

A photograph of the Seattle skyline at sunset. The Space Needle is prominent on the left. The sky is a mix of orange, yellow, and purple. The city lights are visible, and a mountain range is in the background.

A Salvage Update & Indemnity Perspective

*Catheryn Oakland
National Salvage Counsel*

Chief Claims Counsel: [Scott McBee](#)

National Salvage Team

National Salvage Counsel: [M. Catheryn Oakland](#)



Regional Salvage Counsel

Catherine Yalung

(208) 780-4402

Adam Stricker

(303) 398-3721

Julie Huss

(303) 398-5035

Jessica Thurbee

(800) 488-4102

Kelly Berea

(630) 889-4069

Rich King

(914) 993-4435

Ed Daley

(813) 876-0619 x3366

Recoupment

Recoupment is...

legally

ethically

financially

appropriate recovery, as possible, of loss, expense and legal fees incurred on escrow loss suffered.

“...as possible...”





Dear Underwriting Counsel,

Thank you!

Sincerely,

The Salvage Team

ALTA Codes

Special Risk (B)

B1 Mechanics' Lien

A Construction Loan (priority)

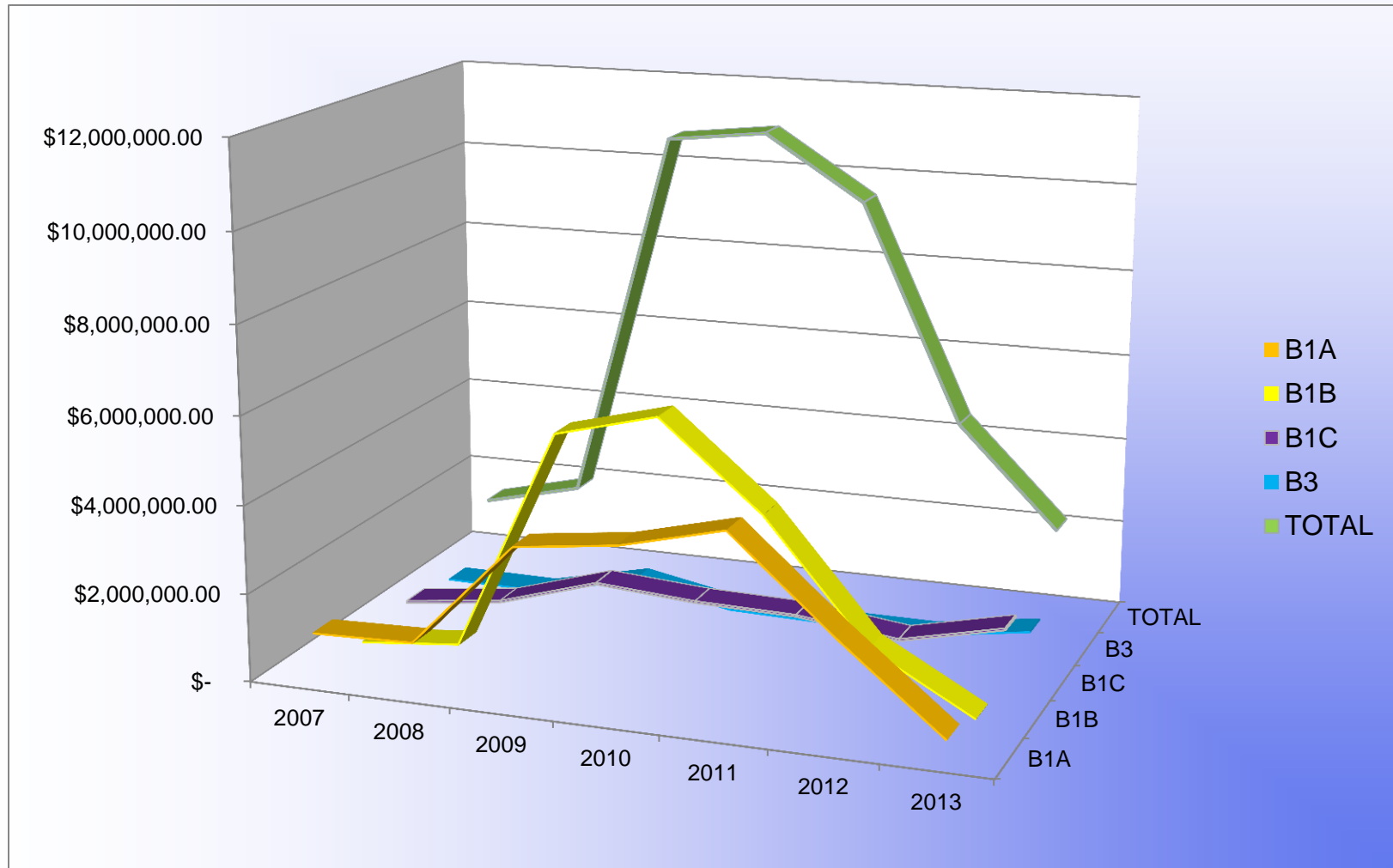
B Construction Loan (loss of priority)

