



Commercial Real Estate
Due Diligence Management
4125 State Route 43
Kent, OH 44240
866.290.8121
www.amnational.net

ALTA/ACSM Land Title Survey

Landry's
20080284-014
Landry's
2120 South Highway 6
County of Harris, TX

I hereby certify to Joe's Crab Shack Holdings, Inc., a Delaware corporation; Joe's Crab Shack-Texas, Inc., a Texas Corporation; Hartford Mezzanine Investors I, L.L.C., its successors and assigns; Sovereign JCS LLC, a Delaware limited liability company; Sovereign Investment Company; Fidelity National Title Insurance Company and Chicago Title Insurance Company; and American National Inc., that the survey prepared by me entitled "Landry's" was actually made upon the ground and that it and the information, courses and distances shown thereon are correct; that the title lines and lines of actual possession are the same; that the size, location and type of buildings and improvements are as shown and all are within the boundary lines of the property; that there are no easements, encroachments or use affecting this property appearing from a careful physical inspection of the same, other than those shown and depicted thereon; that all visible utility services either enter the premises through adjoining public streets, or the survey shows the point of entry and location of any visible utilities which pass through or are located on adjoining private land; that the survey shows the location and direction of all visible storm drainage systems for the collection and disposal of all roof and surface drainage; that any visible discharge into streams, rivers or other conveyance system is shown on the survey, and that the parcels described hereon do not lie within flood hazard areas in accordance with the document entitled "Department of Housing and Urban Development, Federal Insurance Administration Special Flood Hazard Area Maps". This survey is made in accordance with the "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by ALTA and NSPS in 2005 and includes items 1, 2, 3, 4, 6, 7a, 7b1, 7c, 8, 9, 10, 11a, 13, 14, 16, 17 & 18 of Table A. Pursuant to the Accuracy Standards as adopted by ALTA and NSPS and in effect on the date of this certification, the undersigned further certifies that in my professional opinion, as a land surveyor registered in the State of Texas the Relative Positional Accuracy of this survey does not exceed that which is specified therein. The property described hereon is the same as the property described in the title Fidelity National Title Insurance Corporation Commitment No. 06-184956 with an effective date of October 12, 2006, and that all easements, covenants and restrictions referenced in said title commitment or apparent from a physical inspection of the site or otherwise known to me have been plotted hereon or otherwise noted as to their effect on the subject property. The Property has direct access to State Highway No. 6, a dedicated and physically open public street.

Robert A. Marlowe
Robert A. Marlowe
Registered Professional Land Surveyor
Texas Registration No. 42118
Date of Survey: November 2, 2006
Date of Last Revision: March 15, 2007



This is not an original drawing. The original drawing is held within the offices of REKHA Engineering, Inc.

Record Legal Description

TRACT 1: Fee Simple
BEING a 2.256 acre tract of land in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and being out of Restricted Reserve "K", Block 1, as shown on the plat of TIM MILES SUBDIVISION, recorded in Volume 334, Page 99 of the Harris County Map Records and being out of a 10.5943 acre tract described under Harris County Clerk's File No. 5015191, said 2.256 acre tract being more fully described as metes and bounds as follows:
COMMENCING at a 5/8" iron rod found in the west right-of-way line of State Highway No. 6 as described under Harris County Clerk's File No. 8647227 (Vol. 5032, Page 132, Harris County Deed Records) and being at the southeast corner of said Restricted Reserve "K" and the northeast corner of Restricted Reserve "J", Block 1;
THENCE N 04 deg. 50 min. 30 sec. W, 30.09 feet along the said west right-of-way of State Highway No. 6 and along the westerly boundary line of said Reserve "K" to a 5/8" iron rod set at the POINT OF BEGINNING of the herein described tract;
THENCE S 89 deg. 40 min. 53 sec. W, 350.00 feet to a set 5/8" iron rod for the southwest corner of the herein described tract;
THENCE N 00 deg. 19 min. 07 sec. W, 290.00 feet to a 5/8" iron rod set for the northwest corner of the herein described tract;
THENCE N 89 deg. 40 min. 53 sec. E, 329.48 feet to a 5/8" iron rod set in the east line of said Restricted Reserve "K" and being in the said west right-of-way line of State Highway No. 6;
THENCE in a southerly direction, 138.85 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" and following the arc of said curve to the left having a radius of 3993.69 feet, a central angle of 01 deg. 59 min. 31 sec. and a chord which bears S 03 deg. 50 min. 44 sec. E, 138.84 feet to a 1/2" iron rod found and from said 1/2" iron rod, a found concrete monument bears S 18 deg. 55 min. E, 0.56 feet and a found 1" iron rod bears S 77 deg. 40 min. W, 0.18 feet;
THENCE S 04 deg. 50 min. 30 sec. E, 151.90 feet along the said west right-of-way line of State Highway No. 6 and along the easterly boundary line of said Reserve "K" to the POINT OF BEGINNING and containing 2.256 acres of land.

TRACT 2: Easement Estate
Rights in and to those certain easement as set out and more fully described in instrument recorded under Harris County Clerk's File No. S464504.

The property described above property that was issued in the title commitment issued by Fidelity National Title Insurance Corporation, effective on October 12, 2006 G.F. No. 06-184956.

Notes Corresponding to Schedule B

- 1 These restrictive covenants recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas, and under Harris County Clerk's File No. S464504 and S464505. (Does affect subject tract but is not shown in that it is blanket in nature)
- 10c Water line easement 10 feet wide along the east property line as shown on the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas. (Does affect subject tract and is shown hereon)
- 10d Storm sewer easement 25 feet wide along the east property line as shown on the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas. (Does affect subject tract and is shown hereon)
- 10e Sanitary sewer easement 25 feet wide along the east property line as shown on the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas. (Does affect subject tract and is shown hereon)
- 10f Building set back line varying in width from 25 to 35 feet wide along the east property line as shown on the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas. (Does affect subject tract and is shown hereon - only the 35' set back line)
- 10k Terms, conditions and provisions of the certain easements set forth in instrument recorded under Harris County Clerk's File No. S464504. (Does affect subject tract but is not shown hereon in that it is blanket in nature)
- 10l Easement 10 feet wide, together with an adjoining aerial easement of varying width, granted to Houston Lighting & Power Company by instrument recorded under Harris County Clerk's File No. S607372, located as shown on sketch attached thereto. (Does affect the subject tract and is shown hereon.)

The subject property is located within the City of Houston or within its extra territorial jurisdiction (within 5 miles of the city limits but outside another municipality) it is subject to the terms, conditions and provisions of City of Houston Ordinance #85-1878, pertaining to among other things, the platting and replatting of real property and to the establishment of building lines (25 feet along major thoroughfares and 10 feet along other streets). A certified copy of said ordinance was filed for record on August 1, 1991, under Harris County Clerk's File No. N253856. (Does affect subject tract and is shown hereon. Ordinance has been replaced by City of Houston Ordinance No. 1999-262. Building Lines shown hereon reflect the Ord. No. 1999-262.)

Items not listed above are not survey related items.

Legend of Symbols & Abbreviations

LEGEND	
AE	AERIAL EASEMENT
ASPH	ASPHALT
BL	BACK OF CURB
BL	BUILDING LINE
BM	BENCHMARK
BOL	BOLLARD
CL	CENTER LINE
CO	CLEAN OUT
CONC	CONCRETE
CULV	CULVERT
DRWY	DRIVEWAY
FF	FINISHED FLOOR
FH	FIRE HYDRANT
FL	FOUND LINE
G	GUTTER
GI	GRATE INLET
GL	GROUND LIGHT
GM	GAS METER
GT	GREASE TRAP
GW	GUY WIRE
HB	HIGH BANK
HC	HANDICAP
HDWL	HEADWALL
IR	IRON ROD
LNCS	LANDSCAPE
LS	LIGHT STANDARD
MH	MANHOLE
MW	MONITORING WELL
NG	NATURAL GROUND
OH	OVERHANG
PP	POWER POLE
PVMT	PAVEMENT
O.P.R.P.H.C.T. OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF HARRIS COUNTY, TEXAS	
SAN	SANITARY
SDWK	SIDEWALK
SGN	SIGN
STM	STORM SEWER
TB	TOE OF BANK
TBM	TEMPORARY BENCHMARK
TC	TOP OF CURB
TO	TOP OF GRATE
TOS	TOP OF SIDEWALK
WD FNC	WOOD FENCE
WM	WATER METER
WV	WHEEL STOP
WV	WATER VALVE

Zoning Notes

There is no zoning in the City of Houston, Texas.

PARKING TABLE
REGULAR SPACES=135
HANDICAP SPACES=6
TOTAL=141 PARKING SPACES

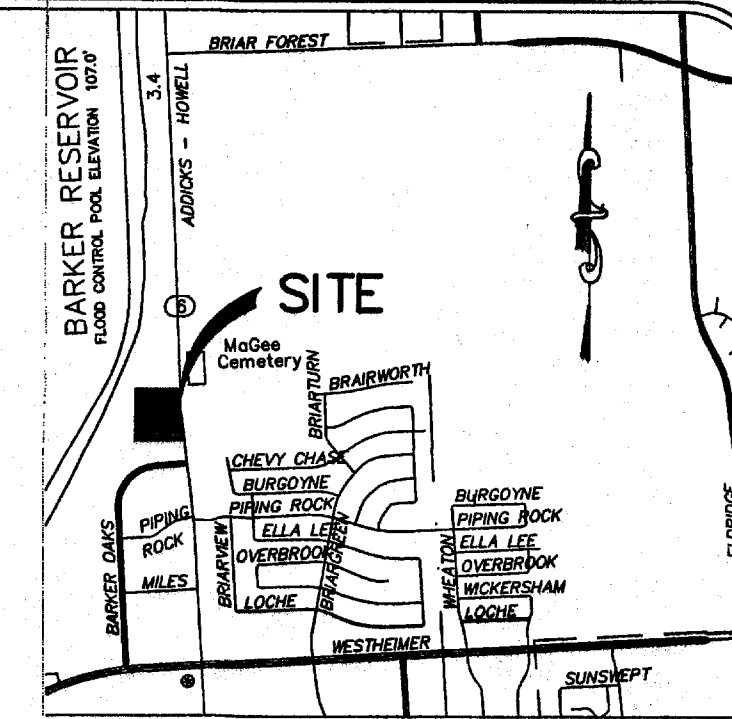
FLOOD NOTE:

By graphic plotting only, this property is in Zone(s) X (Unshaded) of the Flood Insurance Rate Map, Community Panel No. 48201C081G, which bears an effective date of June 9, 2006 and is not in a Special Flood Hazard Area.

HARRIS COUNTY, TEXAS BLAS HERRERA SURVEY, ABSTRACT 321

Encroachment Statement

There are no apparent encroachments.

