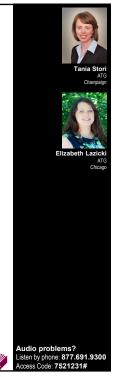


How Title Insurance Claims Are Processed

- Step 1
 - ATG Receives Notice of a Claim



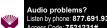
ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9A

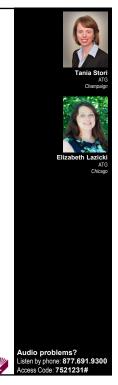
- **Claims Procedures**
 - Upon receipt of notice by an ATG member of a claim, the ATG member must notify ATG in writing, setting forth and including at a minimum:
 - the name, address, and telephone number of the claimant and the claimant's attorney, if any;





Claims Procedures

- Upon receipt of notice by an ATG member of a claim, the ATG member must notify ATG in writing, setting forth and including at a minimum:
 - the commitment and policy numbers and copies of the commitment and policy if not previously forwarded to ATG; and



ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9A

Claims Procedures

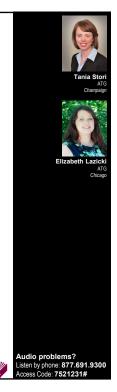
- Upon receipt of notice by an ATG member of a claim, the ATG member must notify ATG in writing, setting forth and including at a minimum:
 - a description of the claim and copies of any documents, correspondence, surveys, title searches, or other writings, and other information supplied to or available to the ATG member relevant to the claim.





Claims Procedures

- The notification of ATG under this Section must be made within three (3) business days of receipt of information about a claim by the ATG member.
- Mail claim notice to ATG by first class mail to P.O. Box 9136, Champaign, Illinois 61826-9136.



ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9A

Claims Procedures

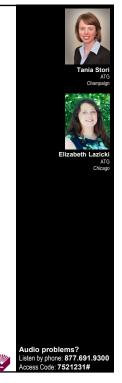
 If needed to prevent further loss, the ATG member shall notify ATG by electronic mail, telephone, telephone facsimile transmission, overnight mail or other overnight delivery service, or any combination of these methods, at the ATG office that is closest to the location of the land insured.





Claims Procedures

- **Claims Department Email Address:**
 - Claims@atgf.com



ATG LEGAL EDUCATION Claims Prevention, Part 2



How Title Insurance Claims Are Processed

- Step 1
 - ATG Receives Notice of a Claim
- Step 2
 - Initial Investigation and Claim Number Assignment





Step 2: Initial Investigation and **Claim Number Assignment**

- **Initial Investigation**
 - Claims Assistant:
 - investigates the matter;
 - asks member for related information;
 - asks ATG staff for information or to perform additional research into the matter; and
 - orders a search or copies of recorded documents or other public records.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Step 2: Initial Investigation and **Claim Number Assignment**

- **Initial Investigation**
 - Claims Attorney:
 - reviews the initial investigation;
 - determines whether to open a claim file;
 - assigns a Claims Number;
 - acknowledges receipt of the claim to the claimant; and
 - sets a course of investigation.





Upon request from ATG for information with respect to a claim, the member shall supply to ATG any documents, correspondence, surveys, title searches, other writings, or other information known by or available to the ATG member and relevant to the claim, even if not specifically requested by ATG.



ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9A

The response to ATG under this subsection must be made within three (3) days of receipt of the request by the ATG member and must be mailed by first class mail to the ATG employee, agent, or other authorized person requesting the information.





If necessary to prevent further loss, or if ATG requests, the ATG member shall respond by electronic mail, telephone, telephone facsimile transmission, overnight mail or other overnight delivery service, or any combination of these methods, to the ATG employee, agent, or other authorized person requesting the information.



ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9A

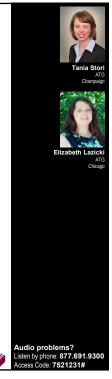
 An ATG member shall cooperate fully in the investigation and resolution of a claim and shall supply any additional, new information that may come to the ATG member's attention with such promptness as the circumstances permit.





How Title Insurance Claims Are Processed

- Step 1
 - ATG Receives Notice of a Claim
- Step 2
 - Initial Investigation and Claim Number Assignment
- Step 3
 - ATG Claims Attorney determines liability

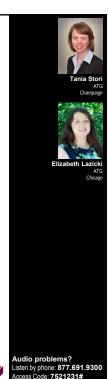


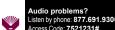
ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Claims Attorney Determines Liability

- Admission of Liability
 - Defends Title (Condition 5)
 - Cures the Title Defect (Condition 5(b))
 - Pays the Insured the value of the loss (Condition 7)
 - Issues a Hold Harmless Letter or Comfort Letter
- **Denial of Liability**





ATG may, with or without prior notice to the ATG Member or Members involved, investigate and resolve any claim in any manner that, in ATG's sole discretion, it may deem advisable.



ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9A

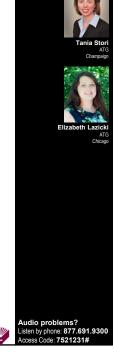
• Investigation and resolution may include, but are not limited to, determinations of liability, retention of counsel for ATG or the insured claimant, settlement with the insured claimant or other party, and recovery of amounts paid.





How Title Insurance Claims Are Processed

- Step 1
 - ATG Receives Notice of a Claim
- Step 2
 - Initial Investigation and Claim Number Assignment
- - ATG Claims Attorney determines liability
- Step 4
 - Reimbursement for the Claims Loss

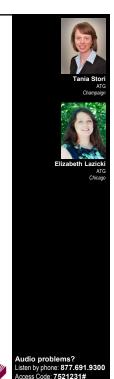


ATG LEGAL EDUCATION Claims Prevention, Part 2



Reimbursement for the Claims Loss

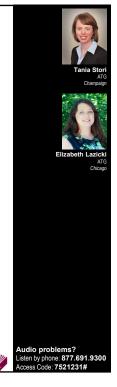
- **ATG Will Attempt to Seek Reimbursement:**
 - From the Responsible Party
 - Under Breach of Warranty of Title
 - Unjust Enrichment
 - Another signed agreement to be responsible:
 - T.I. agreement
 - Pro-ration Agreement
 - Personal Undertaking; or
 - ALTA Statement, etc.
 - Searchers' and Surveyors' negligence





Reimbursement for the Claims Loss

- **ATG will Attempt to Seek Reimbursement:**
 - From the Member
 - ATG Administrative Regulation 9B
 - Claims Committee of the Board of Directors approves

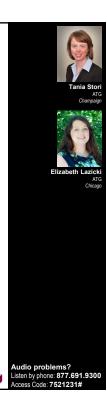


ATG LEGAL EDUCATION Claims Prevention, Part 2

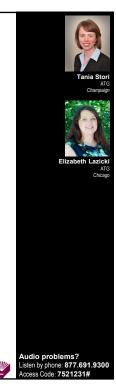


ATG Administrative Regulation 9B

- **Claim Loss Recovery from Members**
 - An ATG member shall reimburse ATG for amounts paid by ATG in the investigation and resolution of a claim, hereinafter referred to as a "claim loss," including, but not limited to, payments to the Insured, payments to adverse claimants, attorneys' fees, and all other expenses and costs related to or arising from the claim in accordance with the provisions of this Regulation.



- ATG Will Not Seek Claim Loss Recovery from Members for:
 - hidden Defects;
 - errors by public officials in maintaining and indexing the public records;
 - errors made by abstractors or title search companies approved by ATG in their search and report of information in the public record.

