

# CITY OF WASHINGTON

## PLANNING & DEVELOPMENT DEPARTMENT

301 Walnut St. · Washington, IL 61571

Ph. 309-444-1135 · Fax 309-444-9779

<http://www.washington-illinois.org>

[joliphant@ci.washington.il.us](mailto:joliphant@ci.washington.il.us)

### MEMORANDUM

TO: Mayor Manier and City Council  
FROM: Jon R. Oliphant, AICP, Planning & Development Director  
SUBJECT: Resolution – 1851 Constitution Purchase and Sale Agreement  
DATE: July 10, 2019

**Summary:** Attached is an agreement for the purchase and sale of real property for the City-owned 1851 Constitution parcel. The family of John Bearce and Riverfront Automart, Inc., has agreed to a purchase price of \$92,800. Staff recommends approval of the agreement.

**Background:** The 2.41-acre property was officially offered for sale about a year ago after being declared as surplus on May 7, 2018. The property was appraised at \$116,000 (\$48,133 per acre) as of February 26, 2018. The property is in the city limits and is zoned C-3 (Service Retail).

Mr. Bearce owns a few adjacent properties: A 20.79-acre property immediately to the north of 1851 Constitution, a 6.33-acre parcel south of 1851 Constitution, and a 1.67-acre parcel at the northwest corner of the Constitution/Mt. Vernon intersection. The City of Washington purchased this property in 2008 from Jack Pudik for \$139,500. Mr. Pudik purchased it from Mr. Bearce in 1991 for \$70,000. Water and sewer are both available on Constitution and Mt. Vernon.

The offer is 80% of the appraised value, which state statute sets as the minimum that municipalities can accept for surplus real estate. The Council can accept any proposal determined to be in the best interest of the municipality by at least a  $\frac{3}{4}$  majority vote so long as it is at least 80% of the appraised value. Staff recommends approval of the agreement. A resolution to approve the agreement is scheduled for the July 15 City Council meeting.

Attachment

**RESOLUTION NO. \_\_\_\_\_**

(Synopsis: Approval of this resolution would sell the City-owned 1851 Constitution Street property to Riverfront Automart, Inc., in an amount of \$92,800).

**A RESOLUTION AUTHORIZING THE SALE OF MUNICIPALLY-OWNED REAL PROPERTY (1851 CONSTITUTION STREET) TO RIVERFRONT AUTOMART, INC.**

**WHEREAS**, the City of Washington is a home-rule municipality in accordance with the Constitution of the State of Illinois of 1970; and

**WHEREAS**, the City of Washington, Tazewell County, Illinois, owns the following-described real property:

Lot 3 in Mount Vernon Commercial Park Section Two in the City of Washington, Tazewell County, Illinois, as shown on Plat of Subdivision recorded in Plat Book "HH", page 136 & 137 in the Office of the Tazewell County Recorder of Deeds.

PIN: 02-02-15-300-024

Commonly Known As: 1851 Constitution St, Washington, IL 61571

The real property ("1851 Constitution Street") is generally located at the northeastern corner of Constitution Street and Mt. Vernon; and

**WHEREAS**, the City has received an offer from Riverfront Automart, Inc., to purchase 1851 Constitution Street for Ninety-Two Thousand Eight Hundred and No/100 Dollars (\$92,800.00); and

**WHEREAS**, the Corporate Authorities find and determine that the best interest of the City and its residents will be served by the acceptance of the proposal and the sale for the amount and terms contained in the Agreement for Purchase and Sale of Real Property;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AND THE MAYOR OF THE CITY OF WASHINGTON, TAZEWEEL COUNTY, ILLINOIS**, as follows:

**Section 1.** The foregoing recitals are incorporated herein as findings of the Mayor and City Council.

**Section 2.** The proposed sale price submitted by Riverfront Automart, Inc., of Ninety-Two Thousand Eight Hundred and No/100 Dollars (\$92,800.00) is hereby accepted by the Mayor and City Council on behalf of the City for the sale of 1851 Constitution Street.