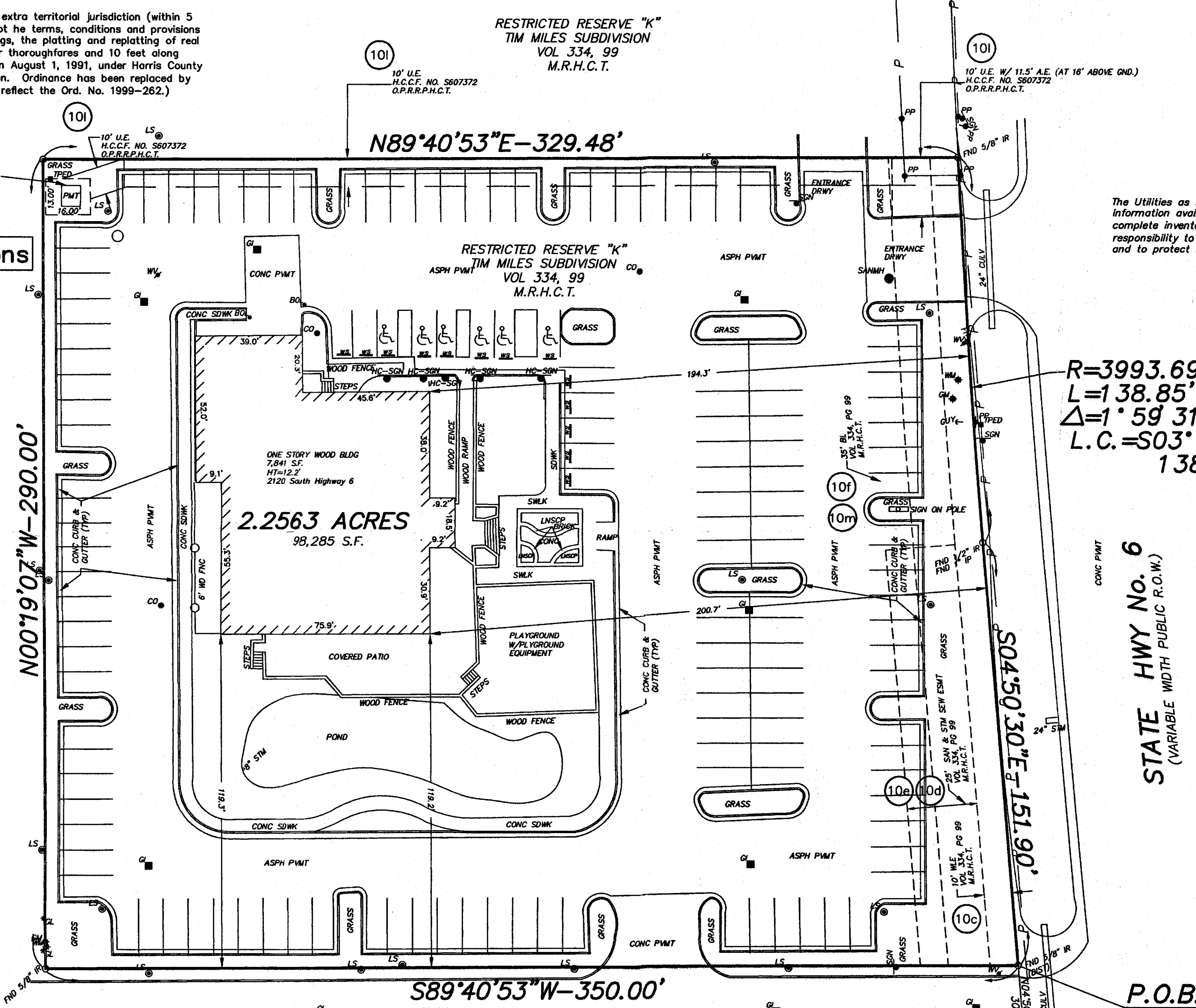


VICINITY MAP

N.T.S.

Utility Notes

The Utilities as shown on this drawing were developed from the information available. This is not implied nor intended to be the complete inventory of utilities in this area. It is the client's responsibility to verify the location of all utilities (whether shown or not) and to protect said utilities from any damage.



$R=3993.69'$
 $L=138.85'$
 $\Delta=1^{\circ}59'31''$
 $L.C.=S03^{\circ}50'44''E$
 138.84

STATE HWY No. 6
(VARIABLE WIDTH PUBLIC R.O.W.)

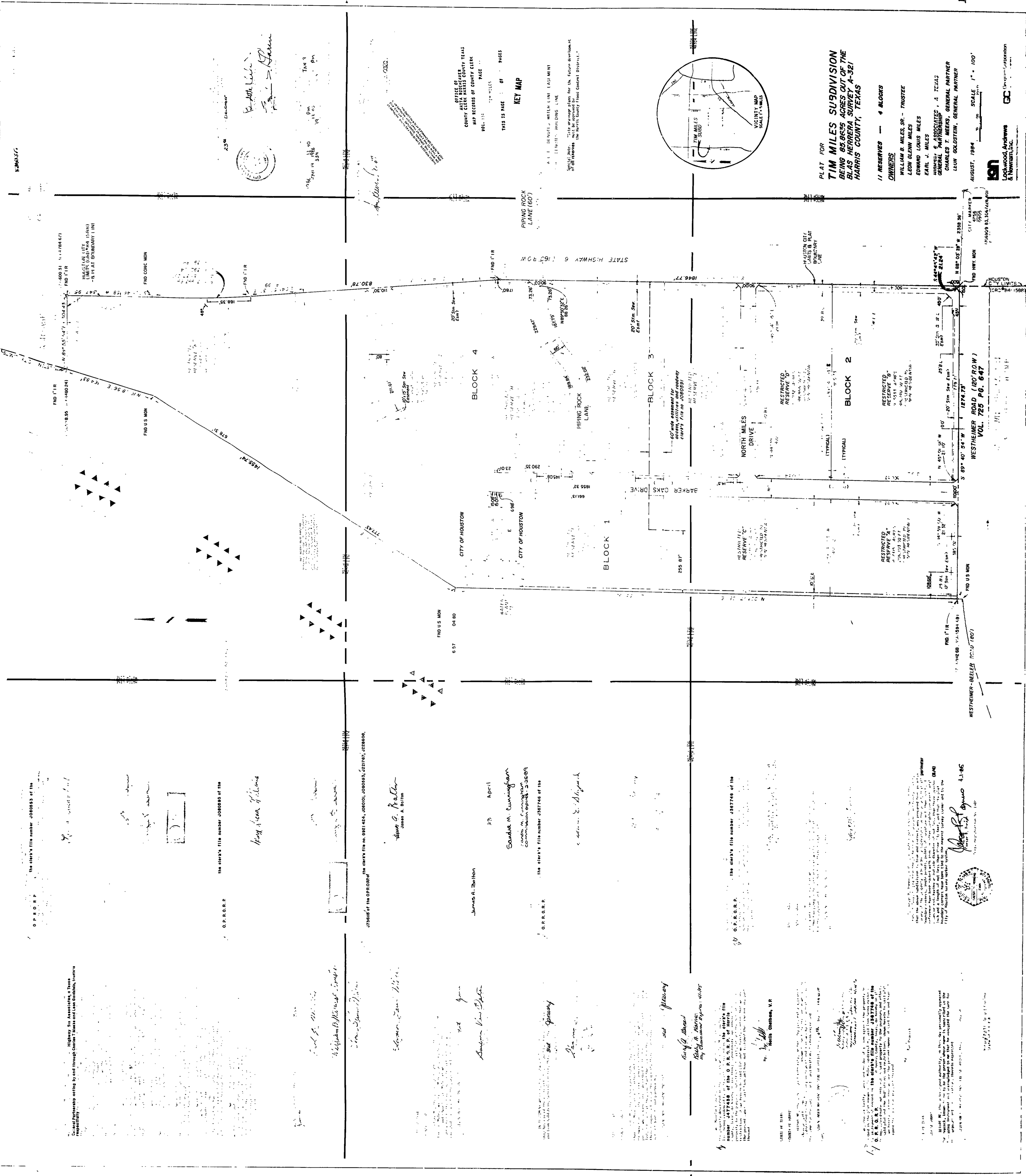
General Notes

- The Surveyor has not abstracted the subject property.
- This surveyor has been supplied with a title commitment issued by Fidelity National Title Insurance Company, effective October 12, 2006, G.F. No. 06-184956.
- There is no visible evidence the site was used as a dump.
- There are no visible signs of a cemetery on this tract.
- There was not any observable evidence of earth moving work.
- Surveyor is not aware of any changes in street right-of-ways.
- Basis of Bearing is the South line of Restricted Reserve K as shown hereon.
- This tract has access to publicly dedicated right-of-way.

BARKER OAKS DRIVE
(80' PUBLIC R.O.W.)

CONTACT: JOHN ENGLISH
5301 HOLLISTER SUITE 190
HOUSTON, TEXAS 77040
(TEL) 713-895-8080
(FAX) 713-895-7686

SCALE: 1" = 30'
30' 15' 0' 30'

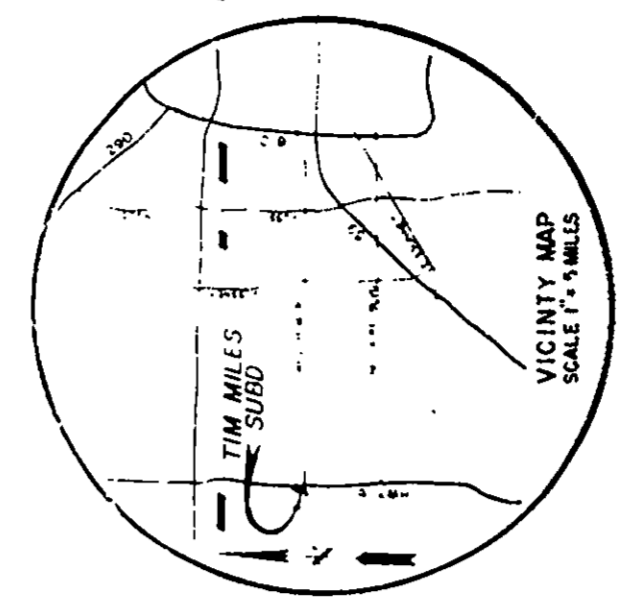


**PLAT FOR
TIM MILES SUBDIVISION
BEING 85.9655 ACRES OUT OF THE
BLAS HERRERA SURVEY A-321
HARRIS COUNTY, TEXAS**

11 RESERVES — 4 BLOCKS
OWNERS
 WILLIAM B. MILES, SR. - TRUSTEE
 LEON GLEN MILES
 EDWARD LOUIS MILES
 EARL J. MILES
 HIRSHL & ASSOCIATES, A TEXAS
 GENERAL PARTNERSHIP, A TEXAS
 CHARLES T. MEERS, GENERAL PARTNER
 LEON GOLDSTEIN, GENERAL PARTNER

AUGUST, 1994 SCALE 1" = 100'
 JOHN WOOD ANDREWS
 Surveyor
 12009 BLVD HOUSTON TX 77035
 281-461-1111

OFFICE OF
 COUNTY CLERK
 HARRIS COUNTY TEXAS
 MAP RECORDS OF COUNTY CLERK
 VOL. 102 PAGE 102
 THIS IS PAGE 01 OF 04515



KEY MAP

ALL IN THIS MAP ARE SUBJECT TO THE RESTRICTIONS AND CONDITIONS SET FORTH IN THE INSTRUMENTS REFERENCED HEREIN.
 SPECIAL NOTE: This plat is subject to the future development of all reserves in the survey shown on this plat.

O.P.R.O.R. the clerk's file number J080553 of the

O.P.R.O.R. the clerk's file number J080553 of the

O.P.R.O.R. the clerk's file number 0851454, J080501, J080553, J231767, J232856.

