

CONTRACT TO PURCHASE

This contract is entered into this _____ day of _____, 2000, between Deana M. Davis (hereinafter referred to as "Seller") and the City of Mason, Ohio, a municipal corporation, 202 West Main Street, Mason, Ohio 45040 (hereinafter referred to as "Purchaser").

Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller all property and improvements located at 576 South Mason-Montgomery Road, which includes a house and approximately .745 acres of land, and also identified as Sidwell #16291000050, in the City of Mason, Warren County, Ohio (the "Property"). Purchaser intends to use the Property for municipal purposes.

The purchase and sale shall be completed on the following terms and conditions:

1. Price, Terms of Payment: The purchase price shall be \$120,840 for the Property. Purchaser shall pay the entire purchase price, in cash, at closing.
2. Moving Expense: Purchaser agrees to pay \$4,000 at closing to Seller for anticipated moving expenses.
3. Possession Following Closing: Purchaser shall be entitled to possession by June 30, 2001. In the event Seller vacates the property prior to June 30, 2001 Seller shall provide written notice of vacation and Purchaser shall be entitled to immediate occupancy.
4. Removal of Items: Seller shall remove any and all items desired, including personal items and fixtures, from Property prior to possession.
5. Conveyance and Closing: Purchaser agrees to pay all conveyance and closing costs. Seller agrees to convey marketable title to the Property by general warranty deed, in fee simple, free, clear and unencumbered, with release of dower, if any, on or before August 31, 2000. Real estate taxes shall be prorated through the date of closing.
6. Risk of Loss: Seller agrees that they will maintain, until the date of closing, fire and extended coverage insurance on the Property in an amount not less than the purchase price. In the event the Property is damaged or destroyed by fire or other casualty prior to closing, the Purchaser shall have the option of (a) accepting the Property in its damaged condition, in which event, Seller shall assign, in full, the proceeds of the insurance as a result of said damage or destruction, or (b) terminating this contract, in which event, any earnest money given by Purchaser

shall be immediately returned to Purchaser and all obligations of Purchaser and Seller shall terminate. The risk of loss or damage to the Property by any insurable casualty shall be assumed by Seller until the date of closing.

- 7. No Brokers: Purchaser and Seller represent to each other that there are no brokers involved in this transaction that may make a claim for a commission on the sale of the Property.
- 8. Binding Effect: This contract shall be binding upon the heirs, successors and assigns of Purchaser and Seller.
- 9. Entire Contract: This contract represents the entire agreement between the parties. Any modifications to this contract shall be in writing, signed by both Purchaser and Seller, and attached to this contract.

WITNESSES:

SELLER:

Deana M. Davis

WITNESSES:

PURCHASER: CITY OF MASON

Scot F. Lahrmmer, City Manager for
City of Mason

STATE OF OHIO)
) SS:
COUNTY OF WARREN)

BE IT REMEMBERED that on this _____ day of _____, 2000, before me, the subscriber, a Notary Public in and for said County and State, personally came Deana M. Davis, and acknowledged the signing of the foregoing instrument, and that the same is his voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name affixed my notarial seal on the day and year first above written.

214

Sidwell No. 16 29 100 005



GENERAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS:

That **DEANA M. DAVIS**, an unmarried woman, whose address is 576 S. Mason-Montgomery Road, Mason, Ohio 45040, hereafter known as the Grantor, for valuable consideration paid, grants with general warranty covenants to **CITY OF MASON, OHIO, an Ohio municipal corporation**, its successors and assigns forever, whose tax mailing address is 202 W. Main Street, Mason, Ohio 45040, known as the Grantee, the following described real estate:

Situated in the State of Ohio, County of Warren, and in the City of Mason:

Situated in Deerfield Township, and being part of Section 29, Town 4, Range 2, M.R.S. and described as follows:

Beginning at a point in the center of the Mason Montgomery Road, at the southwest corner of a 2.235 acre tract as per Deed Book 219, Page 209 and running thence with the center of said road N. 4° 09' E. 100 feet to a point, witness an iron rod bears S. 87° 14' E. 30 feet; running thence by new division line S. 87° 14' E. 325 feet to an iron rod; thence S. 4° 09' W. 100 feet to an iron rod; thence N. 87° 14' W. 325 feet to the place of beginning, containing 0.745 of an acre, more or less.