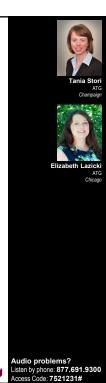


ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9B

- ATG Will Not Seek Claim Loss Recovery from Members for:
 - errors in ATG's guidelines, procedures, and Regulations that are relied upon by the ATG member;
 - errors in surveys provided by land surveyors, properly licensed, properly registered, or otherwise properly authorized to provide land surveys in the state where the land is located; or





- ATG Will Not Seek Claim Loss Recovery from Members for:
 - underwriting determinations or title risks approved by ATG prior to issuance of the commitment, policy, or endorsement.



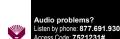
ATG LEGAL EDUCATION Claims Prevention, Part 2



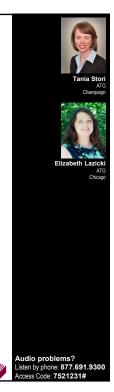
ATG Administrative Regulation 9B

- **Claim Loss Recovery from Members**
 - All determinations whether to request reimbursement for a claim loss from a member are first approved by the Claims Committee of the ATG Board of Directors.





- **Claim Loss Recovery from Members is Possible for** the following:
 - grossly negligent errors by the ATG member in the title search and report of information in the public record;
 - negligent errors made by the ATG member in examining the title information provided in a title search, survey, affidavit, or other source of title information;



ATG LEGAL EDUCATION Claims Prevention, Part 2



ATG Administrative Regulation 9B

- **Claim Loss Recovery from Members is Possible for** the following:
 - negligent errors made by the ATG member in the preparation or review of a commitment or policy;
 - negligent errors made by the ATG member in the closing of a real estate transaction:





- Claim Loss Recovery from Members is Possible for the following:
 - anytime the ATG member relied upon sources of title searches or other title information that had not been approved by ATG at the time of the reliance;
 - anytime the issuance of the commitment or policy constituted fraud, concealment, or dishonesty;

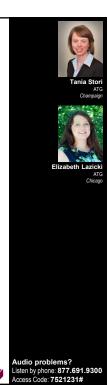


ATG LEGAL EDUCATION Claims Prevention, Part 2

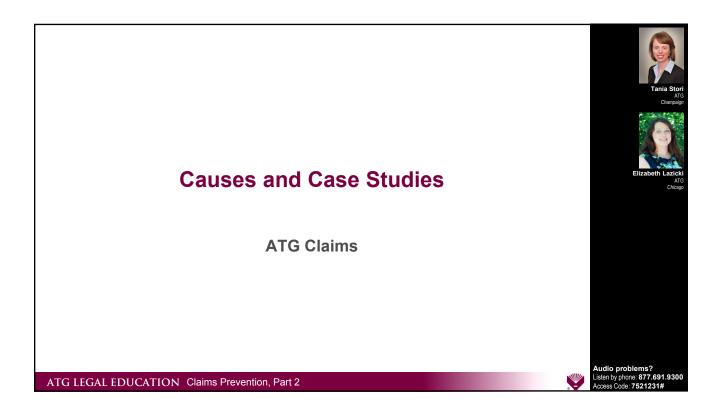


ATG Administrative Regulation 9B

- Claim Loss Recovery from Members is Possible for the following:
 - anytime the issuance of the commitment or policy was based upon an underwriting decision on an unusual risk that was made without contacting ATG for approval;
 - anytime the ATG member failed to follow ATG procedures, guidelines, requirements, and Regulations with respect to the matter causing the claim loss.







How Title Insurance Claims Arise

- Hidden Defects
- Special or Assumed Risks
- Search and Public Records Problems
- Examination Errors
- Legal Description Errors
- Errors Made in Closing and/or Escrow Procedures
- Taxes/Special Assessments

Tania Stori
ATG
Champaign

Elizabeth Lazicki
ATG
Chicago

Audio problems?
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Access Code: 7521231#

Hidden Defects

- **How These Claims Arise**
 - Hold Harmless from a different title company;
 - Unpaid taxes prior to the five-year search period;
 - Documents recorded prior to the search period;
 - Mortgages paid off at closing but not released;
 - 2-1401 Petition to Quash filed in mortgage foreclosure post-closing.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Defect Created Prior to 20-Year Search Period

- **Residential Property.**
- Search Done in 2010.
- Sewer easement created in prior deeds.





Case Study: Defect Created Prior to 20-Year Search Period

1938 Deed

 Also granting the right and privilege to the grantees to connect a sewer drain on the west seventy-five (75) feet of said west half of said part of said block four."

The east seventy five (75) feet of the west half of the part of block four (4) in the City of La-Salle, County of La Salle, and State of Illinois, described as follows: Beginning at the north west corner of Lot Six (6) in said Block Four (4), running thence north to the section line, thence east three hundred (300) feet, thence south to the northeast corner of lot one (1) in said block four (4) and thence west three hundred (300) feet to the place of beginning.

Also, granting the right and privilege to the grantees to connect a sewer drain leading from the premises hereby conveyed, with the existing sewer drain on the west seventy five (75) feet of said west half of said part of said block four (4), hereinbefore particularly described by laying the same along the north line of said west seventy five (75) feet, together with the right and privilege to use and maintain such sewer drain to be so connected and laid for the benefit of and in connection with the use of the premises hereby conveyed.

Audio problems?
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Access Code: 7521231#

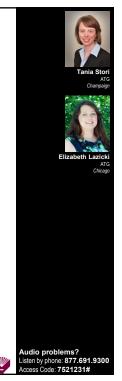
ATG LEGAL EDUCATION Claims Prevention, Part 2

Case Study: Defect Created Prior to 20-Year Search Period

- 1950 deed also referenced the sewer:
 - Granting the right and privilege to the grantees, to connect a sewer drain leading from the premises hereby conveyed, with the existing sewer drain on the West seventy-five (75) feet of said West Half (W1/2) of Said part of said Block Four.

The Cast saventy-five (75) feet of the West Half (W2) of the part of Block Four (L) in the City of LaSalle, County of LaSalle and State of Illinois, described as follows: Beginning at the Worthest corner of Lot Six (6) in said Block Four (L), running thence Worth to the section line, thence East three hundred (300) feet, thence South to the Worthest corner of Lot One (1) in said Block Four (L) and thence West three hundred (300) feet to the place of beginning.

Also, granting the right and privilege to the grantees, to connect a sever drain leading from the premises hereby conveyed, with the existing sewer drain on the West seventy-five (75) feet of said West Half (W2) of said part of said Block Four (L) hereinbefore particularly described by laying the same along the North line of said West acceptable (75) feet, together with the right and privilege to use and five (75) feet, together with the right and privilege to use and of, and in connection with the use of the premises hereby conveyed; aftuated in the City of LeSalle,



Case Study: Defect Created Prior to 20-Year Search Period

2002 Deed did not reference the sewer line.

The East Seventy-five (75) feet of the West Half (W.1/2) of the part of Block Four (4) in the City of La Salle, County of La Salle and State of Illinois, described as follows: Beginning at the Northwest corner of Lot Six (6) in said Block Four (4), running thence North to the Section line, thence East Three Hundred (300) feet, thence South to the Northeast corner of Lot One (1) in said Block Four (4) and thence West Three Hundred (300) feet to the place of beginning; excepting underlying coal and mining rights as heretofore conveyed.

- Member's 20-year search did not include the 1938 and 1950 deeds.
- The Easement was missed.

