



## TITLE INSURANCE: AVOIDING TITLE PITFALLS

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### ANALYSIS OF TITLE REQUIREMENTS

- A. Attorney Opinion or Commitment for Title Insurance
  - 1. Requirements - Those things which must be accomplished before the examining attorney or the title insurance agent will pronounce the title to the real estate marketable.
  - 2. Exceptions - Those title matters which represent encumbrances on the property which are acceptable to the lender and the buyer. These matters are not insured by the title insurance policy.
  - 3. Advisory Comments and Recommendations - These are generally matters which are preferable but need not be accomplished in order for the title to be marketable. The importance of these matters may depend on the proposed use of the property and how soon the property will be sold.
- B. Title Examination Standards of the Real Property Section of the Oklahoma Bar Association
  - 1. Consensus of real property attorneys, proposed by Title Examination Standards Committee and approved by the Section, and then by the Board of Governors of the Bar Association.
  - 2. Court Cases have recognized that the title standards are not law but have given them the status of "persuasive authority."
- C. Approach to the Title Evidence
  - 1. Develop a "Worst Case Scenario"

What is the worst thing that could happen if this requirement is not met? What is the likelihood that the worst thing will happen?
  - 2. Develop plans A, B and C

If we can't get the Quit Claim Deed from John Doe, is there another way that we can cure this problem? Will the passage of time cure this matter?



## BACKGROUND ON CONVEYANCES GENERALLY

### A. Deeds - Instruments Conveying an Interest in Real Property

1. Warranty Deed - Grantor warrants good and indefeasible title is conveyed.
2. Grant Deed - Grantor warrants that he has not previously conveyed to another.
3. Quit Claim Deed - Grantor conveys his present interest, whatever that may be.
4. Gift Deed - A voluntary deed, executed and delivered without consideration.
5. Support Deed - A deed given in consideration of the future support of the grantor by the grantee.
6. Court Transfer - Conveyance by Court Order. Divorce decree may act as a conveyance. Order of distribution in Probate can be a judicial conveyance.
7. Probate Deed / Guardianship Deed - These are deeds used when property is conveyed during the pendency of court proceedings. Certain procedures must be followed in order to obtain court approval and authority for the deed.

### B. Requisites of Deed

1. Competent Grantor - Adult who has not been determined to be incompetent, and who is not incompetent in fact, or attorney in fact.
2. Competent Grantee - Partnership, corporation, individual(s), joint venture, trust.
3. Legally Sufficient Consideration - One dollar and other valuable consideration.
4. Words of Conveyance - Grant, bargain, sell and convey.
5. Legal Description of Property - Sufficient for a surveyor to locate property exactly.
6. Signature of Grantors - (Grantees need not sign for a valid conveyance).
7. Delivery of Deed - Recording of a deed raises a rebuttable presumption of delivery.

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8. Acknowledgement - Notary signs that it was the voluntary act of the person who signed it.

C. Deed Restrictions

1. Limitations: Such as "this property may never be used to sell gasoline".
2. Other Limitations: Such as "right of first refusal to developer or seller".

D. Contract for Deed

1. Components - Grantor, Grantee, Terms of Sale, Provision for Deed later.
2. Validity under Oklahoma Law - Considered to be an "equitable" mortgage, and the contract buyer is considered to be in "equitable" title. Since it is considered a mortgage, there are cases that require a foreclosure in order to regain the property upon default.

E. Deed of Trust

1. Definition - Conveyance given as security for performance of an obligation.
2. Validity under Oklahoma Law - Considered by the Courts to be a mortgage. Must be foreclosed as if a mortgage on occurrence of default.
3. Nonjudicial Foreclosure Under Power of Sale - On "homestead" property, the borrower has the right to force the lender to pursue a judicial foreclosure. If borrower does that, lender may pursue a deficiency judgment. If sold on "power of sale" nonjudicial proceeding, no deficiency.

F. Disclosure Requirements

1. Environmental Concerns - Now included in the Residential Property Condition Disclosure Act 60 Okla. Statutes Sections 831 et seq. (Effective July 1, 1995).
2. Psychologically Impacted Property - Covered by 59 Okla Statutes Section 858-513 (Effective May 12, 1989).

3. Use Restrictions - Restrictive covenants not now required to be provided except for condominiums. Requirement proposed in last legislative session and likely to remain an issue.

G. Status of Title

1. Clear Title - Used generally to refer to a title without flaw. Considered the same as marketable title.
2. Good and Indefeasible Title - Warranted by warranty deed. No one has better title. Does not warrant marketability.
3. Clouded Title - Title which has apparent defects.
4. Marketable Title - Currently, according to Title Examination Standard 1.1 "A marketable title is one free from apparent defects, grave doubts and litigious uncertainty, and consists of both legal and equitable title fairly deducible of record."
5. Title Examination Standard 1.3 reads as follows: It is often practicable and highly desirable that, in substance, the following language be included in contracts for a sale of real estate: "It is mutually understood and agreed that no matter shall be construed as an encumbrance or defect in title so long as the same is not so construed under the real estate title examination standards of the Oklahoma Bar Association where applicable."

