

Introducing . .

 **FEE SIMPLE HOSTINGSM**

Introduction

Seldom in business has there been a story quite like this.

A group of individuals comes together to explore an idea, which, if it can be realized, will bring great benefits to the industry they are associated with.

They form a working group. It is independent, with no ties to any faction or bloc or parochial interest inside or outside their industry. The group works in secret.

Their idea calls for a pooling and sharing of information and intelligence across their industry in a fashion and on a scale once thought so radical and difficult to achieve as to be unthinkable.

Today, after nearly two years of work, the working group announces the formation of a new company, an exclusive facility, fully developed and completely and comprehensively structured down to the last important decision. It is simple in concept but brings enormous benefits. It will modernize and transform the industry.

The working group now seeks the commitment of the industry to use the facility. When that commitment has been obtained, the facility will be built and then given to the industry.



FeeSimpleHosting

FeeSimpleHosting will build an internet-based pool into which the nation's title companies copy every title insurance policy they issue. Policies are indexed and stored and become available to any title company that needs them.

FeeSimpleHosting thus creates a simple, swift, inexpensive, and universal method for exchanging prior files. Its objective is total industry-wide use: every title insurer and every title insurance policy.

FeeSimpleHosting eclipses all current methods for finding prior files with one much more efficient and inexpensive. It eliminates the first two to six hours of a title order's normal processing.

FeeSimpleHosting starts when the nation's title underwriters begin posting all their go-forward policies and as many of their previously issued policies as they can. As the pool grows in size and the chance of downloading a helpful policy becomes more certain, issuing offices will elect to use it even though other methods of locating prior files may be available.

Soon the system will be able to find a prior policy every time it is queried and, eventually, it finds every property's most recent policy, every time. Every search becomes a one-owner search with significant economic advantages and implications.

A quickly-found, on-the-money prior policy saves an issuing office on average \$100 in avoided labor costs. An environment in which there is a 100% certainty of finding the last policy will save that cost and more in staffing and infrastructure.

Thus the age-old practice of performing endlessly repetitive examinations of the same chain will come to an end. A major process improvement is realized, which, for the first time, totally leverages prior work across the entire industry. As the pool approaches 100% of issued policies an estimated \$1 billion in title insurance costs will be eliminated annually, nationwide. The time required to produce title insurance commitments will improve dramatically. The industry will enjoy additional operational benefits worth many millions of dollars annually.



Corporate

FeeSimpleHosting, Inc. exists and is ready to move forward.

It is a Delaware C Corporation.

Its capitalization is \$12,000,000.00

Its temporary corporate headquarters is Atlanta, Georgia

Its board of directors and initial corporate officers are the principals of FSH Working Group, LLC

It is planned, organized, and designed down to the last significant detail.

It is prepared to begin assembling its permanent management and staff and begin development of its technology as soon as the nation's title insurers agree to participate.

How it works: Posting go-forward policies

Title insurers instruct their policy issuing offices, direct and agency, to begin using a new way of submitting policy copies: Post them to the internet.

At policy issuance:

- Policy prep person asks his/her computer to contact the Prior Policy Center using the internet;

- Submits user name and password;

- Asks to be permitted to post a policy in text format;

- Submits policy data sufficient to identify the policy and make it retrievable by others;

- Prior Policy Center looks it over and accepts if satisfactory;

- Index data is added to the master policy index;

- The policy copy is stored for later retrieval.

How it works: Posting back policies

Title insurers are encouraged to contribute as many back policies as possible.

FeeSimpleHosting

- Liberalizes its rules regarding acceptable policy types to include .tif or .txt;

- Liberalizes its rules regarding minimum Master Policy Index field data;

Creates utilities to facilitate loading of very large batches of back policies.

How it works: Retrieving policies

At new order entry:

The order entry person instructs his/her computer to contact the Prior Policy Center via the internet;

After proper ID, asks to search for and retrieve a policy copy;

Submits order entry information helpful in finding prior policies;

Examines an array of available policies matching those characteristics;

Selects best match and requests a copy;

Retrieves a copy together with billing memorandum.

How it works: Underwriter access

Participating underwriters have 24/7 access to all records relating to policies they insured.

- For standard queries

- For ad hoc queries

- For custom queries

They have 24/7 access to all records

- For standard global queries

- For standard global reports

They have 24/7 administrative access to copies of single policies insured by them

- For administrative purposes

- For any purpose not related to new policy issuance.

How it works: Results and Implications

As FSH matures,

- A prior policy is found in every case;
- The most recent policy is found in every case;
- Every search becomes a one-owner search;
- Most searches find nothing;
- Production costs go down by an average \$100 per case;
- Production costs go down \$1 billion each year nationwide;
- Turnaround times are reduced;
- Claims are reduced in number and cost;
- Inter-company indemnities become unnecessary;
- Regional production centers become more practicable;
- National production centers become possible;
- Automated policy production moves a major step forward.