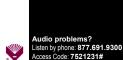
ATG LEGAL EDUCATION Claims Prevention, Part 2

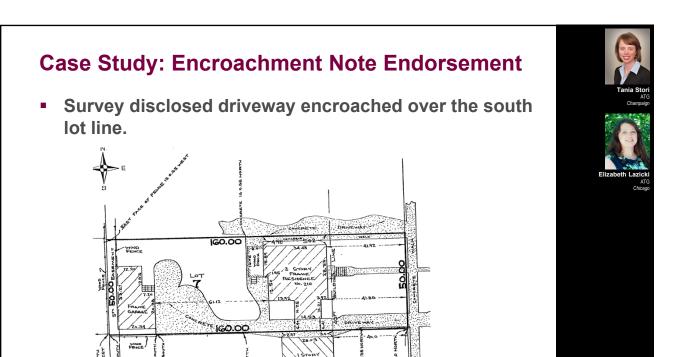


Special or Assumed Risks

- **How These Claims Arise**
 - Endorsement(s) Added to the Policy
 - Matters Waived with the Title Indemnity and Personal Undertaking

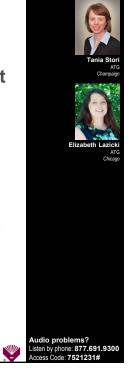






Case Study: Encroachment Note Endorsement

- Member raised the encroachments on the commitment and policy.
 - A survey discloses the concrete driveway located upon insured premises encroaches over the South lot line by 0.06' to 3.0'.
 - A survey discloses that the West side of the frame garage encroaches over onto the utility easement by .5', more or less.
 - A survey discloses possible non-access to garage located on rear of property because width of driveway is 6.40° next to residence.



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ATG LEGAL EDUCATION Claims Prevention, Part 2

Case Study: Encroachment Note Endorsement

Member added an Encroachment Note Endorsement to the policy.

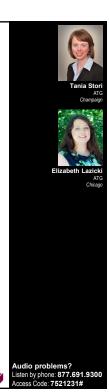


ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Encroachment Note Endorsement

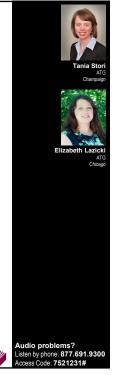
- After the Closing
 - Neighbor wanted to build and needed to remove the driveway encroachment.
 - ATG admitted liability to the insured owners and paid to have an easement agreement created between the neighbors.





Search Errors

- **Document Missed in the Search**
- **Unpaid Taxes Missed in the Search**
 - Noted as paid on the search.
- Wrong Property Searched
 - Wrong County
 - PIN

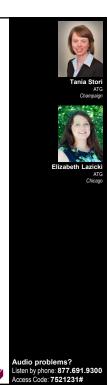


ATG LEGAL EDUCATION Claims Prevention, Part 2



Search Errors

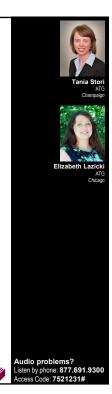
- Some search errors can be prevented by checking the search report.
 - Check that the proper search period was searched using ATG's Search Standards.
 - Wrong party names or not all party names searched.
 - Review printouts against copies of documents to look for documents not printed but needed.





Search Errors

- Some search errors can be prevented by checking the search report.
 - Wrong property searched
 - Wrong County
 - PIN
 - Wrong legal description
 - Review the Sidwell against the legal description to be sure that the PINs match with the legal description.

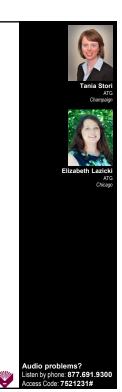


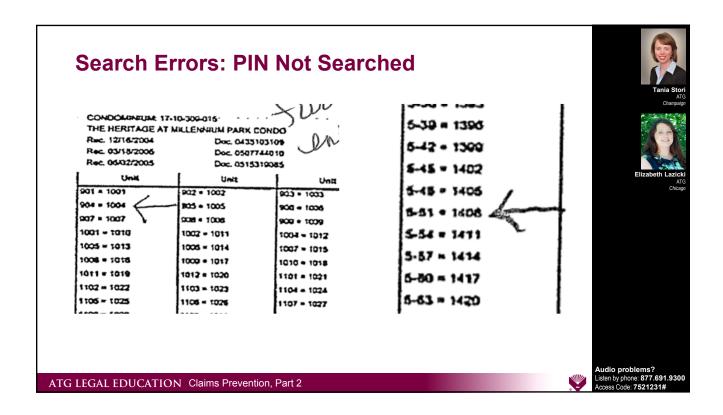
ATG LEGAL EDUCATION Claims Prevention, Part 2



Search Errors: PIN Not Searched

- Defect: Taxes are unpaid and sold for a second PIN that affects the insured land.
 - The policy insured two condominium units, "Unit 904 and Parking Space Unit P-5-51 ..."
 - Only one PIN was searched and included on the commitment and policy, although two PINs affected the insured land.
 - ATG admitted liability and redeemed the taxes for the insured owner.
 - A review of the Sidwell would have prevented the claim.





Search Errors: Inaccurate PIN Information

- Defect: Insured owners have been paying taxes on a PIN that does not affect their land.
 - The policy included tax information for a PIN that applied to only a small portion of the land insured under the policy.
 - The fact that the PIN also covered other land not owned by the insured owner was not disclosed on the policy.



Search Errors: Inaccurate PIN Information

- Defect: Insured owners have been paying taxes on a PIN that does not affect their land.
 - When the insured owners conveyed a strip of the insured land to the adjoining landowner, they did not know that the PIN no longer applied to the insured land, so they continued to pay real estate taxes on it and the adjoining landowner did not.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Search Errors: Inaccurate PIN Information

- Defect: Insured owners have been paying taxes on a PIN that does not affect their land.
 - ATG admitted liability to the insured owners and reimbursed them for the amount of the taxes they overpaid as a result of the inaccuracy of the policy.

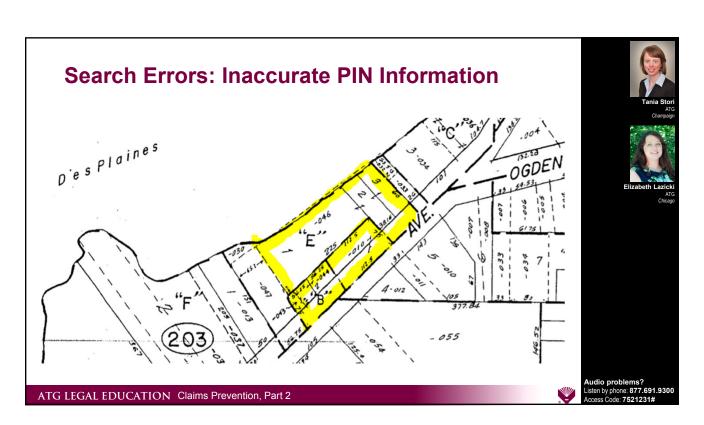




Search Errors: Inaccurate PIN Information

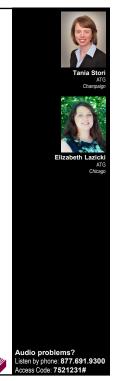
- Defect: Insured owners have been paying taxes on a PIN that does not affect their land.
 - A review of the Sidwell would have shown that the PIN included other land not included on the policy
 - This is a good example of when to call the Underwriting Department for help in reviewing the Sidwell.





Initial Search Report Errors

- **Taxes Marked as Paid**
- **PINs Not Disclosed**
- Missed Trust Deed/Mortgage



ATG LEGAL EDUCATION Claims Prevention, Part 2



Initial Search Report Errors: PIN Searched, Not in Commitment

- **Defect: Taxes were unpaid because the commitment** and policy did not contain a second PIN that affected the insured land.
 - Insured land was the North 20 feet of Lot 37 and all of Lot 38.
 - Two PINs applied to this description.
 - Only one PIN appeared on the commitment and policy.