**Discussion of Specific Title Pitfalls**

A. Foreclosure Defects

1. Jurisdictional Problems - Notice of hearings, suit.
2. Affidavits of Mailing
3. Legal Description Discrepancies
4. Notice of Pending Suit



B. Marital Interests

- 1 Joinder of spouse on deeds and mortgages.
2. No marital status shown - Defect is cured after 10 years. "An instrument relating to the homestead is void unless subscribed by both husband and wife." Title Examination Standards - Comment to 7.2

If no marital status is shown, it is conclusively presumed after 10 years that the grantor was not married.

C. Survey Problems

- 1 Building Lines
2. Easements
3. Property Boundary Lines
- 4 Error on Plat
5. Gaps and Overlaps

D. Bankruptcy

- 1 Sale by Bankruptcy during Pendency of Action
2. Abandoned Property
3. Lift of Stay for Foreclosure - (Can be done retroactively)
4. Exempt Property - Homestead generally exempt from proceedings if so claimed on the petition. If no complaint within time period, deemed to be as claimed.

E. Probate

- 1 Death of Seller after Contract
2. Sale of Estate Property
3. Estate Tax - State and Federal

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F. Tax Deed

- 1 Quiet Title

G. Powers of Attorney

- 1 Durable Power of Attorney - Survives incompetence.
- 2 Limited or General?

H Trusts

- 1 How can they hold title?
2. Nature of Entity
3. Marital interests? Must the spouse of Trustee sign?

Partnerships

1. Entity?
2. Marital Interests?
3. Who can sign for partnership?
4. Limited or General, what is the difference?

J. Corporations

- 1 One person corporations, who attests?
2. Corporate Seal
3. Continued existence to "wind up affairs".

K. Joint Ventures

- 1 Entity? New questions raised by 16 Okla. Statutes Section 1 as amended by House Bill 1664 (effective Nov. 1, 1995)???

#### **IV. CURATIVE SOLUTIONS**

##### **A Time**

- 1 Various statutes permit certain title defects to be cured by the passage of time:
2. Adverse Possession - Open and adverse possession of real property for 15 years can confer ownership notwithstanding any other defect in title. The 15 years can be the cumulative time of possession of an unbroken series of persons.

##### **B. Quiet Title**

- 1 This action gives the parties an opportunity to correct the record and if any party disagrees with the position of the plaintiff, they have a chance to state their case.

##### **C. Role of Title Insurance**

1. Title insurance is not a substitute for curing a title defect. In some instances, however, where the defect is essentially technical in nature and will be cured by the passage of time, some insurers will permit some level of protection for the lender.

##### **D. Marketable Record Title Act**

- 1 This act permits a person claiming through a chain of title which has its root over 30 years prior to obtain marketable title. Claims which may arise through Indian titles are generally not covered by this act. New provisions which address "stray" instruments. 16 Okla. Statutes Sec. 76 as amended by H.B.1664 eliminates much of the concern about "stray instruments".

#### **V. REVIEW**

## **TITLE INSURANCE**

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### **I. REAL ESTATE LAW PRINCIPLES**

#### **A. Legal Descriptions**

1. Platted or Reference to Recorded Plat
2. Rectangular Survey System
3. Metes and bounds

#### **B. Rights of Ownership, Intangible**

1. Occupy the Property
2. Use the Land
3. Transfer the Property
4. Devise by Will
5. Water Rights. Government has right to claim subsurface water.

#### **C. Acquisition Methods of Interest in Real Property**

1. Conveyance - i.e. Warranty Deed
2. Court Order i.e. Divorce Decree, Probate Order of Distribution
3. Specific Event - i.e. Death of Joint Tenant or Life Tenant

#### **D. Estates in Real Property**

1. Leasehold - Landlord/Tenant.
2. Periodic Tenancy - Estate for a period of time and automatically renewed for a like period unless terminated, i.e. month to month.
3. Estate at Will - Terminable at will of either party with no stated duration.

4. Estate at Sufferance - Wrongful continuance of possession after termination of estate or lease.
5. Life Estate - Right to use and income for the duration of the life of a specific person in being. Limited by "Waste".
6. Estate in Fee Simple - Inheritable; ultimate in ownership of real property; most comprehensive; normally most desirable.

