

CAUTION: TO BE USED ON ONE TO FOUR FAMILY FEE OWNERSHIP MORTGAGES ONLY. NOT TO BE USED ON MORTGAGES SECURED BY LEASEHOLD ESTATES OR FOR MORTGAGES SECURED BY STOCKHOLDER COOPERATIVE UNITS.

10/21/00

SHORT FORM RESIDENTIAL LOAN POLICY

ONE-TO-FOUR FAMILY

Issued by

STEWART TITLE®

GUARANTY COMPANY

SCHEDULE A

Amount of Insurance:

Premium:

File Number:

Policy Number:

Loan No.:

Date of Policy:

Mortgage Amount:

or date of recording of the insured mortgage, whichever is later.

Mortgage Date:

Name of Insured:

Name of Borrower(s):

Property Address:

County and State:

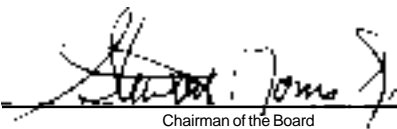
The estate or interest in the land identified in this Schedule A and which is encumbered by the insured mortgage is fee simple and is at Date of Policy vested in the borrower(s) shown in the insured mortgage and named above.

The land referred to in this Policy is described as set forth in the insured mortgage and is identified as the property address shown above.

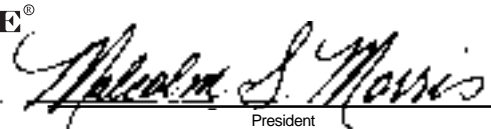
This Policy consists of one page, including the reverse side hereof, unless an addendum is attached and indicated below:

- Addendum attached No addendum attached
- The ALTA endorsements indicated below are incorporated herein:
- ENDORSEMENT 4 (Condominium) or ENDORSEMENT 4.1
- ENDORSEMENT 5 (Planned Unit Development) or ENDORSEMENT 5.1
- ENDORSEMENT 6 (Variable Rate)
- ENDORSEMENT 6.2 (Variable Rate-Negative Amortization)
- ENDORSEMENT 8.1 (Environmental Protection Lien) referring to the following state statute(s):

- ENDORSEMENT 9 (Restrictions, Encroachments, Minerals)


Chairman of the Board

STEWART TITLE®
GUARANTY COMPANY


President

Countersigned:

Authorized Countersignature

Company

City, State



Policy Number **U-9817**

SUBJECT TO THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B BELOW, AND ANY ADDENDUM ATTACHED HERETO, STEWART TITLE GUARANTY COMPANY, A TEXAS CORPORATION, HEREIN CALLED THE "COMPANY", HEREBY INSURES THE INSURED IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS, CONDITIONS AND STIPULATIONS SET FORTH IN THE AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92), ALL OF WHICH ARE INCORPORATED HEREIN. ALL REFERENCES TO SCHEDULES A AND B SHALL REFER TO SCHEDULES A AND B OF THIS POLICY.

SCHEDULE B
EXCEPTIONS FROM COVERAGE AND
AFFIRMATIVE INSURANCE

Except to the extent of the affirmative insurance set forth below, this Policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Those taxes and special assessments which become due and payable subsequent to Date of Policy.
2. Covenants, conditions and restrictions, if any, appearing in the public records; however, this Policy insures against loss or damage arising from:
 - a. the violation of any covenants, conditions and restrictions on or prior to Date of Policy, except that this affirmative insurance does not extend to covenants, conditions and restrictions relating to environmental protection, unless a notice of a violation thereof has been recorded or filed in the public records and is not referenced in an addendum attached to this Policy;
 - b. a forfeiture or reversion of title from a future violation of any covenants, conditions and restrictions appearing in the public records, including any relating to environmental protection; and
 - c. any provisions in any covenants, conditions and restrictions under which the lien of the insured mortgage can be extinguished, subordinated or impaired.
3. Any easements or servitudes appearing in the public records; however, this Policy insures against loss or damage arising from (a) the encroachment, at Date of Policy, of the improvements on any easement; and (b) any interference with or damage to existing improvements, including lawns, shrubbery and trees, resulting from the use of the easements for the purposes granted or reserved.
4. Any lease, grant, exception or reservation of minerals or mineral rights appearing in the public records; however, this Policy insures against loss or damage arising from: (a) any effect on or impairment of the use of the land for residential one-to-four family dwelling purposes by reason of such lease, grant, exception or reservation of minerals or mineral rights; and (b) any damage to existing improvements, including lawns, shrubbery and trees, resulting from the future exercise of any right to use the surface of the land for the extraction or development of the minerals or mineral rights so leased, granted, excepted or reserved. Nothing herein shall insure against loss or damage resulting from subsidence.
5. This Policy insures against loss or damage by reason of any violation, variation, encroachment or adverse circumstance affecting the title that would have been disclosed by an accurate survey. The term "encroachment" includes encroachments of existing improvements located on the land onto adjoining land, and encroachments onto the land of existing improvements located on adjoining land.