The property is conveyed subject to and there are hereby excepted from the general warranty covenants all easements and restrictions of record, established easements, zoning ordinances and real estate taxes and assessments, which are due, but not yet payable.

Being the same property conveyed to the Grantor herein by instrument recorded in Official Record 1834, Page 818 of the Warren County, Ohio, Records.

IN WITNESS WHEREOF, The said DEANA M. DAVIS has hereunto set her hand this 30th day of August, 2000.

Signed and acknowledged in the presence of:

Nathaniel Guyer

Print Name

Scott Lahmer

Print Name

Deana M. Davis

DEANA M. DAVIS

STATE OF OHIO)) SS:

COUNTY OF WARREN))

BE IT REMEMBERED, that on this 30th day of August, 2000 before me, the subscriber, a Notary Public in and for said County and State, personally came DEANA M. DAVIS and acknowledged the signing of the foregoing instrument, and that the same is her voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal on the day and year first above written.



HEATHER L. ENGEL
Notary Public, State of Ohio
My Commission Expires June 20, 2001

Heather L. Engel
Notary Public

My Commission Expires: _____

This Instrument Prepared By _____

THOMAS M. WOEBKENBERG
WOOD & LAMPING
600 Vine Street, Suite 2500
Cincinnati, Ohio 45202
513/852-6044

SB - 1.685M/GG

BETH DECKARD - WARREN COUNTY RECORDER
Doc #: 200001 Type: DEED
Filed: 9/15/2000 11:36:49 \$ 14.00
OR Volume: 2009 Page: 402 Return: M
Rec#: 18902 Pages: 2
WOOD & LAMPING

TS
TRANSFERRED
SEP 15 2000
SEC. 319.202 COMPLIED WITH
NICK NELSON, Auditor
WARREN COUNTY, OHIO
BT

A. U.S. Department of Housing and Urban Development

B. Type of Loan	
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FMHA
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.
6. File Number	
1311	
7. Loan Number	
8. Mortgage Ins. Case No.	

Settlement Statement

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked ("POC") were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. Name of Borrower: CITY OF MASON, OHIO, 202 W. Main Street, Mason, OH 45040

E. Name of Seller: DEANA M. DAVIS, 576 S. Mason-Montgomery Road, Mason, OH 45040

F. Name of Lender: Cash Closings

G. Property Location: 576 S Mason-Montgomery Road, Mason, OH 45040

H. Settlement Agent: Wood & Lamping
600 Vine Street, Suite 2500, Cincinnati, OH 45202-2409

I. Settlement Date: 8/30/2000

Proration Date: 8/30/2000

TIN: 291-84-1257

Summary of Borrower's Transaction

100. Gross amount due from borrower:	400. Gross amount due to seller:
101. Contract sales price	401. Contract sales price
102. Personal property	402. Personal property
103. Settlement charges to borrower (line 1400)	403.
104.	404. Moving Allowance
105.	405.

Summary of Seller's Transaction

500. Reduction in amount due to seller:	120,840.00
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	0.00
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	87,346.04
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	
510. City/town taxes	789.34
511. County taxes	1/1/2000 to 8/30/2000
512. Assessments	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total reduction in amount due seller:	88,135.38

Adjustments to Net Proceeds to Seller

200. Gross amount due from borrower:	121,495.00	420. Gross amount due to seller:	124,840.00
201. Deposit or earnest money		500. Reduction in amount due to seller:	
202. Principal amount of new loan(s)		501. Excess deposit (see instructions)	
203. Existing loan(s) taken subject to		502. Settlement charges to seller (line 1400)	0.00
204.		503. Existing loan(s) taken subject to	
205.		504. Payoff of first mortgage loan	87,346.04
206.		505. Payoff of second mortgage loan	
207.		506.	
208.		507.	
209.		508.	
210.		509.	

Adjustments to Net Proceeds to Buyer

210. City/town taxes	789.34	510. City/town taxes	789.34
211. County taxes	1/1/2000 to 8/30/2000	511. County taxes	1/1/2000 to 8/30/2000
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	

Cash Settlement by Borrower

300. Cash settlement by borrower:	121,495.00	600. Cash settlement from seller:	124,840.00
301. Gross amount due from borrower (line 120)	789.34	601. Gross amount due to seller (line 420)	124,840.00
302. Less amount paid by/for borrower (line 220)	120,705.66	602. Less total reduction in amount due seller (line 520)	88,135.38
303. CASH (X) FROM (I) TO BORROWER		603. CASH (X) TO SELLER	36,704.62