**E. Definitions**

1. Easements and Rights of Way
2. Eminent Domain and Condemnation
3. Adverse Possession - 15 years of continuous, hostile, adverse, actual possession by one party or unbroken succession of parties.
4. Building Limit Lines

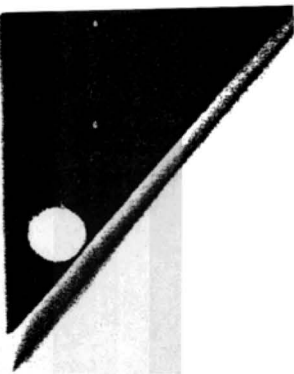
**II. TITLE EVIDENCE**

**A. History in Oklahoma**

1. Attorney's Opinion based upon Abstract
2. Definition of Abstract and Chain of Title
3. Growth of Lender's Title Insurance
  - a. Secondary Mortgage Market
  - b. Savings and Loan Changes

**B. Nature of Title Insurance**

1. Comparison with Attorney's Opinion
  - a. Continuity of Protection. The title insurance company can reasonably be expected to continue in existence longer than the life of an attorney. An action against an attorney would normally have to be brought within five years of the opinion whereas the title insurance policy is in force for the entire time you own the property.

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- b. Nature of Protection and Recourse. In order to recover from the examining attorney, you would have to prove negligence. Recovery from the title insurer is based on the insurance agreement.
  - c. Financial Responsibility of Insurer. Insurers are examined by the Insurance Department and file financial reports with the department quarterly. Do you have a financial statement from your examining attorney?
  - d. Protection against loss due to matters not shown in public records. The attorney's examination cannot detect frauds, forgeries, omitted heirs, unrecorded documents or other matters which do not show in the records.
  - e. Obligation of insurer to defend title. Perhaps the most valuable part of the title insurance policy is the obligation of the insurer to defend your title even if there is nothing wrong. No attorney is obligated to defend an attack on your title if nothing is wrong with it.
- 2. Types: Mortgagees which is for the benefit of the lender and Owners which is for the benefit of the owner.
  - 3. Marketable Title and Standard "Insuring Over" Policy.
  - 4. Land Title Hazards (Clouds on Title)
    - a. Effect on Marketability
    - b. Relationship to Buyer, Seller and Investor
  - 5. Rights of Ingress and Egress
    - a. Effect on Chain of Title
    - b. Effect on Marketability
  - 6. Effects of Bodies of Water on Title
    - a. Accretion - Increase of riparian land gradually.
    - b. Reliction - Withdrawal of water exposing land
    - c. Riparian rights - Rights of owner of property adjoining body of water.

## **MECHANICS OF TITLE POLICY ISSUANCE**

### **A. Issuance of Commitment**

1. Required by law based upon attorney's opinion of abstract. 36 Okla. Statutes Sec. 5001 C, "Every policy of title insurance or certificate of title issued by any company authorized to do business in this state shall be countersigned by some person, partnership, corporation or agency actively engaged in the abstract of title business in Oklahoma as defined in Title 1 or by an attorney licensed to practice in the State of Oklahoma duly appointed as agent of a title insurance company, provided that no policy of title insurance shall be issued in the State of Oklahoma except after examination of a duly-certified abstract of title prepared by a bonded and licensed abstractor as defined herein."

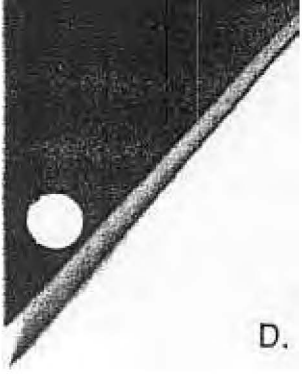
2. Procedures to Meet Requirements

### **B. Elements of Commitment**

1. Effective Date - Same as Abstract
2. Type of Policy
3. Amount of Coverage
4. Name of Insured
5. Estate to be Insured - "FEE SIMPLE"
6. Title Vested
7. Legal Description
8. Counter Signature

### **C. Commitment Requirements**

- 1 Pay Consideration
2. Record Conveyance
3. Survey - Location of improvements, encroachments access
4. Evidence of payment of labor and material bills

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5. Release of Mortgage
  6. Survey location of exceptions - easements
  7. File mortgage and disburse proceeds

D. Commitment Exceptions

1. The "GAP"
2. Taxes not Ascertainable
3. Easements
4. Oil and Gas Interest
5. Restrictive Covenants

E. Policy

1. Reflection of Commitment after Closing
2. Exclusions
3. Endorsements
  - a. Inflation
  - b. Environmental - ALTA B.

#### IV. TITLE DEFECTS

- A. Even the most careful title examination of the perfect abstract cannot discover **ALL POSSIBLE TITLE DEFECTS**. The Owner's title insurance policy cannot discover all possible defects but can **PROTECT** against loss due to these defects. **NOTHING** can discover all possible title defects which may occur.
- B. Nature of loss. Often the only loss caused by a defect is the attorney fees necessary to correct the defect or to make the title marketable. The status of title must not only be good in fact but necessary documents must be filed to make the status "fairly deducible from the public record".



