Filing at a Glance

Company: Security Union Title Insurance Company

Product Name: 2008 ALTA Revised Policies	SERFF Tr Num: FDLS-125434574	State: Arkansas
TOI: 34.0 Title	SERFF Status: Closed	State Tr Num: #1400004256 $50
Sub-TOI: 34.0000 Title	Co Tr Num: SUTIC-AR-F-08-02	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Brittany Yielding, Sarah Harper
	Authors: Christine Harding, David Maruca, Johnna Ryan	Disposition Date: 03/12/2008
	Date Submitted: 01/18/2008	Disposition Status: Approved
Effective Date Requested (New): 02/17/2008		Effective Date (New): 03/12/2008
Effective Date Requested (Renewal):		Effective Date (Renewal): 03/12/2008

State Filing Description:

General Information

Project Name: 2008 ALTA Revised Policies	Status of Filing in Domicile:
Project Number: SUTIC-AR-F-08-02	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 03/12/2008	
State Status Changed: 03/04/2008	Deemer Date:
Corresponding Filing Tracking Number:	

Filing Description:

Fidelity National Title Group, inc., hereby files on behalf of Security Union Title Insurance Company, a California corporation, revised American Land Title Association (ALTA) Policies for your review and approval of the same.

The American Land Title Association has revised the following policies:

ALTA Homeowner's Policy of Title Insurance (01/01/08):

This policy was revised to conform to the new 2006 ALTA Policies and Endorsements. The 2006 policies and forms were adopted by ALTA and Security Union Title Insurance Company has filed them for use in your state. The ALTA Homeowner's Policy of Title Insurance insures the owner of a one-to-four family residential dwelling, residential lot, or condominium unit. This policy is based on the ALTA Residential Title Insurance Policy's plain language approach and its limited survey and zoning coverage, but provides additional "expanded coverage." This includes limited protection for building permit violations, forced removal of structures, landscaping or other improvements resulting from existing or future violations of covenants, conditions and restrictions, post-policy encroachments onto the insures's land, and other expanded coverages. Many of these new protections are limited by caps and deductibles specified in the policy, schedule A, by individual title insurers.

ALTA Expanded Residential Loan Policy (01/01/08):

This policy was revised to conform to the new 2006 ALTA Policies and Endorsements. The 2006 policies and forms were adopted by ALTA and Security Union Title Insurance Company has filed them for use in your state. This policy provides a lender with coverage greater than that of the ALTA Loan Policy (06/17/06). In addition to insuring vesting, priority and against loss by reason of invalidity or unenforceability of the insured mortgage, the ALTA Expanded Coverage Residential Loan Policy provides, among others, coverage for access, zoning, failure to obtain building permits, environmental lien protection, variable interest rate, usury, and use of the surface for the extraction of water, oil, gas or minerals.

ALTA Short Form Expanded Residential Loan Policy (01/01/08):

This policy was revised to conform to the new 2006 ALTA Policies and Endorsements. The 2006 policies and forms were adopted by ALTA and Security Union Title Insurance Company has filed them for use in your state. The policy is an abbreviated short form version of the current ALTA Expanded Coverage Residential Loan Policy, incorporating all of the terms and provisions of the ALTA Expanded Coverage Residential Loan Policy, which is designed to be delivered to the lender at closing. The policy contains blanket exceptions to taxes, covenants and restrictions, easements, reservations of minerals or mineral rights, and offers certain affirmative insurance with respect to those exceptions desired by lenders, including certain affirmative assurances with respect to survey matters. The policy also includes an addendum, which can be used to set forth additional exceptions or to limit the affirmative assurances. The policy is designed so that certain ALTA endorsement forms are either included automatically or may be specified (and thus incorporated) by checking appropriate boxes.

We have provided both a redlined copy of the policies detailing out the changes, in addition to a non-redline final policy. In addition, at this time Security Union Title Insurance Company does not want to withdraw the older versions of the above policies and reserves the right to issue them upon customer request.

Security Union Title Insurance Company respectfully requests and effective date of February 17, 2008.

Note: The Deletion of Arbitration Endorsements automatically are attached and made a part of either the ALTA Homeowner's Policy of Title Insurance (01/01/08) or the ALTA Expanded Residential Loan Policy (01/01/08). Since they are part of the policy we are not considering them to be a separate form.

Company and Contact

Filing Contact Information

Johnna Ryan, Vice President
601 Riverside Avenue
Jacksonville, FL 32204

johnna.ryan@fnf.com
(904) 854-8845 [Phone]
(904) 357-1040[FAX]

Filing Company Information

Security Union Title Insurance Company
601 Riverside Avenue
11th Floor
Jacksonville, FL 32204
(888) 934-3354 ext. [Phone]

CoCode: 50857
Group Code: -99
Group Name:
FEIN Number: 95-2216067

State of Domicile: California
Company Type: Title Insurer
State ID Number:

Filing Fees

Fee Required?	Yes
Fee Amount:	$50.00
Retaliatory?	No
Fee Explanation:	$50 * one filing
Per Company:	No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
1400004256	$50.00	01/03/2008

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Sarah Harper	03/12/2008	03/12/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	**Created By**	**Created On**	**Date Submitted**	**Responded By**	**Created On**	**Date Submitted**
Pending Industry Response	Sarah Harper	02/25/2008	02/25/2008	Christine Harding	03/12/2008	03/12/2008
Pending Industry Response	Sarah Harper	02/07/2008	02/07/2008	Johnna Ryan	02/25/2008	02/25/2008

Disposition

Disposition Date: 03/12/2008

Effective Date (New): 03/12/2008

Effective Date (Renewal): 03/12/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*FDLS-125434574*	*State:*	*Arkansas*
Filing Company:	*Security Union Title Insurance Company*	*State Tracking Number:*	*#1400004256 $50*
Company Tracking Number:	*SUTIC-AR-F-08-02*		
TOI:	*34.0 Title*	*Sub-TOI:*	*34.0000 Title*
Product Name:	*2008 ALTA Revised Policies*		
Project Name/Number:	*2008 ALTA Revised Policies/SUTIC-AR-F-08-02*		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Check 1400004256	Approved	Yes
Supporting Document	Response to Objection Letter March 12, 2008	Approved	Yes
Form	ALTA Expanded Coverage Residential Loan Policy	Approved	Yes
Form	ALTA Homeowners Policy of Title Insurance	Approved	Yes
Form	ALTA Short Form Expanded Coverage Residential Loan Policy	Approved	Yes
Form	Deletion of Arbitration Endorsement - ALTA Expanded Coverage Residential Loan Policy	Approved	Yes
Form	Deletion of Arbitration Endorsement - ALTA Homeowners Policy of Title Insurance	Approved	Yes
Form	Schedule B	Approved	Yes

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	02/25/2008
Submitted Date	02/25/2008
Respond By Date	03/03/2008

Dear Johnna Ryan,

Actually, it does apply to title insurance because title insurance falls under the Property & Casualty Division. Also, Bulletin 6-87 states "...insurers are required to include certain information with every policy issued in Arkansas..." The link to that bulletin is still not working, so if you would like a copy of it in its entirety, please respond with your fax number and I will be happy to fax it to you. The Commissioner at the time interpreted that statute broadly to include all insurers which is also how the present Commissioner interpretes the same.

Also, please let us know why you do not wish to include this Consumer Information.

Thank you.

Please feel free to contact me if you have questions.
Sincerely,
Sarah Harper

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/12/2008
Submitted Date	03/12/2008

Dear Sarah Harper,

Comments:

Response 1

Comments: Attached for your review is our response to your Objection Letter and the revised Schedule B policy. Should you have any further questions or concerns, please do not hesitate to contact us.

Sincerely,
Christine Harding

SERFF Tracking Number:	*FDLS-125434574*	*State:*	*Arkansas*
Filing Company:	*Security Union Title Insurance Company*	*State Tracking Number:*	*#1400004256 $50*
Company Tracking Number:	*SUTIC-AR-F-08-02*		
TOI:	*34.0 Title*	*Sub-TOI:*	*34.0000 Title*
Product Name:	*2008 ALTA Revised Policies*		
Project Name/Number:	*2008 ALTA Revised Policies/SUTIC-AR-F-08-02*		

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to Objection Letter March 12, 2008

Comment: Attached hereto is our response to your Department's Objection Letter.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Schedule B			Policy/Coverage Form	New		0	AR DOI Note Sch B Policy.pdf

No Rate/Rule Schedule items changed.

Sincerely,

Christine Harding, David Maruca, Johnna Ryan

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	02/07/2008
Submitted Date	02/07/2008
Respond By Date	02/21/2008

Dear Johnna Ryan,

This will acknowledge receipt of the captioned filing.

Objection 1

- ALTA Expanded Coverage Residential Loan Policy (Form)
- ALTA Homeowners Policy of Title Insurance (Form)
- ALTA Short Form Expanded Coverage Residential Loan Policy (Form)

Comment: Do you have the required Consumer Information giving the address and phone number of the Arkansas Insurance Dept. as stated in Bulletin 6-87 shown anywhere?

Please feel free to contact me if you have questions.
Sincerely,
Sarah Harper

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/25/2008
Submitted Date	02/25/2008

Dear Sarah Harper,

Comments:

Response 1

Comments: Dear Ms. Harper:

Thank you for sending Ark. Code 23-79-138. This has been in effective since 1988 and does not apply to “title insurance”.

Please continue review of the filing with approval of same. Thank you,

Johnna K. Ryan

Related Objection 1

Applies To:

- ALTA Expanded Coverage Residential Loan Policy (Form)
- ALTA Homeowners Policy of Title Insurance (Form)
- ALTA Short Form Expanded Coverage Residential Loan Policy (Form)

Comment:

Do you have the required Consumer Information giving the address and phone number of the Arkansas Insurance Dept. as stated in Bulletin 6-87 shown anywhere?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Christine Harding, David Maruca, Johnna Ryan

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	ALTA Expanded Coverage Residential Loan Policy	75216	01-01-2008	Policy/CoveNew rage Form		0.00	SUTIC ALTA Expanded Coverage Residential Loan Policy (1-1-08) 75216.pdf SUTIC Redline ALTA Expanded Coverage Residential Loan Policy (1-1-08) 75216.pdf
Approved	ALTA Homeowners Policy of Title Insurance	75217	01-01-2008	Policy/CoveNew rage Form		0.00	SUTIC ALTA Homeowner s Policy of Title Insurance (1-1-08) 75217.pdf SUTIC Redline ALTA Homeowner s Policy of Title Insurance (1-1-08) 75217.pdf
Approved	ALTA Short Form	75218	01-01-	Policy/CoveNew		0.00	SUTIC ALTA

	Expanded Coverage Residential Loan Policy		2008	rage Form			Short Form Expanded Coverage Residential Loan Policy (1-1-08) 75218.pdf SUTIC Redline ALTA Short Form Expanded Coverage Residential Loan Policy (1-1-08) 75218.pdf
Approved	Deletion of Arbitration Endorsement - ALTA Expanded Coverage Residential Loan Policy	SE-160	01-01-2008	Policy/CoveNew rage Form		0.00	SUTIC Deletion of Arbitration Endorsemen t - ALTA Expanded Cov Res Loan Policy (1-1-08) SE-160.pdf
Approved	Deletion of Arbitration Endorsement - ALTA Homeowners Policy of Title Insurance	SE-159	01-01-2008	Policy/CoveNew rage Form		0.00	SUTIC Deletion of Arbitration Endorsemen t - ALTA Homeowner s Policy of Title Insurance (1-1-08) SE-159.pdf

Approved	Schedule B	Policy/Coverage Form	0.00	AR DOI Note Sch B Policy.pdf

SECURITY UNION TITLE INSURANCE COMPANY

POLICY NO.:

EXPANDED COVERAGE RESIDENTIAL LOAN POLICY FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued by

Security Union Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, Security Union Title Insurance Company, a California corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 and 28, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

COVERED RISKS

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   - (a) A defect in the Title caused by
     - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
     - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
     - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
     - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
     - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
     - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
     - (vii) a defective judicial or administrative proceeding.
   - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. 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.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   - (a) the occupancy, use, or enjoyment of the Land;

(b) the character, dimensions, or location of any improvement erected on the Land;

(c) the subdivision of land; or

(d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage

   (a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;

   (b) failure of any person or Entity to have authorized a transfer or conveyance;

   (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;

   (d) failure to perform those acts necessary to create a document by electronic means authorized by law;

   (e) a document executed under a falsified, expired, or otherwise invalid power of attorney;

   (f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or

   (g) a defective judicial or administrative proceeding.

10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.

11. The lack of priority of the lien of the Insured Mortgage upon the Title

    (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either

        (i) contracted for or commenced on or before Date of Policy; or

        (ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance;

    (b) over the lien of any assessments for street improvements under construction or completed at Date of Policy;

    (c) over any defect in or lien or encumbrance on the Title attaching or created before, on or after Date of Policy; as to each and every advance of proceeds of the loan secured by the Insured Mortgage, which at Date of Policy the Insured has made or is legally obligated to make; and

    (d) over any environmental protection lien that comes into existence before, on or after Date of Policy pursuant to any federal statute in effect at Date of Policy as to each and every advance of proceeds of the loan secured by the Insured Mortgage, which at Date of Policy the Insured has made or is legally obligated to make.