**Section 3.** The Mayor is hereby authorized and directed to sign and the City Clerk is hereby authorized and directed to attest the Agreement for Purchase and Sale of Real Property, a copy of which is attached hereto as "Exhibit A" and by reference expressly made a party hereof.

**Section 4.** Upon satisfaction of the terms of the aforesaid Purchase and Sale of Real Property and upon payment of the purchase price in the manner in said Agreement, the Mayor is hereby

authorized and directed to convey and transfer 1851 Constitution Street to Riverfront Automart, Inc. by a proper deed of conveyance, stating therein the aforesaid consideration and the City Clerk is hereby authorized to acknowledge and attest such deed and to affix thereto the seal of the City.

**Section 5.** The Mayor and City Clerk are hereby authorized, respectively, to execute and attest to such other documents as may be necessary to the conveyance herein authorized.

**Section 6.** This resolution shall be in full force and effect from and after its passage, by a vote of at least three-quarters of the Corporate Authorities now holding office and approval in the manner provided by law.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019

AYES \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

---

## AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

---

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (this “**Agreement**”) is made and entered into this 15th day of July, 2019 (the “**Effective Date**”), by and between the City of Washington, an Illinois municipal corporation (the “**Seller**”), and John Bearce (the “**Purchaser**”).

### RECITAL

WHEREAS, Purchaser desires to purchase real property described in Section 1 below and in connection therewith Seller and Purchaser desire to enter into this Agreement to set forth the terms and conditions of such purchase and sale.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale Agreement. Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller, subject to all of the terms and conditions of this Agreement, the real estate legally described in the attached Exhibit “A”, together with all privileges, rights, easements, hereditaments and appurtenances (“**Real Property**”). Seller shall convey merchantable title to the Real Property to Purchaser by special warranty deed free and clear of all liens and encumbrances, and not subject to any easements, covenants, restrictions, dedications or rights of way, or other matters affecting title to the Real Property or use of the Real Property, except for those title exceptions (“**Permitted Objections**”) identified in the 2006 ALTA form title commitment (“**Title Commitment**”) for a 2006 ALTA Form Owner’s Title Insurance Policy (“**Title Policy**”) issued by Chicago Title Insurance Company (“**Title Insurer**”), covering the Real Property in the amount of the Purchase Price showing merchantable record title to the Real Property to be in Seller, a copy of which is attached hereto as Exhibit “B”. Notwithstanding the foregoing, Purchaser expressly objects to the exceptions listed on Schedule B, Part II of the Title Policy as Items 6, 7, and 13 (“**Objected Exceptions**”). For the purpose of this Agreement, the Objected Exceptions shall not be considered Permitted Objections, and Seller agrees that those Objected Exceptions shall be removed or endorsed over in the Title Policy issued by the Title Insurer at Closing.

2. Purchase Price. The agreed purchase price of the Real Property (“**Purchase Price**”) shall be Ninety-Two Thousand Eight Hundred and No/100 Dollars (\$92,800.00) to be paid by Purchaser to Seller as follows:

2.1 Nine Thousand and No/100 Dollars (\$9,000.00) in cash as earnest money (“**Earnest Money**”), which has been deposited in escrow with the Title Insurer; and

2.2 The balance of the Purchase Price (in excess of the Earnest Money) at Closing (defined in Section 4.1), plus or minus credits and prorations provided for in this Agreement, by bank wire transfer of collected federal funds.

3. Title Policy. At Closing, Seller shall cause the Title Insurer to issue the Title Policy to Purchaser (in accordance with the Title Commitment attached hereto as Exhibit "B"), subject only to the Permitted Objections and other matters approved or waived in writing by the Purchaser. For the avoidance of doubt, the Title Policy shall not be subject to the Objected Exceptions.

4. Closing. The purchase of the Real Property shall be consummated as follows:

4.1 Closing Date. The closing (the "**Closing**") shall be on July 26, 2019, or such earlier date as may be agreed upon by Purchaser and Seller in advance (**the "Closing Date"**) and shall be held at the office of the Title Insurer, unless the parties agree otherwise.

