

2272.

CONTRACT OF OTTERBEIN HOME, WARREN COUNTY—STATE DOES NOT HAVE CLEAR TITLE TO LAND WHERE IT IS UNDER LEASE THAT HAS NOT EXPIRED.

COLUMBUS, OHIO, June 25, 1928.

HON. JOHN E. HARPER, *Director, Department of Public Welfare, Columbus, Ohio.*

DEAR SIR:—This will acknowledge receipt of your recent communication in which you submit an option contract given to the State of Ohio by the Board of Trustees of the Otterbein Home on land situated in Warren County, Ohio. The option is for land which has been recommended by a committee appointed for that purpose, upon which to locate an institution for the feeble minded. The option, among other things, contains the following:

“It is understood by the State of Ohio that the west 350 acres of optioned property is now leased to Taylor and Bell under lease expiring March 1, 1931, and that the remaining acreage is leased to various tenants for terms ending March 1, 1929. It is agreed that the consideration undertaken to be paid by the said lessees under the terms of their present leases, shall be paid the Otterbein Home up to March 1, 1929.”

You inquire as to whether the State of Ohio could be given a clear title and proceed to cultivate and develop the property, considering the state might wish to use the acreage under lease as a building site for the transportation of materials and supplies during the construction period. It is noted that a portion of said land is now leased until March 1st, 1931, and that the remainder is leased until March 1, 1929. It is assumed that said leases are valid and subsisting leases and therefore said lessees will not be deprived of their rights under said leases by conveyance by the owners of said land of the title thereto to the State of Ohio. It is also noted that under the conditions in said option contract hereinbefore quoted, it is expressly stated that the State of Ohio, in accepting a deed for said lands, understands that said leases are in existence and that the consideration undertaken to be paid by said lessees under the terms of their said leases shall be paid to the Otterbein Home up to March 1, 1929.

You are therefore advised that the state cannot be given a clear title to said lands at the present time but that the same may only be conveyed to the State of Ohio subject to the leases mentioned in said option contract.

Respectfully,

EDWARD C. TURNER,
Attorney General.

2273.

LOANS—LICENSE—COLLATERAL FOR ONE WHO IS LICENSED—ONE WHO IS NOT LICENSED.

SYLLABUS:

1. *One who is licensed to make loans in accordance with Sections 6346-1, et seq., General Code, may borrow money from one who is not a licensee and pledge, as collateral to the loan, notes and mortgages collateral thereto secured from borrowers*