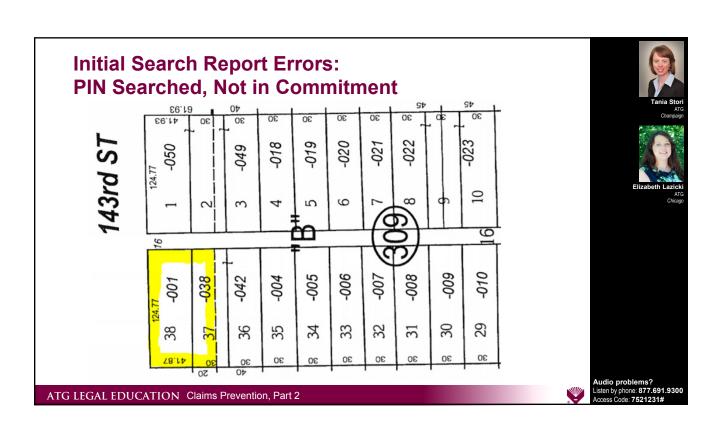




Initial Search Report Errors: PIN Searched, Not in Commitment

- Defect: Taxes were unpaid because the commitment and policy did not contain a second PIN that affected the insured land.
 - A review of the Sidwell would have revealed the problem.
 - ATG admitted liability and redeemed the taxes for the insured owner.





Initial Search Report Errors: PIN Searched, Legal Description Not in Commitment

- Defect: The house is not entirely located on the insured land.
 - The seller's last deed of record was a self-recorded deed into trust that mistakenly omitted a portion of the legal description.
 - The insured land was lot 32, but prior deeds in the chain of title were for lot 32 and lot 31, except the west 10 feet thereof.



ATG LEGAL EDUCATION Claims Prevention, Part 2

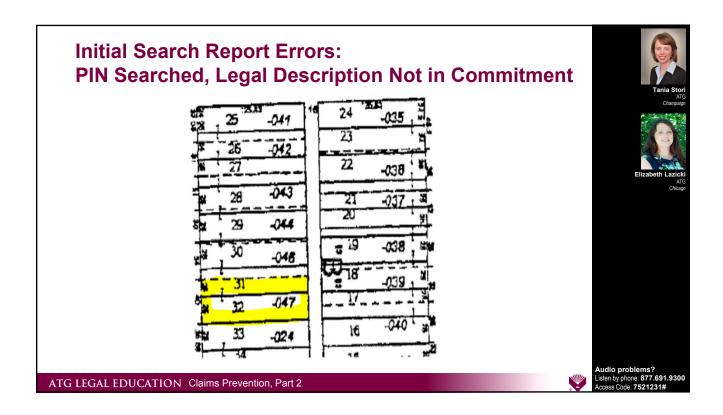


Initial Search Report Errors: PIN Searched, Legal Description Not in Commitment

- Defect: The house is not entirely located on the insured land.
 - ATG admitted liability, but was fortunate to be able to record a Scrivener's Error Affidavit to correct the deed into trust and the deed to the insured owner to resolve the problem.
 - A review of the Sidwell would have shown that the two lots were taxed together and revealed there was a problem with the legal description.



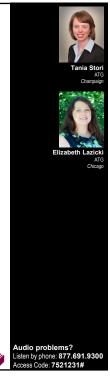




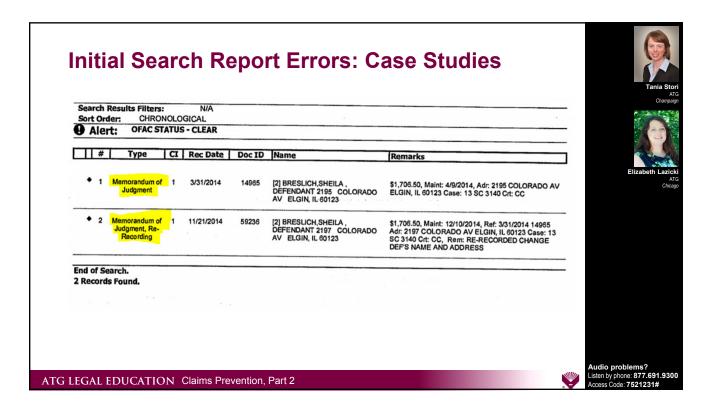
- **Defect: A memorandum of judgment against the seller** was not excepted from the commitment and policy.
 - The printout of search results disclosed the memorandum of judgment, but was overlooked.
 - A copy of the document was not supplied with the search package to the issuing agent.

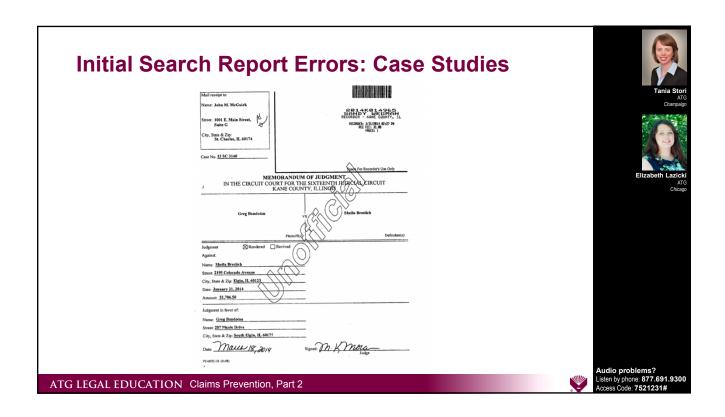


- **Defect: A memorandum of judgment against the seller** was not excepted from the commitment and policy.
 - ATG admitted liability to the insured owner and paid off the judgment lien.
 - Reviewing the printouts in the search is a way to doublecheck that the search documents are complete.









- Defect: A lender was foreclosing a prior, unreleased mortgage against the insured land.
 - The printout in the search showed the open, unreleased mortgage, circled and numbered, which is how the ATG Search Department identifies documents that appear to affect title and should be copied, included in the search and reviewed by the issuing agent.



- Defect: A lender was foreclosing a prior, unreleased mortgage against the insured land.
 - No copy of the mortgage was included in the search package provided to the issuing agent.
 - The ATG Title Services Department prepared a chain of title that also failed to show the mortgage.



ATG LEGAL EDUCATION Claims Prevention, Part 2

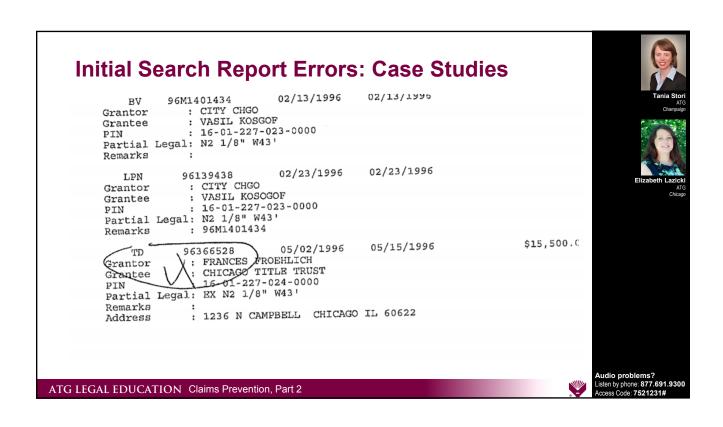


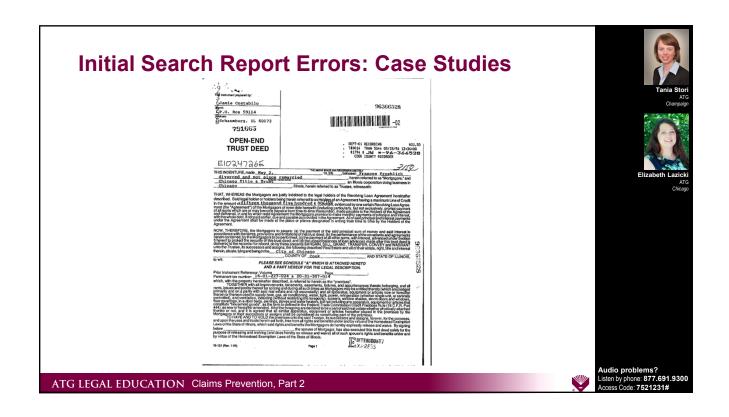
Initial Search Report Errors: Case Studies

- Defect: A lender was foreclosing a prior, unreleased mortgage against the insured land.
 - ATG's insured owner and lender never contacted ATG regarding the matter, so the claim was closed.
 - Reviewing the printouts in the search is a way to doublecheck that the search documents are complete.