12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.

13. The failure of the Land

    (a) to have the street address shown in Schedule A, and the failure of the map, if any, attached to this policy to show the correct location and dimensions of the Land according to the Public Records.

    (b) to be improved with a one-to-four family residential structure or, if stated in the description of the Land, a residential condominium unit.

    (c) to be zoned to permit a one-to-four family residential structure or, if stated in the description of the Land, a residential condominium unit.

    (d) to be a lawfully created one-to-four family residential parcel according to state statutes and local ordinances governing subdivision of land.

14. The forced removal, modification or replacement of any existing one-to-four family residential structure or residential condominium unit located on the Land resulting from the violation of any of the following requirements of any applicable zoning ordinance: Area or dimensions of the Land as a building site; floor space area of the structure; height of the structure; or distance of the structure from the boundary lines of the Land.

15. The assessment or taxation of the Land by governmental authority as part of a larger parcel.

16. The failure of the existing one-to-four family residential structure or residential condominium unit or a portion or a future modification or replacement to have been constructed with a valid building permit from the appropriate local government issuing office or agency.

17. The inability to use the existing one-to-four family residential structure or residential condominium unit or a portion of it or a future modification or replacement to it for one-to-four family residential purposes because that use violates a restriction shown in Schedule B.

18. Damage to improvements, lawns, shrubbery or trees constructed or planted on the Land before, on or after Date of Policy resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals, water or any other substance.

19. The encroachment onto the Land of an improvement constructed after Date of Policy.

20. Encroachment of improvements constructed on the Land after Date of Policy onto adjoining property or over any easement or building setback line on the Land.

21. Forgery after Date of Policy of

    (a) any instrument purporting to subordinate, assign, release or reconvey the Insured Mortgage; and

    (b) any instrument purporting to convey or encumber the Title.

22. The invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances made or changes in the rate of interest charged subsequent to any modification of the terms of the Insured Mortgage made after Date of Policy which are secured by the terms of the Insured Mortgage as modified.

23. Damage to improvements, lawns, shrubbery or trees constructed or planted on the Land before, on or after Date of Policy occasioned by the exercise of the right to use or maintain any easement referred to in Schedule B.

24. Interference with the use for one-to-four family residential purposes of the improvements constructed on the Land before, on or after Date of Policy occasioned by the exercise of the right to use or maintain any easement referred to in Schedule B.

25. Supplemental real estate taxes, including those caused by construction or a change of ownership or use, that occurred before Date of Policy, not previously assessed against the Land for any period before Date of Policy.

26. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title based upon a violation of the usury laws of the state where the Land is located if no other Mortgage is shown as an exception in Schedule B.

27. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title

    (a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

    (b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records

    (i) to be timely, or

    (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

28. Any defect in or lien or encumbrance on the Title or other matter insured against by this Policy that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

Unless stated to the contrary in Schedule B, the Company incorporates the following American Land Title Association endorsements into this policy by this reference as if these endorsements had been attached to this policy

(a) ALTA Form [4-06] [4.1-06] (Condominium), if a condominium unit is referred to in the description of the Land;

(b) ALTA Form [5-06] [5.1-06] (Planned Unit Development);

(c) ALTA Form 6-06 (Variable Rate Mortgage);

(d) ALTA Form 6.2-06 (Variable Rate Mortgage - Negative Amortization); and

(e) ALTA Form 8.1-06 (Environmental Protection Lien) subject to the statutes, if any, shown in Schedule B specifically for this endorsement.

(f) ALTA Form 9.3-06 (Restrictions, Encroachments, Minerals).

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, Security Union Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

By: _____ President

ATTEST _____ Secretary

75216

AMERICAN LAND TITLE ASSOCIATION
EXPANDED COVERAGE RESIDENTIAL LOAN POLICY

For a one-to-four family residence

Issued By

Security Union Title Insurance Company

SCHEDULE A

Name and Address of Title Insurance Company:

[File No.:] Policy No.:
Loan No.:
Street Address of the Land:
Policy Amount: $ [Premium: $]
Date of Policy: [at a.m./p.m.]

1. Name of Insured:

2. The estate or interest in the Land that is encumbered by the Insured Mortgage is:

3. Title is vested in:

4. The Insured Mortgage and its assignments, if any, are described as follows:

5. The Land referred to in this policy is described as follows:

AMERICAN LAND TITLE ASSOCIATION
EXPANDED COVERAGE RESIDENTIAL LOAN POLICY

For a one-to-four family residence

Issued By

Security Union Title Insurance Company

SCHEDULE B - PART I

File No. Policy No.

EXCEPTIONS FROM COVERAGE

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. The following state statutes, reference to which are made part of the ALTA 8.1-06 Environmental Protection Lien Endorsement incorporated into this Policy:]

SCHEDULE B - PART II

In addition of the matters set forth in Part I of the Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;

   (ii) the character, dimensions, or location of any improvement erected on the Land;

   (iii) the subdivision of land; or

   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

   (a) created, suffered, assumed, or agreed to by the Insured Claimant;

   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

   (c) resulting in no loss or damage to the Insured Claimant;

   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or

   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.

6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Advances": Disbursements of Indebtedness made after the Date of Policy as provided by the Insured Mortgage.

(b) "Amount of Insurance": One hundred twenty-five percent (125%) of the Policy Amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b)or decreased by Section 10 of these Conditions.

(c) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(d) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(e) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of

(i) the amount of the principal disbursed as of Date of Policy;

(ii) the amount of the principal disbursed subsequent to Date of Policy;

(iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the Advance;

(iv) interest on the loan;

(v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;

(vi) the expenses of foreclosure and any other costs of enforcement;

(vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;

(viii) the amounts to pay taxes and insurance; and

(ix) the reasonable amounts expended to prevent deterioration of improvements;

but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.

(f) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions;

(B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;

(C) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(D) successors to an Insured by its conversion to another kind of Entity;

(E) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured, or

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity;

(F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;

(ii) With regard to (A), (B), (C), (D) , and (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.

(g) "Insured Claimant": An Insured claiming loss or damage.

(h) “Insured Mortgage”: The Mortgage described in paragraph 4 of Schedule A.

(i) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(j) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land” does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(k) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(l) "Public Records": 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. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(m) “Title”: The estate or interest described in Schedule A.

(n) "Unmarketable Title”: Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title or the lien of the Insured Mortgage, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

(ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of

(i) the Amount of Insurance,

(ii) the Indebtedness,

(iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy, provided, however, that this Section 8(a)(iii) shall not apply when the defect, lien, encumbrance or other matter insured against by this policy results in a total failure of the lien of the Insured Mortgage to attach to the Title, or

(iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.

(d) In addition to the extent of liability under (a), (b), and (c), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, or establishes the lien of the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Insured Mortgage, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

(a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.

(b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.

11. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) The Company's Right to Recover

Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Insured's Rights and Limitations

(i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.

(ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

(c) The Company's Rights Against Noninsured Obligors

The Company’s right of subrogation includes the Insured’s rights against non-insured obligors including the rights of the Insured to indemnities, guarantees, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(f)(i)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.

13. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“Rules”). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or lien of the Insured Mortgage or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

15. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

16. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

17. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Security Union Title Insurance Company, Attn: Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023.

NOTE: Bracketed [ ] material optional

SECURITY UNION TITLE INSURANCE COMPANY

POLICY NO.:

EXPANDED COVERAGE RESIDENTIAL LOAN POLICY FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued by

Security Union Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS~~ AND STIPULATIONS~~, Security Union Title Insurance Company, a California corporation (~~herein called~~ the "Company") insures as of Date of Policy ~~shown in Schedule A~~ and, to the extent ~~expressly stated below~~ stated in Covered Risks 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 and 28, after Date of Policy~~ stated in Schedule A~~, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of~~ any of the following Covered Risks~~:

COVERED RISKS

1. ~~Title to the estate or interest described in Schedule A~~ Title being vested other than as stated ~~therein~~in Schedule A.
2. Any defect in or lien or encumbrance on the Title~~title~~. This Covered Risk includes but is not limited to insurance against loss from:

~~3. Unmarketability of the title;~~

~~4. Lack of both actual pedestrian and vehicular access to and from the land based on a legal right;~~

~~5. The invalidity or unenforceability of the lien of the Insured mortgage upon the title;~~

~~6. The priority of any lien or encumbrance over the lien of the insured mortgage;~~

(a) A defect in the Title caused by

(i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;

(ii) failure of any person or Entity to have authorized a transfer or conveyance;

(iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;

(iv) failure to perform those acts necessary to create a document by electronic means authorized by law;

(v) a document executed under a falsified, expired, or otherwise invalid power of attorney;

(vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or

(vii) a defective judicial or administrative proceeding.

~~7. Real property~~ (b) The lien of real estate taxes ~~and~~ or assessments ~~of any~~imposed on the Title by a governmental authority due or payable~~ at Date of Policy have not been paid.~~, but unpaid.

~~8. Lack of priority of the lien of the insured mortgage as to each and every advance of proceeds of the loan secured by the insured mortgage, which at Date of Policy the insured has made or is legally obligated to make, over:~~

~~(a) Any defect in or lien or encumbrance on the title attaching or created before, on or after Date of Policy;~~

~~(b) Any defect in or lien or encumbrance on the title attaching or created subsequent to Date of Policy and prior to the recording of the insured mortgage in the public records;~~

(c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. 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.

3. Unmarketable Title.

4. No right of access to and from the Land.

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

(a) the occupancy, use, or enjoyment of the Land;

(b) the character, dimensions, or location of any improvement erected on the Land;

(c) the subdivision of land; or

(d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage

(a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;

(b) failure of any person or Entity to have authorized a transfer or conveyance;

(c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;

(d) failure to perform those acts necessary to create a document by electronic means authorized by law;

(e) a document executed under a falsified, expired, or otherwise invalid power of attorney;

(f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or

(g) a defective judicial or administrative proceeding.

10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.

11. The lack of priority of the lien of the Insured Mortgage upon the Title

~~(c)~~ (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising ~~before, on or after Date of Policy,~~from construction of an improvement or work related to the ~~land which was contracted for or commenced before, on or after Date of Policy;~~Land when the improvement or work is either

(i) contracted for or commenced on or before Date of Policy; or

(ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance;

(b) over the lien of any assessments for street improvements under construction or completed at Date of Policy;

(c) over any defect in or lien or encumbrance on the Title attaching or created before, on or after Date of Policy; as to each and every advance of proceeds of the loan secured by the Insured Mortgage, which at Date of Policy the Insured has made or is legally obligated to make; and

(d) over any environmental protection lien that comes into existence before, on or after Date of Policy pursuant to any federal statute in effect at Date of Policy ~~and~~as to each and every advance of proceeds of the loan secured by the Insured Mortgage, which at Date of Policy the Insured has made or is legally obligated to make.

~~(e) Any assessment for street improvements under construction or completed at Date of Policy.~~

~~9.~~ 12. The invalidity or unenforceability of any assignment of the ~~insured mortgage~~Insured Mortgage, provided the assignment is shown in Schedule A, ~~and~~or the failure of ~~any~~the assignment shown in Schedule A to vest title to the ~~insured mortgage~~Insured Mortgage in the named Insured assignee free and clear of all liens~~;~~.

~~10.~~ 13. The failure of the ~~land~~Land

(a) to have the street address shown in Schedule A~~;11. The~~, and the failure of the ~~land~~ map, if any, attached to this policy to show the correct location and dimensions of the Land according to the Public Records.

(b) to be improved with a one-to-four family residential structure or, if stated in the description of the ~~land covered by this policy~~Land, a residential condominium unit~~;~~.

~~12. The failure of the land~~(c) to be zoned to permit a one-to-four family residential structure or, if stated in the description of the ~~land covered by this policy~~Land, a residential condominium unit~~;~~.

(d) to be a lawfully created one-to-four family residential parcel according to state statutes and local ordinances governing subdivision of land .

~~13.~~14. The forced removal, modification or replacement of any existing one-to-four family residential structure or residential condominium unit located on the ~~land~~Land resulting from the violation of any of the following requirements of any applicable zoning ordinance: Area or dimensions of the ~~land~~Land as a building site; floor space area of the structure; height of the structure; or distance of the structure from the boundary lines of the ~~land;~~Land.

~~14. The failure of the land to be a lawfully created one-to-four family residential parcel according to state statutes governing subdivision of land and local ordinances adopted pursuant thereto;~~

15. The assessment or taxation of the ~~land~~Land by governmental authority as part of a larger parcel.

16. The failure of the existing one-to-four family residential structure or residential condominium unit or ~~any~~a portion ~~thereof~~ or a future modification or replacement ~~thereof~~ to have been constructed with a valid building permit from the appropriate local government issuing office or agency~~;~~.

17. ~~Any violation, variation, or adverse circumstance affecting the title that would have been disclosed by an accurate survey, not otherwise covered by the terms of this policy.18.~~ The inability to use the existing one-to-four family residential structure or residential condominium unit or a portion of it or a future modification or replacement ~~thereof~~to it for one-to-four family residential purposes because that use violates a restriction shown in Schedule B~~;~~.