O.P.R.O.R. the clerk's file number J87746 of the

O.P.R.O.R. the clerk's file number J87746 of the

O.P.R.O.R. the clerk's file number J87746 of the

Recorded hereunder by and through County Clerk and Seal of Harris County, Texas.
 Responsibility

Recorded hereunder by and through County Clerk and Seal of Harris County, Texas.
 Responsibility

Recorded hereunder by and through County Clerk and Seal of Harris County, Texas.
 Responsibility

Recorded hereunder by and through County Clerk and Seal of Harris County, Texas.
 Responsibility

Recorded hereunder by and through County Clerk and Seal of Harris County, Texas.
 Responsibility

Recorded hereunder by and through County Clerk and Seal of Harris County, Texas.
 Responsibility

Handwritten signatures and notes:
 James A. Bolton
 Sandra W. Cunningham
 James A. Bolton
 Sandra W. Cunningham
 James A. Bolton
 Sandra W. Cunningham

Handwritten signatures and notes:
 Ann C. Rader
 James A. Bolton
 Sandra W. Cunningham
 James A. Bolton
 Sandra W. Cunningham

Handwritten signatures and notes:
 James A. Bolton
 Sandra W. Cunningham
 James A. Bolton
 Sandra W. Cunningham

Handwritten signatures and notes:
 James A. Bolton
 Sandra W. Cunningham
 James A. Bolton
 Sandra W. Cunningham

Handwritten signatures and notes:
 James A. Bolton
 Sandra W. Cunningham
 James A. Bolton
 Sandra W. Cunningham

STATE OF TEXAS
COUNTY OF HARRIS

We, Earl J. Miles, William B. Miles, Sr., Trustee, Leon Glenn Miles, Mary Lou Miles, Edward Louis Miles; and we, **Highway Six Associates, a Texas General Partnership acting by and through Charles T. Meeks and Leon Goldstein, Trustees** respectively herein referred to as Owners of the 85.8636 acre tract described in the above and foregoing map of Tim Miles Subdivision, do hereby make and establish said subdivision and development plan of said property according to all lines, dedications, restrictions and notations on said maps or plat and hereby dedicate to the use of the public forever, all streets (except those streets designated as private streets), alleys, parks, water courses, drains, easements and public places shown thereon for the purposes and considerations therein expressed; and do hereby bind myself (or ourselves), my (or our) heirs, successors and assigns to warrant and forever defend the title to the land so dedicated.

FURTHER, Owners have dedicated and by these presents do dedicate to the use of the public for public utility purposes forever unobstructed aerial easements five feet, six inches (5'-6") in width for perimeter lots, seven feet (7'-0") in width for back-to-back lots from a plane sixteen feet (16') above the ground level upward, located adjacent to all public utility easements that are designated with aerial easements (U.E. & Aerial) shown hereon.

FURTHER, Owners do hereby declare that all parcels of land designated as lots on this plat are originally intended for the construction of residential dwelling units thereon (or the placement of mobile home subdivision) and shall be restricted for same under the terms and conditions of such restrictions filed separately.

FURTHER, Owners do hereby covenant and agree that all of the property within the boundaries of this plat shall be restricted to prevent the drainage of any septic tanks into any public or private street, road or alley or any drainage ditch, either directly or indirectly.

FURTHER, Owners do hereby dedicate to the public a strip of land fifteen (15) feet wide on each side of the center line of any and all bayous, creeks, gullies, ravines, draws, sloughs, or other natural drainage courses located in said plat, as easements for drainage purposes, giving the right to the City of Houston, Harris County or any other governmental agency the right to enter upon said easement at any and all times for the purpose of construction and maintenance of drainage facilities and structures.

FURTHER, Owners do hereby covenant and agree that all of the property within the boundaries of this plat and adjacent to any drainage easement, ditch, gully, creek or natural drainage way shall hereby be restricted to keep such drainage ways and easements clear of fences, buildings, planting and other obstructions to the operations and maintenance of the drainage facility and that such abutting property shall not be permitted to drain directly into this easement except by means of an approved drainage structure.

WITNESS my hand in the City of Houston, Texas, this 4th day of June, 1985.

Earl J. Miles
Earl J. Miles

William B. Miles, Sr.
William B. Miles, Sr., Trustee

Leon Glenn Miles
Leon Glenn Miles

I, Linda Susan Richards, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number **J080593** of the O. P. R. P. of Harris County, Texas, do hereby in all things subordinate my interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and I hereby confirm that I am the present owner of said lien and have not assigned the same nor any part thereof.

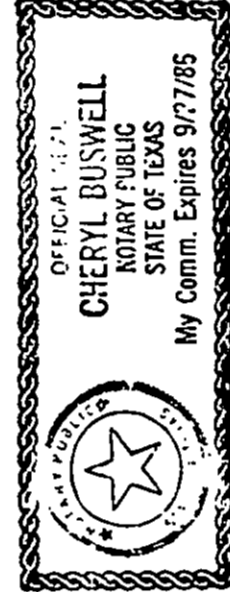
Linda Susan Richards
Linda Susan Richards

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Linda Susan Richards known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 4th day of June, 1985.

Cheryl Buswell
Notary Public in and for the State of TEXAS



OFFICE OF
ANITA RODRIGUEZ
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK

VOL. 334 PAGE 100

TIM MILES

THIS IS PAGE 2 OF 10 PAGES

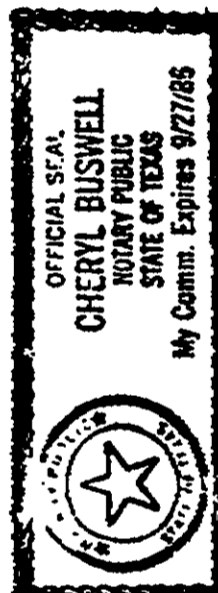
I, Mary Leona Williams, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number **J080593** of the O. P. R. P. of Harris County, Texas, do hereby in all things subordinate my interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and I hereby confirm that I am the present owner of said lien and have not assigned the same nor any part thereof.

Mary Leona Williams
Mary Leona Williams

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Mary Leona Williams known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

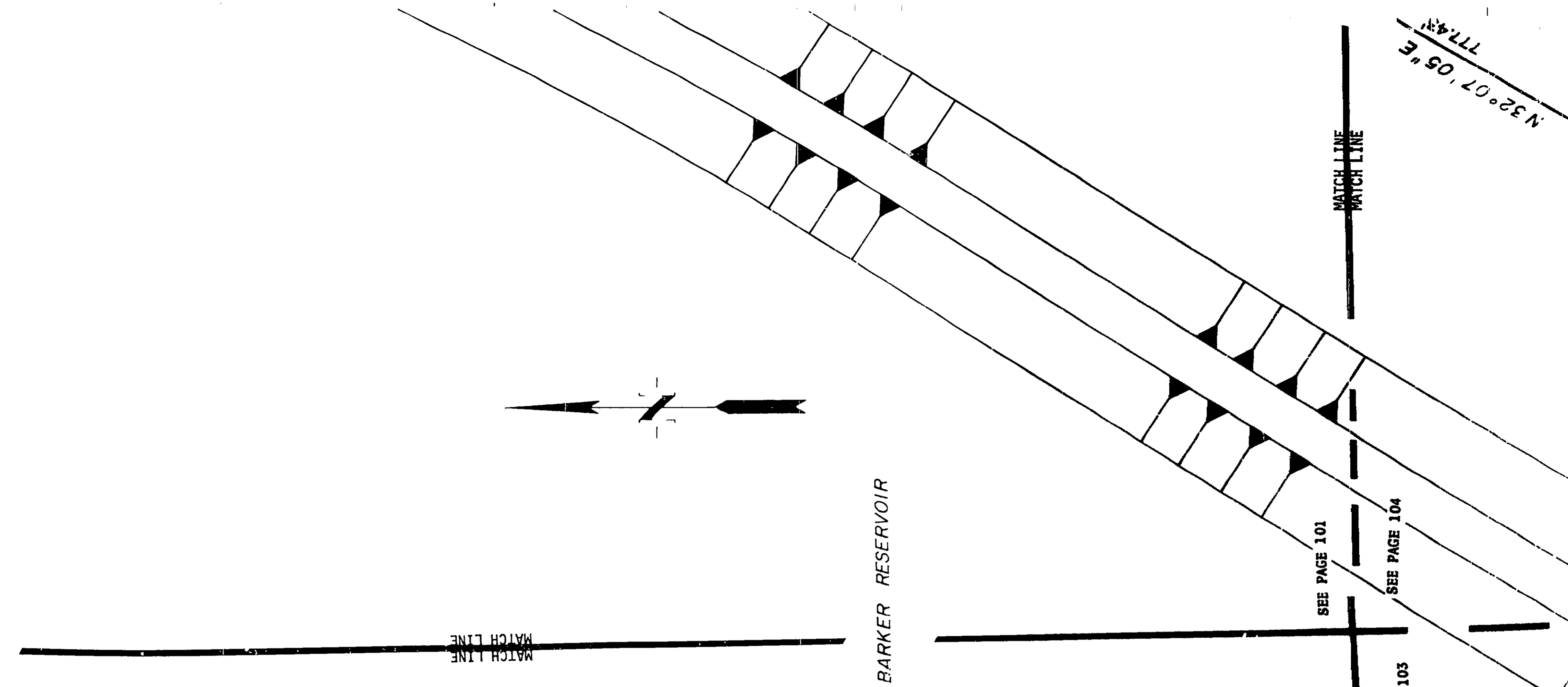
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 4th day of June, 1985.



Cheryl Buswell
Notary Public in and for the State of TEXAS

We, Allied Bank Memorial, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file no. **0921424, J080593, J221767, J228606, J73618** of the O.P.R.P. of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and I hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.

James A. Balth
James A. Balth



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SEE PAGE 103

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MATCH LINE

01/09/86 00129278 K360377 \$ 110.00

K360377

JAN 9 12 30 PM 1986
Anita Rodheaver
CLERK OF COUNTY
HARRIS COUNTY TEXAS

OFFICE OF
ANITA RODEHEAVER
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK

VOL. 334

PAGE 102

TIM MILES

THIS IS PAGE 4 OF 10 PAGES

This is to certify that the City Planning Commission of the City of Houston, Texas has approved this plat and subdivision of Tim Miles in conformance with the laws of the State of Texas and the ordinances of the City of Houston as shown hereon and authorized the recording of this plat this 23rd day of December, 1985.



By: *Burdette Leeland*
Burdette Leeland, Chairman

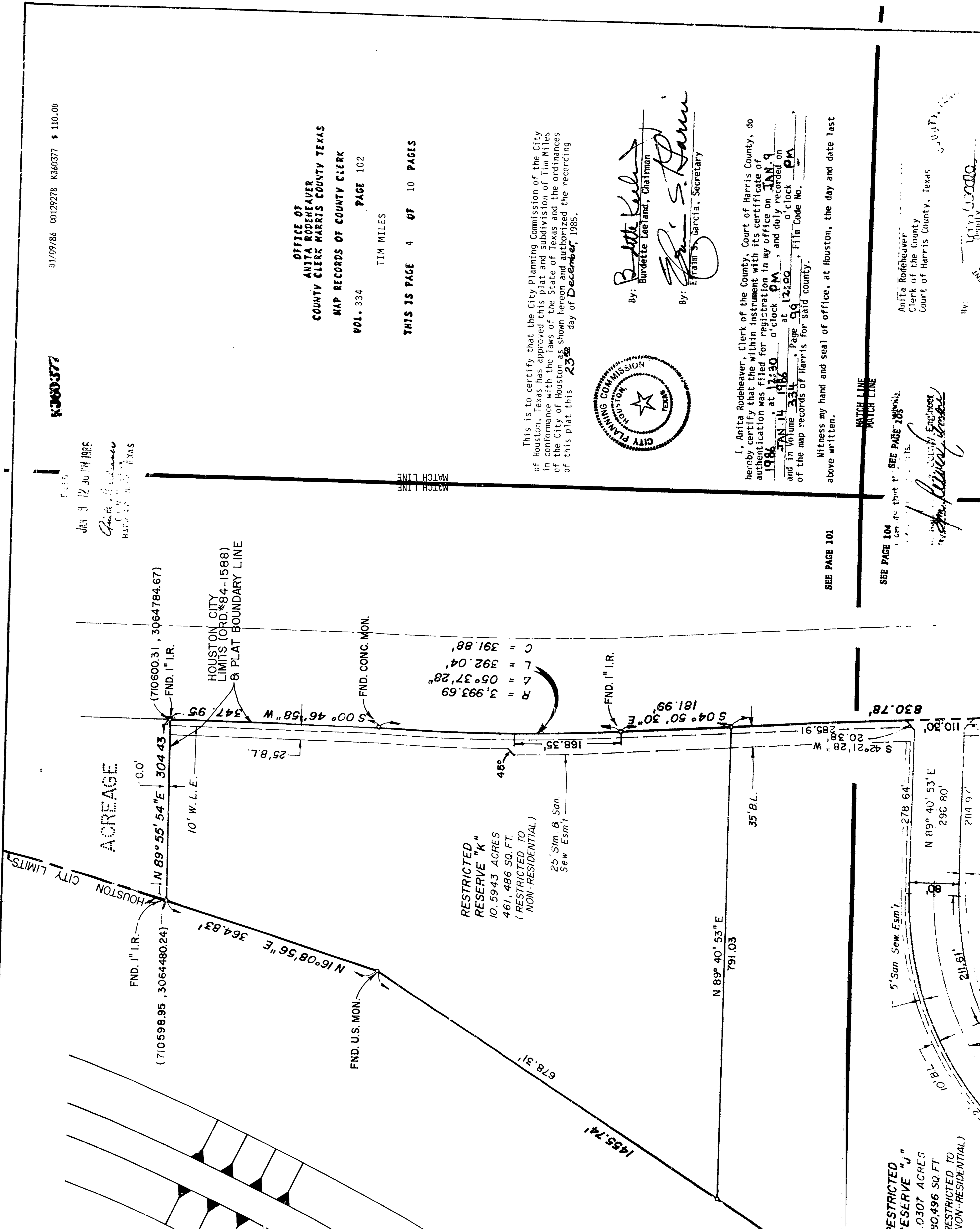
By: *E. Ramon Garcia*
E. Ramon Garcia, Secretary