First installment 2016 taxes in the amount of \$1,926.61 is paid. Second installment 2016 taxes in the amount of \$1,90 Taxes for the year 2017 are not yet due and payable:

Permanent Index No. 16-01-227-046-1001

- Warranty Deed dated August 25, 2003 and recorded August 25, 2003 as Document No. 0323718088 executed by Frances L. Froehlich and given to Millennium Care Group, Inc..
- Special Warranty Deed dated February 18, 2004 and recorded April 29, 2004 as Document No. 0412029067 executed by Millennium Care Group, Inc. and given to Kimbark Partners, LLC.
- Warranty Deed dated August 31, 2005 and recorded September 19, 2005 as Document No. 0526240151 executed by Kimbark Partners, LLC and given to Richard A. Fiala.
- Mortgage dated February 18, 2004, and recorded March 4, 2004, as Document No. 0406411015, executed by Kimbark Partners, LLC and given to ShoreBank to secure a note in the amount of \$646,000.00 and such other sums as provided therein. No Release found.
- Assignment of Rents dated February 18, 2004 and recorded March 4, 2004 as Document No. 0406411016 executed by Kimbark Partners, LLC and given to ShoreBank. No Release found.
- Mortgage dated January 4, 2010, and recorded January 25, 2010, as Document No. 1002508248, executed by Richard A. Fiala and given to JPMorgan Chase Bank, N.A. to secure a note in the amount of \$177,200.00 and such other sums as provided therein.
- Terms, provisions, covenants, conditions, and options contained in, and rights and stablished by the Declaration of Condominium Ownership recorded September 1, 2005, as Document No. 0524427009, as amended from time to time
- Limitations and conditions imposed by the Illinois Condominium Property Act.
- Furnish ATG with a certificate, executed and acknowledged by the Secretary of the Board of Managers, stating that compliance has been made by the owners with the provisions of the Condominium Declaration or that said provisions relating to preemptive rights have been duly waived by the Board of Managers and the rights of the Board thereunder have terminated.

ATG LEGAL EDUCATION Claims Prevention, Part 2



Initial Search Report Errors: Case Studies

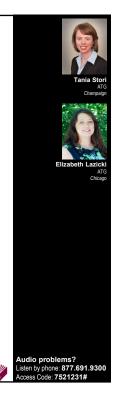
- **Defect: A recorded preservation easement burdening** the insured land was not disclosed in the commitment and policy.
 - The printout in the search disclosed the easement, but was difficult to identify without knowing the codes used in the printout.
 - Further, ATG's Search Department missed the document in its review of the printout and did not circle and number the entry.

Audio problems? Listen by phone: 877.691.9300



Initial Search Report Errors: Case Studies

- **Defect: A recorded preservation easement burdening** the insured land was not disclosed in the commitment and policy.
 - No copy of the document was included in the search package or chain of title supplied to the issuing agent.
 - ATG admitted liability to the insured owner and paid \$100,000 to the insured owner for the loss of the use of the land under the easement's terms.

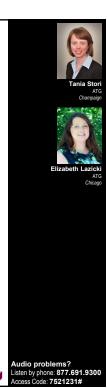


ATG LEGAL EDUCATION Claims Prevention, Part 2



Initial Search Report Errors: Case Studies

- **Defect: A recorded preservation easement burdening** the insured land was not disclosed in the commitment and policy.
 - A review of the printout may prevent claims of this type.
 - Following up on confusing entries and asking the Underwriting Department for help in reading and interpreting the search will help prevent problems like this one.



Initial Search Report Errors: Case Studies

0605956042 02/28/2006 02/28/2006 Grantor

: JPMORGAN CHASE BANK : TERENCE J. TIERNEY
ANTOINETTE M. SAUNDERS Grantee

: 05-27-305-025-0000

Partial Legal: W3/4 Remarks : 90101620

08/15/2006 08/15/2006

R 0622713094 08/
Grantor : CHASE BANK USA
Grantee : ROBERT K. COLLI Grantee : ROBERT K. COLLINS MARY M. COLLINS : 05-27-305-026-0000

Partial Legal: E25'

Remarks : 0020001667

EA 0626945010 09/26 Grantor : ROBERT K. COLLINS 09/26/2006 09/26/2006

MARY M. COLLINS

Grantee : LANDMARKS PRESERVATIONS COUNCIL ILLI PIN : 05-27-305-026-0000

Partial Legal: E25' Remarks

ATG LEGAL EDUCATION Claims Prevention, Part 2



Initial Search Report Errors: Case Studies

Doc#: 0626945010 Fee: \$64.50 Eigene 'Gene' Moore Cook County Recorder of Deeds Date: 09/28/2005 11:04 AM Pg: 1 of 21

Keith Ross, Esq. Levenfeld Pearlstein, LLC Two North LaSaile Street Suite 1300 Chicago, Illinois 60602

PRESERVATION EASEMENT

THIS PRESERVATION EASEMENT is entered into this \$\frac{1}{2}\$ day of \$\frac{1}{2}\$ (\$\frac{1}{2}\$)\$ (\$\frac{1}{2}\$) (\$\frac{1}

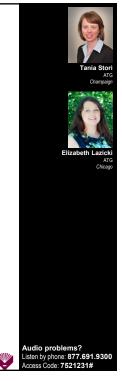
WITNESSETH:

WHEREAS, Grantor is the owner of the land (the "Real Property") commonly known as 1306 Greenwood Avenue, Wilmette, Illinois and legally described in <u>Exhibit A</u> which Real Property is improved with a structure (the "Building"), more fully described in <u>Exhibit B</u>, the Real Property and the Building are hereinafter collectively referred to as the "Premises."

WHEREAS, Grantee is an Illinois not-for-profit corporation and is a qualifying recipient of qualified conservation contributions under Section 170(b), (f) and (h) of the Internal Revenue Code of 1986 (the "Code"), and its purposes include the preservation of buildings, structures and sites of historical architecture and cultural significance.

WHEREAS, the Building is one of architectural significance, containing features described in greater detail in <u>Exhibit B</u>. Certain portions of the Building specifically listed on the attached <u>Exhibit B</u> are referred to herein as the "Protected Elements". Grantor intends to preserve the Protected Elements in their entirety, to prevent the destruction of the Building, and to prevent the alteration of the size, profile and silhouette of the Building in any manner that would affect the structural soundness or appearance of the Protected Elements.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and the mutual covenants and terms, conditions, and restrictions hereinafter set forth and other good and valuable consideration, neceilst of which is hereby acknowledged, Grantor hereby does grant, give, convey, bargain and sell unto Grantee, its successors and assigns, irrevocably forever, a Preservation Easement, in perpetuty, in and to the aforesald Premises, for the purposes of preserving the Protected Elements and accomplishing the other objectives set forth herein on the following terms and conditions.



