

POLICY OF TITLE INSURANCE ISSUED BY

COPY

# STEWART TITLE GUARANTY COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, STEWART TITLE GUARANTY COMPANY, a corporation of Galveston, Texas, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the amount of insurance stated in Schedule A, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested otherwise than as stated therein;
2. Any defect in or lien or encumbrance on such title;
3. Lack of a right of access to and from the land;
4. Unmarketability of such title

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

STEWART TITLE  
GUARANTY COMPANY

*Carlos Morris*

BLAIR ABSTRACT AND TITLE COMPANY  
1569 Washington Street, P.O. Box 428  
BLAIR, NE 68008  
(402) 426-9666

*Stewart Morris*

President

*David O. Harlan*

BLAIR ABSTRACT AND TITLE COMPANY  
Authorized Counter Signature

## EXCLUSIONS FROM COVERAGE

*Sanctity of Contract*

The following matters are expressly excluded from the coverage of this policy:

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
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 and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**SCHEDULE A**

Premium - \$240.00

Order No.: ST-361

Policy No.: 0 - 9902 - 172874

Date of Policy: April 7, 1986, at 8:30 o'clock, A. M.      Amount of Insurance: \$125,000.00

1. Name of Insured      MISSOURI RIVER FARMS, INC., a Nebraska Corporation.

2. The estate or interest in the land described herein and which is covered by this policy is:

Fee Simple Title

3. The estate or interest referred to herein is at Date of Policy vested in:

MISSOURI RIVER FARMS, INC., a Nebraska Corporation (Book 156, Page 511).

4. The land referred to in this policy is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO.

The Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4) and the Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4) and Tax Lots 29 and 30 in Section 18; Tax Lot 19 in Section 17, all in Township 18 North, Range 12, East of the 6th P. M., Washington County, Nebraska, together with all easement rights assigned to Grantor by Assignment dated February 7, 1986 and recorded in Record Book 156, Page 341 of the records of the Washington County Clerk, ex-officio Register of Deeds, which is an assignment of all right, title and interest in and to a perpetual easement for Railroad R.O.W. purposes, both of which said easements were reserved in a certain warranty deed recorded February 24, 1984, at 2:57 o'clock, P. M. in Book 144, Pages 672-674 of the records of the County Clerk of Washington County, Nebraska, ex-officio Register of Deeds and which said easements are more particularly described therein.

EXHIBIT "A"

## SCHEDULE B

Policy No.: 0-9902-172874

This policy does not insure against loss or damage by reason of the following:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Community property, dower, curtesy, survivorship, or homestead rights, if any, of any spouse of the insured.
6. Any titles or rights asserted by anyone including but not limited to persons, corporations, governments or other entities, to tide lands, or lands comprising the shores or bottoms of navigable rivers, lakes, bays, ocean or gulf, or lands beyond the line of the harbor or bulkhead lines as established or changed by the United States Government or water rights, if any.
7. Reservations contained in Patent from the United States of America or State where the land described in Schedule A is located.
8. Restrictive Covenants affecting the property described in Schedule A.
9. Taxes for the year 19 85 and thereafter.

SPECIAL EXCEPTIONS: Those exceptions to title disclosed by a search of the title for which no coverage is provided by this policy.

10. TAXES: Tax Lot 19 in 17-18-12 -- 1985 taxes in the amount of \$606.32 and all prior taxes shown paid.  
Tax Lot 29 in 18-18-12 -- 1985 taxes in the amount of \$719.14 and all prior taxes shown paid.  
SE1/4 NW1/4, S1/2 NE1/4, N1/2 SE1/4 and Tax Lots 15, 16, 17, 18 in 18-18-12 -- 1985 taxes in the amount of \$4,032.56 and all prior taxes shown paid.
11. DEDICATION PIAT and acceptance by Washington County Board of Supervisors. Recorded May 4, 1982 in Plat Book 2, Page 350. Dedicates the West 80 feet of the E1/2 SE1/4 and of the SE1/4 NE1/4 all in Section 7, Township 18 North, Range 12, East of the 6th P. M., Washington County, Nebraska, to the public for roadway purposes.
12. TRANSMISSION LINE EASEMENT dated November 22, 1968, recorded January 20, 1969 in Misc. Book T, Pages 133-134. Easement to Omaha Public Power District over and across the S1/2 N1/2, N1/2 SE1/4, NE1/4 SW1/4 and Tax Lots 7, 8 and 9 in Section 18, Township 18 North, Range 12, East of the 6th P. M., Washington County, Nebraska. Easement 75 feet, 150 feet in width to Omaha Public Power District for construction, maintenance and operation of its electrical transmission lines and appurtenances.
13. RESOLUTION dated May 12, 1981, recorded May 13, 1981 in Record Book 132, Page 119. Resolution of Washington County Board of Supervisors designating subject property an industrial area pursuant to Section 19-2501 R.R.S. Nebraska, 1943, as amended.