4.2 Seller's Deliveries. At Closing, Seller shall deliver to Purchaser the following:

4.2.1 Deed. An executed special warranty deed to the Real Property prepared by Seller and in a form reasonably acceptable to Purchaser (the "**Deed**").

4.2.2 Title Policy. The Title Policy provided for in Section 3 hereof.

4.2.3 ALTA Statement. An executed ALTA Statement in the form required by the Title Insurer.

4.2.4 Other Documents. Such other documents, instruments, certifications and confirmations as may be reasonably required by Purchaser to fully effect and consummate the transactions contemplated hereby.

4.2.5 Evidence of Authorization. Evidence satisfactory to Purchaser and the Title Insurer that Seller is authorized to execute this Agreement and proceed with the transactions provided for herein.

4.3 Purchaser's Deliveries. At Closing, Purchaser shall deliver to Seller the following:

4.3.1 Purchase Price. The Purchase Price in the form as set forth in Section 2 hereof, plus or minus prorations provided for in this Agreement.

4.3.2 ALTA Statement. An executed ALTA Statement in the form required by the Title Insurer.

4.3.3 Other Documents. Such other documents, instruments, certifications and confirmations as may reasonably be required by Seller to fully effect and consummate the transactions contemplated hereby.

4.3.4 Evidence of Authorization. Evidence satisfactory to Seller and the Title Insurer that Purchaser is authorized to execute this Agreement and proceed with the transactions provided for herein.

4.4 Joint Deliveries. At Closing, Seller and Purchaser shall jointly deliver to each other the following:

4.4.1 Closing Statement: An agreed upon closing statement.

4.4.2 Transfer Tax Filings. Executed documents complying with the provisions of all federal, state, county and local law applicable to the determination of transfer taxes.

4.5 Possession. Possession of the Real Property shall be delivered to Purchaser on the Closing Date, subject to any leases identified in the Title Commitment.

4.6 Property Taxes.

4.6.1 Payments by Seller. All installments of real property taxes on the Real Property which are due and owing on or prior to the Closing Date shall be paid by Seller prior to or at Closing.

4.6.2 Credit to Purchaser for Taxes. Purchaser shall receive a credit against the Purchase Price for all installments of real property taxes on the Real Property for the calendar year immediately preceding the Closing Date which are not yet due and owing as of the Closing Date. Purchaser shall also receive a credit against the Purchase Price for the real property taxes for the calendar year of the Closing based on the latest available assessment and tax rate.

4.7 Closing Costs. Purchaser shall pay the following costs: Purchaser's attorneys' fees, recording fees for recording the deed and all other miscellaneous closing costs. Seller shall pay the following costs: Seller's attorneys' fees, the insurance premium for the title policy issued pursuant to the commitment for title insurance required by Section 3.1 above, any transfer taxes and the cost of documentary stamps.

4.8 Brokerage Commissions. Seller has not engaged any real estate broker in connection with the sale of the Real Property. Purchaser has not engaged any broker in connection with the sale of the Real Property.

4.9 Special Assessments. Seller will pay any unpaid special assessments confirmed prior to the Closing Date. Seller knows of no proceeding for special assessments against the Real Property.

5. Seller's Representations, Warranties and Covenants. Purchaser expressly agrees to purchase the Real Property "AS IS", it being fully understood that the Seller has made no warranties or representations of any kind pertaining to the Real Property, or the condition thereof.

6. Default. If either Seller or Purchaser wrongfully refuses to close the sale of the Real Property or is unable to close the sale of the Real Property under the terms of this Agreement, the same shall constitute a breach of this Agreement and the non-breaching party shall be entitled to all remedies under Illinois law at the time of the breach and the right to recover as an element of its damages, reasonable attorneys' fees and court costs and all other damages suffered as a result of the breach or default hereunder.