Initial Search Report Errors: Case Studies

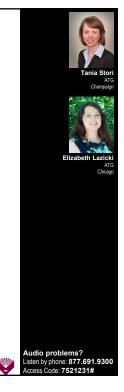
- 1. *05-27-305-026-0000 *2008 1ST 7633.00 PAID 3/2/09 *2003 THRU 2007 PAID
- 2. Plat of Subdivision recorded October 25, 1886 as Document No. 766251. Plat is clear.
- Warranty Deed dated August 21, 1995 and recorded August 28, 1995 as Document No. 2269317
 executed by Helen Gage and given to Helen Gage. 1st deed
- Warranty Deed dated December 1, 1920 and recorded December 7, 1920 as Document No. 7010870 executed by Helen Gage and given to Charles F R eeves & Elizabeth S Reeves.
- Warranty Deed dated February 24, 1977 and recorded March 22, 1977 as Document No. 23859043 executed by Norborne P Cole & Mary J Cole and given to John D Ponsiglione & Janet P consiglione.
- Warranty Deed dated April 4, 1986 and recorded April 7, 1986 as Document No. 86132015
 executed by John D Ponsiglione married to Pamela S Ponsiglione & Janet E Ponsiglione and
 given to John T Huagerford & Cheryl Hungerford.
- Warranty Deed dated May 15, 1998 and recorded May 29, 1998 as Document No. 98446349
 executed by John T Hungerford & Cheryl H Hungerford and given to Edwin Starr & Kristin L
 Starr.
- Warranty Deed dated July 29, 2001 and recorded August 2, 2001 as Document No. 0010697158
 executed by C Edwin Starr & Kristin L Starr and given to Robert K Collins & Mary M
 Collins. Please Note: The legal description is incorrect.
- Power of Attorney dated August 2, 2001 and recorded August 2, 2001 as Document No. 0010697159.
- Power of Attorney dated January 2, 2002 and recorded January 2, 2002 as Document No. 0020001665.
- Warranty Deed dated October 1, 2008 and recorded October 21, 2008 as Document No. 0829542008 executed by Robert K Collins & Mary M Collins and given to Philip Cowdell.
- Mortgage dated October 1, 2008, and recorded October 21, 2008, as Document No. 0829542009, executed by Philip Cowdell and given to JP Morgan Chase Bank to secure a note in the amount of \$885,000.00 and such other sums as provided therein.

ATG LEGAL EDUCATION Claims Prevention, Part 2



Examination Errors

- How These Claims Are Caused
 - Documents missed in the Chain of Title
 - Mortgages
 - Easements
 - Liens
 - Declarations
 - Legal Description
 - Access
 - Incorrect Legal Description
 - Hold Harmless Mistakes
 - Foreclosure Review Not Properly Performed



Case Study: Missed Easement

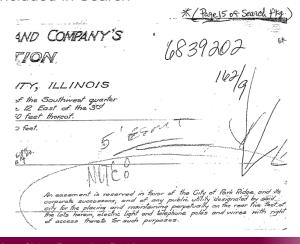
- The Search Report did not disclose the easement.
 - 1. *09-25-317-009-0000 *2014 1ST 6678.05 PAID 4/24/15 2ND 6158.71 PAID 7/30/15 *2009 THRU 2013 PAID
 - 2. Plat of Subdivision recorded May 28, 1920 as Document No. 6839202. 40ft Building Line
 - Trustees Deed dated June 6, 1924 and recorded August 20, 1924 as Document No. 8558446
 executed by Chicago Title & Trust Company uta 8652 dated 3/24/1920 and given to Oscar E
 Olson, 1st deed.
 - Special Warranty Deed dated July 24, 1995 and recorded August 14, 1995 as Document No. 95534235 executed by Transamerica Financial Services, Inc and given to James Bonadona & Susan Bonadona.
 - Mortgage dated January 5, 2007, and recorded January 24, 2007, as Document No. 0702454144, executed by James Bonadona & Susan Bonadona and given to ING Bank to secure a note in the amount of \$637,500.00 and such other sums as provided therein.
 - Mortgage dated January 5, 2007, and recorded January 24, 2007, as Document No. 0702454145, executed by James Bonadona & Susan Bonadona and given to National City Bank to secure a note in the amount of \$105,000.00 and such other sums as provided therein.
 - Assignment of the Mortgage recorded as Document No. 0702454145 by National City Bank to RBS Citizens dated October 2, 2009, and recorded October 2, 2009 as Document No. 0927515013.

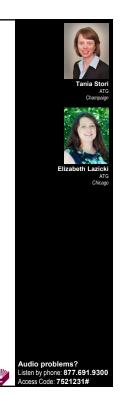
ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Missed Easement

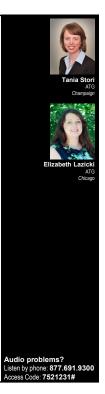
- Easement written on Plat
 - Plat included in Search





Case Study: Missed Easement

- How Could This Claim Have Been Prevented?
 - Members, don't rely on the search report.
 - Examine all documents in the search package.
 - Examine the chain provided in the search package for any documents that might not have been pulled.

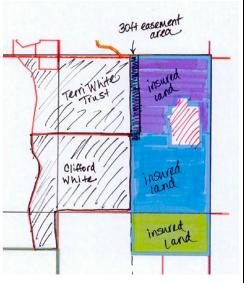


ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Missed Easement #2

- 30-foot easement for ingress and egress missed in examination.
- Search took place in 2017.
- 1990 deed contained a description of the easement.



Alla Cheago

Case Study: Missed Easement #2

1990 Deed

LEGAL DESCRIPTION

BAND OF SECTION 13, "ORMSELT 4 NOTES, AMOS 13 USES OF THE TRIBOSECRIMEN AS ENCLOSES SECURISIES AT A PROVES FORD AT THE CUSTEM OF
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Our Insured Legal Description

The North Isla of the Northeast Quarter of the Southeast Quarter, the Southeast Quarter of the Northeast Quarter, Northeast Quarter, Northeast Quarter, Sortheast Quarter of the Northeast Quarter of Season (Season Quarter) (Season Qu



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Missed Easement #2

- How Could This Claim Have Been Avoided?
 - Review the legal description for prior deeds, especially metes and bounds descriptions.
 - Map out the legal descriptions to make sure they match.





Case Study: Lack of Access

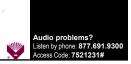
 In 1985, the street was vacated and our insured lot lost legal access.

all of Jefferson Street; all of monroe Street; all of that portion of Accimies offere eastward from from the east line extended of the alley Mark plocks beven (7) and len (10) to wilson Street; all that portion of brush Street eastward of the West line of Block Ten (10) extended;

All the Alleys running north and south and/or east and west within blocks three (3), Four (4), Five (5), Six (6), Eleven (11) and Tweive (12); and the alley commencing with the west boundary line extended of the east half of Blocks Two (2) and Seven (7), thence running eastward between the wast knives of soid Blocks, and between Blocks Three (3) and Six (6), and between Blocks Four (4) and Five (5) thus intersecting at its eastern terminus with Wilson Street,—

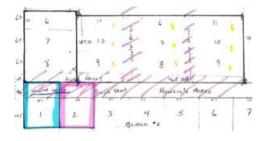
All of which said Blocks, Streets and Alleys are located in the Pikt of Ground known as the Eghyptism healty Company's nome Garden Addition to Fordville (now Emergy), liming and within Williamson County,

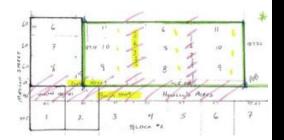
ATG LEGAL EDUCATION Claims Prevention, Part 2



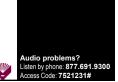
Case Study: Lack of Access

Lots 1 and 2 included the portions of the vacated alley.