Attached to and made a part of Stewart Title Guaranty Company Policy No. 0-9902-172874

Continuation of Schedule B

14. EASEMENT dated August 4, 1966, recorded November 1, 1966 in Misc. Book R, Pages 645-656. Grants to Urban Behrens and Gertrude Behrens, husband and wife, and Arnold Behrens and Maxine Behrens, husband and wife, an easement 20 feet in width across Tax Lots 7, 8, and 9 in 18-18-12 for ingress and egress to Tax Lot 14 in 17-18-12; said easement to be in effect for so long as it is used for ingress and egress and to terminate upon discontinuance of said use. DETERMINATION OF PARTIAL LOCATION OF EASEMENT recorded in Book 144, Pages 668-669. Shows partial location of easement to be within the boundaries of the following described property:

From the Quarter Quarter corner North of the Southeast corner of Section 7, Township 18 North, Range 12 East; thence westerly along the Quarter Quarter line north of the south line of Section 7 a distance of 1248.71 feet to a point 80.00 feet east of the Quarter Quarter line west of the east line of Section 7, said point being the point of beginning; thence continuing westerly along said Quarter Quarter line a distance of 80.00 feet to the center of the Southeast Quarter of Section 7; thence southerly along the west line of the Southeast Quarter Southeast Quarter of Section 7 to the Southwest corner of said Quarter Quarter; thence continuing southerly along the west line of the Northeast Quarter Northeast Quarter of Section 18, Township 18 North, Range 12 East, to a point 551.08 feet north of the south line of Tax Lot 8 in said Section 18; thence easterly parallel to said south line a distance of 80.0 feet; thence Northerly parallel with the west line of said Northeast Quarter Northeast Quarter to a point on the south line of Section 7, Township 18 North, Range 12 East; thence continuing northerly parallel with and 80.00 feet distant from the west line of the Southeast Quarter Southeast Quarter of Section 7 to the point of beginning; lying in the Southeast Quarter Southeast Quarter of Section 7 and the Northeast Quarter Northeast Quarter of Section 18, all in Township 18 North, Range 12, East of the 6th P. M., Washington County, Nebraska.

15. PIPELINE EASEMENT dated January 31, 1975, recorded March 10, 1975 in Misc. Book Y, Pages 142-146. Easement to Williams Brothers Pipe Line Company over and across the following described real estate, to-wit:

A 100 foot corridor described as 37.5 feet East and 62.5 feet West of and measured at right angles to the following described line:

From the 1/4 1/4 corner south of the NE corner of Section 18, Township 18 North, Range 12 East; thence N89°58'54" West along the 1/4 1/4 line south of the North Section line a distance of 2567.94 feet to the point of beginning; thence S 0°07'00" West a distance of 2394.64 feet; thence S4°13'30" East a distance of 254.43 feet to terminate at a point on the 1/4 1/4 line North

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Continuation of Schedule B

of the South line of Section 18, said point being N 89°50'23" West along said 1/4 1/4 line a distance of 2556.22 feet from the 1/4 1/4 corner North of the SE corner of Section 18, lying in and across the SW1/4 NE1/4 and the NW1/4 SE1/4 of Section 18, Township 18 North, Range 12, East of the 6th P. M., Washington County, Nebraska,

Easement to construct, lay, maintain and operate a pipeline or pipelines for conveyance of petroleum and other products.