## **PRICING OF TITLE INSURANCE**

- A. Risk Rate of Separately billed services
  - 1. Owner's Rate
  - 2. Mortgagee's or Lender's Rate
  - 3. Simultaneous Issue - When Owner's and Mortgagee's policies are issued together.
  - 4. Charges for Special Coverage
    - a. M & M lien
    - b. Survey
    - c. Other
- B. All Inclusive
  - 1. Requirement that abstract charges be separately stated.
  - 2. Predictability of Charges
  - 3. Division of premium costs between buyer and seller.

## **VI. REVIEW**

## GLOSSARY

1. **Abstract of Title** – A condensed history of all recorded transactions affecting a particular tract of land.
2. **Access** – Owners right to leave (egress) and enter (ingress) property.
3. **Acknowledgement** – The declaration before an authorized officer or notary public by a person signing a legal document that he does so of his own free will. The acknowledgement authenticates the document for recording.
4. **Adverse Possession** – The right of an occupant of land to acquire title against the real owner, where possession has been actual, continuous, hostile, visible and distinct for the statutory period. (15 years - Oklahoma)
5. **Affidavit** – A sworn statement in writing before some person authorized to take an oath.
6. **After-Acquired Title** – Doctrine whereby title to land is acquired by a person who has already attempted to convey or encumber property which he did not own: after acquiring said title it immediately passes to his grantee.
7. **Affirmative Coverage** – Provisions in policies by which the insurer affirmatively insures against loss due to specific risks generally not covered by policies; for example, insurance against loss due to violation of usury or truth-in-lending statutes or restrictive covenants.
8. **Air Rights** – Rights to reasonable use of air space above surface of land.
9. **All-Inclusive Rate** – The system of quoting rates for insurance where the stated rate includes the cost of title search, title examination and the policy.
10. **ALTA** – American Land Title Association, a national association of title insurance companies and title abstract organizations. This term is used most frequently as part of the identification of standard policy forms adopted by that association.
11. **Appraisal** – Estimated value of property from analysis of facts about the property.

12. **Appurtenance** – Anything so attached to the land or used with it that it is considered a part of the real property and would pass to a purchaser of the real property; for example, a garden or easement.
13. **Assignment** – A transfer by one person or other legal entity (company or corporation) of his property, rights, title, contract rights, interest in a note, etc. to another person.
14. **Attest** – To affirm to be true or genuine; an official act establishing authenticity.
15. **Attorney in Fact** – A person authorized by another (by Power of Attorney) to act in his place, for a particular purpose, for a general business.
16. **Attorney's Opinion** – Written opinion of an Attorney at Law regarding the marketability of title to real property based on an abstract of title.
17. **Base Title** – Title to an area or tract out of which parts are subsequently conveyed or from which a subdivision or development is made. Thus the title to farm acreage which has been subdivided would be the base title to the entire subdivision.
18. **Building Line** – Line established by law or agreement beyond which a building or structure may not extend.
19. **Chain of Title** – A term applied to the past series of transactions and documents affecting the title to a particular parcel of land. Each deed or other instrument effecting a transfer of the title is called a "link" and all of the links constitute a chain.

**Closing** – Process by which all the parties to a real estate transaction conclude the details of a sale or mortgage. The process includes the signing and transfer of documents and distributions of funds.

21. **Cloud on Title** – A claim, defect or encumbrance that raises a doubt or affects the title to real property.

**Commitment for Title Insurance** – An enforceable agreement that upon satisfaction of the requirements which are stated in the commitment, the insurer will issue the specified title insurance policy subject only to the exceptions stated in the Commitment. A commitment sets forth status of title as of a particular date.

23. **Conditions** – Found in conveyances of title to land whereby some negative or positive condition or covenant is placed upon its use or transferability, and is often finding upon future owners and/or uses of the land.
24. **Deed** A written document by which title to real property is conveyed.
25. **Easement** – Rights of a person or company to use the land of another for limited purposes, such as laying a sewer, electric power lines, or crossing the property.
26. **Eminent Domain** – The power of the state to take private property for public use upon payment of just compensation.
27. **Encroachment** – A fixture, or structure, such as a wall or fence, which intrudes upon a portion of the property belonging to another.
- Encumbrance** – Claim or liability (such as lien, judgment, or unpaid taxes) that affects title to property.
29. **Escrow** – Holding of money and/or documents by an impartial third party while conditions of intended contract are met.
- Exception** – That which is excluded from coverage in a title policy, such as easements, zoning ordinance, etc. In legal description, that portion of lands to be deleted or excluded.
31. **Fee Simple** – An estate in which the owner is entitled to the entire property, with unconditional power of disposition during his life, and which descends to his heirs upon his death if he dies without a will.
32. **Grantor** – A person who, by a written instrument, transfers to another an interest in land. Seller.
33. **Indemnity** – An agreement by the maker of the document to repay the addressee of the agreement up to the limit stated for any loss due to the contingency stated on the agreement.
34. **Legal Description** – Land description recognized by law, by which property can be definitely located by reference to government surveys or approved recorded plats.
35. **Marketable Title** – Title which is free from defects and can be sold or mortgaged.

