that it is the record owner of the Property and has full power and authority to so execute and deliver this Agreement.

11. **Parking spaces.** The Transferee agrees to provide the Transferor with 12 parking spaces on the north side of Griggs Street west of Race Street and 11 parking spaces on the east side of the Property, as shown on Exhibit "A," attached hereto and made a part hereof. Said parking shall continue in effect so long as the Transferor occupies and uses the building located at 205 North Race Street, Urbana, Illinois, as its Urbana School District No. 116 administration building. The Transferor agrees to notify the Transferee in writing within thirty (30) days of no longer occupying 205 North Race Street as an administration building. The Transferor agrees that the parking spaces identified above are for the individual and exclusive use of its employees and invitees and that sub-leasing, lending, sharing, or other use of these parking spaces is specifically prohibited unless otherwise agreed upon in writing. The Transferor agrees that it will never make any charge for use of the said parking spaces.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

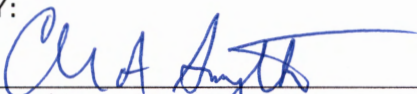
Transferor
Board of Education of
Urbana School District No. 116
205 North Race Street
Urbana, Illinois 61801

Transferee
City of Urbana, Illinois
400 South Vine Street
Urbana, Illinois 61801

BY:

BY:

District Authorized Signature



Laurel Lunt Prussing, Mayor

Its

By: Charles A. Smyth, Mayor Pro-tem

6/13/2012

Date

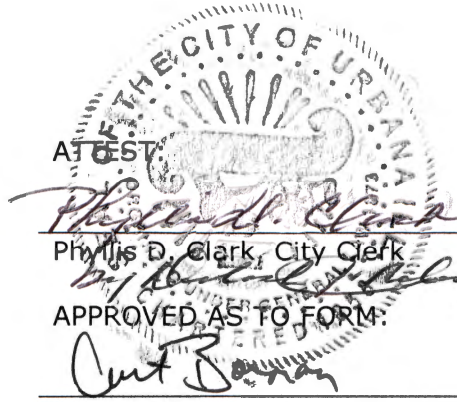
Date

ATTEST:

Secretary

APPROVED AS TO FORM:

Eugene J. Hanses, Jr., Esq.



ATTEST:

Phyllis D. Clark, City Clerk

APPROVED AS TO FORM:

Acting City Attorney

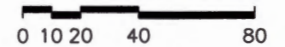


- PROPOSED 23 USD SPACES FOR BONEYARD CREEK PROJECT
- 12 METERED PUBLIC SPACES
- EXISTING 32 ADULT ED STUDENT PARKING SPACES
- EXISTING 53 ADULT ED & USD ADMINISTRATION PARKING

*EXISTING SCHOOL DISTRICT PARKING LOT HAS 23 SPACES

SCALE: 1"=40'

SCALE IN FEET



PREPARED BY:
CITY OF URBANA
ENGINEERING DIVISION
706 S. GLOVER
URBANA, IL 61802

URBANA SCHOOL DISTRICT
PARKING

DATE: MARCH 27, 2012	DRAWN BY: B.J.O.
DESIGNED BY: B.J.O.	CHECKED BY: B.M.B.

SHEET 1 OF 1

EXHIBIT

A

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- C. If title evidence discloses exceptions other than those permitted, the Transferee shall give written notice of such exceptions to the Transferor within a reasonable time. The Transferor shall have a reasonable time to have such title exceptions removed, or, any such exception which may be removed by the payment of money may be cured by deduction from the payment set forth in Paragraph 2 above at the time of transfer. If the Transferor is unable to cure such exception, then the Transferee shall have the option to terminate this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

Transferor
Board of Education of
Urbana School District No. 116
205 North Race Street
Urbana, Illinois 61801

Transferee
City of Urbana, Illinois
400 South Vine Street
Urbana, Illinois 61801

BY: 

District Authorized Signature

BY: _____
Laurel Lunt Prussing, Mayor

Its President

Date

6/17/2012

Date

ATTEST:

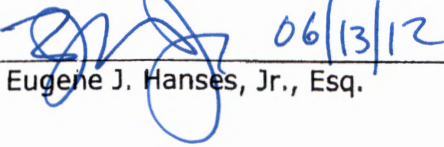


Secretary

ATTEST:

Phyllis D. Clark, City Clerk

APPROVED AS TO FORM:



Eugene J. Hanes, Jr., Esq.

