

SECURITY TITLE INSURANCE COMPANY*a California corporation, herein called the Company,*

Insures the parties named as insured in Schedule A, the heirs, devisees, personal representatives of such insured, or, if a corporation, its successors by dissolution, merger or consolidation, against loss or damage not exceeding the amount stated in Schedule A, together with costs, attorneys' fees and expenses which the Company may become obligated to pay as provided in the Conditions and Stipulations hereof, which the insured shall sustain by reason of the matters numbered 1 to 4 in Part Three of Schedule B of this policy.

CLTA-1963

SCHEDULE A

STANDARD COVERAGE

Insured:

NAVAJO FREIGHT LINES, INC., an Indiana Corporation

Policy No: **193-121**Consideration paid for this policy: \$ **184.00**Effective date: **May 23, 1966 at 2:00 P.M.**Amount of liability: \$ **23,500.00**

The estate or interest in the land described or referred to in this schedule covered by this policy is:

a fee

Title to the estate or interest covered by this policy at the date hereof is vested in:

NAVAJO FREIGHT LINES, INC., an Indiana Corporation.

The land referred to in this policy is situated in the State of California, County of **San Joaquin,** and is described as follows:

SEE SHEET ATTACHED FOR DESCRIPTION

Mantecan

Order No. 193-121

DESCRIPTION

All that real property in the County of San Joaquin, State of California, described as follows:

A portion of Lot 11 of MAP OF CREAMLAND TRACT NO. 3, according to the Official Map thereof filed in Vol. 6 of Maps, page 53, San Joaquin County Records, described as follows:

Beginning at the intersection of the North line of that certain parcel of land described in deed to the State of California, recorded December 22, 1932 in Book of Official Records, Vol. 416, page 225, San Joaquin County Records, with the West line of that 40 foot roadway described in deed to the County of San Joaquin, recorded January 8, 1959 in Book of Official Records, Vol. 2133, page 447, San Joaquin County Records, said point being the intersection of the North line of U. S. Highway 120 and the West line of said above referred to 40 foot roadway; thence Westerly along the North line of said State of California property, a distance of 325.3 feet; thence Northerly a distance of 630 feet, more or less, to a point in the North line of said Lot 11 and which point is Westerly 325.3 feet from the West line of said 40 foot roadway conveyed to the County of San Joaquin; thence Easterly along the North line of said Lot 11, a distance of 325.3 feet to the West line of said 40 foot roadway; thence Southerly along the West line of said 40 foot roadway 630 feet, more or less, to the point of beginning.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in Parts One and Two of Schedule B.

PART ONE:

1. County taxes and any personal property taxes collected therewith for the fiscal year 1966-67, which are now a lien but not yet payable.

2. South San Joaquin Irrigation District Taxes for the year 1967, which are now a lien but not yet payable.

3. Right of Way for pole lines as now located, as granted to The Pacific Telephone and Telegraph Company, a corporation, by Deed recorded January 26, 1928 in Book of Official Records, Vol. 232, page 10 and in Deed recorded February 6, 1928 in Book of Official Records, Vol. 239, page 127.

Location cannot be determined.

4. An Oil and Gas Lease dated September 20, 1965 executed by John G. Dickman, a married man, Forrest B. Young, a married man, and Wilma E. Proper, a married woman, as Lessors, and Socony Mobil Oil Company, Inc., a New York Corporation, as Lessee, a Short Form of which Lease executed by said parties, was recorded January 17, 1966 in Book of Official Records, Vol. 3016, page 545.
(covers this and other property)

By Assignment dated April 13, 1966 and recorded May 23, 1966 in Book 3051, page 533 of Official Records, John G. Dickman and Harriet Dickman, his wife; Forrest B. Young and Helen Young, his wife, and Wilma E. Proper and Walter D. Proper, her husband, Lessors, and Socony Mobil Oil Company, Inc., a New York Corporation, as Lessee, assigned said Oil and Gas Lease to Navajo Freight Lines, Inc., an Indiana Corporation, a 4.71/19.41 portion of said lease.

SCHEDULE B (Continued)

PART TWO:

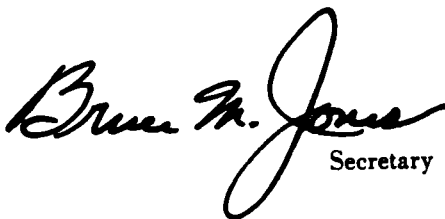
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easements or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

PART THREE: Matters numbered 1 to 4 referred to on the first page of this Policy:

1. Any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule A, existing at the date hereof, not shown or referred to in Schedule B or excluded from coverage in Schedule B or in the Conditions and Stipulations; or
2. Unmarketability of such title; or
3. Any defect in the execution of any mortgage shown in Schedule B securing an indebtedness, the owner of which is named as an Insured in Schedule A, but only insofar as such defect affects the lien or charge of said mortgage upon the estate or interest referred to in this policy; or
4. Priority over said mortgage, at the date hereof, of any lien or encumbrance not shown or referred to in Schedule B, or excluded from coverage in the Conditions and Stipulations, said mortgage being shown in Schedule B in the order of its priority;

all subject, however, to the Conditions and Stipulations hereto annexed which Conditions and Stipulations together with Schedules A and B are hereby made a part of this policy.