7. Assignment. Purchaser may assign its rights under this Agreement with prior written notice to Seller. Seller shall not assign its rights under this Agreement.

8. Casualty. If the buildings and improvements forming a part of the Real Property are damaged or destroyed by fire or other casualty from and after the date hereof Seller, at its option may, or may not, repair such damage or destruction and Purchaser may either (i) accept such repairs, or non-repairs, as the case may be, and this Agreement shall close according to its terms, or (ii) terminate this Agreement by providing written notice of such termination to Seller as provided in Section 10 below. In the event of such termination, the parties shall have no further rights or liability under this Agreement.

9. Condemnation. Intentionally Omitted

10. Miscellaneous. It is further understood and agreed as follows:

10.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute one and the same instrument.

10.2 Severability. If any provision of this Agreement shall be held to be void or unenforceable for any reason, the remaining terms and provisions hereof shall not be affected thereby.

10.3 Time. Time is of the essence of this Agreement.

10.4 Binding Effect. The provisions of this Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

10.5 Amendment and Waiver. This Agreement may be amended at any time in any respect only by an instrument in writing executed by Seller and Purchaser. Either party may waive any requirement to be performed by the other hereunder, provided that said waiver shall be in writing and executed by the party waiving the requirement.

10.6 Integrated Agreement. This Agreement, and all exhibits attached to this Agreement, constitutes the entire agreement between Purchaser and Seller relating to the purchase of the Real Property, and there are no agreements, understandings, restrictions, warranties or representations between Purchaser and Seller other than those set forth herein.

10.7 Choice of Law. It is the intention of Seller and Purchaser that the internal laws of Illinois, and not its law of conflicts, shall govern the validity of this Agreement, the construction of its terms and interpretation of the rights and duties of Purchaser and Seller.

10.8 Notices. All notices, requests and other communications required or permitted by this Agreement shall be in writing and may be personally delivered, including by any nationally recognized courier service such as Federal Express, or mailed by certified or registered mail with first class postage prepaid and a return receipt requested, addressed to:

If to Seller:

City of Washington  
Attn: City Administrator  
301 Walnut Street  
Washington, IL 61571

With a copy to:

Derek A. Schryer  
Davis & Campbell L.L.C.  
401 Main Street, Suite 1600  
Peoria, IL 61602

If to Purchaser:

John Bearce  
12 Chrisendale Lane  
Washington, IL 61571

With a copy to:

Robert C. Hall  
Miller, Hall & Triggs, LLC  
416 Main Street, Suite 1125  
Peoria, Illinois 61602

A notice (i) delivered personally will be deemed received on the date delivered or refused, (ii) mailed will be deemed received on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be. "Business Day" shall mean any day of the year, other than Saturday, Sunday or a state or federal holiday observed in the place of sending or receipt of a notice, request or other communication required or permitted under this Agreement. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; and, thereafter, notices are to be directed to those substitute addresses or addressees.



10.9 Waiver of Tender. Formal tender of an executed deed and the Purchase Price each is hereby waived.

10.10 Construction of the Agreement. Each party had the opportunity to be represented by legal counsel during the negotiation resulting in this Agreement. The parties agree that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

10.11 Section 1031 Exchange. Purchaser may structure this transaction as a like-kind exchange under Internal Revenue Code Section 1031 at Purchaser's sole cost and expense. Seller shall reasonably cooperate therein, provided that Seller shall incur no material costs, expenses, or liabilities in connection with such exchange, nor shall the Closing Date be delayed on account thereof. Purchaser shall indemnify, defend, and hold Seller harmless therefrom, and Seller shall not be required to take title to or contract for purchase of any other property. If Purchaser uses a qualified intermediary to effectuate such an exchange, any assignment of the rights or obligations of Purchaser hereunder shall not relieve, release, or absolve Purchaser of any of its obligations to Seller.

10.12 Discrepancy in Description. If the description of the Real Property on Exhibit "A" does not correctly describe the Real Property to be purchased hereunder, as legally described in the Title Commitment, the description of the Premises on Exhibit "A" shall be modified to correctly describe the same in accordance with the Title Commitment.