Organizing principles

FeeSimpleHosting has been designed and developed by an independent body without tie to any bloc or interest inside or outside the title industry.

It has been designed in such as way as to not be, or be perceived to be, the program or project of any particular title insurer or group of title insurers.

Title insurers have not participated in its design

It will not request or accept any group action on the part of title insurers.

It has been fully designed, structured, and organized down to its last important detail. No significant decision has been left unmade.

On the other hand, all fine details will be deferred until FeeSimpleHosting is under way.

The principals of FSH Working Group, LLC will remain responsible and in control until FeeSimpleHosting is fully operational and functioning smoothly. At that point they will exit.

Operating principles

Nothing in its design or operations will benefit, or be viewed as benefiting, one title insurer or group of title insurers over others.

It will be open to all title insurers in the United States on exactly the same basis.

It will spread its benefits fairly and generously across the entire industry, underwriter and agency alike. Everyone will win.

It is designed to capture 100% of go-forward policies and encourage the loading of back policies.

It is designed to encourage, by every means possible, the retrieval and use of stored policies.

All technology will be outsourced to a single world-class provider. The entire user experience will take place within that domain.

Participation by title insurers

FeeSimpleHosting's core relationships are with title insurers at the corporate level.

A Participating Title Insurer (PTI) is a licensed title insurer which has entered into Participation Agreement with FeeSimpleHosting requiring it to:

- Cause its offices, direct and agency, to post all their go-forward policies to the Prior Policy Center as issued;

- Cause as many as possible of its back or prior policies to be posted to the Prior Policy Center as it can;

- Maintain in real time an electronic table available to FeeSimpleHosting listing all its authorized policy-issuing offices.

Use by issuing offices

Policy-issuing offices are entitled to use the facility by virtue of their relationships with Participating Title Insurers:

An Authorized Issuing Office (AIO):

Is a policy-issuing office authorized by a Participating Title Insurer to issue its policies;

May be a direct office or agency;

May be a department at the regional or home office level authorized to issue policies;

Has a separate AIO designation for each title insurer it represents.

Authorized Issuing Offices are required by their Participating Title Insurer to post newly-issued policies to the Prior Policy Center.

Authorized Issuing Offices are entitled under authority granted them by their Participating Title Insurer to search for and retrieve policy copies from the Prior Policy Center.

Pricing

Pricing is designed to reward posting and encourage use.

No payment or charge is made for posting policies to the Center.

A Policy Information Fee is charged for retrieving policies from the Center.

The standard fee, applicable to most policies, is \$28.00.

Policy Information Fees are then distributed in cash.

Ten dollars is paid to the Participating Title Insurer which insured the policy;

Ten dollars is paid to the Authorized Issuing Office which posted the policy;

Eight dollars is paid to FeeSimpleHosting for hosting the Center.

Rules

FeeSimpleHosting is governed by

- A Charter, part of the FSH corporate By Laws, and amendable only by unanimous action of the Board of Directors;
- FSH Rules, enacted by vote of the Board of Directors;
- Regulations implementing Rules, created by management and approved by the Board of Directors;
- Operating Bulletins, created by management for day-to-day guidance.

A few of the most important Rules are:

- Title Insurers own the policy copies sent to the Center, granting FSH an irrevocable license to store and purvey copies in accordance with FSH Rules.
- Title Insurers must maintain a real time electronic table of their Authorized Issuing Offices.
- Policy copies can be retrieved only by Authorized Issuing Offices.
- Policy copies can be retrieved only for the purpose of preparing new insurance.
- Policy copies can be used only to write insurance on the paper of a Participating Title Insurer.
- Issuing offices may retrieve only policy copies describing real estate located in their areas of authorization.
- Special pricing rules apply to high liability policies.
- Authorized Issuing Offices pay only the hosting portion (\$8.00) of the standard fee for retrieving their own policies.

Technology: Design

FeeSimpleHosting's technology is designed using these principles:

All technology is outsourced to a single world-class provider.

The Prior Policy Center is 100% automated on the host side.

Application software is designed to be as simple and straightforward and easy to use as possible.

No requests for add-ins, enhancements, or collateral applications are to be entertained until the Prior Policy Center is operational.

Architecture and hardware are designed to be as robust as possible.

High priority is given to the integration of FSH functions with local office systems.

High priority is given to systems that facilitate the loading of large numbers of back policies.

The status of FeeSimpleHosting's technology development is as follows:

The technology partner has been selected;

Initial systems development contracts are in place and ready for signature;

Application software has been conceptualized, requirements determined, and a high level macro design created;

The technology platform, development software, and development tools have been selected;

The initial hardware and communication architecture has been determined;

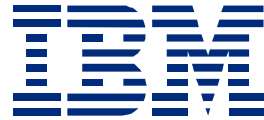
Firm estimates have been made of software development costs;

Firm estimates have been made for the time required for software development;

Estimates of the cost of initial data hosting services have been made;

Estimates of annual costs of data hosting, management, help, and support have been made.