In witness whereof, Security Title Insurance Company has executed this policy by its authorized officers, as of the date set forth in Schedule A, the effective date of this policy.


Secretary

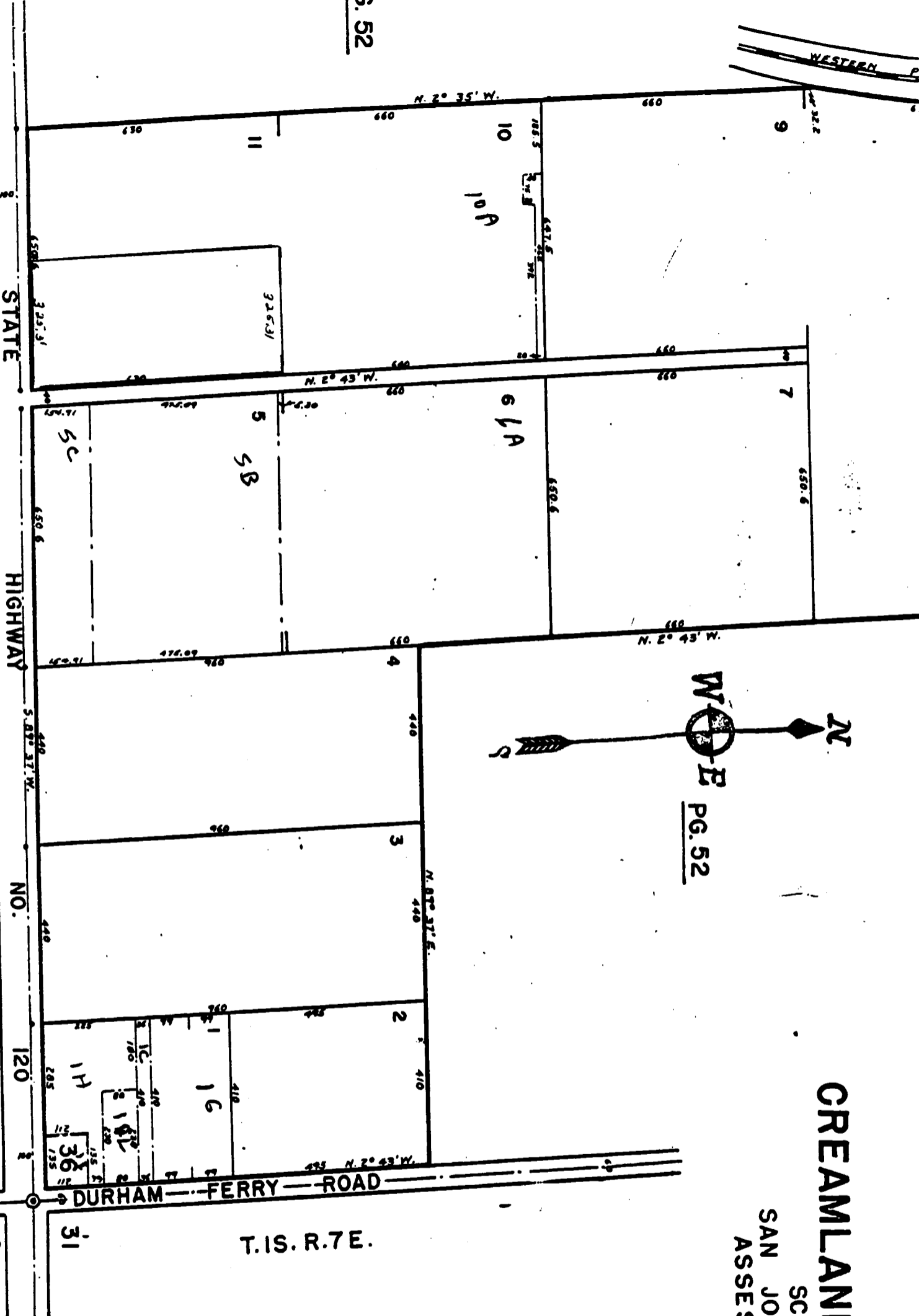



President


An Authorized Signature

WESTERN P

PG. 52



N
 W
 E
 PG. 52

CREAMLAND TRACT NO.
 SCALE 1" = 300'
 SAN JOAQUIN COUNTY
 ASSESSOR'S MAPS

T. 1S. R. 7E.

"This plat is for your aid in locating your land with reference to streets and other parcels. It is not a survey. While this plat is believed to be correct, the County Assessor assumes no liability for any loss occurring by reason of reliance thereon."