APPROVED AS TO FORM:

Acting City Attorney



ISSUING OFFICE:

CHICAGO TITLE INSURANCE COMPANY
201 NORTH NEIL STREET
CHAMPAIGN, IL 61820

CHICAGO TITLE COMPANY

(217) 356-0501

City of Urbana
400 S. Vine Street
Urbana, Illinois 61801

Dede - Legal Dept.

CTI ORDER NO.: 1284 530002686 CH

YOUR REFERENCE: Urbana School District/City of Urbana

OWNER'S POLICY OF TITLE INSURANCE

Issued by

CHICAGO TITLE INSURANCE COMPANY

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

OWNER'S POLICY (2006)

- 6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
- 7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
- 8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
- 9. Title being vested other than as stated Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- 10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

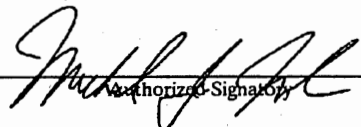
Issued By:

CHICAGO TITLE INSURANCE COMPANY
201 NORTH NEIL STREET
CHAMPAIGN, IL 61820

Refer Inquiries To:

(217)356-0501

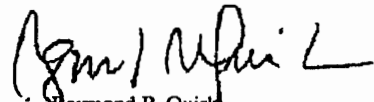
Countersigned


Authorized Signatory

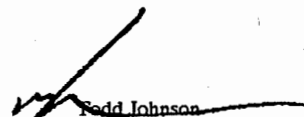
CHICAGO TITLE INSURANCE COMPANY



By:


Raymond R. Quirk
President

By:


Todd Johnson
Secretary

CHICAGO TITLE INSURANCE COMPANY

OWNER'S POLICY (2006)

POLICY NUMBER: 1284 - 530002686 - CH

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured.

- (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
- (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
- (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

CHICAGO TITLE INSURANCE COMPANY
OWNER'S POLICY (2006)

POLICY NUMBER: 1284 - 530002686 - CH

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an

action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to

secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
(i) the Amount of Insurance; or
(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

CHICAGO TITLE INSURANCE COMPANY

OWNER'S POLICY (2006)

CR

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at

CHICAGO TITLE INSURANCE COMPANY
ATTN: Claims Department
P.O. Box 45023
Jacksonville, FL 32232-5023

CHICAGO TITLE INSURANCE COMPANY

OWNER'S POLICY (2006)

SCHEDULE A

POLICY NUMBER: 1284 - 530002686 - CH

DATE OF POLICY: JULY 5, 2012

AMOUNT OF INSURANCE: \$1,000.00

1. NAME OF INSURED:

City of Urbana

2. THE ESTATE OR INTEREST IN THE LAND THAT IS INSURED BY THIS POLICY IS:

FEE SIMPLE, UNLESS OTHERWISE NOTED.

3. TITLE IS VESTED IN:

THE INSURED

4. THE LAND HEREIN DESCRIBED IS ENCUMBERED BY THE FOLLOWING MORTGAGE OR TRUST DEED AND ASSIGNMENTS:

NONE

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

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CHICAGO TITLE INSURANCE COMPANY
OWNER'S POLICY (2006)
SCHEDULE A (CONTINUED)

POLICY NUMBER: 1284-530002686-CH

5. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

Lot 1 of Eastern Illinois Foodbank Replat, as per plat recorded November 7, 1996 in Book "CC" at Page 220 as Document Number 96R28026, in Champaign County, Illinois.