36. **Mechanic's & Materialman's Lien** – A claim authorized by statute in favor of persons who have performed labor and/or furnished materials used to improve real property. This lien secures priority payment of those who improve the property.
37. **Metes & Bounds** – A system of describing the boundaries of property by starting at a known point and measuring in specified directions.
38. **Mortgage** – A contractual relationship whereby real property is pledged as security to guarantee payment of an obligation.
39. **Mortgagee** – Person taking or receiving a mortgage. Lender.
40. **Mortgagee's Policy** – A title insurance policy in which the insurer insures the mortgagee against loss it may suffer because the title is not vested as stated in the policy and insures the validity and priority of the mortgage lien over any other lien not excepted to in the policy.
41. **Mortgagor** – Person pledging property he owns, or such interest as he may own, to secure a debt. Borrower.
42. **Patent** – A document issued for the purpose of granting public lands to an individual.
43. **Plat** – A map, or representation of a piece of land, generally filed with a dedication, showing lots and blocks (if any) and the streets, alleys, easements, etc. in an addition or subdivision.
44. **Quiet Title** – A suit to remove record defects that cloud the title and to resolve ownership disputes.
45. **Quit Claim Deed** – A deed operating as a release; that is intended to pass any title, interest or claim one may have in a parcel of land to another without any warranty of title.
46. **Recording** – The process of placing a document on file with a designated public official for public notice.
47. **Reinsurance** – Procedure whereby a title insurer reduces its liability by obtaining agreement from another insurer to assume a portion of the liability on a certain policy.

- 48 **Release** – A document given in cancellation or voiding a lien or claim by the person who holds same to the person making the lien or against whom claim has been made.
49. **Right of Way** – A right of passage over or across the land of another, which right of passage may be limited - an easement.
50. **Survey** – The process of measuring land to determine its size, location and physical description.
51. **Title** – Evidence in the form of a deed or other certificate of a person's legal right to ownership of property.
52. **Title Insurance** – Insurance which is designated to indemnify the holder for loss sustained for reason of defects in a title, up to and including the policy limits.
53. **Zoning** – Rules, regulations, ordinances, etc. for classifying or limiting the use of real property for various uses usually in accordance with a land use program approved by a governing body.



OF OKLAHOMA }  
OF OKLAHOMA }

SS:

UNIFORM ABSTRACT CERTIFICATE

18-629-5030



The undersigned American Eagle Title Insurance Company, An Affiliate Corporation of Lawyers Title of Oklahoma City, Inc. hereby certifies that:

1. There is shown herein a true and correct abstract of all instruments filed for record or recorded in the Office of the County Clerk of said County during the period covered by this certificate which affect title to the following described real estate:

ABSTRACTOR'S NOTE: This abstract prepared for the use and benefit of the surface owners only, and all instruments pertaining to oil, gas or any other minerals are omitted.

Lots One (1) and Two (2), in Block Eleven (11), of WEALTHY MANORS, an Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

2. The records of the Offices of the County Court Clerk and of the County Clerk of said County disclose that there are no executions, court proceedings nor suits pending in any of the Courts of record in said County, nor liens of any kind affecting the title to said real estate, and there are no judgments or transcripts of judgments, against any of the following named parties, either indexed and docketed prior to October 1, 1978 on the judgment docket of the Court Clerk of said County or filed for record or recorded on or after October 1, 1978 in the Office of the County Clerk of said County, affecting title to said real estate, except as shown in this abstract:

MICK E. MOUSE AND MINNIE MOUSE, Husband and Wife

2-A. The records of the Office of the United States District Court for the Western District of Oklahoma disclose that there are no judgments docketed, suits pending or bankruptcy proceedings upon or affecting the real estate described herein, except as shown:

ABSTRACTOR'S NOTE: Not checked or certified as to owners of oil, gas or other mineral interests.

Ad Valorem Taxes for the year 1990 not yet ascertainable.

3. The records of the Office of the County Treasurer of said County disclose that:  
Said real estate has been assessed for ad valorem taxes levied against said real estate, due and unpaid, which are a lien on said property, nor tax sales thereof unredeemed, nor tax deeds given thereon, except as shown in this abstract;  
And there are no unpaid special assessments certified to the Office of the County Treasurer, due and unpaid nor tax sales thereof unredeemed, nor tax deeds given thereon, except as shown in the abstract; and  
There are no unpaid personal taxes which are a lien on said real estate, except: NONE

4. The undersigned is a duly qualified and lawfully bonded abstractor, who is granted a Certificate of Authority in accordance with the Statutes of the State of Oklahoma to engage in the business of abstracting, and whose bond is in force at the date of this Certificate. The undersigned has a set of indexes in compliance with Oklahoma Statute Title 74, Section 227.15 and 227.19, compiled from the records of said county and not copied from the indexes in the Office of the County Clerk, and the searches covered by this Certificate reflect the records of said county and are not restricted to the indexes in the Office of the County Clerk.