CONDITIONS AND STIPULATIONS

1. Definition of Terms

The following terms when used in this policy mean:

- (a) "land": the land described, specifically or by reference, in Schedule A and improvements affixed thereto which by law constitute real property;
- (b) "public records": those records which impart constructive notice of matters relating to said land;
- (c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to the Insured by reason of any public records;
- (d) "date": the effective date;
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instruments; and
- (f) "insured": the party or parties named as Insured, and if the owner of the indebtedness secured by a mortgage shown in Schedule B is named as an Insured in Schedule A, the Insured shall include (1) each successor in interest in ownership of such indebtedness, (2) any such owner who acquires the estate or interest to in this policy by foreclosure, trustee's sale, or other legal manner in satisfaction of said indebtedness, and (3) any federal agency or instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing said indebtedness, or any part thereof, whether named as an Insured herein or not, subject otherwise to the provisions hereof.

2. Benefits after Acquisition of Title

If an insured owner of the indebtedness secured by a mortgage described in Schedule B acquires said estate or interest, or any part thereof, by foreclosure, trustee's sale, or other legal manner in satisfaction of said indebtedness, or any part thereof, or if a federal agency or instrumentality acquires said estate or interest, or any part thereof, as a consequence of an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by a mortgage covered by this policy, or any part thereof, this policy shall continue in force in favor of such Insured, agency or instrumentality, subject to all of the conditions and stipulations hereof.

3. Exclusions from the Coverage of this Policy

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

- (a) 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 said land, or prohibiting a separation in ownership or a reduction in the dimensions or area of any lot or parcel of land.
- (b) Governmental rights of police power or eminent domain unless notice of the exercise of such rights appears in the public records at the date hereof.
- (c) Title to any property beyond the lines of the land expressly described in Schedule A, or title to streets, roads, avenues, lanes, ways or waterways on which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement; or any rights or easements therein unless this policy specifically provides that such property, rights or easements are insured, except that if the land abuts upon one or more physically open streets or highways this policy insures the ordinary rights of abutting owners for access to one of such streets or highways, unless otherwise excepted or excluded hereof.
- (d) Defects, liens, encumbrances, adverse claims against the title as insured or other matters (1) created, suffered, assumed or agreed to by the Insured claiming loss or damage; or (2) known to the Insured Claimant either at the date of this policy or at the date such Insured Claimant acquired an estate or interest insured by this policy and not shown by the public records, unless disclosure thereof in writing by the Insured shall have been made to the Company prior to the date of this policy; or (3) resulting in no loss to the Insured Claimant; or (4) attaching or created subsequent to the date hereof.
- (e) Loss or damage which would not have been sustained if the Insured were a purchaser or encumbrancer for value without knowledge.

4. Defense and Prosecution of Actions - Notice of Claim to be Given by the Insured

- (a) The Company, at its own cost and without undue delay shall provide (1) for the defense of the Insured in all litigation consisting of actions or proceedings commenced against the Insured, or defenses restraining orders, or injunctions interposed against a foreclosure or sale of the mortgage and indebtedness covered by this policy or a sale of the estate or interest in said land; or (2) for such action as may be appropriate to establish the title of the estate or interest or the lien of the mortgage as insured, which litigation or action in any of such events is founded upon an alleged defect, lien or encumbrance insured against by this policy, and may pursue any litigation to final determination in the court of last resort.

(b) In case any such action or proceeding shall be begun, or defense interposed, or in case knowledge shall come to the Insured of any claims of title or interest which is adverse to the title of the estate or interest or lien of the mortgage as insured, or which might cause loss or damage for which the Company shall or may be liable by virtue of this policy, or if the Insured shall in good faith contract to sell the indebtedness secured by a mortgage covered by this policy, or, if an Insured in good faith leases or contracts to sell, lease or mortgage the same, or if the successful bidder at a foreclosure sale under a mortgage covered by this policy refuses to purchase and in any such event the title to said estate or interest is rejected as unmarketable, the Insured shall notify the Company thereof in writing. If such notice shall not be given to the Company within ten days of the receipt of process or pleadings or if the Insured shall not, in writing, promptly notify the Company of any defect, lien or encumbrance insured against which shall come to the knowledge of the Insured, or if the Insured shall not, in writing, promptly notify the Company of any such rejection by reason of claimed unmarketability of title, then all liability of the Company in regard to the subject matter of such action, proceeding or matter shall cease and terminate; provided, however, that failure to notify shall in no case prejudice the claim of any Insured unless the Company shall be actually prejudiced by such failure and then only to the extent of such prejudice.