16. PIPELINE EASEMENT dated October 31, 1983, recorded December 29, 1983 in Record Book 143, Pages 758-765. Grants to Williams Brothers Pipe Line Company an easement to the following described real estate, to-wit:

Centerline description of a tract of land 50 feet in width, in, through, and across the SE1/4 of the NW1/4, SW1/4 of the NE1/4, and the NW1/4 of the SE1/4, Sec. 18, T18N, R12E, Washington County, Nebraska, and being more particularly described as follows:

Beginning at a point in a line being the North line of the SE1/4 of the NW1/4 of Sec. 18, T18N, R12E, said point being located east along said line a distance of 2587.93 feet from the West section line and the NW corner of the SW1/4 of the NW1/4 of said section of land;

THENCE S4°20'20"E a distance of 2656.26 feet, more or less, to a point in a line being the South line of the NW1/4 of the SE1/4 of said section of land, said point being N 89°50'23"W along said line a distance of 2458.95 feet, more or less, from a point marking the SE corner of the NE1/4 of the SE1/4 of said Sec. 18, T18N, R12E;

Said centerline being in all a total distance of 2656.26 feet, or 160.99 rods in length, more or less,

to construct, lay, maintain and operate a pipeline or pipelines for conveyance of petroleum and other products.

17. CITY OF BLAIR ZONING REGULATIONS and all amendments thereto - This property falls within the two-mile jurisdiction of the City of Blair, Nebraska and Ordinance #1314 shows this property to be located in AGG - General Agricultural District. However, see (d) above regarding declaration of industrial tract.

NOTE: Lot Split for Tax Lot 30 in 18-18-12 has been approved by the Blair Planning Commission on February 4, 1986 and by the Blair City Council on February 11, 1986 and said lot split has been recorded February 14, 1986 in Record Book 156, Page 383.

## 6. DETERMINATION AND PAYMENT OF LOSS

(a) The liability of the Company under this policy shall in no case exceed the least of:

- (i) the actual loss of the insured claimant; or
- (ii) the amount of insurance stated in Schedule A.

(b) The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon an insured in litigation carried on by the Company for such insured, and all costs, attorneys' fees and expenses in litigation carried on by such insured with the written authorization of the Company.

(c) When liability has been definitely fixed in accordance with the conditions of this policy, the loss or damage shall be payable within 30 days thereafter.

## 7. LIMITATION OF LIABILITY

No claim shall arise or be maintainable under this policy (a) if the Company, after having received notice of an alleged defect, lien or encumbrance insured against hereunder, by litigation or otherwise, removes such defect, lien or encumbrance or establishes the title, as insured, within a reasonable time after receipt of such notice; (b) in the event of litigation until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as insured, as provided in paragraph 3 hereof; or (c) for liability voluntarily assumed by an insured in settling any claim or suit without prior written consent of the Company.

## 8. REDUCTION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

## 9. LIABILITY NONCUMULATIVE

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 either (a) a mortgage shown or referred to in Schedule B hereof which is a lien on the estate or interest covered by this policy, or (b) a mortgage hereafter executed by an insured 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. The Company shall have the option to apply to the payment of any such mortgages any amount that otherwise would be payable hereunder to the insured owner of the estate or interest covered by this policy and the amount so paid shall be deemed a payment under this policy to said insured owner.

## 10. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of said parcels but not all, the loss shall be computed and settled on a pro rata basis as

if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each such parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement herein or by an endorsement attached hereto.

## 11. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which such insured claimant would have had against any person or property in respect to such claim had this policy not been issued, and if requested by the Company, such insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect such right of subrogation and shall permit the Company to use the name of such insured claimant in any transaction or litigation involving such rights or remedies. If the payment does not cover the loss of such insured claimant, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. If loss should result from any act of such insured claimant, such act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation.

## 12. LIABILITY LIMITED TO THIS POLICY

This instrument together with all endorsements and other instruments, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company.

Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

No amendment of or endorsement to this policy can be made except by 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.

## 13. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at its main office, P. O. Box 2029, Houston, Texas 77252.

14. The premium specified in Schedule A is the entire charge for acceptance of risk. It includes charges for title search and examination if same is customary or required to be shown in the state in which the policy is issued.