Technology: Provider



International Business Machines' Global Services Division is the selected technology provider for FeeSimpleHosting .

Systems will be developed at its Atlanta Net Gen Center at 3200 Windy Hill Road, Atlanta, Georgia, under the supervision of Paul E. Risk, Principal, IBM Global Services..

FeeSimpleHosting's servers will be positioned at one of IBM's Universal Server Farms sites.

IBM was selected because:

- It is the largest provider of computer services in the world, with over \$40 billion of its \$100 billion in revenues derived from services.
- It is able to handle 100% of FSH requirements, including software, hardware, application development, file hosting, help desk, tech support, training materials, etc, totally in house, an FSH design requirement.
- Its software applications are among the most seasoned and stable in the world, an FSH design requirement.
- As the world's first and largest mainframe computer provider for major corporations worldwide, it has deep knowledge and experience in the types of data security, safety, and reliability that FSH demands.
- It is able to provide FSH a single point of contact and a single billing source.
- It is more likely than most technology firms to be in business long term.
- Over a period of six months IBM provided FSH and its technology team the time, attention, and expertise of more than a dozen IBM specialists and managers.

Technology: Applications and Hosting Services

FeeSimpleHosting has designed and will develop three applications.

FSH Host Application, code-named *Kingfish*:

Manages the host; receives and stores policy files; manages the index database; maintains AIO accounts; handles search requests; handles billing and credits; manages automatic credit card processing and automatic bank debiting. Provides a basic browser interface system for simplified posting and search/retrieval of policy copies.

PTI Application, code-named *Tigerfish*:

Posts back policy batches; updates AIO information for use by *Kingfish*; submits standard and ad hoc queries, receives standard and custom reports; accesses and retrieves single policies for administrative purposes.

AIO Application/Toolkit: code-named *Dolphin*,

Provides issuing offices and their legacy system support providers with connective software with which to integrate those systems with FSH. Enables and encourages issuing offices to automate the policy posting system with existing policy prep software. Enables and encourages issuing offices to automate their order entry, search, exam, and commitment production systems with policy information retrieved from FSH.

IBM will provide these Hosting Services:

Server Management Services

On-going Application Development and Maintenance

Single Point of Contact Help Desk

Development of a Security Policy

Training Materials

Technology: Platform

Principal software and hardware proposed for use by FSH, subject to change as development proceeds, are

Software	
Operating System	AIX
Database Management System	DB2
Web Application Design Tool	WebSphere
Electronic Mail	M/S Exchange
Accounting Software	Great Plains Accounting Software
Hardware	
Servers (16)	RS/6000 Models 43P and 44P
Firewalls (6)	Nokia Model 440
Accounting Server	RS/6000 Model 44P
Switch (2)	Cisco 6506

Ownership and control

FeeSimpleHosting will place a majority of its ownership in the hands of the companies which participate in it for no additional consideration other than their agreement to participate.

- Eighty percent of FeeSimpleHosting's Common stock will be granted to title insurers which become Participating Title Insurers during FSH's first year. Shares are to be distributed in accordance with an insurer's share of the national title insurance market in 2000 as an approximation of the contribution each will make to FSH's pool of policy copies.
- An additional three percent of Common will be granted to up to three major title insurers acceptable to FSH's lending bank as guarantors of the FSH bank loan.
- Five percent of Common is to be reserved for distribution to management, staff, and additional persons rendering special assistance in bringing FSH into being. A portion of these shares has been conditionally committed to certain individuals.
- Nine percent of Common shares are owned by the principals of FSH Working Group, LLC. All of these shares have been issued and are outstanding as of the date of this publication.
- Three percent of shares are designated Class B Common shares and have the exclusive right to vote for directors for a period of three to five years, at which time such shares shall be surrendered in exchange for a set price per share and thereupon convert to treasury Common shares. All of these shares have been issued and are outstanding as of the date of this publication.

Disclaimer as to share value:

FeeSimpleHosting assigns a zero value to its shares and makes no representations of any kind that their value will ever be anything other than zero, no representation that there is or will ever be a market for such shares, that there is or ever will be any demand for such shares, or that there is or ever will be benefit of any kind derived from the ownership of such shares.