10.13 Delivery by Facsimile or PDF. This Agreement, the agreements referred to in this Agreement, and each other agreement or instrument entered into in connection with this Agreement, to the extent signed and delivered by means of emailed PDF, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party to this Agreement or to any such agreement or instrument shall raise the use of email to deliver a signature or the fact that any signature or agreement or instrument was transmitted through the use of email as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

**[Remainder of Page Left Intentionally Blank]**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, as of the day and year first above written.

**PURCHASER:**

\_\_\_\_\_  
John Bearce

**SELLER:**

CITY OF WASHINGTON

By: \_\_\_\_\_  
Gary W. Manier, Mayor

Attest

By: \_\_\_\_\_  
Patricia S. Brown, City Clerk

**EXHIBIT "A" to  
Agreement for Purchase and Sale of Real Property**

*Real Property*

Lot 3 in Mount Vernon Commercial Park Section Two in the City of Washington, Tazewell County, Illinois, as shown on Plat of Subdivision recorded in Plat Book "HH", page 136 & 137 in the Office of the Tazewell County Recorder of Deeds.

PIN: 02-02-15-300-024

Commonly Known As: 1851 Constitution St, Washington, IL 61571

**EXHIBIT "B" to**  
**Agreement for Purchase and Sale of Real Property**  
*Title Commitment*

Title Commitment Number: 5245-1900713

# ALTA COMMITMENT FOR TITLE INSURANCE

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Commitment Number:

**5245-1900713**

## NOTICE

**IMPORTANT - READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

## COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, Chicago Title Insurance Company, a Florida corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within one hundred eighty (180) days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**Chicago Title Insurance Company**

By:

President

Attest:

Secretary

Countersigned By:

Authorized Officer or Agent



*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

**Copyright American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment for Title Insurance (08/01/2016)

Page 1

Printed: 06.13.19 @ 09:05 AM  
IL-CT-FMDI-01080.225245-SPS-1-19-5245-1900713



**Transaction Identification Data for reference only:**

ORIGINATING OFFICE:	FOR SETTLEMENT INQUIRIES, CONTACT:
Chicago Title Company 2808 Court St. Pekin, IL 61554 Main Phone: (309)347-1235 Email: ellen.whelan@ctt.com	Chicago Title and Trust Company 2808 Court St. Pekin, IL 61554 Main Phone: (309)347-1235 Main Fax: (309)347-1283

**Order Number: 5245-1900713****Property Ref.:** 1851 Constitution St, Washington, IL 61571**SCHEDULE A**

1. Commitment Date: May 17, 2019
2. Policy to be issued:
  - (a) ALTA Owner's Policy 2006  
Proposed Insured: John Bearce  
Proposed Policy Amount: \$92,800.00
3. The estate or interest in the Land described or referred to in this Commitment is:  
Fee Simple
4. The Title is, at the Commitment Date, vested in:  
City of Washington, an Illinois municipal corporation
5. The Land is described as follows:  
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

**END OF SCHEDULE A**

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

**Copyright American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment for Title Insurance (08/01/2016)



**EXHIBIT "A"**  
Legal Description

**For APN/Parcel ID(s): 02-02-15-300-024**

---

Lot 3 in Mount Vernon Commercial Park Section Two in the City of Washington, Tazewell County, Illinois, as shown on Plat of Subdivision recorded in Plat Book "HH", page 136 & 137 in the Office of the Tazewell County Recorder of Deeds.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; a counter-signature by the Company or its issuing agent that may be in electronic form.*

**Copyright American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.



Name and Address of Title Insurance Company: Chicago Title Company  
2808 Court St.  
Pekin, IL 61554