~~19. The encroachment onto the land of an improvement constructed after Date of Policy;20. Encroachment of improvements constructed on the land after Date of Policy onto adjoining property or over any easement or building setback line on the land 21.~~

18. Damage to improvements, lawns, shrubbery or trees constructed or planted on the ~~land~~Land before, on or after Date of Policy resulting from the future exercise of any right to use the surface of the ~~land~~Land for the extraction or development of minerals, water or any other substance~~;~~ .

19. The encroachment onto the Land of an improvement constructed after Date of Policy.

20. Encroachment of improvements constructed on the Land after Date of Policy onto adjoining property or over any easement or building setback line on the Land.

~~22.~~21. Forgery after Date of Policy of

(a) any instrument purporting to subordinate, assign, release or reconvey the ~~insured mortgage~~Insured Mortgage; and

(b) any instrument purporting to convey or encumber the ~~title to the estate or interest acquired by the insured;~~ Title.

~~23.~~22. The invalidity, unenforceability or lack of priority of the lien of the ~~insured mortgage~~Insured Mortgage as to ~~advances~~Advances made or changes in the rate of interest charged subsequent to any modification of the terms of the ~~insured mortgage~~Insured Mortgage made after Date of Policy which are~~,~~secured by the terms of the ~~insured mortgage~~Insured Mortgage as modified~~, secured thereby;~~.

~~24.~~23. Damage to improvements, lawns, shrubbery or trees constructed or planted on the ~~land~~Land before, on or after Date of Policy occasioned by the exercise of the right to use or maintain any easement referred to in Schedule B.~~25.~~

24. Interference with the use for one-to-four family residential purposes of the improvements constructed on the ~~land~~Land before, on or after Date of Policy occasioned by the exercise of the right to use or maintain any easement referred to in Schedule B.

~~26.~~ 25. Supplemental real estate taxes, including those caused by construction or a change of ownership or use, that occurred before Date of Policy, not previously assessed against the ~~land~~Land for any period before Date of Policy.~~27.~~

26. The invalidity or unenforceability of the lien of the Insured Mortgage upon the ~~title~~Title based upon a violation of the usury laws of the state where the ~~land~~Land is located if no other ~~mortgage~~Mortgage is shown as an exception in Schedule B.

~~[28. The failure of the map, if any, attached to this policy to show the correct location and dimensions of the land according to the Public Records.]~~

27. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title

(a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

(b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records

(i) to be timely, or

(ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

28. Any defect in or lien or encumbrance on the Title or other matter insured against by this Policy that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

Unless stated to the contrary in Schedule B, the Company incorporates the following American Land Title Association endorsements into this policy by this reference as if these endorsements had been attached ~~hereto:~~ to this policy

(a) ALTA Form [4-06] [4.1-06] ~~4~~ (Condominium), if a condominium unit is referred to in the description of the ~~land in Schedule A;~~ Land;

(b) ALTA Form [5-06] [5.1-06] ~~5~~ (Planned Unit Development);

(c) ALTA Form 6-06 (Variable Rate Mortgage);

(d) ALTA Form 6.2-06 (Variable Rate Mortgage - Negative Amortization); and

(e) ALTA Form 8.1-06 (Environmental Protection Lien) subject to the statutes, if any, shown in Schedule B specifically for this endorsement.

(f) ALTA Form 9.3-06 (Restrictions, Encroachments, Minerals).

The Company will also pay the costs, attorneys' fees, and expenses incurred in ~~the~~ defense of ~~the title or the lien of the Insured Mortgage, as insured~~any matter insured against by this policy, but only to the extent provided in the Conditions ~~and Stipulations~~.

IN WITNESS WHEREOF, Security Union Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

By: _____ President

ATTEST _____ Secretary

AMERICAN LAND TITLE ASSOCIATION
EXPANDED COVERAGE RESIDENTIAL LOAN POLICY

For a one-to-four family residence

Issued By

Security Union Title Insurance Company

SCHEDULE A

~~File No. Policy No.~~

~~Amount~~Name and Address of Title Insurance~~: $ [Premium: $]~~ Company:

~~Date of Policy: am/pm or the date of recording of the Insured Mortgage, whichever is later.~~

[File No.:] Policy No.:
Loan No.:

Street Address of the Land:
Policy Amount: $ [Premium: $]
Date of Policy: [at a.m./p.m.]

1. Name of Insured:

2. The estate or interest in the Land ~~which~~that is encumbered by the Insured Mortgage is:

3. Title ~~to the estate or interest in the Land~~ is vested in:

4. The Insured Mortgage and its assignments~~ thereof~~, if any, are described as follows:

5. The Land referred to in this ~~Policy~~policy is described as follows:

AMERICAN LAND TITLE ASSOCIATION
EXPANDED COVERAGE RESIDENTIAL LOAN POLICY

For a one-to-four family residence

Issued By

Security Union Title Insurance Company

SCHEDULE B - PART I

File No. Policy No.

EXCEPTIONS FROM COVERAGE

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. The following state statutes, reference to which are made part of the ALTA 8.1-06 Environmental Protection Lien Endorsement incorporated into this Policy~~ following item [27/28] of COVERED RISKS:_____.] :]

SCHEDULE B - PART II

In addition of the matters set forth in Part I of the Schedule, the ~~title to the estate or interest in the land described or referred to in Schedule (A) Is~~Title is subject to the following matters, ~~if any be shown, but~~and the Company insures against loss or damage sustained in the event that they ~~that these matters~~ are not subordinate to the lien ~~or charge~~ of the ~~insured mortgage upon the estate or interest:~~ Insured Mortgage:

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including ~~but not limited~~those relating to building and zoning~~ laws, ordinances, or regulations~~) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;

   (ii) the character, dimensions, or location of any improvement ~~now or hereafter~~ erected on the Land;

   (iii) ~~a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or~~ the subdivision of land; or

   (iv) environmental protection~~,~~;

   or the effect of any violation of these laws, ordinances, or governmental regulations~~, except to the extent that s notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy~~. This ~~exclusion~~ Exclusion 1(a) does not modify or limit the coverage provided under Covered ~~Risks 12, 13, 14, and 16 of this policy.~~ Risk 5, 6, 13(c), 13(d), 14 or 16.

   (b) Any governmental police power~~ not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy~~. This ~~exclusion~~ Exclusion 1(b) does not modify or limit the coverage provided under Covered Risks ~~12, 13, 14, and 16 of this policy.~~ 5, 6, 13(c), 13(d), 14 or 16.

2. ~~Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.~~ Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3~~.~~ Defects, liens, encumbrances, adverse claims, or other matters~~:~~

   (a) created, suffered, assumed, or agreed to by the Insured Claimant;

   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

   (c) resulting ~~In~~in no loss or damage to the Insured Claimant;

   (d) attaching or created subsequent to Date of Policy (however, this ~~paragraph~~ does not modify or limit the coverage provided under Covered Risks ~~8,~~ 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, ~~25~~27 ~~and~~or ~~26~~28); or

   (e) resulting in loss or damage ~~which~~that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4~~.~~ Unenforceability of the lien of the Insured Mortgage because of the inability or failure of ~~the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness,~~ an Insured to comply with applicable doing-business laws of the state ~~in which~~where the Land is situated.~~5.~~

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage~~, or claim thereof, which~~ that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, ~~except as provided in Covered Risk 27,~~ or any consumer credit protection or truth-in-lending law.~~6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not~~ This Exclusion does not modify or ~~-~~limit the coverage provided ~~under~~in Covered ~~Risks 7, 8(e) and~~Risk 26.

~~7.~~ 6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to ~~advances~~Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This ~~exclusion~~Exclusion does not modify or limit the coverage provided in Covered Risk ~~8.~~ 11.

~~8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:~~

~~(a) The time of the advance; or~~

~~(b) The time a modification is made to the terms~~7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy ~~of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification.~~ in the Public Records.This ~~exclusion~~Exclusion does not modify or limit the coverage provided in Covered ~~Risk~~ Risk 11(b) or 25.

8~~.9.~~ The failure of the residential structure, or any portion ~~thereof~~ of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This ~~exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.~~ Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

CONDITIONS ~~AND STIPULATIONS~~

1. DEFINITION OF TERMS~~.~~

The following terms when used in this policy mean:

(a) "Advances": Disbursements of Indebtedness made after the Date of Policy as provided by the Insured Mortgage.

(b) "Amount of Insurance": One hundred twenty-five percent (125%) of the Policy Amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b) or decreased by Section 10 of these Conditions.

(c) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(d) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(e) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of

(i) the amount of the principal disbursed as of Date of Policy;

(ii) the amount of the principal disbursed subsequent to Date of Policy;

(iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the Advance;

(iv) interest on the loan;

(v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;

(vi) the expenses of foreclosure and any other costs of enforcement;

(vii)the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;

(viii) the amounts to pay taxes and insurance; and

(ix) the reasonable amounts expended to prevent deterioration of improvements;

but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.

(f) "Insured": The Insured named in Schedule A.

~~(a) "Insured": the Insured named in Schedule A.~~ (i) The term "Insured" also includes~~:~~

(~~i~~A) the owner of the ~~indebtedness secured by the Insured Mortgage~~Indebtedness and each successor in ownership of the ~~indebtedness~~Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions ~~and Stipulations (~~;

(B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;

(C) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(D) successors to an Insured by its conversion to another kind of Entity;

(E) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured, or

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity;

(F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;

(ii) With regard to (A), (B), (C), (D) , and (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the ~~indebtedness~~Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien~~.~~, encumbrance, ~~adverse claim~~ or other matter insured against by this policy~~ as affecting title to the estate or interest in the Land);~~.

~~(ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the Insured Mortgage, or any part thereof, whether named as an Insured herein or not; (iii) the parties designated in Section 2(a) of these Conditions and Stipulations~~.

(~~b~~g)"Insured Claimant":~~ an insured~~ An Insured claiming loss or damage.

(h) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A.

(~~c~~i) "Knowledge" or "Known":~~ actual~~ Actual knowledge, not constructive knowledge or notice ~~which~~that may be imputed to an Insured by reason of the Public Records ~~as defined in this policy~~ or any other records ~~which~~that impart constructive notice of matters affecting the ~~Land.~~ Title.

(~~d~~j) "Land":~~ the~~ The land described ~~or referred to~~ in Schedule A, and affixed improvements~~ affixed thereto which~~ that by law constitute real property. The term "Land~~:~~" does not include any property beyond the lines of the area described ~~or referred to~~ in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but ~~nothing herein shall~~this does not modify or limit the extent ~~to which~~that a right of access to and from the Land is insured by this policy.

(~~e~~k) "Mortgage":~~ mortgage~~ Mortgage, deed of trust, trust deed, or other security instrument~~.~~ , including one evidenced by electronic means authorized by law.

(~~f~~l) "Public Records":~~ records~~ 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. With respect to ~~Section I(a)(iv) of the Exclusions From Coverage~~ Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States ~~district court~~District Court for the district ~~in which~~where the Land is located.

(m) "Title": The estate or interest described in Schedule A.

~~(g) "Unmarketability of the title":~~(n) "Unmarketable Title": Title affected by an alleged or apparent matter ~~affecting the title to the Land, not excluded or excepted from coverage, which would enable a~~ that would permit a prospective purchaser or lessee of the ~~estate or interest described in Schedule A or the insured~~Title or lender on the Title or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase~~ by virtue of~~, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE~~.~~

~~(a) After Acquisition of Title.~~ The coverage of this policy shall continue in force as of Date of Policy in favor of ~~(i) an Insured who acquires all or any part of the estate or interest in the Land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the Insured Mortgage; (ii) a transferee of the estate or interest so acquired from an Insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the Insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor Insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the Insured Mortgage.~~

~~(b) After Conveyance of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured~~an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an ~~indebtedness~~obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of ~~covenants of warranty made by the Insured~~warranties in any transfer or conveyance of the ~~estate or interest.~~ Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an ~~indebtedness~~obligation secured by a purchase money Mortgage given to the Insured.

~~(c) Amount of insurance. The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:~~

~~(i) one hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A;~~

~~(ii) the amount of the principal of the indebtedness secured by the Insured Mortgage, at the time of acquisition of the estate or interest, interest thereon, expenses of foreclosure, amounts advanced pursuant to the Insured Mortgage to assure compliance with laws or to protect the lien of the insured Mortgage prior to the time of acquisition of the estate or interest in the Land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or~~

~~(iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the Insured Claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.~~

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT~~.~~

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) ~~below~~of these Conditions, (ii) in case Knowledge shall come to an Insured ~~hereunder~~ of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if ~~title to~~ the ~~estate or interest~~Title or the lien of the Insured Mortgage, as insured, is rejected as ~~unmarketable. If prompt notice shall not be given to the Company, then as to the Insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall, in no case prejudice the rights of any Insured under this policy unless the Company shall be~~Unmarketable Title. If the Company is prejudiced by the failure ~~and then only~~of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS~~; DUTY OF INSURED CLAIMANT TO COOPERATE.~~

(a) Upon written request by the Insured, and subject to the options contained in Section ~~6~~7 of these Conditions~~ and Stipulations~~, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the ~~insured, but only as to~~Insured. This obligation is limited to only those stated causes of action alleging ~~a defect, lien or encumbrance or other matter~~matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action~~ and~~. It shall not be liable for and will not pay the fees of any other counsel . The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action ~~which~~that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act ~~which~~that in its opinion may be necessary or desirable to establish the ~~title to the estate or interest~~Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable ~~hereunder, and~~to the Insured. The exercise of these rights shall not ~~thereby concede~~be an admission of liability or ~~waive~~waiver of any provision of this policy. If the Company ~~shall exercise~~exercises its rights under this ~~paragraph~~subsection, it ~~shall~~must do so diligently.