C Owners Policy

D Permanent Loan Policy

B3 Affidavit or Indemnity relied upon (except for mechanics' liens)

Mechanics' Lien Claims



*YTD except 2013 thru 5/10/13

April 2013

TitleNews

Official Publication of the
American Land Title Association

Gloom to Boom: Market Recovery Stirs Expansion, Emergence of New Players in Title Industry

Companies of Various
Types and Sizes Looking
to Take Advantage of
Improved Housing
Market



Date: September 27, 2010
From: Stewart Legal Services
To: Stewart Morris, Jr., Malcolm Morris, Mike Skalka, John Killea, George Houghton, Bob Oakland, Glenn Clements, Jim Gosdin, Scott McBee, Regional Underwriting Counsel, Underwriting Counsel, Regional Claims Counsel, Agency Service Managers, Group Senior Presidents and Group Vice Presidents

RE: Underwriting Authority

Dear Associates:

In order to provide flexibility in underwriting, the following underwriting authority limitations shall be applicable to all Stewart designated underwriters who have been approved by Stewart Legal Services (SLS). The limits set out below are the "**maximum underwriting authority.**" Eastern Operations Group President, Western Operations Group President, District Agency Services Managers, District Group Senior Vice Presidents and District Group Vice Presidents, have the authority to **limit** the underwriting authority of underwriting personnel who report to such managers within their respective jurisdictions.

Stewart® Bulletin

The same limits for Underwriting Authority will apply to the amount of potential liability arising under any indemnity issued to another title insurer or accepted from another title insurer by an Underwriter, Associate Senior Underwriter, or Senior Underwriter.

Stewart[®] Bulletin

...

(2) "No priority" or "lost priority" situations

(b) In "no priority" or "lost priority" situations, or if the absence of commencement (where such establishes mortgage priority) cannot be documented as described above in a visible commencement state, an Associate Senior Underwriter (for policies up to \$10,000,000) or a Senior Underwriter (for policies up to \$25,000,000) may approve mechanic's liens coverage, by use of **PDCX06 STGC or equivalent coverage or other Pending Disbursement Clause authorized by state specific bulletin**, provided Mechanic's Liens Documentation has been received. If the Associate Senior Underwriter or the Senior Underwriter is not satisfied as to existing credit enhancements, the Associate Senior Underwriter or the Senior Underwriter should (1) require credit (support) enhancements such as Satisfactory Letter of Credit, solvent party indemnity, guarantees, bonds, other collateral, funds escrow, or title company disbursement, or (2) require that the date of mechanic's lien coverage be limited to date of payment for the prior draw (along with proof of payment to original and first tier subcontractors for such draw), or (3) use **PDCX07 STGC**.





Salvage Challenges

This indemnity is executed by the undersigned individually and on behalf of:

ABC, LLC and ABC Homes (“Indemnitor”) , in favor of...

With a signature line which did not specify signatories, as follows:

BY: _____(signed)_____

Its: _____CFO_____

By: _____

Its: _____

Example

Or a signature line that specified only the entity as signatory:

ABC, LLC, a Limited liability company

By: _____ (signed) _____

Its: _____ (blank) _____

Example

This indemnitor hereby grants the right to rely upon this indemnity in issuing its policy of title insurance without mechanic's lien exclusions, should Title Company issue any such policy of title insurance it will do so in reliance upon the undertaking of the Indemnitor (individually and collectively referred to hereafter as "Title Company"). Indemnitor agrees that as to those transactions, present and future, ...