### SCHEDULE B, PART I REQUIREMENTS

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. Be advised that the "good funds" of the title insurance act (215 ILCS 155/26) became effective 1-1-2010. This act places limitations upon the settlement agent's ability to accept certain types of deposits into escrow. Please contact your local Chicago Title office regarding the application of this new law to your transaction.
7. Effective June 1, 2009, pursuant to Public Act 95-988, satisfactory evidence of identification must be presented for the notarization of any and all documents notarized by an Illinois notary public. Satisfactory identification documents are documents that are valid at the time of the notarial act; are issued by a state or federal government agency; bear the photographic image of the individual's face; and bear the individual's signature.
8. **The Proposed Policy Amount(s) must be increased to the full value of the estate or interest being insured, and any additional premium must be paid at that time. An Owner's Policy should reflect the purchase price or full value of the Land. A Loan Policy should reflect the loan amount or value of the property as collateral. Proposed Policy Amount(s) will be revised and premiums charged consistent therewith when the final amounts are approved.**

### END OF SCHEDULE B, PART I

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment for Title Insurance (08/01/2016)





Name and Address of Title Insurance Company: Chicago Title Company  
2808 Court St.  
Pekin, IL 61554

### **SCHEDULE B, PART II EXCEPTIONS**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

#### **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 the 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.**
6. **We should be furnished a properly executed ALTA statement and, unless the land insured is a condominium unit, a survey if available. Matters disclosed by the above documentation will be shown specifically.**
7. **Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.**
8. **Taxes for the years 2018 & 2019.**

Taxes for the years 2019 are not yet due or payable.

Permanent Tax No.: 02-02-15-300-024

Note: Taxes for the year 2018 are EXEMPT.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

**Copyright American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment for Title Insurance (08/01/2016)



Name and Address of Title Insurance Company: Chicago Title Company  
2808 Court St.  
Pekin, IL 61554

**SCHEDULE B, PART II**  
**EXCEPTIONS**  
(continued)

9. Please be advised that our search did not disclose any open mortgages of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
10. Easements, setback lines, and Covenants and Restrictions, (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 the Owner's Certificate attached to and as shown on the recorded Plat of Mount Vernon Commercial Park Section Two, which does not contain a reversionary or forfeiture clause.
11. Rights of the public, the State of Illinois and the municipality in and to that part of the Land, if any, taken or used for road purposes.
12. Rights of Way for drainage tiles, ditches, feeders, laterals and underground pipes, if any.
13. Existing unrecorded leases and all rights thereunder of the lessees and of any person or party claiming by, through or under the lessees.
14. The Land described in Schedule A either is unsubdivided property or constitutes part of a subdivided lot. As a result, a Plat Act Affidavit should accompany any conveyance to be recorded. In the alternative, compliance should be had with the provisions of the Plat Act (765 ILCS 205/1 et seq.)

**END OF SCHEDULE B, PART II**

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

**Copyright American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment for Title Insurance (08/01/2016)



**COMMITMENT CONDITIONS****1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "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 to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I-Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I-Requirements;
- (f) Schedule B, Part II-Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I-Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II-Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I-Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment for Title Insurance (08/01/2016)

Page 7

Printed: 06.13.19 @ 09:05 AM  
IL-CT-FMDI-01080.225245-SPS-1-19-5245-1900713



(continued)

- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
  - (d) The deletion or modification of any Schedule B, Part II-Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
  - (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
  - (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.
- 7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**  
The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.
- 8. PRO-FORMA POLICY**  
The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.
- 9. ARBITRATION**  
The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is Two Million And No/100 Dollars (\$2,000,000.00) or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

**END OF CONDITIONS****1031 EXCHANGE SERVICES**

If your transaction involves a tax deferred exchange, we offer this service through our 1031 division, IPX1031. As the nation's largest 1031 company, IPX1031 offers guidance and expertise. Security for Exchange funds includes segregated bank accounts and a 100 million dollar Fidelity Bond. Fidelity National Title Group also provides a 50 million dollar Performance Guaranty for each Exchange. For additional information, or to set-up an Exchange, please call Scott Nathanson at (312)223-2178 or Anna Barsky at (312)223-2169.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

**Copyright American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment for Title Insurance (08/01/2016)