(c) Whenever the Company ~~shall have brought~~brings an action or ~~interposed~~asserts a defense as required or permitted by ~~the provisions of~~ this policy, the Company may pursue ~~any~~the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal ~~from~~ any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(~~d~~a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, ~~and all appeals therein, and permit the Company~~including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in ~~any action or proceeding,~~ securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act ~~which~~that in the opinion of the Company may be necessary or desirable to establish the ~~title to the estate or interest or~~ Title, the lien of the Insured Mortgage, or any other matter as ~~insured or to prevent or reduce loss to the~~ insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

~~**5. PROOF OF LOSS OR DAMAGE.**~~

~~In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the Insured Claimant shall be furnished to the Company within 90 days after the Insured Claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Insured Claimant to provide the required proof of loss or damage, the Company's obligations to the Insured under this policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.~~

~~In addition,~~ (b) The Company may reasonably require the Insured Claimant~~ may reasonably be required~~ to submit to examination under oath by any authorized representative of the Company and ~~shall~~to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by ~~any~~the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and ~~memoranda,~~ videos whether bearing a date before or after Date of Policy, ~~which~~that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records~~, books, ledgers, checks, correspondence and memoranda~~ in the custody or control of a third party~~, which~~ that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce ~~other~~any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this ~~paragraph~~subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

~~6.~~ 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY~~.~~

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of ~~One Hundred Twenty-Five percent (125%) of~~ the Amount of Insurance or to Purchase the Indebtedness.

(i) ~~to~~To pay or tender payment of ~~one hundred twenty-five percent (125%) of the amount~~the Amount of ~~insurance~~Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant~~, which~~ that were authorized by the Company~~,~~ up to the time of payment or tender of payment and ~~which~~that the Company is obligated to pay;~~,~~ or

~~(ii) to purchase the indebtedness secured by the Insured Mortgage for the amount owing thereon~~(ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant ~~which~~that were authorized by the Company up to the time of purchase and ~~which~~that the Company is obligated to pay.

~~If~~When the Company ~~offers to purchase the indebtedness as herein provided, the owner of the indebtedness~~purchases the Indebtedness, the Insured shall transfer, assign, and convey to the ~~indebtedness~~Company the Indebtedness and the Insured Mortgage, together with any collateral security~~, to the Company upon payment therefore~~.

Upon the exercise by the Company of either of the options provided for in ~~paragraphs~~subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those ~~paragraphs~~subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation~~, and the policy shall be surrendered to the Company for cancellation~~.

(b) To Pay or Otherwise Settle With Parties ~~other than~~Other Than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy~~, together with~~. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant ~~which~~that were authorized by the Company up to the time of payment and ~~which~~that the Company is obligated to pay; or

(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant ~~which~~that were authorized by the Company up to the time of payment and ~~which~~that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in ~~paragraphs~~subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

~~7.~~ 8. DETERMINATION AND EXTENT OF LIABILITY~~.~~

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy~~ and only to the extent herein described~~.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of~~:~~

~~(i) one hundred twenty-five percent (125%) of~~(i) the Amount of Insurance~~ stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations.~~ ,

~~(ii) the amount of the unpaid principal indebtedness secured by the insured Mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations at the time the loss or damage insured against by this policy occurs, together with interest thereon; or~~

(ii) the Indebtedness,

(iii) the difference between the value of the ~~insured estate or interest~~Title as insured and the value of the ~~insured estate or interest~~Title subject to the ~~defect, lien, encumbrance or other matter~~risk insured against by this policy~~;~~ , provided, however, that this Section ~~7~~8(a)(iii) shall not apply when the defect, lien, encumbrance or other matter insured against by this policy results in a total failure of the lien of the Insured Mortgage to attach to the ~~insured estate or interest.~~ Title, or

(iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(~~b~~c) In the event the Insured has acquired the ~~estate or interest~~Title in the manner described in Section 2~~(a)~~ of these Conditions~~ and Stipulations~~ or has conveyed the ~~title~~Title, then the extent of liability of the Company shall continue as set forth in Section ~~7~~8 (a) of these Conditions.

(d) In addition to the extent of liability under (a), (b), and~~ Stipulations.~~ (c)~~ The~~, the Company will also pay ~~only~~ those costs, attorneys' fees, and expenses incurred in accordance with ~~Section 4~~ Sections 5 and 7 of these Conditions~~ and Stipulations~~.

~~8.~~ 9. LIMITATION OF LIABILITY~~.~~

(a) If the Company establishes the ~~title~~Title, or removes the alleged defect, lien, or encumbrance~~, or other matter~~, or cures the lack of a right of access to or from the Land, or cures the claim of ~~Unmarketability of title, or otherwise~~Unmarketable Title, or establishes the lien of the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals~~ therefrom~~, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused ~~thereby.~~ to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals~~ therefrom~~, adverse to the ~~title or interest of the Insured~~Title or to the lien of the Insured Mortgage, as insured.

(c) The Company shall not be liable for loss or damage to ~~any~~the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

~~(d) The Company shall not be liable for: (i) any indebtedness created subsequent to Date of Policy except for advances covered under Covered Risk 23 and those made to protect the lien of the Insured Mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land which at Date of Policy were secured by the Insured Mortgage and which the Insured was and continued to be obligated to advance at and after Date of Policy.~~

~~9.~~ 10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY~~.~~

(a) All payments under this policy, except payments made for costs, attorneys~~'~~' fees, and expenses, shall reduce the Amount of Insurance by the amount of ~~insurance pro tanto.~~ the payment. However, any payments made prior to the acquisition of ~~title to the estate or interest~~Title as provided in Section 2~~(a)~~ of these Conditions ~~and Stipulations~~ shall not reduce ~~pro tanto~~ the ~~amount~~Amount of ~~insurance~~Insurance afforded under this policy except to the extent that the payments reduce the ~~amount of indebtedness secured by the Insured Mortgage.~~ Indebtedness.

~~(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the Insured Mortgage, or any voluntary partial satisfaction or release of the Insured Mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made pursuant to the terms of the Insured Mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than one hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A.~~

~~(c) Payment in full by any person or the~~(b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2~~(a) and Section 9(b)~~ of these Conditions~~ and Stipulations~~.

~~10. LIABILITY NONCUMULATIVE.~~

~~If the Insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the Insured Mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy.~~

11. PAYMENT OF LOSS

~~(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.~~

~~(b)~~ When liability and the extent of loss or damage ~~has~~have been definitely fixed in accordance with these Conditions~~ and Stipulations~~, the ~~loss or damage~~payment shall be ~~payable~~made within 30 days ~~thereafter~~.

12. ~~SUBROGATION~~ RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT~~.~~

(a) The Company's Right ~~of Subrogation.~~ to Recover

Whenever the Company shall have settled and paid a claim under this policy, ~~all right of subrogation shall vest in the Company unaffected by any act of the Insured Claimant. The Company~~it shall be subrogated ~~to~~ and~~ be~~ entitled to ~~all~~the rights ~~and remedies which~~of the Insured Claimant ~~would have had against any person or property in respect to the claim had this policy not been issued.~~ in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company ~~all~~of these rights and remedies~~ against any person or property necessary in order to perfect this right of subrogation~~. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights ~~or~~and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall ~~be subrogated to all rights and remedies of the Insured Claimant after the insured~~defer the exercise of its right to recover until after the Insured Claimant shall have recovered its ~~principal, interest, and costs of collection.~~ loss.

(b) The Insured's Rights and Limitations~~. Notwithstanding the foregoing, the owner of the indebtedness secured by the Insured Mortgage, provided the priority of the lien of the Insured Mortgage or its enforceability is not affected,~~

(i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, ~~or~~ extend or otherwise modify the terms of payment, ~~or~~ release a portion of the ~~estate or interest~~Title from the lien of the Insured Mortgage, or release any collateral security for the ~~indebtedness. When the permitted acts of the Insured Claimant occur and the Insured~~ Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.

(ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim ~~of title or interest~~ adverse to the ~~title to the estate or interest or the priority or enforceability of~~Title or the lien of the Insured Mortgage~~, as~~ insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy ~~which~~that shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

(c) The Company's Rights Against ~~Non-Insured~~Noninsured Obligors~~.~~

The Company's right of subrogation includes the Insured's rights against non-insured obligors ~~shall exist and shall include, without limitation,~~ including the rights of the Insured to indemnities, ~~guaranties~~guarantees, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments ~~which provide for~~that address subrogation rights~~ by reason of this policy~~.

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1 (f)(~~iii~~)(F) of these Conditions~~ and Stipulations~~) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy~~, notwithstanding Section I(a)(i) of these Conditions and Stipulations~~.

13. ARBITRATION~~.~~

~~Unless prohibited by applicable law, either~~Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association~~.~~ ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service ~~of the Company~~ in connection with its issuance or the breach of a policy provision~~ or other obligation.~~ , or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $~~1,000,000~~2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $~~1,000,000~~2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules~~ in effect on the date the demand for arbitration is made or, at the option of the Insured, the Rules in effect at Date of Policy~~ shall be binding upon the parties.~~ The award may include attorneys' fees only if the laws of the state in which the Land is located permit a court to award attorneys' fees to a prevailing party.~~ Judgment upon the award rendered by the Arbitrator(s) may be entered in any court ~~having~~of competent jurisdiction~~ thereof~~.

~~The law of the situs of the Land shall apply to an arbitration under the Title Insurance Arbitration Rules. A copy of the Rules may be obtained from the Company upon request.~~

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT~~.~~

(a) This policy together with all endorsements, if any, attached ~~hereto~~to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage~~, whether or not based on negligence, and which~~ that arises out of the status of the Title or lien of the Insured Mortgage~~ or of any other matters insured against by this policy~~ or by any action asserting such claim~~,~~ shall be restricted to this policy.

(c) ~~No~~Any amendment of or endorsement to this policy ~~can~~must be ~~made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.~~ in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

15. SEVERABILITY~~.~~

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision ~~and~~or such part held to be invalid, but all other provisions shall remain in full force and effect.

~~16. NOTICES, WHERE SENT.~~16. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

17. NOTICES, WHERE SENT

~~All notices required to be given the Company~~Any notice of claim and any other notice or statement in writing required to be ~~furnished~~ given to the Company ~~shall include the number of~~under this policy ~~and shall~~must be ~~addressed~~given to the Company ~~_____~~. at Security Union Title Insurance Company, Attn: Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023.

NOTE: Bracketed [ ] material optional

SECURITY UNION TITLE INSURANCE COMPANY

POLICY NO.:

HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

OWNER'S INFORMATION SHEET

Your Title Insurance Policy is a legal contract between You and Us.

It applies only to a one-to-four family residence and only if each insured named in Schedule A is a Natural Person. If the Land described in Schedule A of the Policy is not an improved residential lot on which there is located a one-to-four family residence, or if each insured named in Schedule A is not a Natural Person, contact Us immediately.

The Policy insures You against actual loss resulting from certain Covered Risks. These Covered Risks are listed beginning on page 3 of the Policy. The Policy is limited by:

- Provisions of Schedule A
- Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions On Page 6
- Exclusions on page 9
- Conditions on pages 10, 11, 12, 13 and 14.

You should keep the Policy even if You transfer Your Title to the Land. It may protect against claims made against You by someone else after You transfer Your Title.

IF YOU WANT TO MAKE A CLAIM, SEE SECTION 3 UNDER CONDITIONS ON PAGE 10.

The premium for this Policy is paid once. No additional premium is owed for the Policy.

This sheet is not Your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail Your rights and obligations and Our rights and obligations. Since the Policy - and not this sheet - is the legal document,

YOU SHOULD READ THE POLICY VERY CAREFULLY.

If You have any questions about Your Policy, contact:

Security Union Title Insurance Company, P.O. Box 45023, Jacksonville, FL 32232-5023

HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

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HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

As soon as You Know of anything that might be covered by this Policy, You must notify Us promptly in writing at the address shown in Section 3 of the Conditions.

OWNER'S COVERAGE STATEMENT

This Policy insures You against actual loss, including any costs, attorneys' fees and expenses provided under this Policy. The loss must result from one or more of the Covered Risks set forth below. This Policy covers only Land that is an improved residential lot on which there is located a one-to-four family residence and only when each insured named in Schedule A is a Natural Person.
Your insurance is effective on the Policy Date. This Policy covers Your actual loss from any risk described under Covered Risks if the event creating the risk exists on the Policy Date or, to the extent expressly stated in Covered Risks, after the Policy Date.

Your insurance is limited by all of the following:

- The Policy Amount
- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A
- The Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions
- The Exclusions on page 9
- The Conditions on pages 10, 11, 12, 13 and 14.