This Certificate covers sheets No. 5 to 543, both inclusive, and covers the period

from March 12, 1967 at 7:30 A.M. to January 1, 1990 at 7:25 A.M.

Countersigned by

*[Signature]*

per No.

12,345

AMERICAN EAGLE TITLE INSURANCE COMPANY  
AN AFFILIATE CORPORATION OF

By

*[Signature]*  
PRESIDENT

*Lawyers Title* - COMMITMENT TO SOLUTIONS. GUARANTEED!

UNIFORM COMMERCIAL CODE CERTIFICATE

STATE OF OKLAHOMA           )  
  ) SS  
COUNTY OF OKLAHOMA       )

The undersigned, AMERICAN EAGLE TITLE INSURANCE COMPANY, Parent Corporation of Lawyers Title of Oklahoma City, Inc., Bonded Abstracter in and for the County and State aforesaid, does hereby certify:

That according to information provided by the County Clerk of said County and State there are no financing statements nor assignments filed under the Uniform Commercial Code in the Office of the said County Clerk since January 1, 1963 at 7:30 a.m., which are indexed against:

MICK E. MOUSE and MINNIE MOUSE, Husband and Wife

with the street address of: 123 Happy Valley Road

ing title to:

Lots One (1) and Two (2), in Block Eleven (11), of WEALTHY MANORS, an Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

This report is based on information provided by County personnel. No liability is assumed for the accuracy of the information provided herein. In any event, the Liability under this report is limited to \$50.00. Acceptance of the report is agreement to these terms and limitations.

Dated at Oklahoma City, Oklahoma on: January 2, 1990 at 8:53 A.M.

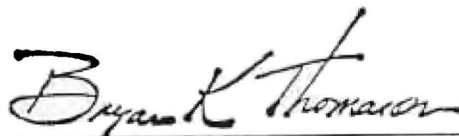
stersigned by:



Parent Corporation of  
LAWYERS TITLE

Order No: 12,345

By:



Vice-President



## BUYERS CERTIFICATE

STATE OF OKLAHOMA       )  
                                  )  
COUNTY OF OKLAHOMA    )       ss:

The undersigned hereby certifies that:

- 1) The records of the Office of the County Clerk of said County disclose that there are no judgments recorded and indexed against the names below;
- 2) There are no unreleased Notices of Federal Tax Liens or State Tax Liens filed in the Office of the County Clerk of said County;
- 3) There are no Judgments or Bankruptcy proceedings in the United States District Court for the Western District of Oklahoma;

against any of the following named parties:

(NOTE: THE JUDGMENT SEARCH HAS BEEN CONDUCTED STRICTLY IN COMPLIANCE WITH THE CURRENT JUDGMENT LIEN LAWS AS CONTAINED IN 12 O.S.A. 706.)

MICK E. MOUSE and MINNIE MOUSE, Husband and Wife

This Certificate is for the use and benefit of **AMERICAN EAGLE TITLE INSURANCE COMPANY**, its closing agents and/or examiners.

Dated at Oklahoma City, Oklahoma on: January 2, 199 at 7:30 A.M.

**AMERICAN EAGLE TITLE INSURANCE COMPANY**

BY:

*Bryan K. Thomas*

Vice President

Countersigned by:

*Patricia J. Smith*

Case No. 12,345

## U. S. COURT CERTIFICATE

STATE OF OKLAHOMA       )  
                                  )  
COUNTY OF OKLAHOMA    )       ss:

The undersigned, bonded Abstractors, in and for the County and State aforesaid, certify that there are no judgments docketed, suits pending describing real property, bankruptcy proceedings or notice of Tax Liens under Internal Revenue Laws in THE UNITED STATES DISTRICT COURT for the Western District of Oklahoma, against:

MICK E. MOUSE and MINNIE MOUSE, Husband and Wife

Dated at Oklahoma City, Oklahoma on: January 2, 199 at 7:30 A.M.