I, Anita Rodheaver, Clerk of the County, Court of Harris County, do hereby certify that the within instrument with its certificate of authentication was filed for registration in my office on JAN. 9 1986 at 12:30 o'clock PM, and duly recorded on JAN. 14 1986 at 12:00 o'clock PM and in Volume 334 Page 99 of the map records of Harris for said county. Film Code No. _____

Witness my hand and seal of office, at Houston, the day and date last above written.

Anita Rodheaver
Clerk of the County
Court of Harris County, Texas

By: *[Signature]*
Deputy



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SEE PAGE 108

SEE PAGE 109

SEE PAGE 110

SEE PAGE 111

SEE PAGE 112

STATE OF TEXAS
COUNTY OF HARRIS

WITNESS my hand in the City of Houston, Texas, this 4th day of January, 1985.

Earl J. Miles
Earl J. Miles

William B. Miles, Sr.
William B. Miles, Sr., Trustee

Leon Glenn Miles
Leon Glenn Miles

Edward Louis Miles
Edward Louis Miles

STATE OF TEXAS
COUNTY OF HARRIS

Before ME, the undersigned authority, on this day personally appeared Earl J. Miles, William B. Miles, Sr., Trustee, Leon Glenn Miles, and Edward Louis Miles known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 4th day of January, 1985.

Sandra Kay Pater
Notary Public in and for the State of TEXAS

IN TESTIMONY WHEREOF, the Highway 6 Associates, a Texas General Partnership has caused these presents to be signed by Charles T. Meeks, General Partner and Leon Goldstein, General Partner, this 3rd day of January, 1985.

HIGHWAY 6 ASSOCIATES

Charles T. Meeks
Charles T. Meeks, General Partner

Leon Goldstein
Leon Goldstein, General Partner

STATE OF TEXAS
COUNTY OF HARRIS

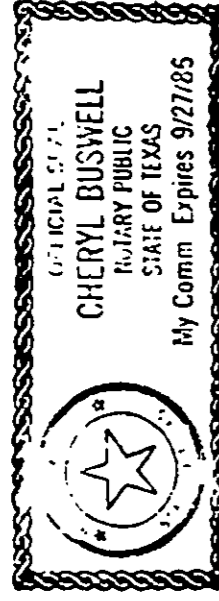
BEFORE ME, the undersigned authority, on this day personally appeared Charles T. Meeks, General Partner and Leon Goldstein, General Partner of Highway 6 Associates, a Texas General Partnership, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed and in the capacity therein and herein stated, and as the act and deed of said partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of January, 1985.

Kathy A. Karnes
Notary Public in and for the State of TEXAS

Kathy A. Karnes
My Commission Expires: 4/1/85

We, Mainland Savings Associates, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number J477438 of the O. P. R. O. P. of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.



Sandra Kay Pater
Notary Public in and for the State of TEXAS

We, Allied Bank Memorial, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file no. 0921424, J080593, J221767, J228606, J73610 of the O.P.R.O.P. of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.

OFFICE OF ANITA RODEHEAVER
COUNTY CLERK HARRIS COUNTY TEXAS

By: James A. Bolton
James A. Bolton

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TIM MILES

THIS IS PAGE 5 OF 10 PAGES

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared James A. Bolton known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23 day of April, 1985.

Sandra M. Cunningham
Notary Public in and for the State of TEXAS
Commission Expires: 3-25-89

I, Clarence U. Shepard, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number J567746 of the O. P. R. O. P. of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and I hereby confirm that I am the present owner of said lien and have not assigned the same nor any part thereof.

By: Clarence U. Shepard
Clarence U. Shepard

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Clarence U. Shepard, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

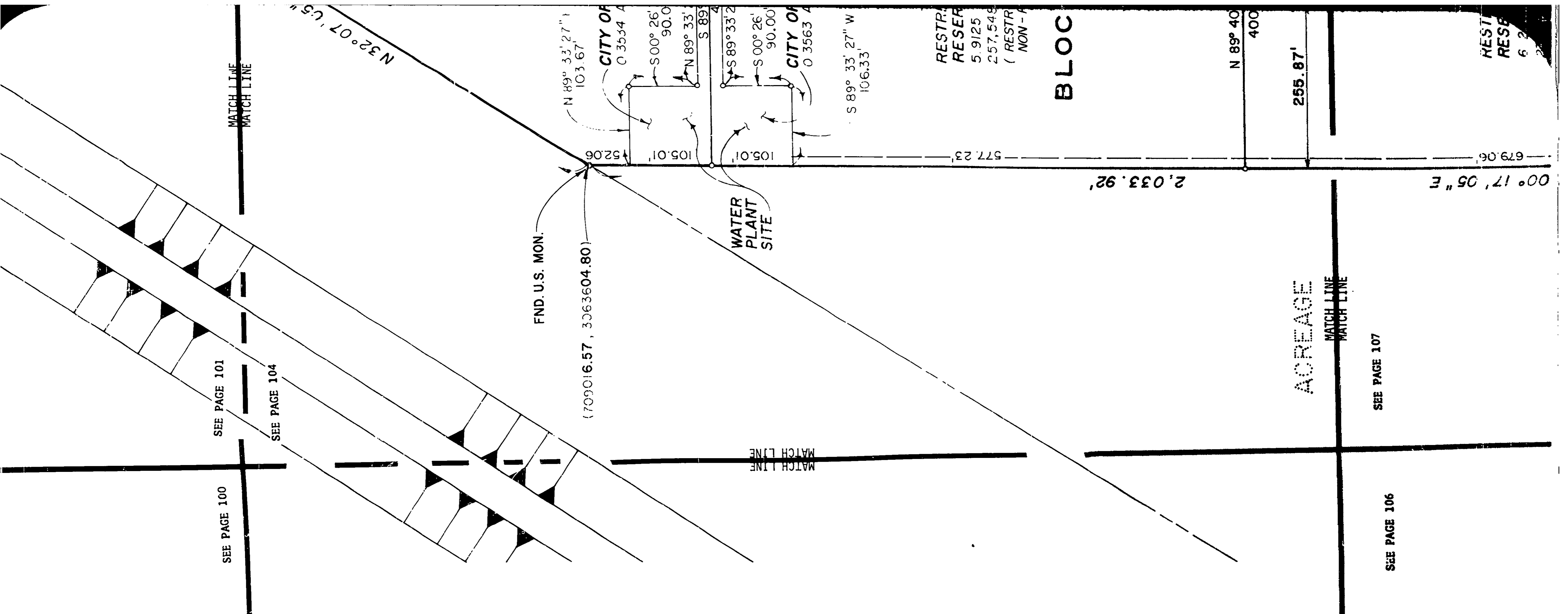
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 20th day of February, 1985.



Clarence U. Shepard
Notary Public in and for the State of TEXAS

Clarence U. Shepard
My Commission Expires: 9/2/85

I, Eric Campbell Peacock Trust, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number J367746 of the O. P. R. O. P. of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and I hereby confirm that I am the present owner of said lien and have not assigned the same nor any part thereof.



SEE PAGE 100

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ACREAGE

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SEE PAGE 107

SEE PAGE 106

BLOC

RESTRI
RESE
5.9125
257.549
(RESTRI
NON - A

N 89° 40'
400

255.87'

679.06' 2,033.92' 00° 17' 05" E

FND. U.S. MON.
(709016.57, 3563604.80)

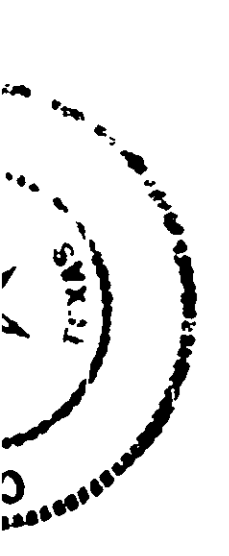
WATER PLANT SITE

CITY OF
0.3534 A
S 89° 33' 27" W
103.67'

CITY OF
0.3563 A
S 89° 33' 27" W
106.33'

S 89° 33' 27" W
106.33'

RESTRI
RESE
6



By: *Tim Miles*
 Tim Miles, Secretary

I, Anita Rodheaver, Clerk of the County, Court of Harris County, do hereby certify that the within instrument with its certificate of authentication was filed for registration in my office on **JAN 9 1986** at **12:30** o'clock **PM**, and duly recorded on **JAN 14 1986** at **12:00** o'clock **PM** and is Volume **334**, Page **99**, Film Code No. of the map records of Harris for said county.