COVERED RISKS

The Covered Risks are:

1. Someone else owns an interest in Your Title.
2. Someone else has rights affecting Your Title because of leases, contracts, or options.
3. Someone else claims to have rights affecting Your Title because of forgery or impersonation.
4. Someone else has an easement on the Land.
5. Someone else has a right to limit Your use of the Land.
6. Your Title is defective. Some of these defects are:
   a. Someone else's failure to have authorized a transfer or conveyance of your Title.
   b. Someone else's failure to create a valid document by electronic means.
   c. A document upon which Your Title is based is invalid because it was not properly signed, sealed, acknowledged, delivered or recorded.

d. A document upon which Your Title is based was signed using a falsified, expired, or otherwise invalid power of attorney.

e. A document upon which Your Title is based was not properly filed, recorded, or indexed in the Public Records.

f. A defective judicial or administrative proceeding.

7. Any of Covered Risks 1 through 6 occurring after the Policy Date.

8. Someone else has a lien on Your Title, including a:

   a. lien of real estate taxes or assessments imposed on Your Title by a governmental authority that are due or payable, but unpaid;

   b. Mortgage;

   c. judgment, state or federal tax lien;

   d. charge by a homeowner's or condominium association; or

   e. lien, occurring before or after the Policy Date, for labor and material furnished before the Policy Date.

9. Someone else has an encumbrance on Your Title.

10. Someone else claims to have rights affecting Your Title because of fraud, duress, incompetency or incapacity.

11. You do not have actual vehicular and pedestrian access to and from the Land, based upon a legal right.

12. You are forced to correct or remove an existing violation of any covenant, condition or restriction affecting the Land, even if the covenant, condition or restriction is excepted in Schedule B. However, You are not covered for any violation that relates to:

    a. any obligation to perform maintenance or repair on the Land; or

    b. environmental protection of any kind, including hazardous or toxic conditions or substances

    unless there is a notice recorded in the Public Records, describing any part of the Land, claiming a violation exists. Our liability for this Covered Risk is limited to the extent of the violation stated in that notice.

13. Your Title is lost or taken because of a violation of any covenant, condition or restriction, which occurred before You acquired Your Title, even if the covenant, condition or restriction is excepted in Schedule B.

14. The violation or enforcement of those portions of any law or government regulation concerning:

    a. building;

    b. zoning;

    c. land use;

    d. improvements on the Land;

    e. land division; or

    f. environmental protection,

    if there is a notice recorded in the Public Records, describing any part of the Land, claiming a violation exists or declaring the intention to enforce the law or regulation. Our liability for this Covered Risk is limited to the extent of the violation or enforcement stated in that notice.

15. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 14 if there is a notice recorded in the Public Records, describing any part of the Land, of the enforcement action or intention to bring an enforcement action. Our liability for this Covered Risk is limited to the extent of the enforcement action stated in that notice.
16. Because of an existing violation of a subdivision law or regulation affecting the Land:
    a. You are unable to obtain a building permit;
    b. You are required to correct or remove the violation; or
    c. someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.

    The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
17. You lose Your Title to any part of the Land because of the right to take the Land by condemning it, if:
    a. there is a notice of the exercise of the right recorded in the Public Records and the notice describes any part of the Land; or
    b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
18. You are forced to remove or remedy Your existing structures, or any part of them - other than boundary walls or fences - because any portion was built without obtaining a building permit from the proper government office. The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
19. You are forced to remove or remedy Your existing structures, or any part of them, because they violate an existing zoning law or zoning regulation. If You are required to remedy any portion of Your existing structures, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
20. You cannot use the Land because use as a single-family residence violates an existing zoning law or zoning regulation.
21. You are forced to remove Your existing structures because they encroach onto Your neighbor's land. If the encroaching structures are boundary walls or fences, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
22. Someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it because Your neighbor's existing structures encroach onto the Land.
23. You are forced to remove Your existing structures which encroach onto an easement or over a building set-back line, even if the easement or building set-back line is excepted in Schedule B.
24. Your existing structures are damaged because of the exercise of a right to maintain or use any easement affecting the Land, even if the easement is excepted in Schedule B.
25. Your existing improvements (or a replacement or modification made to them after the Policy Date), including lawns, shrubbery or trees, are damaged because of the future exercise of a right to use the surface of the Land for the extraction or development of minerals, water or any other substance, even if those rights are excepted or reserved from the description of the Land or excepted in Schedule B.
26. Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects Your Title which is based upon race, color, religion, sex, handicap, familial status, or national origin.
27. A taxing authority assesses supplemental real estate taxes not previously assessed against the Land for any period before the Policy Date because of construction or a change of ownership or use that occurred before the Policy Date.

28. Your neighbor builds any structures after the Policy Date - other than boundary walls or fences - which encroach onto the Land.
29. Your Title is unmarketable, which allows someone else to refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.
30. Someone else owns an interest in Your Title because a court order invalidates a prior transfer of the title under federal bankruptcy, state insolvency, or similar creditors' rights laws.
31. The residence with the address shown in Schedule A is not located on the Land at the Policy Date.
32. The map, if any, attached to this Policy does not show the correct location of the Land according to the Public Records.

OUR DUTY TO DEFEND AGAINST LEGAL ACTIONS

We will defend Your Title in any legal action only as to that part of the action which is based on a Covered Risk and which is not excepted or excluded from coverage in this Policy. We will pay the costs, attorneys' fees, and expenses We incur in that defense.

We will not pay for any part of the legal action which is not based on a Covered Risk or which is excepted or excluded from coverage in this Policy.

We can end Our duty to defend Your Title under Section 4 of the Conditions.

THIS POLICY IS NOT COMPLETE WITHOUT SCHEDULES A AND B.

IN WITNESS WHEREOF, Security Union Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

SECURITY UNION TITLE INSURANCE COMPANY CORPORATE SEAL

By: _____ President

ATTEST _____ Secretary

HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

SCHEDULE A

Our name and address is:

Policy No.: [Premium: $_____] Policy Amount: $ Policy Date [and Time]:

Deductible Amounts and Maximum Dollar Limits of Liability
For Covered Risk 16, 18, 19 and 21:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 5,000.00

Street Address of the Land:

1. Name of Insured:

2. Your interest in the Land covered by this Policy is:

3. The Land referred to in this Policy is described as:

HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

SCHEDULE B

EXCEPTIONS

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

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:

   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:

   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:

   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

CONDITIONS

1. DEFINITIONS

   a. Easement - the right of someone else to use the Land for a special purpose.

   b. Known - things about which You have actual knowledge. The words "Know" and "Knowing" have the same meaning as Known.

   c. Land - the land or condominium unit described in paragraph 3 of Schedule A and any improvements on the Land which are real property.

   d. Mortgage - a mortgage, deed of trust, trust deed or other security instrument.

   e. Natural Person - a human being, not a commercial or legal organization or entity. Natural Person includes a trustee of a Trust even if the trustee is not a human being.

   f. Policy Date - the date and time shown in Schedule A. If the insured named in Schedule A first acquires the interest shown in Schedule A by an instrument recorded in the Public Records later than the date and time shown in Schedule A, the Policy Date is the date and time the instrument is recorded.

   g. Public Records - records that give constructive notice of matters affecting Your Title, according to the state statutes where the Land is located.

   h. Title - the ownership of Your interest in the Land, as shown in Schedule A.

   i. Trust - a living trust established by a human being for estate planning.

   j. We/Our/Us - Blank Title Insurance Company.

   k. You/Your - the insured named in Schedule A and also those identified in Section 2.b. of these Conditions.

2. CONTINUATION OF COVERAGE

   a. This Policy insures You forever, even after You no longer have Your Title. You cannot assign this Policy to anyone else.

   b. This Policy also insures:

      (1) anyone who inherits Your Title because of Your death;

      (2) Your spouse who receives Your Title because of dissolution of Your marriage;

      (3) the trustee or successor trustee of a Trust to whom You transfer Your Title after the Policy Date; or

      (4) the beneficiaries of Your Trust upon Your death.

   c. We may assert against the insureds identified in Section 2.b. any rights and defenses that We have against any previous insured under this Policy.

3. HOW TO MAKE A CLAIM

   a. Prompt Notice Of Your Claim

(1) As soon as You Know of anything that might be covered by this Policy, You must notify Us promptly in writing.

(2) Send Your notice to **Security Union Title Insurance Company**, Attention: Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023. Please include the Policy number shown in Schedule A, and the county and state where the Land is located. Please enclose a copy of Your policy, if available.

(3) If You do not give Us prompt notice, Your coverage will be reduced or ended, but only to the extent Your failure affects Our ability to resolve the claim or defend You.

b. Proof Of Your Loss

(1) We may require You to give Us a written statement signed by You describing Your loss which includes:

(a) the basis of Your claim;

(b) the Covered Risks which resulted in Your loss;

(c) the dollar amount of Your loss; and

(d) the method You used to compute the amount of Your loss.

(2) We may require You to make available to Us records, checks, letters, contracts, insurance policies and other papers which relate to Your claim. We may make copies of these papers.

(3) We may require You to answer questions about Your claim under oath.

(4) If you fail or refuse to give Us a statement of loss, answer Our questions under oath, or make available to Us the papers We request, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.

4. OUR CHOICES WHEN WE LEARN OF A CLAIM

a. After We receive Your notice, or otherwise learn, of a claim that is covered by this Policy, Our choices include one or more of the following:

(1) Pay the claim;

(2) Negotiate a settlement;

(3) Bring or defend a legal action related to the claim;

(4) Pay You the amount required by this Policy;

(5) End the coverage of this Policy for the claim by paying You Your actual loss resulting from the Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;

(6) End the coverage described in Covered Risk 16, 18, 19 or 21 by paying You the amount of Your insurance then in force for the particular Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;

(7) End all coverage of this Policy by paying You the Policy Amount then in force, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;

(8) Take other appropriate action.

b. When We choose the options in Sections 4.a. (5), (6) or (7), all Our obligations for the claim end, including Our obligation to defend, or continue to defend, any legal action.

c. Even if We do not think that the Policy covers the claim, We may choose one or more of the options above. By doing so, We do not give up any rights.

5. HANDLING A CLAIM OR LEGAL ACTION

a. You must cooperate with Us in handling any claim or legal action and give Us all relevant information.

b. If You fail or refuse to cooperate with Us, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.

c. We are required to repay You only for those settlement costs, attorneys' fees and expenses that We approve in advance.

d. We have the right to choose the attorney when We bring or defend a legal action on Your behalf. We can appeal any decision to the highest level. We do not have to pay Your claim until the legal action is finally decided.

e. Whether or not We agree there is coverage, We can bring or defend a legal action, or take other appropriate action under this Policy. By doing so, We do not give up any rights.

6. LIMITATION OF OUR LIABILITY

a. After subtracting Your Deductible Amount if it applies, We will pay no more than the least of:

(1) Your actual loss;

(2) Our Maximum Dollar Limit of Liability then in force for the particular Covered Risk, for claims covered only under Covered Risk 16, 18, 19 or 21; or

(3) the Policy Amount then in force.

and any costs, attorneys' fees and expenses that We are obligated to pay under this Policy.

b. If We pursue Our rights under Sections 4.a.(3) and 5.e. of these Conditions and are unsuccessful in establishing the Title, as insured:

(1) the Policy Amount then in force will be increased by 10% of the Policy Amount shown in Schedule A, and

(2) You shall have the right to have the actual loss determined on either the date the claim was made by You or the date it is settled and paid.

c. (1) If We remove the cause of the claim with reasonable diligence after receiving notice of it, all Our obligations for the claim end, including any obligation for loss You had while We were removing the cause of the claim.

(2) Regardless of 6.c.(1) above, if You cannot use the Land because of a claim covered by this Policy:

(a) You may rent a reasonably equivalent substitute residence and We will repay You for the actual rent You pay, until the earlier of:

(i) the cause of the claim is removed; or

(ii) We pay You the amount required by this Policy. If Your claim is covered only under Covered Risk 16, 18, 19 or 21, that payment is the amount of Your insurance then in force for the particular Covered Risk.

(b) We will pay reasonable costs You pay to relocate any personal property You have the right to remove from the Land, including transportation of that personal property for up to twenty-five (25) miles from the Land, and repair of any damage to that personal property because of the relocation. The amount We will pay You under this paragraph is limited to the value of the personal property before You relocate it.

d. All payments We make under this Policy reduce the Policy Amount then in force except for costs, attorneys' fees and expenses. All payments We make for claims which are covered only under Covered Risk 16, 18, 19 or 21 also reduce Our Maximum Dollar Limit of Liability for the particular Covered Risk, except for costs, attorneys' fees and expenses.

e. If We issue, or have issued, a Policy to the owner of a Mortgage that is on Your Title and We have not given You any coverage against the Mortgage, then:

(1) We have the right to pay any amount due You under this Policy to the owner of the Mortgage, and any amount paid shall be treated as a payment to You under this Policy, including under Section 4.a. of these Conditions;

(2) Any amount paid to the owner of the Mortgage shall be subtracted from the Policy Amount then in force; and

(3) If Your claim is covered only under Covered Risk 16, 18, 19 or 21, any amount paid to the owner of the Mortgage shall also be subtracted from Our Maximum Dollar Limit of Liability for the particular Covered Risk.

f. If You do anything to affect any right of recovery You may have against someone else, We can subtract from Our liability the amount by which You reduced the value of that right.