1. Because of its interest in the land and improvements, Indemnitor desires the issuance by Title Company from time to time of policies of title insurance, endorsements, commitments, binders and guarantees ("title insurance") covering said land and insuring against loss which may be sustained by reason of mechanic's liens

3. To induce Title Company to issue title insurance in the manner hereinabove mentioned, Indemnitor promises and agrees to hold harmless, protect and indemnify Title Company from and against any and all liabilities, ... which Title Company may or might become liable or sustain arising out of ... liens arising from unpaid bills for labor, services and/or materials furnished to the land.

STGC Indemnity Agreement: Construction

File, Commitment, GF, or Policy Number: _____

(referred to herein as the "File")

This indemnification (hereafter "Indemnification" or "Agreement" or "Indemnity Agreement") is made and given by the undersigned, _____, individually, and on behalf of: _____ referred to herein as "Indemnitor" (whether one or more) for the benefit of Stewart Title Guaranty Company and _____ (individually and collectively referred to hereafter as "Title Company").

STGC Indemnity Agreement: Construction

1. Indemnitor has requested the issuance by Title Company from time to time before, on, or after the effective date of this Agreement, of a policy or policies of title insurance, endorsements, commitments, binders, preliminary reports, guarantees and indemnities ("Title Insurance Policy" or "Title Insurance Policies") covering all or part of the land described in the File (referred to hereafter as "Land") as to transactions, past, present and future, and insuring against loss which may be sustained by reason of mechanic's liens, claims of liens, or actions to enforce said liens, without showing (or insuring against) said claims, liens and/or actions as exceptions to title, or insuring against loss by reason of any claim of priority of any such mechanic's liens over insured mortgages, deeds of trust or other insured interests, and/or insuring against liens arising from unpaid bills for labor, services, equipment and/or materials furnished to all or part of the Land, by endorsement or otherwise, including but not limited to legal fees and expenses (such insurance "Mechanic's Lien Coverage"). Indemnitor understands and agrees that the Title Company may make disclosure of said claims, liens and actions to all proposed insured.
2. To induce the Title Company to issue any Title Insurance Policy providing Mechanic's Lien Coverage, Indemnitor shall hold harmless, protect, defend and indemnify the Title Company from and against any and all liabilities, losses, damages, expenses and charges (whether or not the Title Company has suffered actual loss), including, but not limited to, attorney's fees and expenses of litigation, and attorney's fees and expenses to enforce this Agreement, for which the Title Company may become liable or sustain, arising out of or any way connected with any Title Insurance Policy providing Mechanic's Lien Coverage.

STGC Indemnity Agreement: Construction

3. Indemnitor understands and agrees that the Title Company's issuance of any Title Insurance Policy providing Mechanic's Lien Coverage may make it necessary or appropriate for the Title Company, in its sole discretion and without notice to Indemnitor, to issue additional or other Title Insurance Policies providing Mechanic's Lien covering all or part of the Land from time to time. Therefore, it is understood and agreed that the obligations of the Indemnitor hereunder shall not be limited to the Title Insurance Policy providing Mechanic's Lien Coverage initially issued on the Land, but shall also apply to any Title Insurance Policies subsequently issued on the Land, or portions thereof. It is specifically understood by the Indemnitor that the Title Company will be relying upon this Agreement as a continuing guarantee of the performance of Indemnitor's obligations with respect to the Land in issuing any such further Title Insurance Policies providing Mechanic's Lien Coverage.

STGC Indemnity Agreement: Construction

Individual and Entity Signature Block to be used when indemnitor is executing in BOTH individual and entity capacity

Indemnitor (in individual capacity):

Printed Name: _____

AND

Name of Entity:

By: _____

Its: _____

Printed Name: _____

Indemnity Agreement: Construction

4. A. In the event that any mechanic's lien, or notice of lien or claim thereof (a "Lien") shall be filed against the Land, or any action shall be commenced to foreclose such a Lien, Indemnitor shall, within twenty (20) days of the earlier of such filing or commencement, as applicable, in form and manner satisfactory to the Title Company:
- (i) Cause a release of the Lien to be filed in the appropriate official records office; or
 - (ii) Cause to be recorded with respect to any such Lien a bond or bonds conforming to applicable state statutes and **sufficient to release the Lien from the Land; or**
 - (iii) Deposit with the Title Company an amount equal to one and one-half (1-1/2) times the amount claimed, plus attorney's fees, interest and costs; or
 - (iv) Take such other action as shall be agreed to by the Title Company, in its sole discretion.
- B. Should Indemnitor fail to comply with subparagraphs (i), (ii), (iii) or (iv) as set forth above, the Title Company is authorized by Indemnitor, but is not obligated, to advance and pay such amounts as the Title Company shall, in its sole discretion, determine to be appropriate to procure release of such Lien. **Without notice or demand, the Title Company may take any action it deems appropriate for its protection or the protection of any of its insureds.** Indemnitor agrees upon demand to reimburse the Title Company for all amounts advanced or expended, together with the maximum rate of interest allowable by law.

NEW



Other Indemnity Agreements

BY SELLER or BUYER/BORROWER IN HIS/HER OWN HANDWRITING
INDEMNITY AND AFFIDAVIT AS TO DEBTS, LIENS, AND POSSESSION
USE SEPARATE FORM FOR EACH PARTY

SUBJECT PROPERTY: Lot 10 and the west ½ of Lot 11, Block 102, Hallam's Addition to the City and Townsite of Aspen, Pitkin County, Colorado

STATE OF Colorado
COUNTY OF Pitkin

Before me, the undersigned authority on this day personally appeared

Harald Dude

Seller or Buyer/Borrower

Contractor (if new construction)

personally known to me to be the person(s) whose name is subscribed hereto and upon his/her oath deposes and says that no proceedings in bankruptcy or receivership have been instituted by or against him/her and that the marital status of affiant has not changed since the day of acquisition of said property and represents to the purchaser and/or Lender in this transaction that there are:

Other Indemnity Agreements

2. No loans, unpaid judgments, or liens (including Federal or State Liens or Judgment Liens) and no unpaid governmental or association taxes, charges or assessments of any kind on such property except the following:

Creditor	Approximate Amount
NONE	None

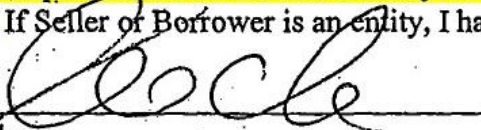
property upon which same are situated, and I hereby declare that all sums of money due for the construction of improvements have been fully paid and satisfied except the following:

If any Deed of Trust recorded against my property secures an open line of credit or a revolving line of credit, I/we affirm that I/we have not drawn additional funds from the line of credit since the date of the title payoff statement from my/our lender to Stewart Title. I/we further agree and affirm that I/we will not make any further draws on the line of credit after the date of this affidavit. I/we further affirm that I/we have not taken out any loans against our property other than those shown on the above referenced commitment number.

Indemnity: I agree to pay on demand to the purchasers and/or lender and/or title companies (including Stewart Title Guaranty Company) in this transaction, their successors and assigns, all amounts secured by any and all liens, claims or rights not shown above, together with all costs, loss and attorney's fees that said parties may incur in connection with such unmentioned liens, provided said liens, claims, or rights either currently apply to such property, or a part thereof, or are subsequently established against said property and are created by me, known by me, or have an inception or attachment date prior to the closing of this transaction and recording of the deed and mortgage.

Other Indemnity Agreements

I realize that the purchaser and/or Lender and Title Companies in this transaction are relying on the representations contained herein in purchasing same or lending money thereon and issuing title policies and would not purchase same or lend money or issue a title policy thereon unless said representations were made. If Seller or Borrower is an entity, I have authority to sign on its behalf.

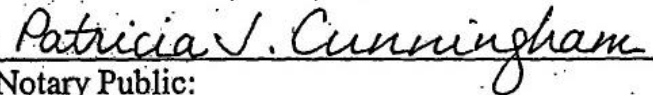


Harald Dude

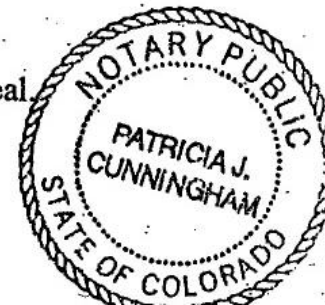
STATE OF Florida
COUNTY OF Pitkin

The foregoing instrument was acknowledged before me this 2nd day of July, 2003, by Harald Dude

My commission expires 12/9/06. Witness my hand and official seal



Notary Public:





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