AMERICAN EAGLE TITLE INSURANCE COMPANY

BY:

*Bryan K. Thomas*

Vice President

Countersigned by:

*W. F. H. J. C. M.*

Case No. 12,345



# American Eagle

## Title Insurance Company

### COMMITMENT FOR TITLE INSURANCE

#### SCHEDULE A

1. Effective Date: January 2nd, 1990 at 7:30 A.M.

Case No. 12,345

2. Policy or Policies to be issued:

(a)

Amount \$

ALTA Owner's Policy - Form B- (Current Revision)  
ALTA Residential Title Insurance Policy

Proposed Insured: MICK E. MOUSE and MINNIE MOUSE, Husband and Wife

ALTA Loan Policy, (Current Revision)

Amount \$LOAN AMOUNT

Proposed Insured: WEALTHY COUNTY BANK & TRUST

3. Title to the Fee Simple estate or interest in the land described or referred to in this Commitment is at the effective date hereof vested in :

FIRST CITY BANK

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

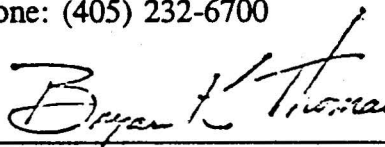
Lots One (1) and Two (2), in Block Eleven (11), of WEALTHY MANORS, an Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

49/50

ABSTRACT & TITLE GUARANTEE CO. a wholly owned subsidiary of  
LAWYERS TITLE OF OKLAHOMA CITY, INC.

Countersigned at Oklahoma City, Oklahoma

Phone: (405) 232-6700

by  KM/llh 1/1/96

Work Order No. 12,345

This Commitment is invalid unless the insuring provisions and Schedules A and B are attached.

SCHEDULE B - SECTION 1  
Requirements

following are the requirements to be complied with:

Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.

Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to-wit:

Mortgage from MICK E. MOUSE and MINNIE MOUSE, Husband and Wife, showing marital status and joined by spouse, if married, securing your loan.

Item (c) Lien Affidavit and Indemnity executed by seller(s), mortgagor(s) and/or contractor (if any) stating that all bills are paid for labor and/or material which might form the basis for a materialman's or mechanic's lien.

Item (d) Satisfactory Affidavit of Possession executed by the seller(s) or mortgagor(s) as may be appropriate.

Item (e) Receipt of satisfactory ALTA survey from Company approved surveyor of the improved property showing all facts necessary to establish that the property is free of violations of restrictions or other adverse physical matters.

Item (f) Have surveyor show the exact location of the easements or rights-of-ways shown under Schedule B, Section 2; or in the alternative, certify that lines as presently placed, do not affect or cross the subject property.

Item (g) Satisfactory proof of identity must be furnished with regard to the parties executing all documents required hereunder. This may be in the form of an Affidavit of Identity executed by the Notary Public before whom the document is executed. Additionally, a copy of the document(s) (drivers license, passport, etc.) relied upon by the Notary Public for identification of such parties must be furnished.

Item (h) Satisfaction and release of record of the mortgage executed by \_\_\_\_\_ a single person, in favor of VANGUARD MORTGAGE, INC., dated June 16, 1988, filed August 15, 1988, and recorded in Book 5806, Page 664, in the original amount of \$49,200.00. Assignment to LEADER FEDERAL BANK FOR SAVINGS, filed July 29, 1994, recorded in Book 6635, Page 1157.

Item (i) Payment of taxes for the second half of the year 1995 in the original amount of \$264.18. (Tax code 18-351-2655) (1994 and prior years paid.)

Item (j) Provide Company with a file stamped copy of Publishers Affidavit of Notice of Hearing Motion to Confirm Sheriff's Sale, Case No. CJ-87-10097, styled AMERICAN HOME SAVINGS AND LOAN ASSOCIATION -vs-

Note: Abstract was previously brought to date by The Oklahoma City Abstract & Title Company, May 18, 1988 #88050867.

SCHEDULE B - SECTION 2  
Exceptions

the policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

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 for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Taxes for the year 1996 and subsequent years, not yet ascertainable or payable.
3. Title to all minerals within and underlying the premises, together with all mining rights, and other rights, privileges, and immunities relating thereto.
4. Journal Entry Case CJ-81-5706 filed January 15, 1982 vacating a portion of Madison Street in Block 9 Ingleside Second Addition. (Entry 105)





**RESIDENTIAL TITLE INSURANCE POLICY  
SCHEDULE A**

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FILE NUMBER: 12,345  
POLICY NUMBER: R-000000  
DATE OF POLICY: January 2, 1990 at 3:55 P.M.  
AMOUNT OF INSURANCE: \$154,033

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Name of Insured:

MICK E. MOUSE and MINNIE MOUSE, Husband and Wife

Your interest in the land covered by this policy is:

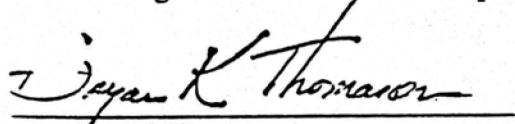
FEE SIMPLE

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

Lots One (1) and Two (2), in Block Eleven (11), of WEALTHY MANORS, an Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

**COUNTERSIGNED:**

American Eagle Title Insurance Company

  
Authorized Officer or Agent

1-1-90 KM/ilh

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

**SCHEDULE B**

**EXCEPTIONS FROM COVERAGE**

NUMBER: 12,345

POLICY NUMBER: R-000000

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

Taxes for the year 1996 and subsequent years, not yet ascertainable or payable.