7. TRANSFER OF YOUR RIGHTS TO US

a. When We settle Your claim, We have all the rights and remedies You have against any person or property related to the claim. You must not do anything to affect these rights and remedies. When We ask, You must execute documents to evidence the transfer to Us of these rights and remedies. You must let Us use Your name in enforcing these rights and remedies.

b. We will not be liable to You if We do not pursue these rights and remedies or if We do not recover any amount that might be recoverable.

c. We will pay any money We collect from enforcing these rights and remedies in the following order:

(1) to Us for the costs, attorneys' fees and expenses We paid to enforce these rights and remedies;

(2) to You for Your loss that You have not already collected;

(3) to Us for any money We paid out under this Policy on account of Your claim; and

(4) to You whatever is left.

d. If You have rights and remedies under contracts (such as indemnities, guaranties, bonds or other policies of insurance) to recover all or part of Your loss, then We have all of those rights and remedies, even if those contracts provide that those obligated have all of Your rights and remedies under this Policy.

8. THIS POLICY IS THE ENTIRE CONTRACT

This Policy, with any endorsements, is the entire contract between You and Us. To determine the meaning of any part of this Policy, You must read the entire Policy and any endorsements. Any changes to this Policy must be agreed to in writing by Us. Any claim You make against Us must be made under this Policy and is subject to its terms.

9. INCREASED POLICY AMOUNT

The Policy Amount then in force will increase by ten percent (10%) of the Policy Amount shown in Schedule A each year for the first five years following the Policy Date shown in Schedule A, up to one hundred fifty percent (150%) of the Policy Amount shown in Schedule A. The increase each year will happen on the anniversary of the Policy Date shown in Schedule A.

10. SEVERABILITY

If any part of this Policy is held to be legally unenforceable, both You and We can still enforce the rest of this Policy.

11. ARBITRATION

a. If permitted in the state where the Land is located, You or We may demand arbitration.

b. The law used in the arbitration is the law of the state where the Land is located.

c. The arbitration shall be under the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). You can get a copy of the Rules from Us.

d. Except as provided in the Rules, You cannot join or consolidate Your claim or controversy with claims or controversies of other persons.

e. The arbitration shall be binding on both You and Us. The arbitration shall decide any matter in dispute between You and Us.

f. The arbitration award may be entered as a judgment in the proper court.

12. CHOICE OF LAW

The law of the state where the Land is located shall apply to this policy.

[Bracketed material is optional]

SECURITY UNION TITLE INSURANCE COMPANY

POLICY NO.:

~~BLANK TITLE INSURANCE COMPANY~~
HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

OWNER'S INFORMATION SHEET

Your Title Insurance Policy is a legal contract between You and Us.

It applies only to a one-to-four family residence and only if each insured named in Schedule A is a Natural Person. If the Land described in Schedule A of the Policy is not an improved residential lot on which there is located a one-to-four family residence, or if each insured named in Schedule A is not a Natural Person, contact Us immediately.

The Policy insures You against actual loss resulting from certain Covered Risks. These Covered Risks are listed beginning on page 3 of the Policy. The Policy is limited by:

- Provisions of Schedule A
- Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions On Page ~~_____~~ 6
- Exclusions on page ~~___~~ 9
- Conditions on pages ~~___~~ 10, 11, 12, 13 and ~~___.~~ 14.

You should keep the Policy even if You transfer Your Title to the Land. It may protect against claims made against You by someone else after You transfer Your Title.

~~If You want to make a claim, see paragraph 3 under Conditions on page __.~~

IF YOU WANT TO MAKE A CLAIM, SEE SECTION 3 UNDER CONDITIONS ON PAGE 10.

~~You do not owe any more premiums~~The premium for this Policy is paid once. No additional premium is owed for the Policy.

This sheet is not Your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail Your rights and obligations and Our rights and obligations. Since the Policy - and not this sheet - is the legal document,

YOU SHOULD READ THE POLICY VERY CAREFULLY.

If You have any questions about Your Policy, contact:

Security Union Title Insurance Company, P.O. Box 45023, Jacksonville, FL 32232-5023

~~BLANK TITLE INSURANCE COMPANY~~
HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

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HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

As soon as You Know of anything that might be covered by this Policy, You must notify Us promptly in writing at the address shown in Section 3 of the Conditions.

OWNER'S COVERAGE STATEMENT

This Policy insures You against actual loss, including any costs, attorneys' fees and expenses provided under this Policy~~, resulting~~. The loss must result from one or more of the Covered Risks set forth below~~, if the~~. This Policy covers only Land that is an improved residential lot on which there is located a one-to-four family residence and only when each insured named in Schedule A is a Natural Person.

Your insurance is effective on the Policy Date. This Policy covers Your actual loss from any risk described under Covered Risks if the event creating the risk exists on the Policy Date or, to the extent expressly stated in Covered Risks, after the Policy Date.

Your insurance is limited by all of the following:

- The Policy Amount ~~shown in Schedule A~~
- For Covered Risk ~~14, 15, 16 and~~16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A
- The Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions
- The Exclusions on page 9
- The Conditions on pages 10, 11, 12, 13 and 14.

COVERED RISKS

The Covered Risks are:

1. Someone else owns an interest in Your Title.
2. Someone else has rights affecting Your Title ~~arising out~~because of leases, contracts, or options.
3. Someone else claims to have rights affecting Your Title ~~arising out~~because of forgery or impersonation.
4. Someone else has an easement on the Land.
5. Someone else has a right to limit Your use of the Land.
6. Your Title is defective. Some of these defects are:
   a. Someone else's failure to have authorized a transfer or conveyance of your Title.
   b. Someone else's failure to create a valid document by electronic means.

c. A document upon which Your Title is based is invalid because it was not properly signed, sealed, acknowledged, delivered or recorded.

d. A document upon which Your Title is based was signed using a falsified, expired, or otherwise invalid power of attorney.

e. A document upon which Your Title is based was not properly filed, recorded, or indexed in the Public Records.

f. A defective judicial or administrative proceeding.

7. Any of Covered Risks 1 through 6 occurring after the Policy Date.

8. Someone else has a lien on Your Title, including a:

a. lien of real estate taxes or assessments imposed on Your Title by a governmental authority that are due or payable, but unpaid;

b. Mortgage;

~~b~~c. judgment, state or federal tax lien~~, or special assessment~~;

~~c~~d. charge by a homeowner's or condominium association; or

~~d~~e. lien, occurring before or after the Policy Date, for labor and material furnished before the Policy Date.

9. Someone else has an encumbrance on Your Title.

10. Someone else claims to have rights affecting Your Title ~~arising out~~because of fraud, duress, incompetency or incapacity.

11. You do not have ~~both~~ actual vehicular and pedestrian access to and from the Land, based upon a legal right.

12. You are forced to correct or remove an existing violation of any covenant, condition or restriction affecting the Land, even if the covenant, condition or restriction is excepted in Schedule B. However, You are not covered for any violation that relates to:

a. any obligation to perform maintenance or repair on the Land~~,~~; or ~~relates to~~

b. environmental protection of any kind ~~or nature~~, including hazardous or toxic conditions or substances~~,~~

unless there is a notice ~~of the violation is~~ recorded in the Public Records~~.~~, describing any part of the Land, claiming a violation exists. Our liability for this Covered Risk is limited to the extent of the violation stated in that notice.

13. Your Title is lost or taken because of a violation of any covenant, condition or restriction, which occurred before You acquired Your Title, even if the covenant, condition or restriction is excepted in Schedule B.

14. The violation or enforcement of those portions of any law or government regulation concerning:

a. building;

b. zoning;

c. land use;

d. improvements on the Land;

e. land division; or

f. environmental protection,

if there is a notice recorded in the Public Records, describing any part of the Land, claiming a violation exists or declaring the intention to enforce the law or regulation. Our liability for this Covered Risk is limited to the extent of the violation or enforcement stated in that notice.

15. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 14 if there is a notice recorded in the Public Records, describing any part of the Land, of the enforcement action or intention to bring an enforcement action. Our liability for this Covered Risk is limited to the extent of the enforcement action stated in that notice.

16. Because of an existing violation of a subdivision law or regulation affecting the Land:

a. You are unable to obtain a building permit;

b. You are required to correct or remove the violation; or

c. someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.

The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

17. You lose Your Title to any part of the Land because of the right to take the Land by condemning it, if:

a. there is a notice of the exercise of the right recorded in the Public Records and the notice describes any part of the Land; or

b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.

~~15~~18. You are forced to remove or remedy Your existing structures, or any part of them - other than boundary walls or fences - because any portion was built without obtaining a building permit from the proper government office. The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

~~16~~19. You are forced to remove or remedy Your existing structures, or any part of them, because they violate an existing zoning law or zoning regulation. If You are required to remedy any portion of Your existing structures, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

~~17.~~20. You cannot use the Land because use as a single-family residence violates an existing zoning law or zoning regulation.

~~18~~ 21. You are forced to remove Your existing structures because they encroach onto Your neighbor's land. If the encroaching structures are boundary walls or fences, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

~~19~~22. Someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it because Your neighbor's existing structures encroach onto the Land.

~~20~~23. You are forced to remove Your existing structures which encroach onto an easement or over a building set-back line, even if the easement or building set-back line is excepted in Schedule B.

~~21~~24. Your existing structures are damaged because of the exercise of a right to maintain or use any easement affecting the Land, even if the easement is excepted in Schedule B.

~~22~~25. Your existing improvements (or a replacement or modification made to them after the Policy Date), including lawns, shrubbery or trees, are damaged because of the future exercise of a right to use the surface of the Land for the extraction or development of minerals, water or any other substance, even if those rights are excepted or reserved from the description of the Land or excepted in Schedule B.

~~23~~26. Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects Your Title which is based upon race, color, religion, sex, handicap, familial status, or national origin.

~~24~~27. A taxing authority assesses supplemental real estate taxes not previously assessed against the Land for any period before the Policy Date because of construction or a change of ownership or use that occurred before the Policy Date.

~~25~~28. Your neighbor builds any structures after the Policy Date - other than boundary walls or fences - which encroach onto the Land.

~~26~~29. Your Title is unmarketable, which allows someone else to refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.

~~27. A document upon which Your Title is based is invalid because it was not properly signed, sealed, acknowledged, delivered or recorded.~~

30. Someone else owns an interest in Your Title because a court order invalidates a prior transfer of the title under federal bankruptcy, state insolvency, or similar creditors' rights laws.

~~28~~31. The residence with the address shown in Schedule A is not located on the Land at the Policy Date.

~~29~~32. The map, if any, attached to this Policy does not show the correct location of the Land according to the Public Records.

OUR DUTY TO DEFEND AGAINST LEGAL ACTIONS

We will defend Your Title in any legal action only as to that part of the action which is based on a Covered Risk and which is not excepted or excluded from coverage in this Policy. We will pay the costs, attorneys' fees, and expenses We incur in that defense.

We will not pay for any part of the legal action which is not based on a Covered Risk or which is excepted or excluded from coverage in this Policy.

We can end Our duty to defend Your Title under ~~paragraph~~Section 4 of the Conditions.

THIS POLICY IS NOT COMPLETE WITHOUT SCHEDULES A AND B.

IN WITNESS WHEREOF, Security Union Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

SECURITY UNION TITLE INSURANCE COMPANY CORPORATE SEAL

By: _____ President

ATTEST _____ Secretary

~~BLANK TITLE INSURANCE COMPANY~~
HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

SCHEDULE A

Our name and address is:

Policy No.: [Premium: $_____] Policy Amount: $ Policy Date [and Time]:

Deductible Amounts and Maximum Dollar Limits of Liability
For Covered Risk 16, 18, 19 and 21:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 5,000.00

Street Address of the Land:

1. Name of Insured:

2. Your interest in the Land covered by this Policy is:

3. The Land referred to in this Policy is described as:

~~BLANK TITLE INSURANCE COMPANY~~
HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

SCHEDULE B

EXCEPTIONS

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

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation~~. This includes ordinances, laws and regulations~~ concerning:

   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   ~~This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.~~

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, ~~17~~18, 19, 20, 23 or ~~24.~~27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not ~~apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.~~limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it~~, unless:~~. This Exclusion does not limit the coverage described in Covered Risk 17.

   ~~a. a notice of exercising the right appears in the Public Records at the Policy Date; or~~

   ~~b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.~~

4. Risks:

   a. that are created, allowed, or agreed to by You, whether or not they ~~appear~~are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they ~~appeared~~are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8. ~~d, 22, 23, 24~~e., 25, 26, 27 or ~~25.~~28.

5. Failure to pay value for Your Title.

6. Lack of a right:

   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or ~~18.~~21.

