

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 the 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

Subject to the conditions stated in the endorsement list below, the following ALTA endorsements are incorporated herein:

ENDORSEMENTS 4 and 4.1 (Condominium), if the land or estate or interest is referred to in the insured mortgage as a condominium.

ENDORSEMENTS 5 and 5.1 (Planned Unit Development)

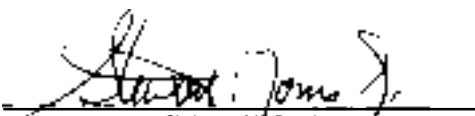
ENDORSEMENT 6 (Variable Rate), if the insured mortgage contains provisions which provide for an adjustable interest rate.

ENDORSEMENT 6.2 (Variable Rate - Negative Amortization), if the insured mortgage contains provisions which provide for both an adjustable interest rate and negative amortization.

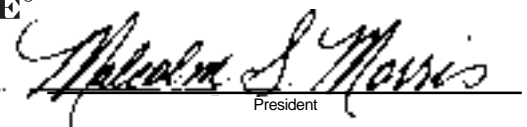
ENDORSEMENT 7 (Manufactured Housing Unit), if a manufactured housing unit is located on the land at Date of Policy.

ENDORSEMENT 8.1 (Environmental Protection Lien), referring to the following state statutes: _____

ENDORSEMENT 9 (Restrictions, Encroachments, Minerals).


Chairman of the Board

STEWART TITLE®
GUARANTY COMPANY


President



Countersigned:

Authorized Countersignature

Company

City, State

Policy Number **U-9818**

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.