Witness my hand and seal of office, at Houston, the day and date last above written.
 SEE PAGE 102

Anita Rodheaver
 Clerk of the County
 Court of Harris County, Texas

BY: *Tim Miles*
 Deputy

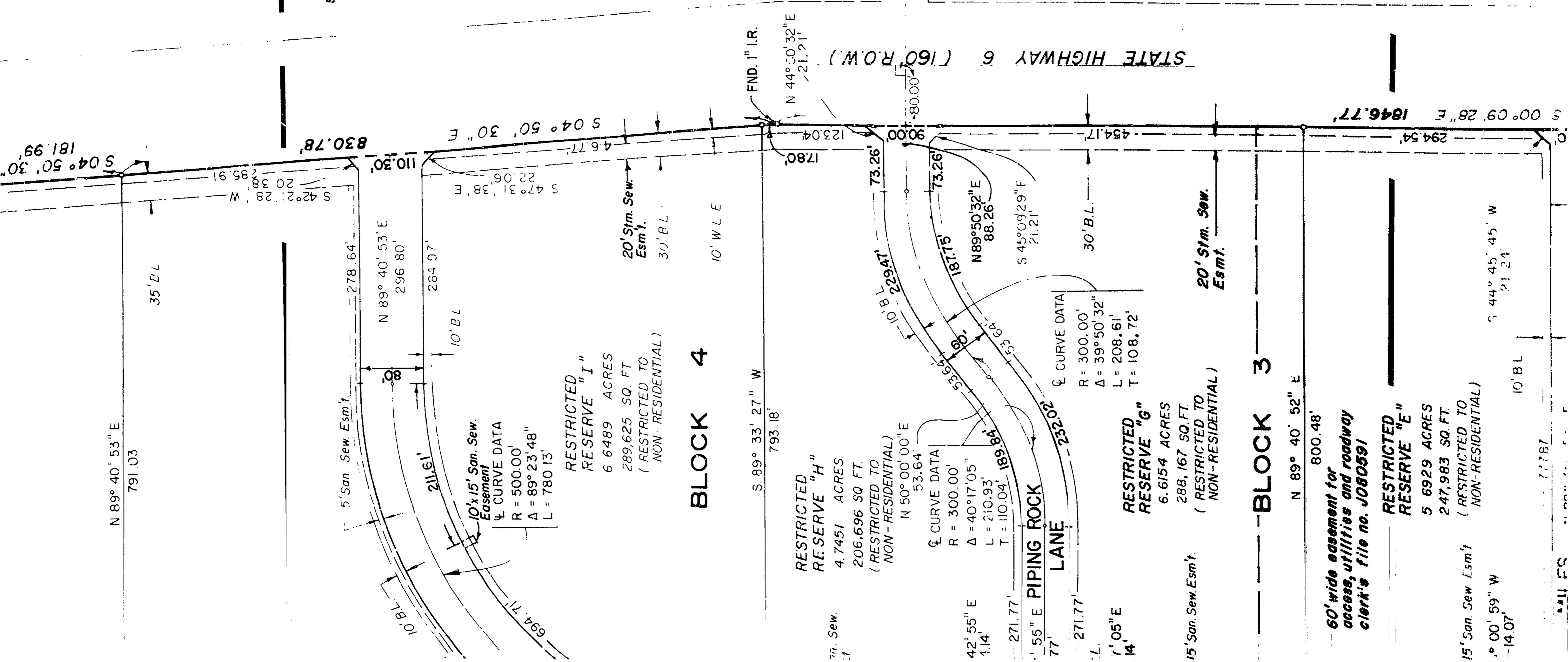
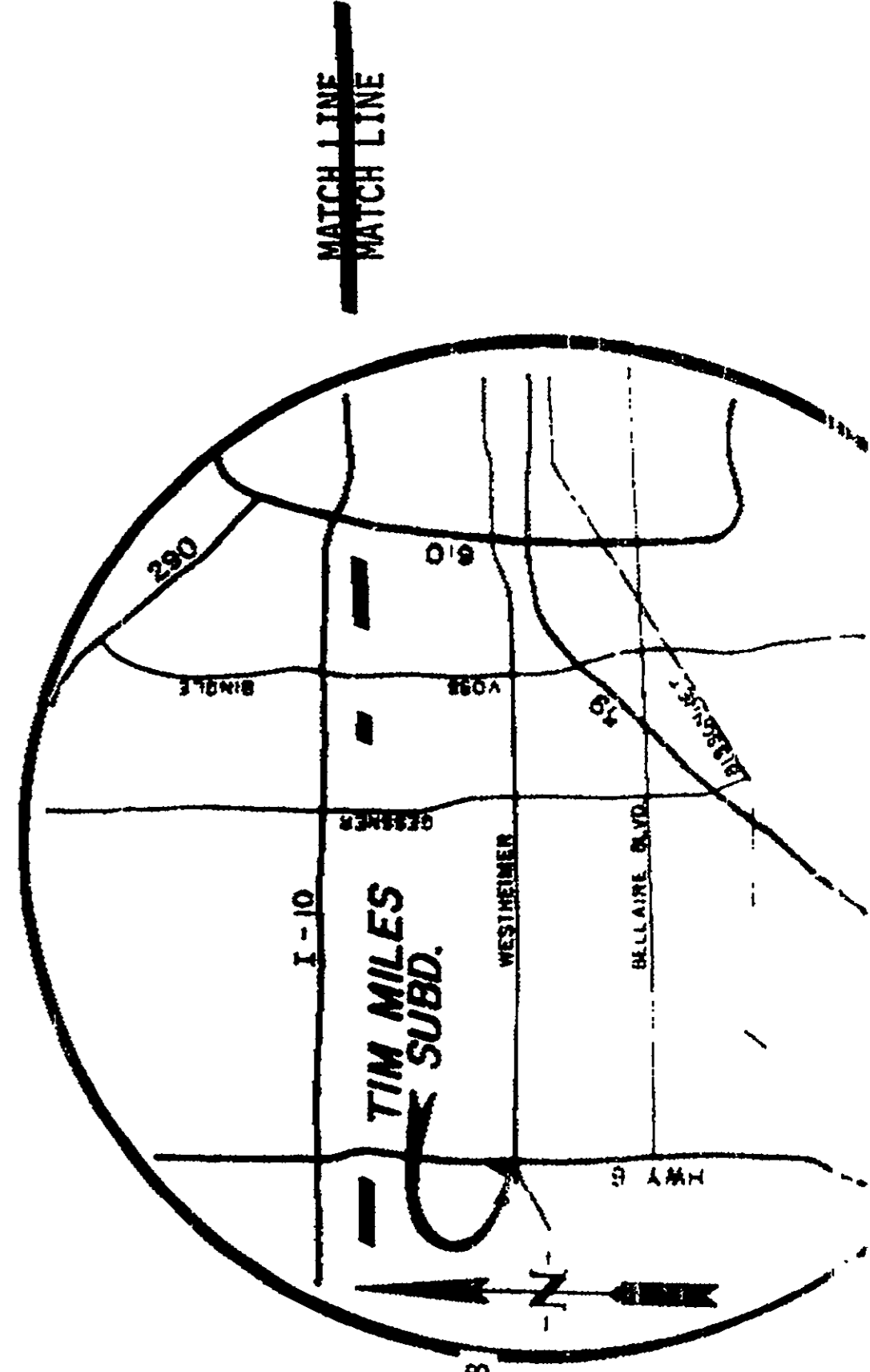
THIS INSTRUMENT IS TO BE RECORDED IN THE PUBLIC RECORDS OF HARRIS COUNTY, TEXAS, AND THE ORIGINAL SHALL BE FILED IN THE OFFICE OF THE CLERK OF HARRIS COUNTY, TEXAS, AND A COPY OF THE INSTRUMENT SHALL BE FURNISHED TO THE APPLICANT.

OFFICE OF
 ANITA RODEHAVER
 COUNTY CLERK HARRIS COUNTY TEXAS
 MAP RECORDS OF COUNTY CLERK
 VOL. 334 PAGE 105
 TIM MILES

THIS IS PAGE 7 OF 10 PAGES

NOTES:
 1. W.L.E. DENOTES WATER LINE EASEMENT.
 2. B.L. DENOTES BUILDING LINE.

Special Note: "Site drainage plans for the future development of all reserves must be approved by the Harris County Flood Control District."



SEE PAGE 101

MATCH LINE

SEE PAGE 104

MATCH LINE

SEE PAGE 107

SEE PAGE 108

Leon Goldstein, General Partner

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Charles T. Meeks, General Partner and Leon Goldstein, General Partner of Highway 6 Associates, a Texas General Partnership, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed and in the capacity therein and hereinafter stated, and as the act and deed of said partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 31st day of January, 1985.

Hollis Chatham
Notary Public in and for the State of TEXAS
Kathy A. Kearnes
My Commission Expires: 4/1/85

We, Mainland Savings Associates, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number J477438 of the O.P.R.P. of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.

By: *Hollis Chatham*
Hollis Chatham, V.P.

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared *Hollis Chatham* known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 14th day of March, 1985.



William B. Peacock
Notary Public in and for the State of TEXAS
Commission Expires 5/1/86

We, Peacock Realty, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number J367746 of the O.P.R.P. of Harris County, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.

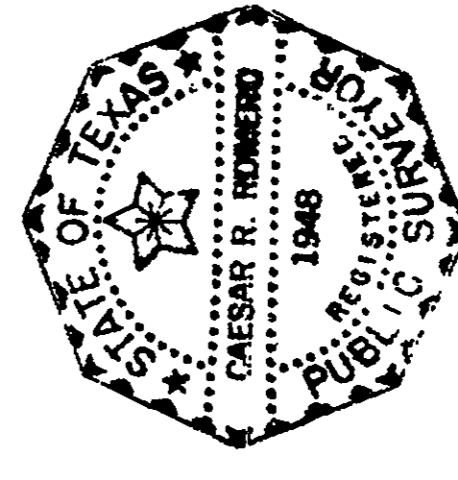
By: *Tom Peacock*
Tom Peacock

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Tom Peacock, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1st day of 1985.

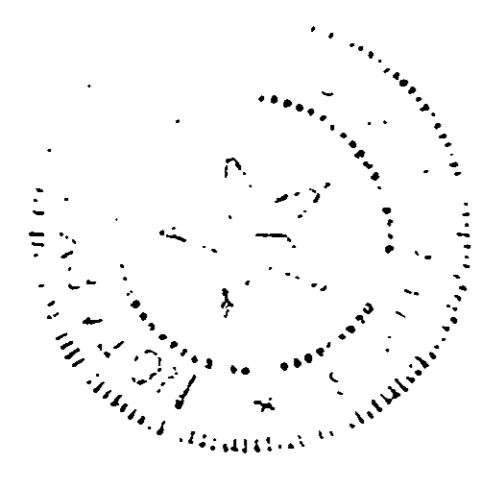
Caesar R. Romero
Notary Public in and for the State of TEXAS
Commission Expires 4-1-85



STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Clarence D. Shepherd, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 20th day of February, 1985.



Notary Public
Notary Public in and for the State of TEXAS
Commission Expires 1/3/85

SEE PAGE 103

SEE PAGE 104

SEE PAGE 107

MATCH LINE

MATCH LINE

N 00° 17' 05" E

MATCH LINE

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Era Camehl Peacock known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 17th day of 1985.