~~BLANK TITLE INSURANCE COMPANY~~
HOMEOWNER'S POLICY OF TITLE INSURANCE
FOR A ONE-TO-FOUR FAMILY RESIDENCE

Issued By

Security Union Title Insurance Company

CONDITIONS

1. DEFINITIONS

   a. Easement - the right of someone else to use the Land for a special purpose.

   b. Known - things about which You have actual knowledge. The words "Know" and "Knowing" have the same meaning as Known.

   c. Land - the land or condominium unit described in paragraph 3 of Schedule A and any improvements on the Land which are real property.

   d. Mortgage - a mortgage, deed of trust, trust deed or other security instrument.

   e. Natural Person - a human being, not a commercial or legal organization or entity. Natural Person includes a trustee of a Trust even if the trustee is not a human being.

   f. Policy Date - the date and time shown in Schedule A. If the insured named in Schedule A first acquires the interest shown in Schedule A by an instrument recorded in the Public Records later than the date and time shown in Schedule A, the Policy Date is the date and time the instrument is recorded.

   g. Public Records - records that give constructive notice of matters affecting Your Title, according to the state statutes where the Land is located.

   h. Title - the ownership of Your interest in the Land, as shown in Schedule A.

   i. Trust - a living trust established by a human being for estate planning.

   j. We/Our/Us - Blank Title Insurance Company.

   k. You/Your - the insured named in Schedule A and also those identified in ~~paragraph~~Section 2.b. of these Conditions.

2. CONTINUATION OF COVERAGE

   a. This Policy insures You forever, even after You no longer have Your Title. You cannot assign this Policy to anyone else.

   b. This Policy also insures:

      (1) anyone who inherits Your Title because of Your death;

      (2) Your spouse who receives Your Title because of dissolution of Your marriage;

      (3) the trustee or successor trustee of a Trust to whom You transfer Your Title after the Policy Date; or

      (4) the beneficiaries of Your Trust upon Your death.

   c. We may assert against the insureds identified in ~~paragraph~~Section 2.b. any rights and defenses that We have against any previous insured under this Policy.

3. HOW TO MAKE A CLAIM

   a. Prompt Notice Of Your Claim

(1) As soon as You Know of anything that might be covered by this Policy, You must notify Us promptly in writing.

(2) Send Your notice to **Security Union Title Insurance Company**, Attention: Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023. Please include the Policy number shown in Schedule A, and the county and state where the Land is located. Please enclose a copy of Your policy, if available.

(3) If You do not give Us prompt notice, Your coverage will be reduced or ended, but only to the extent Your failure affects Our ability to resolve the claim or defend You.

b. Proof Of Your Loss

(1) We may require You to give Us a written statement signed by You describing Your loss which includes:

(a) the basis of Your claim;

(b) the Covered Risks which resulted in Your loss;

(c) the dollar amount of Your loss; and

(d) the method You used to compute the amount of Your loss.

(2) We may require You to make available to Us records, checks, letters, contracts, insurance policies and other papers which relate to Your claim. We may make copies of these papers.

(3) We may require You to answer questions about Your claim under oath.

(4) If you fail or refuse to give Us a statement of loss, answer Our questions under oath, or make available to Us the papers We request, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.

4. OUR CHOICES WHEN WE LEARN OF A CLAIM

a. After We receive Your notice, or otherwise learn, of a claim that is covered by this Policy, Our choices include one or more of the following:

(1) Pay the claim;

(2) Negotiate a settlement;

(3) Bring or defend a legal action related to the claim;

(4) Pay You the amount required by this Policy;

(5) End the coverage of this Policy for the claim by paying You Your actual loss resulting from the Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;

(6) End the coverage described in Covered Risk ~~14, 15, 16~~16, 18, 19 or ~~18~~21 by paying You the amount of Your insurance then in force for the particular Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;

(7) End all coverage of this Policy by paying You the Policy Amount then in force, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;

(8) Take other appropriate action.

b. When We choose the options in ~~paragraphs~~Sections 4.a. (5), (6) or (7), all Our obligations for the claim end, including Our obligation to defend, or continue to defend, any legal action.

c. Even if We do not think that the Policy covers the claim, We may choose one or more of the options above. By doing so, We do not give up any rights.

5. HANDLING A CLAIM OR LEGAL ACTION

a. You must cooperate with Us in handling any claim or legal action and give Us all relevant information.

b. If You fail or refuse to cooperate with Us, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.

c. We are required to repay You only for those settlement costs, attorneys' fees and expenses that We approve in advance.

d. We have the right to choose the attorney when We bring or defend a legal action on Your behalf. We can appeal any decision to the highest level. We do not have to pay Your claim until the legal action is finally decided.

e. Whether or not We agree there is coverage, We can bring or defend a legal action, or take other appropriate action under this Policy. By doing so, We do not give up any rights.

6. LIMITATION OF OUR LIABILITY

a. After subtracting Your Deductible Amount if it applies, We will pay no more than the least of:

(1) Your actual loss;

(2) Our Maximum Dollar Limit of Liability then in force for the particular Covered Risk, for claims covered only under Covered Risk ~~14, 15, 16~~16, 18, 19 or ~~18~~21; or

(3) the Policy Amount then in force.

and any costs, attorneys' fees and expenses ~~which~~that We are obligated to pay under this Policy.

b. ~~(1)~~ If We pursue Our rights under Sections 4.a.(3) and 5.e. of these Conditions and are unsuccessful in establishing the Title, as insured:

(1) the Policy Amount then in force will be increased by 10% of the Policy Amount shown in Schedule A, and

(2) You shall have the right to have the actual loss determined on either the date the claim was made by You or the date it is settled and paid.

c. (1) If We remove the cause of the claim with reasonable diligence after receiving notice of it, all Our obligations for the claim end, including any obligation for loss You had while We were removing the cause of the claim.

(2) Regardless of 6.~~b~~c.(1) above, if You cannot use the Land because of a claim covered by this Policy:

(a) You may rent a reasonably equivalent substitute residence and We will repay You for the actual rent You pay, until the earlier of:

(~~1~~i) the cause of the claim is removed; or

(~~2~~ii) We pay You the amount required by this Policy. If Your claim is covered only under Covered Risk ~~14, 15, 16 or~~16, 18, 19 or 21, that payment is the amount of Your insurance then in force for the particular Covered Risk.

(b) We will pay reasonable costs You pay to relocate any personal property You have the right to remove from the Land, including transportation of that personal property for up to twenty-five (25) miles from the Land, and repair of any damage to that personal property because of the relocation. The amount We will pay You under this paragraph is limited to the value of the personal property before You relocate it.

~~c~~d. All payments We make under this Policy reduce the Policy Amount then in force~~,~~ except for costs, attorneys' fees and expenses. All payments We make for claims which are covered only under Covered Risk ~~14, 15, 16~~16, 18, 19 or ~~18~~21 also reduce Our Maximum Dollar Limit of Liability for the particular Covered Risk, except for costs, attorneys' fees and expenses.

~~d~~e. If We issue, or have issued, a Policy to the owner of a Mortgage that is on Your Title and We have not given You any coverage against the Mortgage, then:

(1) We have the right to pay any amount due You under this Policy to the owner of the Mortgage, and any amount paid shall be treated as a payment to You under this Policy, including under Section 4.a. of these Conditions;

(2) Any amount paid to the owner of the Mortgage shall be subtracted from the Policy Amount ~~of this Policy~~then in force; and

(3) If Your claim is covered only under Covered Risk ~~14, 15, 16 or~~16, 18, 19 or 21, any amount paid to the owner of the Mortgage shall also be subtracted from Our Maximum Dollar Limit of Liability for the particular Covered Risk.

~~e~~f. If You do anything to affect any right of recovery You may have against someone else, We can subtract from Our liability the amount by which You reduced the value of that right.

7. TRANSFER OF YOUR RIGHTS TO US

a. When We settle Your claim, We have all the rights and remedies You have against any person or property related to the claim. You must ~~transfer these rights to Us when We ask, and You must~~ not do anything to affect these rights and remedies. When We ask, You must execute documents to evidence the transfer to Us of these rights and remedies. You must let Us use Your name in enforcing these rights~~.~~ and remedies.

b. We will not be liable to You if We do not pursue these rights and remedies or if We do not recover any amount that might be recoverable.

c. We will pay any money We collect from enforcing these rights and remedies in the following order:

(1) to Us for the costs, attorneys' fees and expenses We paid to enforce these rights and remedies;

(2) to You for Your loss that You have not already collected;

(3) to Us for any money We paid out under this Policy on account of Your claim; and

(4) to You whatever is left.

d. If You have rights and remedies under contracts (such as indemnities, guaranties, bonds or other policies of insurance) to recover all or part of Your loss, then We have all of those rights and remedies, even if those contracts provide that those obligated have all of Your rights and remedies under this Policy.

8. THIS POLICY IS THE ENTIRE CONTRACT

This Policy, with any endorsements, is the entire contract between You and Us. To determine the meaning of any part of this Policy, You must read the entire Policy and any endorsements. Any changes to this Policy must be agreed to in writing by Us. Any claim You make against Us must be made under this Policy and is subject to its terms.

9. INCREASED POLICY AMOUNT

The Policy Amount then in force will increase by ten percent (10%) of the Policy Amount shown in Schedule A each year for the first five years following the Policy Date shown in Schedule A, up to one hundred fifty percent (150%) of the Policy Amount shown in Schedule A. The increase each year will happen on the anniversary of the Policy Date shown in Schedule A.

10. SEVERABILITY

If any part of this Policy is held to be legally unenforceable, both You and We can still enforce the rest of this Policy.

11. ARBITRATION

a. If permitted in the state where the Land is located, You or We may demand arbitration.

b. The law used in the arbitration is the law of the state where the Land is located.

c. The arbitration shall be under the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). You can get a copy of the Rules from Us.

d. Except as provided in the Rules, You cannot join or consolidate Your claim or controversy with claims or controversies of other persons.

e. The arbitration shall be binding on both You and Us. The arbitration shall decide any matter in dispute between You and Us.

~~e~~f. The arbitration award may be entered as a judgment in the proper court.

12. CHOICE OF LAW

The law of the state where the Land is located shall apply to this policy.

[Bracketed material is optional]

SECURITY UNION TITLE INSURANCE COMPANY

POLICY NO.:

SHORT FORM EXPANDED COVERAGE RESIDENTIAL LOAN POLICY
ONE-TO-FOUR FAMILY
Issued by
Security Union Title Insurance Company

SCHEDULE A

Policy Number: Loan Number:
[File Number:]
Amount of Insurance: $ [Premium: $]

Mortgage Amount: Mortgage Date:

Date of Policy:

Name of Insured:

Name of Borrower(s):

Street Address:
County and State:

The estate or interest in the Land 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.

This policy consists of [one] [two] page(s), [including the reverse side hereof] unless an addendum is attached and indicated below:

____ Addendum attached

[The following state statutes are made part of Schedule B, relating to the ALTA 8.1-06 Environmental Protection Lien Endorsement:_____]

IN WITNESS WHEREOF, Security Union Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

SECURITY UNION TITLE INSURANCE COMPANY CORPORATE SEAL

By: _____ President

ATTEST _____ Secretary

75218

SUBJECT TO THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B BELOW, AND ANY ADDENDUM ATTACHED HERETO, SECURITY UNION TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION, HEREIN CALLED THE "COMPANY," HEREBY INSURES IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS AND CONDITIONS SET FORTH IN THE AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01-01-08), 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

Except to the extent of the coverage provided in the Endorsements listed after COVERED RISK 28, 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 that become due or payable subsequent to Date of Policy. (This does not modify or limit the coverage provided in Covered Risk 11(b) or 25.)
2. Covenants, conditions and restrictions, if any, appearing in the Public Records. (This does not modify or limit the coverage provided in Covered Risk9, 10, 11(c) or 17.)
3. Any easements or servitudes appearing in the Public Records. (This does not modify or limit the coverage provided in Covered Risk 23 or 24.)
4. Any lease, grant, exception or reservation of minerals or mineral rights appearing in the Public Records. (This does not modify or limit the coverage provided in Covered Risk 18.)

NOTICES, WHERE SENT: All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at Security Union Title Insurance Company, Attn: Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023.

ADDENDUM TO SHORT FORM EXPANDED COVERAGE RESIDENTIAL LOAN POLICY

Addendum to Policy Number: _____ [File Number: _____]

SCHEDULE B (Continued)

IN ADDITION TO THE MATTERS SET FORTH ON SCHEDULE B OF THE POLICY TO WHICH THIS ADDENDUM IS ATTACHED, THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE BY REASON OF THE FOLLOWING:

NOTE: Bracketed [ ] material optional

SECURITY UNION TITLE INSURANCE COMPANY

POLICY NO.:

SHORT FORM EXPANDED COVERAGE RESIDENTIAL LOAN POLICY
ONE-TO-FOUR FAMILY
Issued by
Security Union Title Insurance Company

SCHEDULE A

Policy Number: Loan Number:
[File Number:]
Amount of Insurance: $ [Premium: $]

Mortgage Amount: Mortgage Date:

Date of Policy: :~~ a.m./p.m. or the date of recording of the insured mortgage, whichever is later~~

Name of Insured:

Name of Borrower(s):

Street Address:
County and State:

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

The ~~land~~Land referred to in this policy is described as set forth in the ~~insured mortgage~~Insured Mortgage.