Covenants, Conditions, Restrictions, Reservations, Easements, Liens for Assessments, Options, Powers of Attorney and Limitations on Title, created by the (Oklahoma) Real Estate Development Act, or set forth: in the Declaration recorded August 28, 1985, in Book 5364, page 736 and the Amendment filed November 25, 1985 and recorded in Book 5400, page 319; in the related By-Laws; and in any other allied instruments referred to in any of the instruments aforesaid, which do not provide for a forfeiture or reversion of title.

Twenty-five foot (25') front building set back line as shown by plat and dedication and as provided in Restrictive Covenants.

Easement for public utilities over the rear ten feet (10') and a ten foot (10') easement on each lot line as shown by plat and as provided in Declaration recorded in Book 5364, page 736.

Title to all minerals within and underlying the premises, together with all mining rights, and other rights, privileges, and immunities relating thereto.

Rights of parties in possession, encroachments, overlaps, overhangs, unrecorded easements, violated restrictive covenants, deficiency in quantity of ground, or any matters not of record which would be disclosed by an accurate survey and inspection of the premises.

Any adverse matters which would be disclosed by a judgment search on the within named Insured.

Right of Way in favor of CITY OF US, recorded in Book 5316, page 1611

Right of Way in favor of OKLAHOMA GAS AND ELECTRIC COMPANY, recorded in Book 38, page 1



**LOAN POLICY  
SCHEDULE A**

FILE NUMBER: 12,345  
POLICY NUMBER: L-000000  
DATE OF POLICY: January 2, 1990 at 10:15 A.M.  
AMOUNT OF INSURANCE: \$154,033

Name of Insured:

WEALTHY COUNTY BANK & TRUST

The estate or interest in the land which is encumbered by the insured mortgage is:

FEE SIMPLE

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

MICK E. MOUSE and MINNIE MOUSE, Husband and Wife

The insured mortgage and assignments thereof, if any, are described as follows:

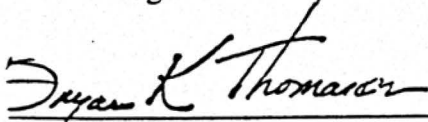
Mortgage from MICK E. MOUSE and MINNIE MOUSE, Husband and Wife, in favor of WEALTHY COUNTY BANK & TRUST, dated January 1, 1990 and recorded January 2, 1990 at 10:15 A.M. in Book 6055, Page 133, in the office of the County Clerk of Oklahoma County, Oklahoma, to secure the sum of \$154,003.00.

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

Lots One (1) and Two (2), in Block Eleven (11), of WEALTHY MANORS, an Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

**WITNESSED:**

American Eagle Title Insurance Company



Authorized Officer or Agent

01/02/96 llb



## SCHEDULE B

### PART I

#### EXCEPTIONS FROM COVERAGE

12,345

L-000000

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:

Taxes for the year 1990 and subsequent years, not yet ascertainable or payable.

Restrictive covenants filed December 28, 1906, recorded in Book 8 Plats, Page 17, which do not provide for a forfeiture or reversion of title upon violation thereof.

Thirty foot (30') front building set back line, as shown by plat and dedication and as provided in Restrictive Covenants.

Title to all minerals within and underlying the premises, together with all mining rights, and other rights, privileges, and immunities relating thereto.

Easement for public utilities located in the closed alley adjoining subject property on the North, with the right of the City reserved to re-open said alley without expense to the City, as shown by Ordinance No. 5092, filed June 19, 1939, recorded in Book 437 Misc., Page 512.

Airport Zoning Ordinances and Regulations recorded in Book 906, Page 301; in Book 993, Page 157; in Book 1028, Page 521; in Book 2237, Page 340; in Book 2237, Page 315; and in Book 3065, Page 621, to the extent subject property is affected thereby.

Encroachment of main structure onto front building set back line as shown by plat of survey dated May 16, 1987 and made by Daffy Duck.

### PART II

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

AMERICAN EAGLE TITLE INSURANCE COMPANY

ENDORSEMENT

CODE NAME

FILE NUMBER

MOUSE

12,345

attached to and made a part of American Eagle Title Insurance Company Policy No. L-000000

the insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for residential purposes.

the company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

(a) any environmental protection lien which, at Date of Policy, is recorded in those 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, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or

(b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by the following state statutes:

This endorsement is made a part of this policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

WITNESS WHEREOF, the Company has caused this Endorsement to be signed and sealed as of the 3rd day of January, 1990, to be value and countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws.

SIGNED:

American Eagle Title Insurance Company

*Bryan K. Thomas*

Authorized Officer or Agent