Statistics and Finance: Performance

Projected ten year statistical and financial performance.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Industry participation	0%	80%	88%	93%	93%	93%	93%	93%	93%	93%	93%
Total policies stored	-	12,310,464	19,592,664	28,452,869	37,420,077	46,884,593	56,793,718	66,981,265	77,437,176	88,109,528	98,998,316
% of Prior 10 Yrs in Pool	0%	8%	13%	20%	28%	36%	45%	54%	63%	70%	76%
Attempts as % of industry	0%	30%	48%	64%	75%	84%	85%	86%	86%	86%	86%
Found as % of industry	0%	3.04%	7.30%	14.03%	21.95%	30.53%	38.57%	46.36%	53.98%	60.06%	65.30%
Found	-	303,514	744,497	1,459,368	2,329,668	3,304,810	4,257,966	5,220,522	6,200,907	7,036,747	7,804,415
Gross Revenues	-	7,739,597	18,903,756	36,882,217	58,574,501	82,620,243	106,449,141	130,513,062	155,022,683	175,918,669	195,110,374
Fees to Underwriters	-	-	-	4,234,821	13,418,886	28,090,883	36,192,708	44,374,441	52,707,712	59,812,347	66,337,527
Fees to Issuing Offices	-	2,655,744	6,473,889	12,603,635	19,968,580	28,090,883	36,192,708	44,374,441	52,707,712	59,812,347	66,337,527
Net FSH Revenue	-	5,083,853	12,429,867	20,043,760	25,187,036	26,438,478	34,063,725	41,764,180	49,607,259	56,293,974	62,435,320
Operating net	(1,138,276)	740,589	7,873,207	15,263,124	20,446,205	20,844,168	28,337,267	35,903,816	43,611,188	50,160,351	56,162,254
Cumulative Operating net	(1,138,276)	(397,687)	7,475,520	22,738,644	43,184,848	64,029,016	92,366,283	128,270,099	171,881,287	222,041,638	278,203,892
Dividends Paid	-	-	1,000,000	3,000,000	-	11,068,253	15,047,089	19,064,926	23,157,541	28,114,877	31,478,944
Cumulative Dividends	-	-	1,000,000	4,000,000	4,000,000	15,068,253	30,115,342	49,180,268	72,337,809	100,452,686	131,931,629
Year End Cash on Hand	4,353,079	4,419,338	7,874,395	13,643,086	1,890,958	3,120,764	4,792,663	6,910,988	9,484,048	10,963,779	12,620,565

Note: This table is an attempt to estimate and forecast future performance and is necessarily speculative, forward-looking, and subject to variables over which the company will have no control. FeeSimpleHosting makes no representations of any kind regarding its accuracy.

Statistics and Finance: Estimates and Assumptions

The table on the previous page is compiled from the FSH Financial Model, a comprehensive statistical and financial forecast of FSH performance.

Although the Model is based primarily on firm or forecastable data, several important elements are the result of estimates or assumptions. As such they are subject to error or misapprehension which could have a significant effect on financial performance. In some cases the Model factors two or more assumptions in a single equation, multiplying the likelihood of a large variance. In every case the major impact of a variance falls in the company's early years.

The principal estimates driving performance are:

- Ten million title insurance policies are issued in the U.S. each year
- A property is likely to have had a policy issued on it at some time within the last ten years.
- Year Zero (the period from funding to the commencement of operations) will be approximately nine months.

The principal assumptions driving financial performance relate to

- The number of back policies (policies issued in the ten years prior to FSH startup) that title insurers will elect to load into the Prior Policy Center; and
- The frequency with which issuing offices will elect to search for a policy in FSH.

Phase-in of Policy Information Fees payable to title insurers

- In order to assist FeeSimpleHosting to become self-sustaining and to reduce the amount of loan capital borrowed, Policy Information Fees payable to Participating Title Insurers are phased in over a period of four years.

Capitalization

Loan capital in the amount of \$12 million will be provided by Bank of America.

Uses	Amount
FSH Working Group, LLC. Design, organization, governance, project management, legal, etc. from inception to the commencement of operations.	\$2,008,000
Systems development, hardware, communications, software, etc.	\$3,969,988
Operational expenses from commencement of operations to breakeven	\$6,000,000

Benefits for title insurers

Local, policy-issuing offices will be, by far, the greatest beneficiaries of the Prior Policy Center, saving hundreds of millions in production costs annually nationwide.

Title insurers will also enjoy benefits:

- An improved system for managing issued policies;
- Improved discipline in policy reporting and agency administration;
- Global industry performance analyses of a kind never before possible;
- Company performance analyses to an extent not heretofore possible;
- A majority share in the ownership of the company;
- Dividends that may be paid on common stock;
- The title insurer's share of Policy Information Fees;
- Increased options for national and regional processing centers;
- Increased options for automated policy issuance;
- Instant access to policies for statistical reporting, claims, etc.;
- Optional elimination of existing systems for storing prior policies.



Quorum

FeeSimpleHosting will not go forward unless title insurers totaling 80% or more in national market share agree before February 1, 2002 to participate by entering into a written Participation Agreement.

What happens . . .

Now

A copy of this document, “Introducing FeeSimpleHosting,” and its accompanying compact disk, “FeeSimpleHosting in Detail,” is being distributed to every title insurer in the U.S.

Title insurers will determine before February 1, 2002, whether they will become Participating Title Insurers.