This policy consists of [one] [two] page(s), [including the reverse side hereof] unless an addendum is attached and indicated below:

____ Addendum attached

[The following state statutes are made part of Schedule B, relating to the ALTA 8.1-06 Environmental Protection Lien Endorsement:_____]

IN WITNESS WHEREOF, Security Union Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

By: _____ President

ATTEST _____ Secretary

SECURITY UNION TITLE INSURANCE COMPANY CORPORATE SEAL

75218

SUBJECT TO THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B BELOW, AND ANY ADDENDUM ATTACHED HERETO, SECURITY UNION TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION, HEREIN CALLED THE "COMPANY," HEREBY INSURES ~~THE INSURED~~ IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS~~,~~ AND CONDITIONS ~~AND STIPULATIONS~~ SET FORTH IN THE AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01-01-08~~00-00-00~~), 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

Except to the extent of the coverage provided in the Endorsements listed after ~~item 27 [28] of~~ COVERED ~~RISKS, This~~RISK 28, 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~~ that become due or payable subsequent to Date of Policy. (This does not modify or limit the coverage provided in ~~items 8 (e) or 26 of~~ Covered Risk~~COVERED RISKS~~11(b) or 25.)
2. Covenants, conditions and restrictions, if any, appearing in the ~~public records~~Public Records. (This does not modify or limit the coverage provided in ~~items 5, 6, 8(b), or 23 of~~ Covered Risk~~COVERED RISKS~~9, 10, 11(c) or 17.)
3. Any easements or servitudes appearing in the ~~public records~~Public Records. (This does not modify or limit the coverage provided in ~~item 8(b) of~~ Covered Risk ~~COVERED RISKS~~23 or 24.)
4. Any lease, grant, exception or reservation of minerals or mineral rights appearing in the ~~public records~~Public Records. (This does not modify or limit the coverage provided in ~~item 8(b) or 21 of~~ Covered Risk ~~COVERED RISK~~ 18.)

NOTICES, WHERE SENT: All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at Security Union Title Insurance Company, Attn: Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023.

ADDENDUM TO SHORT FORM EXPANDED COVERAGE RESIDENTIAL LOAN POLICY

Addendum to Policy Number: _____ [File Number: _____]

SCHEDULE B (Continued)

IN ADDITION TO THE MATTERS SET FORTH ON SCHEDULE B OF THE POLICY TO WHICH THIS ADDENDUM IS ATTACHED, THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE BY REASON OF THE FOLLOWING:

NOTE: Bracketed [ ] material optional

ENDORSEMENT
Attached to Policy No.
Issued by
Security Union Title Insurance Company

The policy is hereby amended by deleting Paragraph 13 of the Conditions, relating to Arbitration.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

SECURITY UNION TITLE INSURANCE COMPANY CORPORATE SEAL

By: _____ President

ATTEST _____ Secretary

ENDORSEMENT
Attached to Policy No.
Issued by
Security Union Title Insurance Company

The policy is hereby amended by deleting Paragraph 11 of the Conditions, relating to Arbitration.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Countersigned:

By: _____

SECURITY UNION TITLE INSURANCE COMPANY

SECURITY UNION TITLE INSURANCE COMPANY CORPORATE SEAL

By: _____ President

ATTEST _____ Secretary

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. Paragraphs are inserted here.

Note: The Arkansas Insurance Department address and contact information is:

Arkansas Insurance Department
Consumer Services Division
1200 W. 3rd Street
Little Rock, AR 72201-1904
Telephone: (501) 371-1600
Legal Division: (510) 371-2820

Formatted: Superscript

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty

Review Status: Approved 03/12/2008

Comments:

Attachments:

SUTIC-AR-F-08-02 NAIC P&C Transmittal Document.pdf

SUTIC-AR-F-08-02 Form Filing Schedule.pdf

Satisfied -Name: Check 1400004256

Review Status: Approved 03/12/2008

Comments:

Attached hereto is a copy of the check for the filing fees. This will be sent via overnight express delivery for receipt next day. Please contact me immediately should there be a problem with the filings fees. Thank you.

Attachment:

Check 1400004256.pdf

Satisfied -Name: Response to Objection Letter March 12, 2008

Review Status: Approved 03/12/2008

Comments:

Attached hereto is our response to your Department's Objection Letter.

Attachment:

Response Letter to AR DOI All Brands Mar 11 2008.pdf

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
	h. Subject Codes	

3.	Group Name	Group NAIC #

4.	Company Name(s)	Domicile	NAIC #	FEIN #
	Security Union Title Insurance Company	CA	50857	95-2216067

5.	Company Tracking Number	SUTIC-AR-F-08-02

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Johnna K. Ryan 601 Riverside Ave, 11th Floor Jacksonville, FL 32204	Assistant Vice President	888-934-3354 ext.8845	904-357-1040	Johnna.Ryan@fnf.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Johnna K. Ryan

Filing information (see General Instructions for descriptions of these fields)

9.	**Type of Insurance (TOI)**	34.0 Title
10.	**Sub-Type of Insurance (Sub-TOI)**	34.0000 Title
11.	**State Specific Product code(s)**(if applicable)[See State Specific Requirements]	Commercial
12.	**Company Program Title** (Marketing title)	Title Insurance
13.	**Filing Type**	[ ] Rate/Loss Cost [ ] Rules [ ] Rates/Rules [X] Forms [ ] Combination Rates/Rules/Forms [ ] Withdrawal[ ] Other (give description)
14.	**Effective Date(s) Requested**	New: February 17, 2008 Renewal:
15.	**Reference Filing?**	[ ] Yes [X] No
16.	**Reference Organization** (if applicable)	n/a
17.	**Reference Organization # & Title**	n/a
18.	**Company's Date of Filing**	January 18, 2008
19.	**Status of filing in domicile**	[ ] Not Filed [ ] Pending [X] Authorized [ ] Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	SUTIC-AR-F-08-02

21. Filing Description [This area should be similar to the body of a cover letter and is free-form text]

Fidelity National Title Group, inc., hereby files on behalf of Security Union Title Insurance Company, a California corporation, revised American Land Title Association (ALTA) Policies for your review and approval of the same.

The American Land Title Association has revised the following policies:

ALTA Homeowner's Policy of Title Insurance (01/01/08):
This policy was revised to conform to the new 2006 ALTA Policies and Endorsements. The 2006 policies and forms were adopted by ALTA and Security Union Title Insurance Company has filed them for use in your state. The ALTA Homeowner's Policy of Title Insurance insures the owner of a one-to-four family residential dwelling, residential lot, or condominium unit. This policy is based on the ALTA Residential Title Insurance Policy's plain language approach and its limited survey and zoning coverage, but provides additional "expanded coverage." This includes limited protection for building permit violations, forced removal of structures, landscaping or other improvements resulting from existing or future violations of covenants, conditions and restrictions, post-policy encroachments onto the insures's land, and other expanded coverages. Many of these new protections are limited by caps and deductibles specified in the policy, schedule A, by individual title insurers.

ALTA Expanded Residential Loan Policy (01/01/08):
This policy was revised to conform to the new 2006 ALTA Policies and Endorsements. The 2006 policies and forms were adopted by ALTA and Security Union Title Insurance Company has filed them for use in your state. This policy provides a lender with coverage greater than that of the ALTA Loan Policy (06/17/06). In addition to insuring vesting, priority and against loss by reason of invalidity or unenforceability of the insured mortgage, the ALTA Expanded Coverage Residential Loan Policy provides, among others, coverage for access, zoning, failure to obtain building permits, environmental lien protection, variable interest rate, usury, and use of the surface for the extraction of water, oil, gas or minerals.

ALTA Short Form Expanded Residential Loan Policy (01/01/08):
This policy was revised to conform to the new 2006 ALTA Policies and Endorsements. The 2006 policies and forms were adopted by ALTA and Security Union Title Insurance Company has filed them for use in your state. The policy is an abbreviated short form version of the current ALTA Expanded Coverage Residential Loan Policy, incorporating all of the terms and provisions of the ALTA Expanded Coverage Residential Loan Policy, which is designed to be delivered to the lender at closing. The policy contains blanket exceptions to taxes, covenants and restrictions, easements, reservations of minerals or mineral rights, and offers certain affirmative insurance with respect to those exceptions desired by lenders, including certain affirmative assurances with respect to survey matters. The policy also includes an addendum, which can be used to set forth additional exceptions or to limit the affirmative assurances. The policy is designed so that certain ALTA endorsement forms are either included automatically or may be specified (and thus incorporated) by checking appropriate boxes.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

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20.	**This filing transmittal is part of Company Tracking #**	SUTIC-AR-F-08-02

21. Filing Description [This area should be similar to the body of a cover letter and is free-form text]

We have provided both a redlined copy of the policies detailing out the changes, in addition to a non-redline final policy. In addition, at this time Security Union Title Insurance Company does not want to withdraw the older versions of the above policies and reserves the right to issue them upon customer request.

Security Union Title Insurance Company respectfully requests and effective date of February 17, 2008.

Note: The Deletion of Arbitration Endorsements automatically are attached and made a part of either the ALTA Homeowner's Policy of Title Insurance (01/01/08) or the ALTA Expanded Residential Loan Policy (01/01/08). Since they are part of the policy we are not considering them to be a separate form.

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: 1400004256
Amount: $50.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

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FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing.)

1.	**This filing transmittal is part of Company Tracking #**	SUTIC-AR-F-08-02, Eff. Feb 17, 2008
2.	**This filing corresponds to rate/rule filing number** (Company tracking number of rate/rule filing, if applicable)	

3.	**Form Name /Description/Synopsis**	**Form # Include edition date**	**Replacement Or withdrawn?**	**If replacement, give form # it replaces**	**Previous state filing number,** if required by state
01	ALTA Expanded Coverage Residential Loan Policy (01/01/2008)	75216	[ ] Replacement [ ] Withdrawn [X] Neither		
02	ALTA Homeowners Policy of Title Insurance (01/01/2008)	75217	[ ] Replacement [ ] Withdrawn [X] Neither		
03	ALTA Short Form Expanded Coverage Residential Loan Policy (01/01/2008)	75218	[ ] Replacement [ ] Withdrawn [X] Neither		
04	Deletion of Arbitration Endorsement - ALTA Expanded Coverage Residential Loan Policy (01/01/2008)	SE-160	[ ] Replacement [ ] Withdrawn [X] Neither		
05	Deletion of Arbitration Endorsement - ALTA Homeowners Policy of Title Insurance (01/01/2008)	SE-159	[ ] Replacement [ ] Withdrawn [X] Neither		
06			[ ] Replacement [ ] Withdrawn [ ] Neither		
07			[ ] Replacement [ ] Withdrawn [ ] Neither		
08			[ ] Replacement [ ] Withdrawn [ ] Neither		
09			[ ] Replacement [ ] Withdrawn [ ] Neither		
10			[ ] Replacement [ ] Withdrawn [ ] Neither		

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FOR SECURITY PURPOSES, THE BORDER OF THIS DOCUMENT CONTAINS MICROPRINTING

Rocky Mountain Support Services
(904) 854-5000
601 Riverside Avenue T-10
Jacksonville, FL 32204

Bank of America
Walnut Creek, CA.

1400004256

90-4182
1211

DATE	AMOUNT
JAN 03, 2008	**********$50.00

PAY: Fifty Dollars And 00 Cents**********

PAY TO THE ORDER OF: **ARKANSAS DEPARTMENT OF INSURANCE**
1200 W 3RD ST
LITTLE ROCK, AR 72201

WARNING: ORIGINAL DOCUMENT HAS A TRUE WATERMARK ON REVERSE SIDE. HOLD TO LIGHT TO VIEW.

⑈1400004256⑈ ⑆121114822⑆ 7313202343⑈

1400.506.100.101001 8 705 10754 0 2783

CHECK NUMBER: 1400004256
PAYMENT DATE: JAN 03, 2008
SUPPLIER NAME: ARKANSAS DEPARTMENT OF

SUPPLIER NUMBER: 3608

Invoice #	Invoice Date	Invoice Description	Invoice Discount	Invoice Net
122707C	27-DEC-07	SUTIC FORM FILING F-08-02	0.00	50.00
		Total	0.00	50.00

FIDELITY
NATIONAL FINANCIAL

Johnna K. Ryan
Assistant Vice President

March 11, 2008

VIA SERFF

Ms. Sarah Harper
Title Insurance Coordinator
Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904

RE: Chicago Title Insurance Form Filing - CTIC-AR-F-08-02
State ID No 1400004258, SERFF FLDS-125434558

Fidelity National Title Insurance Form Filing – FNTIC-AR-F-08-02
State ID No 1400004257, SERFF FDLS-125434573

Security Union Tile Insurance Form Filing – SUTIC-AR-F-08-02
State ID No 1400004256, SERFF FDLS-125434574

Ticor Title Insurance Form Filing – TICOR-AR-F-08-02
State ID No 1400004255, SERFF FDLS-125434575

Ticor Title Insurance Company of Florida Form Filing – TTIF-AR-F-08-02
State ID No 1400004254, SERFF FDLS-125434577

Subject: Objection Report Dated Feb. 6, 2008, Feb. 7, 2008 and Feb. 25, 2008

Dear Ms. Harper:

Please accept my apologies for my delayed response to you. Since this is the first time the issue has come up in my title insurance filings, I had to get the operations on board and make it clear that we are to be in compliance. All of FNF Family of underwriters will add a "Note" to every policy issued at the end of Schedule B disclosing the contact information for the Arkansas Insurance Department. I have attached hereto a sample copy of what that would look like.

I am hopeful that this will ease your concerns and approve the above referenced form filings.

Please contact me should you require anything further.

Respectfully submitted,

Johnna K Ryan
Assistant Vice President