By: *Era Camehl Peacock*
Era Camehl Peacock Trust
Trustee

Caesar R. Romero
Notary Public in and for the State of TEXAS
TONY ZIMMER

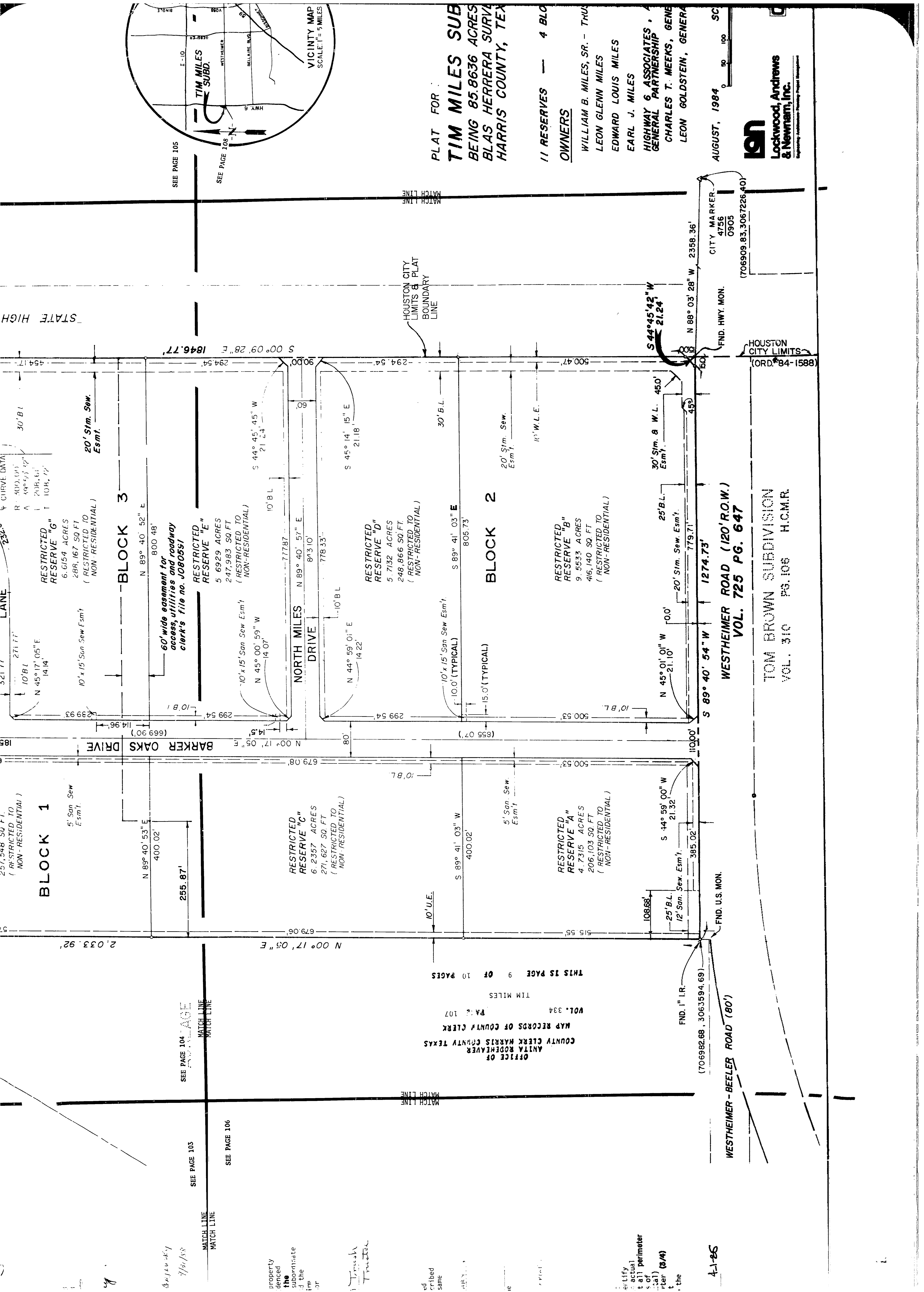
OFFICE OF
ANITA RODEHEAVER
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK
VOL. 334 PAGE 106
TIM MILES

THIS IS PAGE 8 OF 10 PAGES

I, Caesar R. Romero, R.P.S., am authorized under the laws of the State of Texas to practice the profession of surveying and hereby certify that the above subdivision is true and correct; was prepared from an actual survey of the property made under my supervision on the ground; that all perimeter boundary corners, angle points, points of curvature and other points of reference have been marked with iron (or other suitable permanent metal) pipes or rods having an outside diameter of not less than three quarter (3/4) inch and a length of not less than three (3) feet; and that the plat boundary corners have been tied to the nearest survey corner and to the City of Houston survey marker system.

FND. 1" I.R.
(706982.68, 3063594.69)

WESTHEIMER - BEELEER ROAD (80')



BLOCK 1

BLOCK 3

BLOCK 2

RESTRICTED RESERVE "A"
4.7315 ACRES
206,103 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "C"
6.2357 ACRES
271,627 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "G"
6.6154 ACRES
288,167 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "E"
5.6929 ACRES
247,983 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "D"
5.7132 ACRES
248,866 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "A"
4.7315 ACRES
206,103 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "B"
9.5533 ACRES
416,140 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

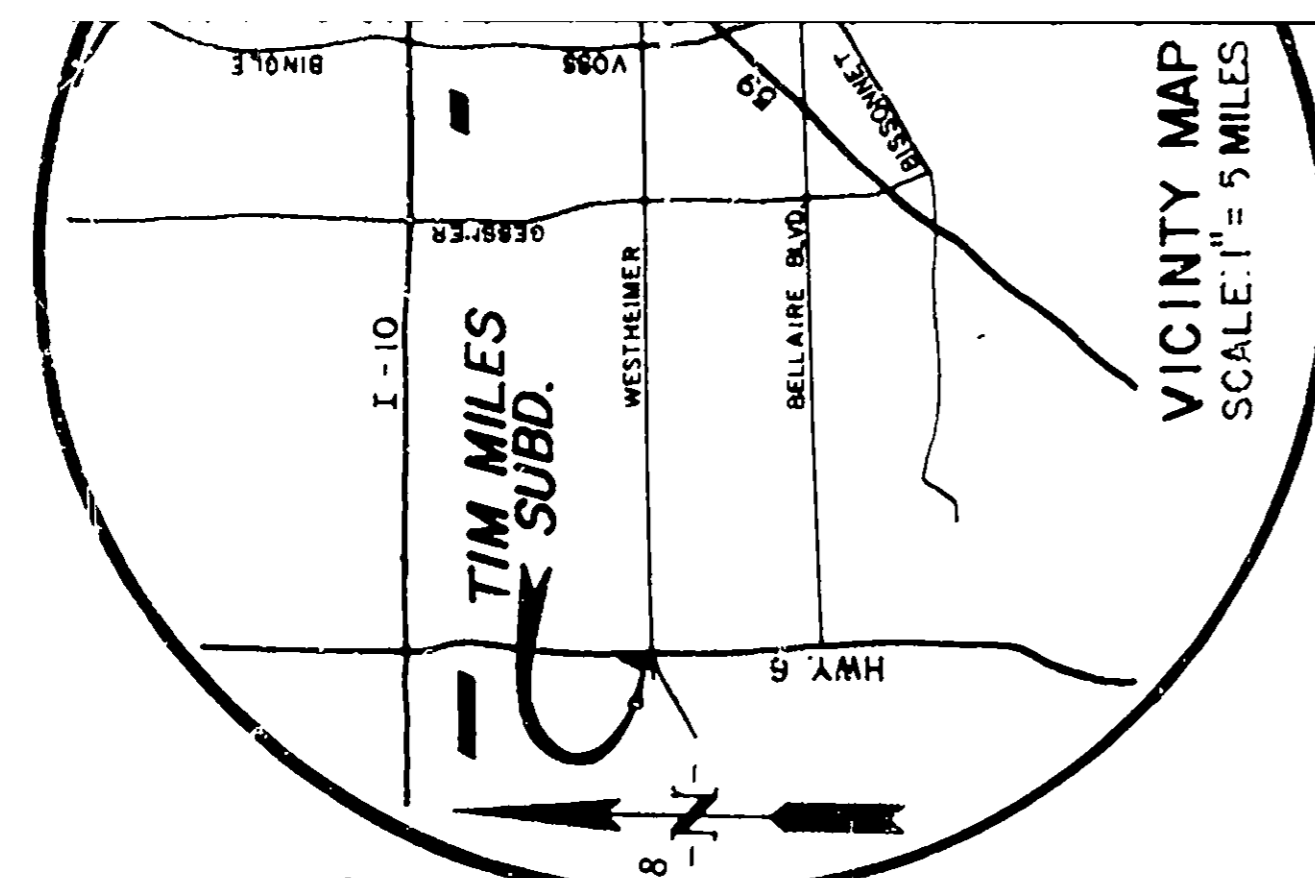
OFFICE OF
ANITA RODRIGUEZ
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK
TIM MILES
VOL. 334 PAGE 107
THIS IS PAGE 9 OF 10 PAGES

PLAT FOR
TIM MILES SUB
BEING 85.8636 ACRES
BLAS HERRERA SURV
HARRIS COUNTY, TEX

11 RESERVES — 4 BLO
OWNERS
WILLIAM B. MILES, SR. — TRU
LEON GLENN MILES
EDWARD LOUIS MILES
EARL J. MILES
HIGHWAY 6 ASSOCIATES,
GENERAL PARTNERSHIP
CHARLES T. MECKS, GENERAL
LEON GOLDSTEIN, GENERAL

AUGUST, 1984

LOCKWOOD, ANDREWS
& NEWMAN, INC.
Engineering - Architecture - Planning - Project Management



SEE PAGE 105

SEE PAGE 106

SEE PAGE 104

SEE PAGE 106

FND. I.R. (706982.68, 3063594.69)

CITY MARKER 4756 0905 (706909.83, 3067226.40)

FND. HWY. MON.

FND. U.S. MON.

WESTHEIMER - BEELEER ROAD (80')

4-1-85

WESTHEIMER ROAD (120' R.O.W.)
VOL. 725 PG. 647
TOM BROWN SUBDIVISION
VOL. 310 PG. 106 H.C.M.R.

HOUSTON CITY LIMITS (ORD. 48-88)

HOUSTON CITY LIMITS & PLAT BOUNDARY LINE

STATE HIGH

SEE PAGE 103

SEE PAGE 106

SEE PAGE 107

SEE PAGE 108

SEE PAGE 109

SEE PAGE 110

SEE PAGE 111

SEE PAGE 112

SEE PAGE 113

SEE PAGE 114

SEE PAGE 115

SEE PAGE 116

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SEE PAGE 190

SEE PAGE 191

SEE PAGE 192

SEE PAGE 193

SEE PAGE 194

SEE PAGE 195

SEE PAGE 196

SEE PAGE 197

SEE PAGE 198

SEE PAGE 199

SEE PAGE 200

1/4 ROCK LANE

233.032
 R 300.00'
 A 59°50'32"
 L 206.61'
 T 108.72'

RESTRICTED RESERVE "G"
 6.6154 ACRES
 288,167 SQ. FT.
 (RESTRICTED TO NON-RESIDENTIAL)

20' Str. Sew. Esm't.

SEE PAGE 104

SEE PAGE 107

SEE PAGE 105

STATE HIGHWAY

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

10' B.L.

BLOCK 3

800.48'
 N 89° 40' 52" E

esement for
 utilities and roadway
 file no. J080591

RESTRICTED RESERVE "E"
 5.6929 ACRES
 247,983 SQ. FT.
 (RESTRICTED TO NON-RESIDENTIAL)

S 44° 45' 45" W
 211.24'

ES N 89° 40' 57" E
 843.10'

778.33'

RESTRICTED RESERVE "D"
 5.7132 ACRES
 248,866 SQ. FT.
 (RESTRICTED TO NON-RESIDENTIAL)

S 45° 14' 15" E
 211.8'

S 89° 41' 03" E
 805.73'

BLOCK 2

RESTRICTED RESERVE "B"
 9.5533 ACRES
 416,140 SQ. FT.
 (RESTRICTED TO NON-RESIDENTIAL)

25' B.L.
 779.71'