SUBSTITUTE FORM 1099 SELLER STATEMENT - The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 406, 407 and 408-412 (applicable part of buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

SELLER INSTRUCTION - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required by law to provide Wood & Lamping with your correct taxpayer identification number. If you do not provide Wood & Lamping with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

Deana M. Davis

DEANA M. DAVIS

700.	Total sales/broker commission	Paid From	Paid From
701.	Division of commission (line 700) as follows:	Borrower's	Seller's
702.	\$	Funds at	Funds at
703.	\$	Settlement	Settlement
704.	Commission paid at settlement		
800.	Loan origination fee		
801.	Loan discount		
802.	Appraisal fee		
803.	Credit report		
804.	Lender's inspection fee		
805.	Mortgage insurance application fee		
806.	Assumption fee		
807.			
808.			
809.			
810.			
811.			
812.			
813.			
900.	Interest from		
901.	Mortgage insurance premium for		
902.	Hazard insurance premium for		
903.			
904.			
905.			
1000.	Hazard insurance		
1001.	Mortgage insurance		
1002.	City property taxes		
1003.	County property taxes		
1004.	Annual assessments (maint.)		
1005.			
1006.			
1007.			
1008.			
1009.			
1100.	Settlement or closing fee		
1101.	Abstract or title search		
1102.	Title examination		
1103.	Title insurance binder to Wood & Lamping	50.00	
1104.	Document preparation		
1105.	Notary fees		
1106.	Attorney's fees to		
1107.	includes above items no.		
1108.	Title insurance to Chicago Title Insurance Company	605.00	
1109.	includes above items no.		
1110.	Lender's coverage \$120,840.00		
1111.	Owner's coverage \$605.00		
1112.			
1113.			
1200.	Recording fees:		
1201.	City/county tax/stamps:		
1202.	State tax/stamps:		
1203.			
1204.			
1205.			
1206.			
1300.	Survey		
1301.	Pest inspection		
1302.			
1303.			
1304.			
1305.			
1400.	Total settlement changes (entered on lines 103, section J and 502, section K)	665.00	

CERTIFICATION: I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of HUD-1 Settlement Statement.

Deana M. Davis
 DEANA M. DAVIS

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Wood & Lamping

8-30-2000

SELLERS AND/OR PURCHASERS STATEMENT Seller's and Purchaser's signature hereon acknowledges his/her approval of tax calculations and signifies their understanding that portions were based on taxes for the preceding year, or estimates for the current year, and in the event of any change for the current year, all necessary adjustments must be made between Seller and Purchaser; likewise any default in delinquent taxes will be reimbursed to Title Company by the Seller.

Title Company, in its capacity as Escrow Agent, is and has been authorized to deposit all funds it receives in this transaction in any financial institution, whether affiliated or not. Such financial institution may provide Title Company computer accounting and audit services directly or through a separate entity which, if affiliated with Title Company, may charge the financial institution reasonable and proper compensation therefor and retain any profits therefrom. Any escrow fees paid by any party involved in this transaction shall only be for checkwriting and input to the computers, but not for aforesaid accounting and audit services. Title Company shall not be liable for any interest or other charges on the earnest money and shall be under no duty to invest or reinvest funds held by it at any time. Sellers and Purchasers hereby acknowledge and consent to the deposit of the escrow money in financial institutions with which Title Company has or may have other banking relationships and further consent to the retention by Title Company and/or its affiliates of any and all benefits (including advantageous interest rates on loans) Title Company and/or its affiliates may receive from such financial institutions in connection with the maintenance of said escrow accounts.

The parties have read the above sentences, recognize that the recitations herein are material, agree to same, and recognize Title Company is relying on the same.

Deana M. Davis
 DEANA M. DAVIS

CITY OF MASON, OHIO

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see Title 18, U.S. Code Section 1007 and Section 1010.

AMERICAN LAND TITLE ASSOCIATION
OWNER'S POLICY
(4-6-90)

36 0145 060 00000048

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

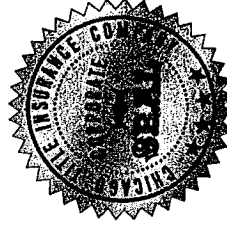
In Witness Whereof, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

Issued by:
MARK S. RECKMAN
600 Vine Street, Suite 2500
Cincinnati, Ohio 45202
(513) 852-6000

CHICAGO TITLE INSURANCE COMPANY

By:

Robert S. Polla
President



By: *Thomas J. Adams*
Secretary

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 which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
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; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

Chicago Title Insurance Company

OWNER'S POLICY

SCHEDULE A

Case Number:	Date of Policy:	Amount of Insurance:	Policy Number:
1311	September 15, 2000 at 11:36:49 AM	\$120,840.00	36 0145 060 00000048

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST AGREE WITH THE PREPRINTED NUMBER ON THE COVER SHEET.