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

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CHICAGO TITLE INSURANCE COMPANY

OWNER'S POLICY (2006)

SCHEDULE B

POLICY NUMBER: 1284 - 530002686 - CH

EXCEPTIONS FROM COVERAGE

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE, THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES THAT ARISE BY REASON OF:

GENERAL EXCEPTIONS:

- (1) RIGHTS OR CLAIMS OF PARTIES IN POSSESSION NOT SHOWN BY PUBLIC RECORDS.
- (2) ANY ENCROACHMENT, ENCUMBRANCE, VIOLATION, VARIATION, OR ADVERSE CIRCUMSTANCE AFFECTING THE TITLE THAT WOULD BE DISCLOSED BY AN ACCURATE AND COMPLETE LAND SURVEY OF THE LAND.
- (3) EASEMENTS, OR CLAIMS OF EASEMENTS, NOT SHOWN BY PUBLIC RECORDS.
- (4) ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL HERETOFORE OR HEREAFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS.
- (5) TAXES OR SPECIAL ASSESSMENTS WHICH ARE NOT SHOWN AS EXISTING LIENS BY THE PUBLIC RECORDS.

- B 6. Taxes for the year 2012, which are a lien although not yet due and payable.
Cunningham Township, 91-21-08-452-005.
- C 7. Rights of the public and the municipality in and to the free and uninterrupted flow of the waters of the Boneyard Ditch located on the premises in question.
- D 8. Existing unrecorded leases and all rights thereunder of the lessees and of any person or party claiming by, through or under the lessees.
- E 9. Rights of Way for sewers and branches thereto, across the premises and other property, as set forth in quit claim deed from George Besore to the City of Urbana dated July 17, 1894 and recorded November 1, 1894 in Book 93 at Page 628.
- F 10. Rights of the Urbana and Champaign Sanitary District of Champaign County, Illinois, under right of way easement from M. Benjamin Alleman dated June 7, 1923 and recorded April 14, 1927 in Book 204, Page 416 as Document No. 211440.
- G 11. Easement in favor of the Urbana and Champaign Sanitary District of Champaign County, Illinois, its successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded May 1, 1962 in Book 697 at Page 679 as Document No. 679093.

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CHICAGO TITLE INSURANCE COMPANY
OWNER'S POLICY (2006)
SCHEDULE B

POLICY NUMBER: 1284 - 530002686 - CH

EXCEPTIONS FROM COVERAGE (CONTINUED)

- H 12. Agreement between the Board of Education, Urbana School District No. 116 and the Urbana and Champaign Sanitary District dated September 13, 1988 and recorded September 26, 1988 in Book 1605 at Page 22 as Document No. 88R20938, relating to use of easement area.
- I 13. Quit Claim Deed from The Urbana & Champaign Sanitary District to The City of Champaign and The City of Urbana recorded October 9, 1992 in Book 1855 at Page 467 as Document No. 92R28739, conveying all of the rights of the Grantor which constitute fee simple title and all of the rights of the Grantor which constitute easements and rights of way with respect to the Boneyard Creek, which rights are utilized in connection with the maintenance of the flow of the Boneyard Creek for drainage purposes and which were conveyed to the Grantor pursuant to an Order for Detachment on February 8, 1949 and entered by the Champaign County Court in Drainage Docket No. 19.
- J 14. Covenants, restrictions, easements, and setback lines (but omitting any such covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons) contained in Owner's Certificate attached to and as shown on the Plat of Eastern Illinois Foodbank Replat Subdivision, recorded November 7, 1996 in Book "CC" at Page 220 as Document No. 96R28026, which does not contain a reversionary or forfeiture clause.
- K 15. The Plat of Eastern Illinois Foodbank Replat Subdivision, recorded November 7, 1996 in Book "CC" at Page 220 as Document No. 96R28026, includes a certification by the surveyor that the land is located within a special flood area as identified by the federal emergency management agency.
- P 16. The Company has delivered this Commitment and/or Policy to the proposed insured and/or insured by electronic means. All signatures contained herein are to be effective under the provisions of Section 5-110 of the Illinois ELECTRONIC COMMERCE SECURITY ACT (5 ILCS 175/5-110).

END



CHICAGO TITLE INSURANCE COMPANY

POLICY SIGNATURE PAGE

POLICY NUMBER: 1284 - 530002686 - CH

THIS POLICY SHALL NOT BE VALID OR BINDING UNTIL SIGNED BY AN AUTHORIZED SIGNATORY.

CHICAGO TITLE INSURANCE COMPANY

BY



AUTHORIZED SIGNATORY

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