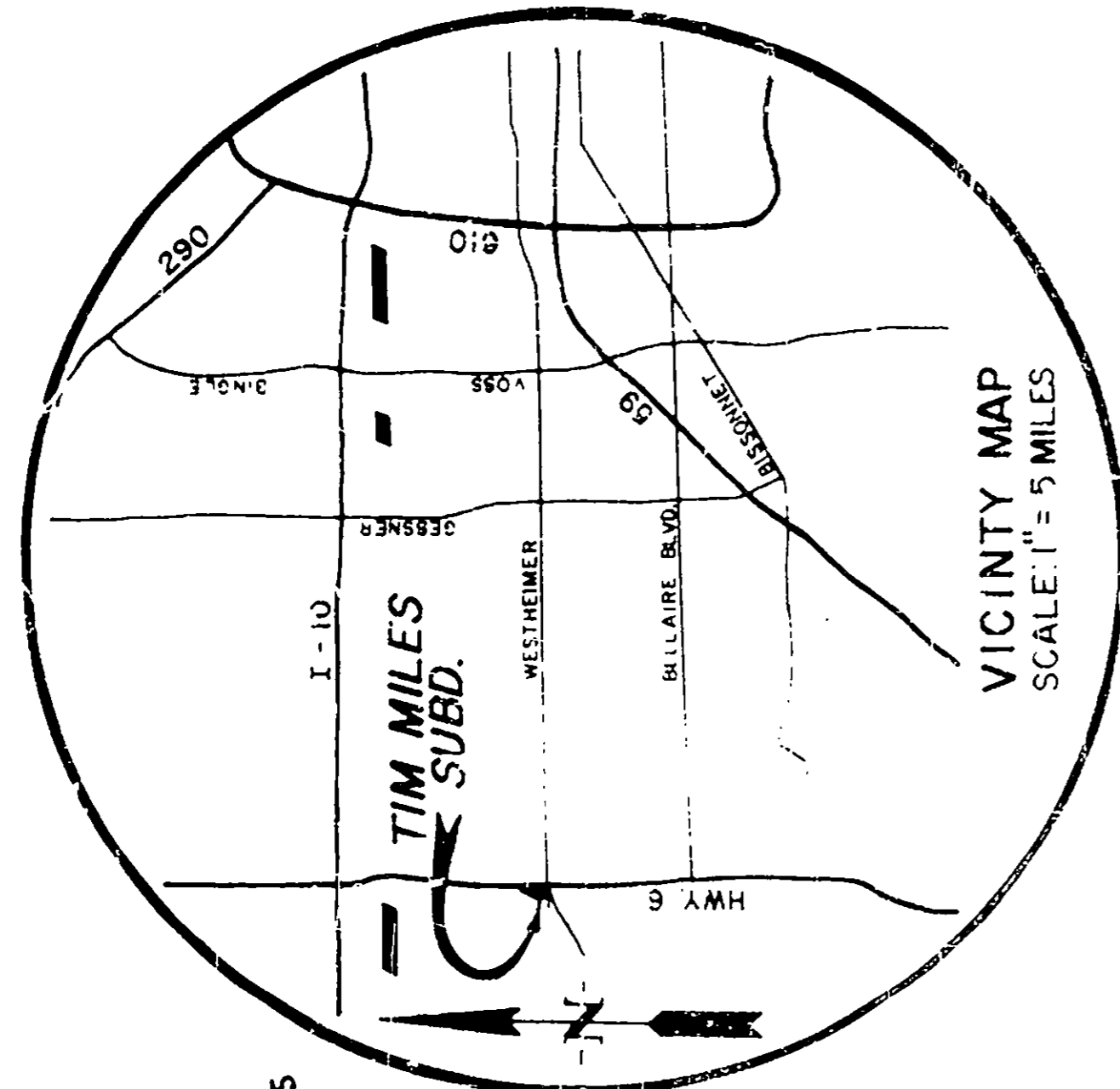
20' Str. Sew. Esm't.

30' Str. & W.L. 45.0'
 Esm't.

1274.73'

TR ROAD (120' R.O.W.)
 P.L. 725 PG. 647

OWN SUBDIVISION
 PG. 106 H.C.M.R.



**PLAT FOR
 TIM MILES SUBDIVISION
 BEING 85.8636 ACRES OUT OF THE
 BLAS HERRERA SURVEY A-321
 HARRIS COUNTY, TEXAS**

11 RESERVES — 4 BLOCKS

OWNERS

- WILLIAM B. MILES, SR. — TRUSTEE
- LEON GLENN MILES
- EDWARD LOUIS MILES
- EARL J. MILES
- HIGHWAY 6 ASSOCIATES, A TEXAS GENERAL PARTNERSHIP
- CHARLES T. MEEKS, GENERAL PARTNER
- LEON GOLDSTEIN, GENERAL PARTNER

AUGUST, 1984
 SCALE: 1" = 100'



CITY MARKER
 4756
 0905
 (706909.83, 3067226.40)

HOUSTON CITY LIMITS

FND. HWY. MON.

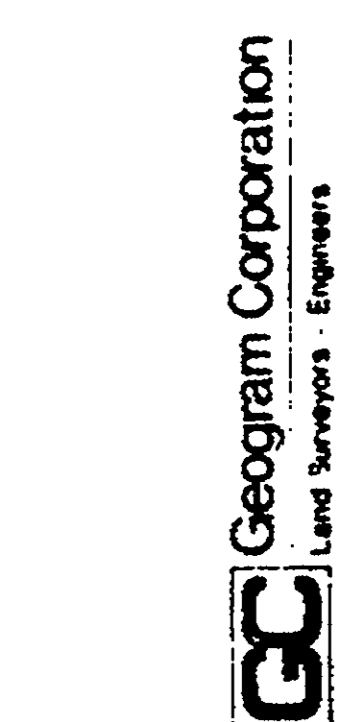
HOUSTON CITY LIMITS

HOUSTON CITY LIMITS

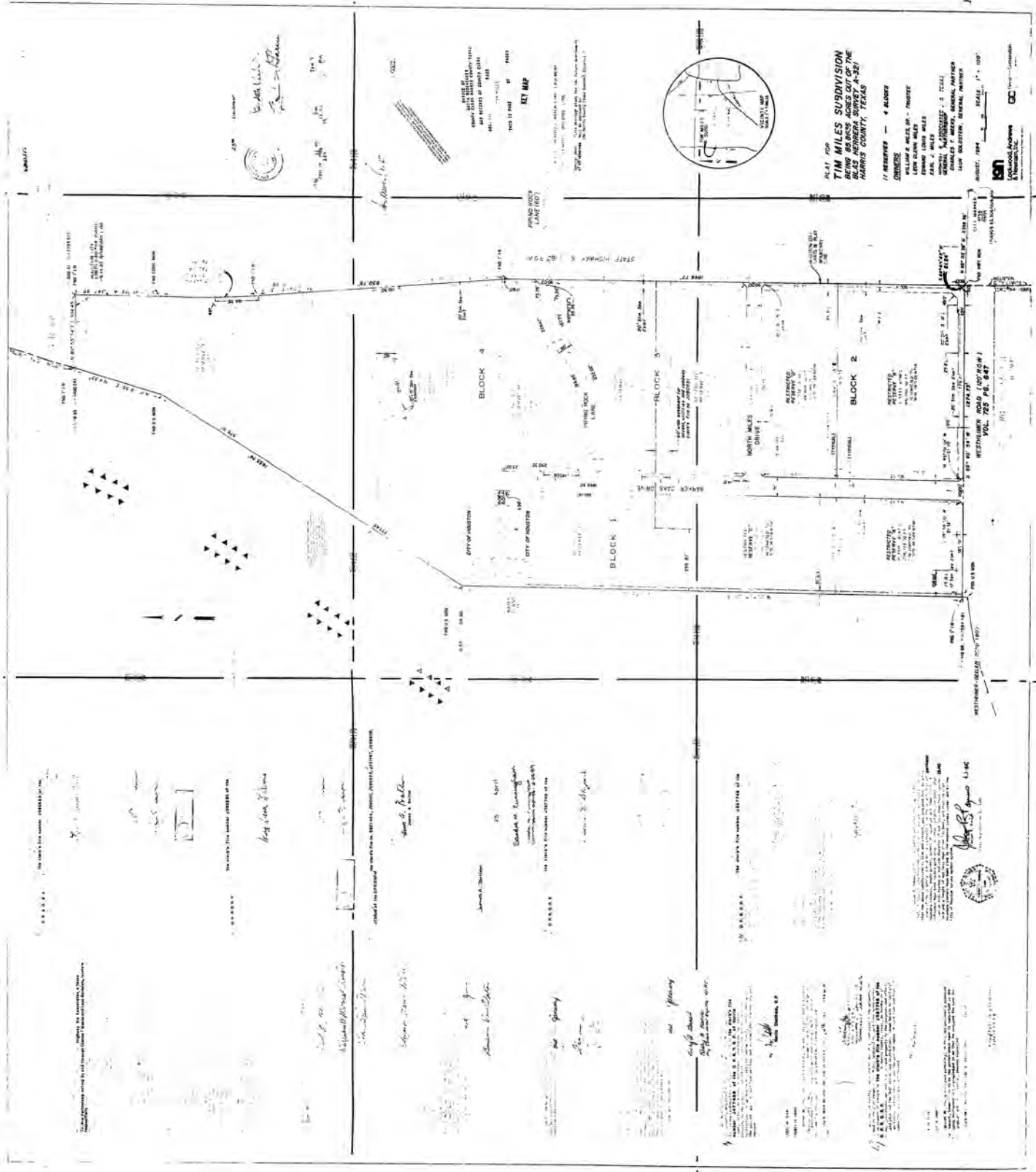
OFFICE OF
 ANITA RODEMEAUER
 COUNTY CLERK HARRIS COUNTY TEXAS
 MAP RECORDS OF COUNTY CLERK
 VOL. 334 PAGE 108

TIM MILES

THIS IS PAGE 10 OF 10 PAGES



Lockwood, Andrews & Newnam, Inc.
 Engineering, Architecture, Planning, Project Management



PLAT FOR
TIM MILES SUBDIVISION
 BEING A SUBDIVISION OF THE
 BEING A SUBDIVISION OF THE
 MARRIS COUNTY, TEXAS

17 RESERVES — 4 BLANKS
 DIMENSIONS
 WILLIAM MILES, JR. — PROMOTER
 FREDERICK MILES
 FREDERICK MILES, JR.
 FREDERICK MILES, III
 FREDERICK MILES, IV
 FREDERICK MILES, V
 FREDERICK MILES, VI
 FREDERICK MILES, VII
 FREDERICK MILES, VIII
 FREDERICK MILES, IX
 FREDERICK MILES, X
 FREDERICK MILES, XI
 FREDERICK MILES, XII
 FREDERICK MILES, XIII
 FREDERICK MILES, XIV
 FREDERICK MILES, XV
 FREDERICK MILES, XVI
 FREDERICK MILES, XVII



KEY MAP

PLAT 730 P. 647
 RESTON ROAD (FORMERLY...)
 FREDERICK MILES, JR. (P. 647)
 FREDERICK MILES, III (P. 647)
 FREDERICK MILES, IV (P. 647)
 FREDERICK MILES, V (P. 647)
 FREDERICK MILES, VI (P. 647)
 FREDERICK MILES, VII (P. 647)
 FREDERICK MILES, VIII (P. 647)
 FREDERICK MILES, IX (P. 647)
 FREDERICK MILES, X (P. 647)
 FREDERICK MILES, XI (P. 647)
 FREDERICK MILES, XII (P. 647)
 FREDERICK MILES, XIII (P. 647)
 FREDERICK MILES, XIV (P. 647)
 FREDERICK MILES, XV (P. 647)
 FREDERICK MILES, XVI (P. 647)
 FREDERICK MILES, XVII (P. 647)



STATE OF TEXAS
COUNTY OF HARRIS

Me, Earl J. Miles, William B. Miles, Sr., Trustees, Leon Glenn Miles, Mary Lou Miles, Edward Louis Miles, and the undersigned, **Chlovia T. Miles and Leon Goldenly, Trustees** of the **General Drainage District** known as **Highway Six Association, a Texas General Drainage District**, do hereby dedicate to the public, for the use and enjoyment of the public, the above and foregoing map of Tim Miles Subdivision, do hereby make and establish said subdivision and development plan as shown on said plat and all lines, dedications, easements, rights, and interests therein, and the streets designated as private streets, alleys, parks, water courses, drains, easements and public places shown thereon for the purposes and restrictions therein expressed, and do hereby bind and covenant ourselves, our heirs, successors and assigns to warrant and forever defend the title to the land so dedicated.

FURTHER, Owners have dedicated and by these presents do dedicate to the use of the public, for public use, for the use of the public, for the use of any public tanks into any public street, road or alley or any drainage ditch, either directly or indirectly.

FURTHER, Owners do hereby dedicate to the public a strip of land fifteen (15) feet wide on each side of the centerline of all water courses, creeks, gullies, ravines, in said plat, as easements for drainage purposes, giving the City of Houston, Harris County or any other governmental agency the right to enter upon said easement at any and all times for the purpose of construction and maintenance of drainage facilities and structures.