Title insurers electing to do so will print and execute duplicate copies of the Participation Agreement form contained on the compact disk “FeeSimpleHosting in Detail” A copy executed by FeeSimpleHosting will be returned.

Questions can be answered and clarifications obtained by addressing electronic mail to questions@feesimplehosting.com.

FeeSimpleHosting will notify title insurers when the required Quorum of title industry participation has been achieved and the required agreement to guarantee FeeSimpleHosting’s bank loan has been obtained.

When the Quorum has been achieved and capital funding acquired

FeeSimpleHosting management will immediately hire a Chief Executive Officer, a Chief Financial Officer, a Chief Technology Officer, and a permanent FSH staff.

Contracts with IBM will be executed and systems development will begin. Full development and deployment are estimated to require nine months.

Participating Title Insurers will begin readying batches of prior policies for backfile loading.

Title insurers will begin preparing Authorized Issuing Offices to use FeeSimpleHosting.

FSH technology staff will communicate progress, design specifics, and specifications for desktop systems as developed. Help and training materials will be distributed to Participating Title Insurers.

When the Prior Policy Center is ready to begin operations

FSH will notify Participating Title Insurers and begin a countdown period prior to mandatory go-forward posting and open use.

What FeeSimpleHosting means

It is not possible to overstate the long term and far-reaching significance of FeeSimpleHosting

- The short-search, limited-search, no-search, debate becomes moot.
- A sea change in the entire title assurance paradigm takes place.
- More than ever, title insurance becomes institutionalized.
- The title industry's largest single category of dependence on hard-to-find human labor is virtually eliminated.
- The need for skill and sophistication at the issuing office level is vastly reduced, with many far-reaching consequences.
- One billion dollars in annual processing costs disappear.
- New opportunities for automated and integrated search and policy production systems become available.
- A unique new facility is created, with real-time information about every fee simple holding in the nation.
- Cyclical economic changes become much more manageable..
- The title industry does what it has been urged to do – reduce costs and improve speed -- by a means no one has thought to suggest and to a degree no one would have predicted.
- The title industry takes increased control of its future.
- The title industry is transformed into a 21st Century one.

FeeSimpleHosting



Appendix

1. Participation Agreement
2. Resolution of the Board of Directors authorizing distribution of Common shares
3. Entitlement to Common Shares of Participating Title Insurers
4. FSH Working Group, LLC
5. Table of Contents of the compact disk "*FeeSimpleHosting in Detail*"
6. Letter addressed to FeeSimpleHosting by Paul Risk, Principal, IBM



PARTICIPATION AGREEMENT

1. PARTIES

The parties to this agreement are

(Title Insurers)

and

FeeSimpleHosting, Inc., a Delaware Corporation (FeeSimpleHosting),

2. GOVERNING DOCUMENTS

FeeSimpleHosting's laws, as they are referred to in this agreement, consist of its Certificate of Incorporation, Bylaws, Charter, and its duly adopted Rules and Regulations as the same may be amended from time to time. Terms defined in any FeeSimpleHosting law shall have the same meaning when used in any other FeeSimpleHosting law.

3. APPLICATION

Title Insurer is a title insurance company, licensed and in good standing in its state of domicile, and is therefore eligible to be a Participating Title Insurer, as that term is defined in the By Laws of FeeSimpleHosting, in the FeeSimpleHosting Prior Policy Center.

Title Insurer hereby applies for admittance to the FeeSimpleHosting Prior Policy Center as a Participating Title Insurer and agrees to abide, without reservation or limitation of any kind, by its Governing Documents as presently constituted or may be later amended.

4. LICENSED JURISDICTIONS

Title Insurer declares that it is licensed, authorized, and in good standing to issue title insurance policies in the jurisdictions listed on an addendum to this agreement titled "Licensed Jurisdictions," and seeks to post and retrieve from the Prior Policy Center policies insuring real estate in those jurisdictions. Title Insurer agrees to promptly notify FeeSimpleHosting should its authority to issue title insurance policies be extended to additional jurisdictions or terminated or suspended as to any jurisdiction.

5. ACCEPTANCE

FeeSimpleHosting accepts Title Insurer as a Participating Title Insurer, grants to it full and complete access to the Prior Policy Center, on the same basis and under the same rules as all other Participating Title Insurers, and extends to it all of the rights and privileges pertaining to Participating Title Insurers as they are established by its laws.



6. TERM

The term of this agreement is ten years, measured from the date of this agreement, and will be automatically renewed for successive ten year periods unless terminated earlier under the provisions for termination established in the FeeSimpleHosting Charter. As provided in the Charter, Title Insurer will have no right to terminate its participation for a period of five years from the date of this agreement.

8. SHARES OF COMMON STOCK

Title Insurer will be awarded Common Shares of FeeSimpleHosting, Inc. in accordance with the action titled 'Distribution of Common Shares' taken by the FeeSimpleHosting Board of Directors, a copy of which is attached to and made a part of this agreement.