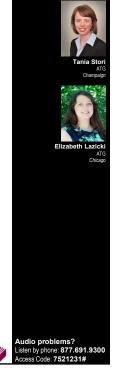


- Deeds for Lot 2 reserved the right for ingress and egress for residents over the vacated street.
- Lot 1 did not reference the vacated street.



Case Study: Lack of Access

- **How Could This Claim Have Been Prevented?**
 - Review the Legal Description.
 - Review the Plat.
 - Review the Tax Maps/Sidwell Maps.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Legal Description Errors

In 1984, predecessor in title deeded a portion of his land to the State of Illinois.

> That part of Lot 16, Block 1 of Dulany's First Subdivision, as recorded in Plat Book 7, Page 61 of the Madison County, Illinois Recorder, being in the Northeast Quarter of Section 27, Township 5 North, Range 9 West of the Third Principal Meridian, Madison County, Illinois, being more particularly described as follows:

Beginning at the Southeast corner of said Lot 16; thence along the South line of said Lot 16, having an Illinois State Plane Coordinate West Zone grid bearing of North 88 degrees 41 minutes 39 seconds West 18.00 feet; thence North 39 degrees 16 minutes 58 seconds East 28.76 feet; thence South 00 degrees 32 minutes 25 seconds West along the east line of said lot 16 a distance of 22.67 feet to the Point of Beginning Lot 16 a distance of 22.67 feet to the Point of Beginning.

Parcel 8117101 herein described contains 204 square feet or 0.005 acres, more or less.

The parcel herein described is shown on a plat recorded in Book RQ_9 Page 175 of the Madison County, Illinois Recorder.

Audio problems? Listen by phone: 877.691.9300 Access Code: 7521231#

Case Study: Legal Description Errors

- From 1984 until 2004, all deeds excepted out the land conveyed to the State of Illinois.
- In 2004, predecessor in title executed a guit claim deed only describing the land previously conveyed to the State of Illinois.

That part of Let 16, Block 1 of Dulany's First Subdivision, as recorded in Plat Book 7 Page 61 of the Madison County Illinois Recorder, being in the Northeast Quarter of Section 27, Township 5 North, Range 9 East of the Third Principal Meridian, Madison County Illinois, being more particularly described as follows: Beginning at the Southeast corner of said Lot 16; thence along the South line of said Lot 16, having an Illinois State Plane Coordinate West Zone and bearing of North 85 degrees 41 minutes 30 isoconds West 13.00 feet; thence North 89 degrees 16 minutes 58 seconds East 25.76 feet, thence outh 00 degrees 32 minutes 26 seconds West along the East line of said Lot 16 a distance of 22.67 feet to the point of eginning. Parcel \$117101 herein described contents 204 square feet or 0.005 acres, more or less attended in Medison

Listen by phone: 877.691.9300 Access Code: 7521231#

ATG LEGAL EDUCATION Claims Prevention, Part 2



- Member went forward from the 2004 quit claim deed and didn't check the legal descriptions on the deeds recorded between 1984 and 2004.
 - Legal Description on the commitment, insured transaction documents, and policies only included the land previously conveyed to the State of Illinois.
- Later ATG Policies went forward from this policy. The defect was not discovered until three owners later.

Audio problems? Listen by phone: 877.691.9300



Case Study: Legal Description Errors

- **How Could This Claim Have Been Prevented?**
 - Don't rely on the last deed of record for the legal description.
 - Review all deeds in the search period.
 - Review the grantors/grantees.
 - Review the legal description.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Hold Harmless

Member relied on a Hold Harmless Letter provided to First American Title Company.

> Please be advised that Codilis & Associates has been made aware of the following item listed in a preliminary title commitment bearing the number T144246534 and identified as item 3 on Schedule B-Section II of the aforementioned commitment. This item states as follows:

Judgment Recorded September 1, 2010 as Document 2010R30948, Case 2010SC2756, In favor of Scott & Scott P.C. against Janene G. Menke in the amount of \$7,359.99.

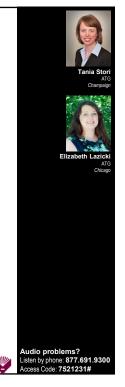
Codilis & Associates hereby holds harmless First American Title Insurance Company in the matter of the aforementioned exception. First American Title Insurance Company may issue their title insurance policy clear of the aforementioned exception. Provided that neither First American Title Insurance Company, Real Estate Title Company or any other party to the transaction, including the issuing title agent, notifies or contacts the Judgment creditor regarding the aforementioned exception, Codilis & Associates will be fully responsible for any claims for loss or damages brought against First American Title Insurance Company, as a result of the interest set forth in the exception identified herein.

Member did not request an updated Hold Harmless Letter for ATG.



Case Study: Hold Harmless

- **How Could This Claim Have Been Prevented?**
 - Always get an updated Hold Harmless Letter if the title company changes or if the commitment/policy number changes.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Foreclosure Review

 Foreclosed borrower filed a motion to vacate the order confirming sale a week after it was entered and several months before the commitment was issued.



Judicial Officar Moran, Katherine M portal.co.kane.il.us/Portal/Home/WorkspaceMode?p=1 SUBSEQUENT PURCHASERS CANNOT TAKE POSS TIL RULING on deff's mot [EVHRG 11/02/2016 10:30AM Rm:150 Judge:Moran, Katherine MI



Case Study: Foreclosure Review

- Member did not review the foreclosure filings and did not know the case was ongoing.
- ATG resolved the claim by negotiating a settlement with the foreclosed borrower.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Foreclosure Review

- **How Could This Claim Have Been Prevented?**
 - Always review the foreclosure case.





Case Study: Deed in Lieu of Foreclosure Releases

- How this Claim Arose
 - ATG insured the sale from the bank who received title to the insured land through a deed in lieu of foreclosure.
 - The member did not procure releases for the mortgages.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Deed in Lieu of Foreclosure Releases

- How Could This Claim Have Been Prevented?
 - Make sure to obtain and record releases for mortgages when preparing a Deed in Lieu of Foreclosure.





Mistakes Made at Closing

- Missed Fees on the Closing Disclosure Form
- Error with Mortgagor/Grantor/Grantee's Name or **Marital Status**
- Mortgage Not Paid
- Waiving Exceptions (Not Taxes)
- Taxes and Special Assessments
- ALTA



ATG LEGAL EDUCATION Claims Prevention, Part 2



Missed Fees

- **Types of Claims**
 - Typographical errors
 - Missed fees/payments
- Always Check For:
 - Municipal transfer stamps (when applicable);
 - Survey fees;
 - Amounts of fees.





Case Study: Name or Marital Status

Marital Status is not included.

(B) "Borrower" is Nabil Sayegh and Karen Sayegh, and Magda Abdelmalek. Borrower is the mortgagor under this Security Instrument.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Name or Marital Status

Grantor's Name is incorrect.

This Indenture, made this 15th day of June, 2012, between Bohdan Sakolowski, as Successor Trustee of The Socianski Family Revocable Trust Dated March 25, 1996; party of the first part, and Luz Burgos, a widow, and Caridad Jimenez Burgos, married, not as tenants in common but as joint tenants of 3145 Boyle Terrace Unit 2S, River Grove, Illinois 60171, party of the second part.

JUNE 10, 2008

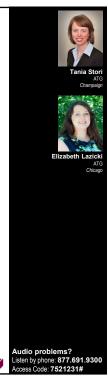
(This shows the document after being corrected.)





Case Study: Name or Marital Status

- **How Could These Claims Be Prevented?**
 - Make sure the marital status is included for all parties.
 - Check the names of grantors/grantees against the names on the deeds.
 - Check the names and marital status on the mortgage against the names and marital status on the vesting deed.