(c) The Company shall have the right at its own cost to institute and prosecute any action or proceeding or do any other act which in its opinion may be necessary or desirable to establish the title of the estate or interest or the lien of the mortgage as insured; and the Company may take any appropriate action under the terms of this policy whether or not it shall be liable thereunder and shall not thereby concede liability or waive any provision of this policy.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the Insured shall secure to it the right to so prosecute or provide defense in such action or proceeding, and all appeals therein, and permit it to use, at its option, the name of the Insured for such purpose. Whenever requested by the Company the Insured shall give the Company all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding, and the Company shall reimburse the Insured for any expense so incurred.

5. Notice of Loss - Limitation of Action

In addition to the notices required under paragraph 4(b), a statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within sixty days after such loss or damage shall have been determined and no right of action shall accrue to the Insured under this policy until thirty days after such statement shall have been furnished, and no recovery shall be had by the Insured under this policy unless action shall be commenced thereon within five years after expiration of said thirty day period. Failure to furnish such statement of loss or damage, or to commence such action within the time hereinbefore specified, shall be a conclusive bar against maintenance by the Insured of any action under this policy.

6. Option to Pay, Settle or Compromise Claims

The Company shall have the option to pay or settle or compromise for or in the name of the Insured any claim insured against or to pay the full amount of this policy, or, in case loss is claimed under this policy by the owner of the indebtedness secured by a mortgage covered by this policy, the Company shall have the option to purchase said indebtedness; such purchase, payment or tender of payment of the full amount of this policy, together with all costs, attorneys' fees and expenses which the Company is obligated hereunder to pay, shall terminate all liability of the Company hereunder. In the event, after notice of claim has been given to the Company by the Insured, the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness and the mortgage securing the same to the Company upon payment of the purchase price.

7. Payment of Loss

- (a) The liability of the Company under this policy shall in no case exceed, in all, the actual loss of the Insured and costs and attorneys' fees which the Company may be obligated hereunder to pay.
- (b) The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon the Insured in litigation carried on by the Company for the Insured, and all costs and attorneys' fees in litigation carried on by the Insured with the written authorization of the Company.
- (c) No claim for damages shall arise or be maintainable under this policy (1) if the Company, after having received notice of an alleged defect, lien or encumbrance not excepted or excluded here-

in removes such defect, lien or encumbrance within a reasonable time after receipt of such notice, or (2) for liability voluntarily assumed by the Insured in settling any claim or suit without written consent of the Company, or (3) in the event the title is rejected as unmarketable because of a defect, lien or encumbrance not excepted or excluded in this policy, until there has been a final determination by a court of competent jurisdiction sustaining such rejection.

(d) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto and 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; provided, however, if the owner of an indebtedness secured by a mortgage shown in Schedule B is an Insured herein then such payments shall not reduce pro tanto the amount of the insurance afforded hereunder as to such Insured, except to the extent that such payments reduce the amount of the indebtedness secured by such mortgage. Payment in full by any person or voluntary satisfaction or release by the Insured of a mortgage covered by this policy shall terminate all liability of the Company to the insured owner of the indebtedness secured by such mortgage, except as provided in paragraph 2 hereof.

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

8. Liability Noncumulative

It is expressly understood that the amount of this policy is reduced by any amount the Company may pay under any policy insuring the validity or priority of any mortgage shown or referred to in Schedule B hereof or any mortgage hereafter executed by the 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 to the Insured under this policy. The provisions of this paragraph numbered 8 shall not apply to an Insured owner of an indebtedness secured by a mortgage shown in Schedule B unless such Insured acquires title to said estate or interest in satisfaction of said indebtedness or any part thereof.

9. 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, and it shall be subrogated to and be entitled to all rights and remedies which the Insured would have had against any person or property in respect to such claim had this policy not been issued. If the payment does not cover the loss of the Insured, 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 the Insured, 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. The Insured, if requested by the Company, 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 the Insured in any transaction or litigation involving such rights or remedies.

If the Insured is the owner of the indebtedness secured by a mortgage covered by this policy, such Insured 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 from the lien of the mortgage, or release any collateral security for the indebtedness, provided such act does not result in any loss of priority of the lien of the mortgage.

10. Policy Entire Contract

Any action or actions or rights of action that the Insured may have or may bring against the Company arising out of the status of the lien of the mortgage covered by this policy or the title of the estate or interest insured herein must be based on the provisions of this policy.

No provision or condition of this policy can be waived or changed except by writing endorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, an Assistant Secretary or other validating officer of the Company.

11. 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 the office which issued this policy.

12. THE FEE SPECIFIED ON THE FACE OF THIS POLICY IS THE TOTAL FEE FOR TITLE SEARCH AND EXAMINATION AND FOR TITLE INSURANCE.