9. ACHIEVEMENT OF MINIMUM PARTICIPATION

This Participation Agreement will not become effective, and neither party will have any rights, duties, or obligations under it, unless and until the Board of Directors of FeeSimpleHosting has adopted, and delivered a copy to the Title Insurer, a resolution certifying, first, that FeeSimpleHosting has entered into Participation Agreements with title insurers whose aggregate national market share equals or exceeds 80%, termed the Quorum, as measured in Premiums Written in fifty U.S. states and the District of Columbia for the Year 2000, as compiled by the American Land Title Association, and, second, that, capital in an amount deemed sufficient by the Board to build and operate the Prior Policy Center has been obtained.

Title Insurer(s)

FeeSimpleHosting, Inc.

By _____

By _____

Its _____

Its _____

Executed:

Executed:

Date

Date



RESOLUTION

At a Special Organizational Meeting of the Board of Directors of FeeSimpleHosting, Inc. held on November 7, 2001, at Chicago, Illinois, on motion duly made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the following distributions shall be made from the authorized Common Shares of the Corporation's stock:

1. Title insurers which, within one year from the date of this Resolution, execute and submit a Participation Agreement under which they agree to become Participating Title Insurers in FeeSimpleHosting are to be awarded Common shares equal in number to such insurers' National Market Share, expressed as a percentage taken to the fourth decimal, multiplied by the number 4,000,000, being the number of Common shares made available for this distribution and representing 80.00% of all company shares, rounded to the nearest whole share.

A title insurer's National Market Share is defined as its Premiums Written in fifty U.S. states and the District of Columbia in the year 2000 expressed as a percentage of the Premiums Written by all title insurers in those same geographical areas in the year 2000, as shown in the compilation of title Insurers' NAIC Form 9 Reports and other sources provided by the American Land Title Association.

2. Those of the three largest corporate families of title insurers which, in addition to becoming Participating Title Insurers, also execute a guarantee of FeeSimpleHosting's bank loans in a form acceptable to FeeSimpleHosting and its lending bank will be awarded an additional 150,000 Common shares, representing 3.00% of all company shares, divided equally among them. A corporate family of title insurers is a group of title insurance companies majority owned by a common holder. The term largest refers to their aggregate National Market Share calculated as described in Paragraph 1 of this Resolution.
3. Title insurers which execute a Participation Agreement with FeeSimpleHosting on a date later than one year from the date of this Resolution will receive no market-share-related shares from the block described in Paragraph 1 of this Resolution, but will receive instead 100 Common Shares. Such title insurers will have the additional one-time right to purchase from the Company, on the date of their Participation Agreement, up to 1,000



additional Common shares at the price then assigned to Common shares by the Board of Directors.

4. Two hundred and fifty thousand (250,000) Common Shares, or 5.00% of all company shares, are designated "Others' Shares" and are put at the disposal of the Board of Directors for a period of one year, to award, as it sees fit, to individuals who played contributing roles in the design and launching of the FeeSimpleHosting enterprise, to its permanent senior management, directors, and others as the Board deems appropriate.

Certificate of the Secretary

I, John W. Tagge, Secretary of FeeSimpleHosting, Inc. certify that this is a true copy of a Resolution of the Board of Directors adopted by unanimous vote at a Special Meeting held November 7, 2001 in Chicago, Illinois.

S/ John W. Tagge

John W. Tagge, Secretary

Participating Title Insurers
ENTITLEMENT TO COMMON SHARES

Title Insurer	Premiums Written, Year 2000*	National Market Share Year 2000*	Whole Common Shares
1 Alamo Title Insurance of Texas	94,747,282	1.3103%	52,412
2 Alliance Title of America, Inc.	8,173,272	0.1130%	4,521
3 American Eagle Title Insurance Company	1,363,439	0.0189%	754
4 American Guaranty Title Company	1,839,544	0.0254%	1,018
5 American Pioneer Title Insurance Company	97,738,582	1.3517%	54,067
6 American Security Title Insurance Company	1,622,347	0.0224%	897
7 Arkansas Title Insurance Company	4,439,796	0.0614%	2,456
8 Atlantic Title Insurance Company	2,834,261	0.0392%	1,568
9 Attorney's Title Guaranty Fund, Inc. CO	8,659,732	0.1198%	4,790
10 Attorney's Title Guaranty Fund, Inc. IL	8,447,722	0.1168%	4,673
11 Attorneys Title Insurance Fund, Inc.	190,052,660	2.6283%	105,133
12 Benefit Land Title Insurance Company	15,907,656	0.2200%	8,800
13 Century Title Insurance Company	594,301	0.0082%	329
14 Charter Title Insurance Corporation	3,943,588	0.0545%	2,182
15 Chicago Title Insurance Company	1,014,497,220	14.0300%	561,200
16 Chicago Title Insurance Company of Oregon	22,648,449	0.3132%	12,529
17 Columbian National Title Insurance Company	4,070,496	0.0563%	2,252
18 Commonwealth Land Title Insurance Company	632,660,493	8.7494%	349,976
19 Commonwealth Land Title Insurance Company of New Jersey	25,608,861	0.3542%	14,166
20 Conestoga Title Insurance Company	7,676,626	0.1062%	4,247
21 Connecticut Attorneys Title Insurance Company	30,665,406	0.4241%	16,964
22 Dakota Homestead Title Insurance Company	1,074,235	0.0149%	594
23 Dreibelbiss Title Company, Inc.	1,848,157	0.0256%	1,022
24 Fidelity National Title Insurance Company	426,824,265	5.9028%	236,111
25 Fidelity National Title Insurance Company of New York	310,287,055	4.2911%	171,645
26 First American Title & Trust Company	3,188,191	0.0441%	1,764
27 First American Title Insurance Company	1,382,846,726	19.1241%	764,964
28 First American Title Insurance Company of Kansas	17,297,337	0.2392%	9,569
29 First American Title Insurance Company of New York	93,436,287	1.2922%	51,687