1. Name of Insured:

CITY OF MASON, OHIO, an Ohio municipal corporation

2. The estate or interest in the land which is covered by this policy is:

Fee Simple

3. Title to the estate or interest in the land is vested in:

CITY OF MASON, OHIO, an Ohio municipal corporation

4. The land referred to in this policy is described as follows:

Situated in the State of Ohio, County of Warren, and in the City of Mason:

Situated in Deerfield Township, and being part of Section 29, Town 4, Range 2, M.R.S. and described as follows:

Beginning at a point in the center of the Mason Montgomery Road, at the southwest corner of a 2.235 acre tract as per Deed Book 219, Page 209 and running thence with the center of said road N. 4° 09' E. 100 feet to a point, witness an iron rod bears S. 87° 14' E. 30 feet; running thence by new division line S. 87° 14' E. 325 feet to an iron rod; thence S. 4° 09' W. 100 feet to an iron rod; thence N. 87° 14' W. 325 feet to the place of beginning, containing 0.745 of an acre, more or less.

By: Thomas M. Weidenberg
Authorized Officer or Agent

ALTA Owner's Policy

This Policy is invalid unless the cover sheet and Schedule B are attached.

Schedule A consists of 1 page(s)

Chicago Title Insurance Company

**OWNER'S POLICY
SCHEDULE B**

Exceptions from Coverage

Case Number:	Date of Policy:	Policy Number:
1311	September 15, 2000 at 11:36:49 AM	36 0145 060 00000048

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST AGREE WITH THE PREPRINTED NUMBER ON THE COVER SHEET.

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.
2. 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 record.
3. Rights or claims of parties in possession of all or part of the premises.
4. Roads, streams, ways or easements, if any, not shown of the public record, riparian rights and title to any filled-in lands.
5. Assessments which are a lien or may become a lien but not yet certified to the County Auditor.

General Exception Nos. 1 through 5 are hereby deleted.

6. Any encroachments, easements, discrepancies, conflicts in boundary lines, variations or shortages in area or content or any other facts which an accurate survey would disclose.
7. Notwithstanding the reference to acreage or square footage in the description set forth in Schedule "A" hereof, this policy does not insure or guarantee the acreage or quantity of land set forth therein.
8. The lien of all taxes for the first half of the year 2000, which are not yet due and payable, and subsequent installments; additions or abatements, if any, which may hereafter be made by legally constituted authorities on account of errors, omissions or changes in valuation.

This Policy is invalid unless the cover sheet and Schedule B are attached.

ALTA Owner's Policy Form B 1987 (Amended)

Schedule B consists of 2 page(s)

Chicago Title Insurance Company

OWNER'S POLICY

SCHEDULE B

Exceptions from Coverage

9. Assessments, if any, which are not yet due and payable, and any future assessments not certified to the County Auditor, but this policy insures that a future violation thereof will not cause a forfeiture or reversion of title.
10. Utility easement in favor of the City of Mason as recorded at O.R. 840, Page 16 of the Warren County, Ohio records.

ALTA Owner's Policy Form B 1987 (Amended)

This Policy is invalid unless the cover sheet and Schedule B are attached.

Schedule B consists of 2 page(s)

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeeded to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "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 Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness 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 covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. 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 indebtedness secured by a purchase money mortgage given to the insured.

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 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, 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 adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter 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 and 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 which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, 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 hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company 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 any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest 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.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which 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. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, 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 proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which 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 records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which 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 other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. 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, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(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, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which 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 which were authorized by the Company up to the time of payment and which the Company is obligated to

Upon the exercise by the Company of either of the options provided for in paragraphs (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.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

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 and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

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 unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(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 therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any 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 the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay 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 hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. 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 or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. 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 of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 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 \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto 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, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY

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

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at the issuing office or to:

Chicago Title Insurance Company
Claims Department
171 North Clark Street
Chicago, Illinois 60601-3294