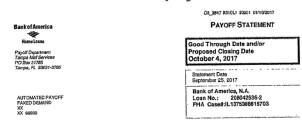


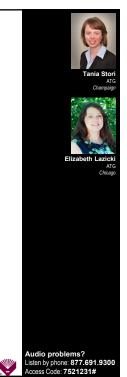
ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Mortgage Not Paid

- Two mortgages appeared on the commitment.
 - Mortgage dated December 2, 2009 and recorded December 16, 2009, as Document No. 6551649, executed by Sheila Cook and priorigage dated December 2, 2009 and recorded December 10, 2009, as Document No. 0551649, executed by Sheila Cook and given to Mortgage Electronic Registration Systems, Inc. as nominee for Marshall & Ilsley Bank to secure a note in the amount of \$121,082.00 and such other sums as provided therein.
 - Assignment of the Mortgage recorded as Document No. 6551649 by Mortgage Electronic Registration Systems, Inc. as nominee for Marshall & Ilsley to Bank of America, N.A. dated December 23, 2011, and recorded December 28, 2011 as Document No.
 - Mortgage dated October 27, 2011 and recorded February 22, 2012, as Document No. 6822021, executed by Sheila Cook and given to Department of Housing and Urban Development to secure a note in the amount of \$35,500 99 and such other sums as provided therein.
- Member received one payoff statement.





Case Study: Mortgage Not Paid

Member believed that the payoff covered both mortgages on the commitment.

	Payoff(s)		
	Lender: Payoff First Mortgage to Bank of	\$76,922.13	
j	America		
\$76,922.13	Total (\$76,922.13)		

Insured Owner received notice from HUD that the mortgage is outstanding.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Mortgage Not Paid

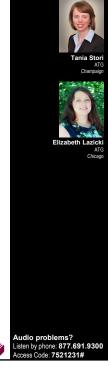
- **How Could This Claim Have Been Prevented?**
 - Check with the sellers about where they send monthly payments.
 - Check with the payoff lender about what accounts the payoff covers.





Case Study: Missed Inspection Stamps

- **Property required inspection and transfer stamps** to have the deed recorded.
- Member believed that the Village Stamps had been acquired prior to closing.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Missed Inspection Stamps

- Member waived the inspection and stamp exceptions based on the belief that the inspection had occurred and stamps had been acquired.
 - 9. By ordinance of the City/Village of University Park, the recording or filing of any deed or other instrument of conveyance is subject to prior approval by an appropriate officer of the municipality for property within the municipality limits. Relative thereto, all deeds submitted for recording must be accompanied by the appropriate certificate of exemption.
 - Waived with stamps and compliance.

 (D) By the Village/City of University Park, the recording of any deed or other instrument of conveyance may be subject to real estate transfer taxes imposed by the Village/City of University Park, and prior approval of University Park water department. Waived with stamps and compliance.

Audio problems? Listen by phone: 877.691.9300



Case Study: Missed Inspection Stamps

- Inspection had not occurred.
- Inspection done post-closing disclosed several violations.



Occupancy Type: Property Use: Total Violations: Corrected Violations:

Residential single family/ R3 17

Fees

\$250.00

0

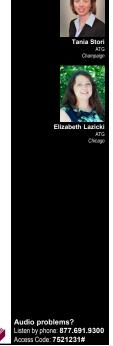
The following is the result of the inspection on the occupancy located at the above listed address. The noted deficiencies must be corrected by the responsible party. Some of the deficiencies noted may require registered contractors and permits. If you should have any questions about this inspection, please contact us at (708)534-4818



ATG LEGAL EDUCATION Claims Prevention, Part 2

Case Study: Missed Inspection Stamps

- **How Could This Claim Have Been Prevented?**
 - Do not waive exceptions without stamps in hand.
 - (Do not rely on the promise that it is forthcoming.)





Case Study: Assessments

Homeowners' Association Management Company's Paid Assessment Letter had a notation that the incoming balance from the prior management company had not been received and the balance was subject to change.

Initial Assessment Working Cap Assess. Ownership Conveyance Processing Fee	\$0.00 \$0.00 \$0.00		
Regular Assessments Special Assessments Other: Initial Assessment	\$746.27 \$0.00 \$0.00	Paid Assessment Fee Rush Fee	\$260.00 \$0.00
Balance Prior to Close [2][3]: Advance Assessments [4]:	\$79.96	Fees: Ownership Conveyance Processing Fee	\$275.00

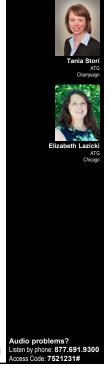
Please be advised that this community is still in transition. We have not received the incoming balance from the previous management company. Once the transition is over, the balance may subject to change.

ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Assessments

- Member used the amount on the Paid Assessment Letter.
- Insured Owner received an updated assessment letter for an additional \$3,851.95 for assessments due at the time of closing.





Case Study: Assessments

- **How Could This Claim Have Been Prevented?**
 - Member should have held a Title Indemnity for any additional fees not yet received from the prior management company.



ATG LEGAL EDUCATION Claims Prevention, Part 2



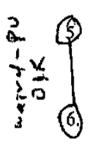
Title Indemnity Agreements

- **Parts of the Title Indemnity Agreement**
- Claims Arise
 - Not enough money is held.
 - Instructions are not followed.
 - Agreement is not properly completed.
 - Agreement form is not used.



Case Study: Exception Referenced

- **Problem**
 - The exceptions referenced in the T.I. were the wrong exceptions.



AND, WHEREAS, the ATG member who has examined the title to said real estate has raised certain objections to said title as follows:

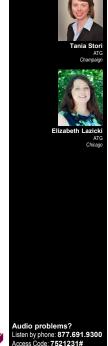
7,8 Executions

ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Exception Referenced

- **How Could this Claim Have Been Prevented?**
 - Make sure that the exception being referenced is correct.
 - Reference the Exception Number to provide clarity on what the Title Indemnity covers.





Case Study: Title Indemnity Date

- Closing took place on 8/18/2017.
- Title Indemnity executed because of a mechanic's lien that had been recorded.
- At the closing, the date under paragraph #3 was arbitrarily chosen for one year after the closing.

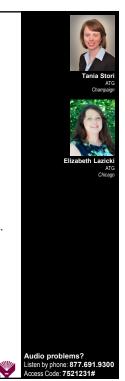
3. To discharge, eliminate, or satisfy all of the Exceptions by the following date:



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Case Study: Title Indemnity Date

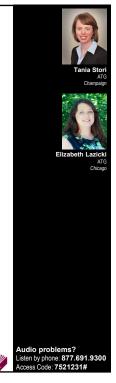
- Problem with Choosing a Date One Year from the Closing
 - Within a couple months, the mechanic's lien claimant filed a foreclosure of the lien and named ATG's insured owner.
 - ATG retained counsel to represent the insured owner and protect their interest.
 - Mechanic's lien foreclosure was resolved by August 18, 2018.
 - Attorney's fees incurred prior to the date.





Case Study: Title Indemnity Date

- **How Could This Claim Have Been Resolved?**
 - Do not have a date later than 90 days after the closing.
 - Contact ATG Underwriters if the date under paragraph 3 is more than 90 days after the closing.



ATG LEGAL EDUCATION Claims Prevention, Part 2



Case Study: Using the ATG Form

- Money was held in a Title Indemnity Escrow Fund, but the Form was not completed.
- There was a refund due to the sellers.

Please be reminded that I represented the sellers in the above-referenced transaction. Any excess funds after redeeming the sold taxes should be refunded to Jack and Diane and sent to my office,



Im not sure where mane came from 712 overnight v to Du office. Seller is very ill + meeds asap.