Title Insurer	Premiums Written, Year 2000*	National Market Share Year 2000*	Whole Common Shares
30 First American Title Insurance Company of North Carolina	1,110,498	0.0154%	614
31 First American Title Insurance Company of Oregon	31,384,770	0.4340%	17,361
32 First American Title Insurance Company of Texas	83,433,089	1.1538%	46,154
33 First Atlantic Title Insurance Corporation	70,723	0.0010%	39
34 First Montana Title Insurance Company	11,242	0.0002%	6
35 General Title & Trust Company	3,855,217	0.0533%	2,133
36 Guardian Title Insurance Company	3,026,294	0.0419%	1,674
37 Gulf Coast Title Insurance Company, Inc.	58,858	0.0008%	33
38 Industrial Valley Title Insurance Company	52,161	0.0007%	29
39 Investors Title Insurance Company	37,231,014	0.5149%	20,595
40 Iowa Title Guaranty	3,213,040	0.0444%	1,777
41 Jefferson National Title Insurance Company	1,019,877	0.0141%	564
42 Land Title Insurance Company of California	507,819	0.0070%	281
43 Land Title Insurance Company of St. Louis	978,689	0.0135%	541
44 Land Title Insurance Corporation	15,988,902	0.2211%	8,845
45 Lawyers Title Insurance Corporation	666,016,558	9.2107%	368,428
46 Manito Title Insurance Company	1,235,681	0.0171%	684
47 Mississippi Guaranty Title Insurance Company	225,056	0.0031%	124
48 Mississippi Valley Title Insurance Company	17,126,756	0.2369%	9,474
49 Monroe Title Insurance Corporation	9,621,779	0.1331%	5,323
50 Mortgage Guarantee & Title Company	5,170,496	0.0715%	2,860
51 National Attorneys' Title Assurance Fund, Inc.	752,726	0.0104%	416
52 National Land Title Insurance Company	565,952	0.0078%	313
53 National Title Insurance of New York, Inc.	3,469,187	0.0480%	1,919
54 National Title Insurance Company	933,684	0.0129%	516
55 New Jersey Title Insurance Company	4,027,701	0.0557%	2,228
56 North American Title Insurance Company	50,132,387	0.6933%	27,732
57 Northeast Investors Title Insurance Company	770,082	0.0106%	426
58 Northern Counties Title Insurance Company	13,083,155	0.1809%	7,237
59 Ohio Bar Title Insurance Company	14,942,246	0.2066%	8,266
60 Old Republic National Title Insurance Company	417,263,078	5.7705%	230,822
61 Olympic Title Insurance Company	1,183,227	0.0164%	655

Title Insurer	Premiums Written, Year 2000*	National Market Share Year 2000*	Whole Common Shares
62 Pacific Northwest Title Insurance Company, Inc.	30,288,680	0.4189%	16,755
63 Penn Attorneys Title Insurance Company	1,595,161	0.0221%	882
64 Port Lawrence Title and Trust Company	3,559,588	0.0492%	1,969
65 Seagate Title & Abstract Company, Inc.	126,980	0.0018%	70
66 Security Union Title Insurance Company	39,347,063	0.5442%	21,766
67 Southern Title Insurance Corporation	10,372,644	0.1434%	5,738
68 Stewart Title Guaranty Company	642,618,416	8.8871%	355,484
69 Stewart Title Insurance Company	63,870,989	0.8833%	35,332
70 Stewart Title Insurance Company of Oregon	2,616,900	0.0362%	1,448
71 T.A. Title Insurance Company	12,120,136	0.1676%	6,705
72 The Bankers Guarantee Title & Trust Company	27,497	0.0004%	15
73 The Bar Plan Title Insurance Company	337,991	0.0047%	187
74 The Guarantee Title & Trust Company	11,255,673	0.1557%	6,226
75 The Security Title Guarantee Corporation of Baltimore	13,766,489	0.1904%	7,615
76 The Title Guaranty & Trust Company of Chattanooga	246,857	0.0034%	137
77 Ticor Title Insurance Company	190,784,187	2.6385%	105,538
78 Title Insurance Company of America	12,479,277	0.1726%	6,903
79 Title Resources Guaranty Company	51,875,929	0.7174%	28,697
80 TitleAmerica Insurance Corporation	12,092,270	0.1672%	6,689
81 Transnation Title Insurance Company	161,432,208	2.2325%	89,301
82 Transnation Title Insurance Company of New York	511,349	0.0071%	283
83 United General Title Insurance Company	111,803,693	1.5462%	61,848
84 United Title Insurance Company	26,028,192	0.3600%	14,398
85 Washington Title Insurance Company	6,605,686	0.0914%	3,654
86 Westcor Land Title Insurance Company	16,713,302	0.2311%	9,245
87 Western National Title Insurance Company	4,975,519	0.0688%	2,752
Column Totals	7,230,908,606	100.0000%	3,999,996

* Fifty U.S. States and the District of Columbia



FSH Working Group, LLC

The business entity responsible for organizing and launching FeeSimpleHosting is FSH Working Group, LLC, an Illinois limited liability company.

FSH Working Group's principals are four independent individuals, each with many years of experience in the title industry.

Perry Hamilton, President

Robert B. Scherer, Executive Vice President, Treasurer, and Chief Financial Officer

Patrick L. Vaden, Executive Vice President and Chief Technology Officer

John W. Tagge, Executive Vice President, and Secretary

Although participating exclusively as private individuals, the Working Group occasionally contracted for services and resources from within the private firms they are regularly associated with.

Also working with FSH Working Group were sixteen or more technologists, attorneys, consultants, and other specialists. In some cases these people may become permanent employees of FeeSimpleHosting, Inc.

The principals will serve as FeeSimpleHosting's board of directors until the company is launched and in operation.

They will also serve as its executive officers until permanent management is brought on board.

Perry Hamilton, President

Robert B. Scherer, Executive Vice President, Treasurer and Chief Financial Officer.

Patrick L. Vaden, Executive Vice President and Chief Technology Officer

John W. Tagge, Executive Vice President and Secretary.

FSH Working Group, LLC

FeeSimpleHosting In Detail ©

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November 2, 2001

Mr. Perry Hamilton
FeeSimple Hosting, Inc.
PO Box 7768
Hilton Head Island, SC 29938

Dear Perry,

I would like to extend my sincerest thanks to you and your colleagues at FeeSimple Hosting for the extraordinary work you have done in defining the FeeSimple Hosting business proposition, exploring the technology that needs to be applied to the business, and addressing the service level agreements required by the customer segment you choose to serve. To support your effort, IBM has invested a significant amount of time and subject matter expertise to define the engagement model roadmap that will lead you to build this next-generation application that will serve the title industry of the future.

On behalf of IBM, I am pleased to submit to you three documents for use in the FeeSimpleHosting business plan, for your discussions with the nation's title insurers, and for triggering the commencement of the engagement when that time comes.

The first document is a Statement of Work for the Micro Design of the Fee Simple Hosting application. This engagement will take approximately six weeks to complete and result in the detailed specifications required to build the next generation web based application and its supporting back office. This is a legal contract and can be executed according to the directions described inside.

The second document is a Budget and Planning Letter providing estimates for the costs and time required building the application defined from the output of the Micro Design engagement. This engagement is estimated to take four to six months to complete. The estimates in this document are based upon our joint due diligence work these past few months and our experience with projects that are similar in size and complexity.

The third document is an estimation of the hosting and outsourcing of the environment once the application is built. This document addresses the physical, environmental, technical and service level management needs of the solution as it enters production and gains increased usage by the industry.

The content of the three documents is based upon:

1. The detailed RFP and supporting documentation you originally supplied IBM and other firms.

2. A series of conference calls and an onsite visit to IBM to confirm, clarify and answer questions regarding the documentation.
3. Development of a high-level solution architecture and subsequent refinement discussions.
4. An onsite visit to Condell review all elements of the proposed solution and business relationship.
5. Creation of the draft level of the three documents presented to you today and the iterative rounds of improvement.
6. A face to face meeting three weeks ago to audit and confirm all elements of the proposed solution

The past few months has been time well spent. We have gotten to know each other very well, understand how each of us conducts our respective business, and built a relationship based upon trust. IBM understands what FSH wishes to do and we are prepared to bring the strength and depth of our company to this engagement to help you make this a reality.

Please do not hesitate to contact me if I can be of assistance. I look forward to working with you on this exciting new business.

Sincerely,

Paul E. Risk

Principal

IBM Global Services