FURTHER, Owners do hereby covenant and agree that all of the property within the boundaries of this plat shall be restricted to residential use and shall be restricted for same under the terms and conditions of such restriction filed separately.

FURTHER, Owners do hereby covenant and agree that all of the property within the boundaries of this plat shall be restricted to residential use and shall be restricted for same under the terms and conditions of such restriction filed separately.

FURTHER, Owners do hereby covenant and agree that all of the property within the boundaries of this plat and adjacent to any drainage easement, gully, creek or natural drainage way shall be restricted to residential use and shall be restricted for same under the terms and conditions of such restriction filed separately.

WITNESS my hand in the City of Houston, Texas, this 4th day of _____, 1985.

Earl J. Miles
Earl J. Miles

William B. Miles, Sr.
William B. Miles, Sr., Trustee

Leon Glenn Miles
Leon Glenn Miles

Mary Lou Miles
Mary Lou Miles

Edward Louis Miles
Edward Louis Miles

I, Linda Susan Richards, owner and holder of a lien against the property described in the plat known as The Miles Subdivision, do hereby acknowledge by instrument recorded in the Public Records of Harris County, Texas, do hereby, in all things subordinate to the interest in said property to the purposes and effects of said plat and dedication and restrictions shown therein to said plat and I hereby confirm that I am the present owner of said lien and have not assigned the same nor any part thereof.

Linda Susan Richards
Linda Susan Richards

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Linda Susan Richards, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5th day of April, 1985.

Charles B. Burwell
Charles B. Burwell
Notary Public in and for the State of Texas

OFFICE OF
ANITA WICKREWE
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK

VOL. 334 PAGE 100

TIM MILES

THIS IS PAGE 2 OF 10 PAGES

I, Mary Lena Williams, owner and holder of a lien against the property described in the plat known as The Miles Subdivision, do hereby acknowledge by instrument recorded in the Public Records of Harris County, Texas, do hereby, in all things subordinate to the interest in said property to the purposes and effects of said plat and dedication and restrictions shown therein to said plat and I hereby confirm that I am the present owner of said lien and have not assigned the same nor any part thereof.

Mary Lena Williams
Mary Lena Williams

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Mary Lena Williams known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 18th day of August, 1985.

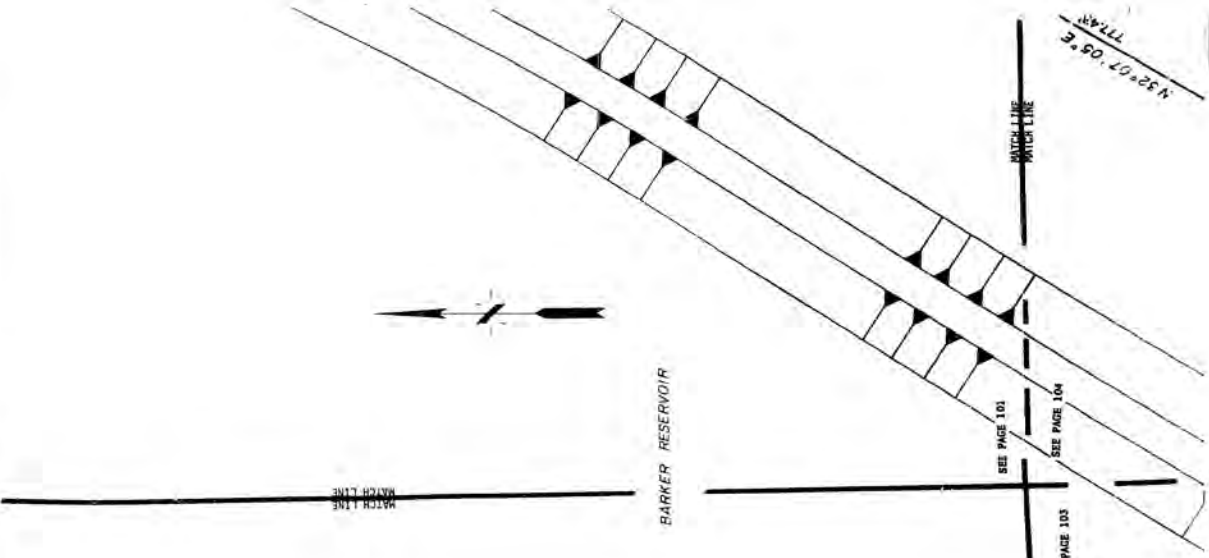
Charles B. Burwell
Charles B. Burwell
Notary Public in and for the State of Texas

OFFICE OF ANITA WICKREWE
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK

VOL. 334 PAGE 100

THIS IS PAGE 2 OF 10 PAGES

James A. Rafter
James A. Rafter



SEE PAGE 101

SEE PAGE 104

SEE PAGE 103

MATCH LINE

MATCH LINE

MATCH LINE

MATCH LINE

MATCH LINE

MATCH LINE

MATCH LINE

STATE OF TEXAS
COUNTY OF HARRIS

WITNESS my hand in the City of Houston, Texas, this 14th day of June, 1985.

Earl B. Miles
Earl B. Miles

William P. Williams
William P. Williams, Trustee

Leon Glenn Atkins
Leon Glenn Atkins

Edward Sam Mize
Edward Sam Mize

STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Earl B. Miles, William B. Miles, Sr., Trustee, Leon Glenn Atkins, and Edward Sam Mize, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed.

Edward Sam Mize
Edward Sam Mize

IN TESTIMONY WHEREOF, the Highway & Associates, a Texas General Partnership has caused this instrument to be signed by Charles T. Meeks, General Partner and Leon Goldstein, General Partner, this 23rd day of January, 1985.

Charles T. Meeks
Charles T. Meeks, General Partner

Leon Goldstein
Leon Goldstein, General Partner

STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Charles T. Meeks, General Partner and Leon Goldstein, General Partner of Highway & Associates, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed and in the capacity therein and herein stated, and as the act and deed of said partnership.

Charles T. Meeks
Charles T. Meeks

Leon Goldstein
Leon Goldstein

Raymond A. Harris
Raymond A. Harris

Raymond A. Harris
Raymond A. Harris

W. Mainland Savings Associates, owner and holder of a lien against the property described in the plat known as The Miles Addition, said lien being evidenced by instrument of record in the clerk's file number J477438 of the County of Harris, Texas, hereby in all ways, substantively conveys to the purposes and effects of said plat, and the dedications and restrictions shown herein to said plat and I hereby confirm the payment of said lien and have not assigned the same nor any part thereof.

STATE OF TEXAS
COUNTY OF HARRIS

WITNESS my hand in the City of Houston, Texas, this 23rd day of April, 1985.

James A. Bolton
James A. Bolton

James A. Bolton
James A. Bolton

STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared James A. Bolton, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

James A. Bolton
James A. Bolton

Sandra M. Cunningham
Sandra M. Cunningham

Sandra M. Cunningham
Sandra M. Cunningham

Clarence D. Shepard
Clarence D. Shepard

STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Clarence D. Shepard, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

Clarence D. Shepard
Clarence D. Shepard

Clarence D. Shepard
Clarence D. Shepard

Clarence D. Shepard
Clarence D. Shepard

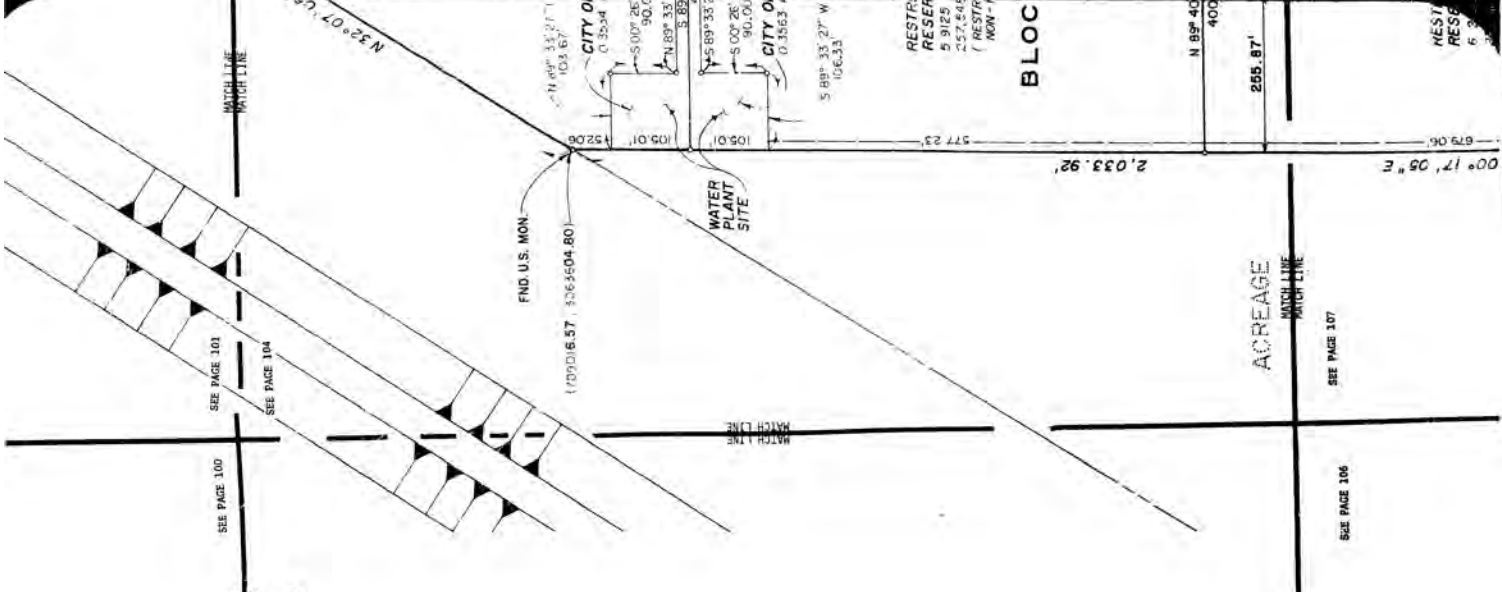
Clarence D. Shepard
Clarence D. Shepard

Clarence D. Shepard
Clarence D. Shepard

Clarence D. Shepard
Clarence D. Shepard

Clarence D. Shepard
Clarence D. Shepard

Clarence D. Shepard
Clarence D. Shepard



RESTRICTION
RESERVE
5.9125
257.842
RESERVE
MON-1
BLOC

STATE OF TEXAS
COUNTY OF HARRIS

WITNESS my hand and seal of office, this 20th day of January, 1985.

Clarence D. Shepard
Clarence D. Shepard

STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Clarence D. Shepard, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

Clarence D. Shepard
Clarence D. Shepard

STATE OF TEXAS
COUNTY OF HARRIS

WITNESS my hand and seal of office, this 23rd day of January, 1985.

Clarence D. Shepard
Clarence D. Shepard

STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared Clarence D. Shepard, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

Clarence D. Shepard
Clarence D. Shepard

STATE OF TEXAS
COUNTY OF HARRIS

WITNESS my hand and seal of office, this 23rd day of January, 1985.

Clarence D. Shepard
Clarence D. Shepard



By *Edna S. Lamm*
 Public Affairs Secretary

I, Anita Mulheuser, Clerk of the County Court of Harris County, Texas, do hereby certify that the within instrument with its exhibits and addendum was filed for registration in my office on **JAN 9 1985** at **10:30 AM** and is a true and correct copy of the original as filed and in accordance with the provisions of Article 12, Section 33 of the Constitution of the State of Texas.

Witness my hand and seal of office at Houston, the day and date last above written.

Anita Mulheuser
 Clerk of the County Court of Harris County, Texas

Edna S. Lamm
 Public Affairs Secretary

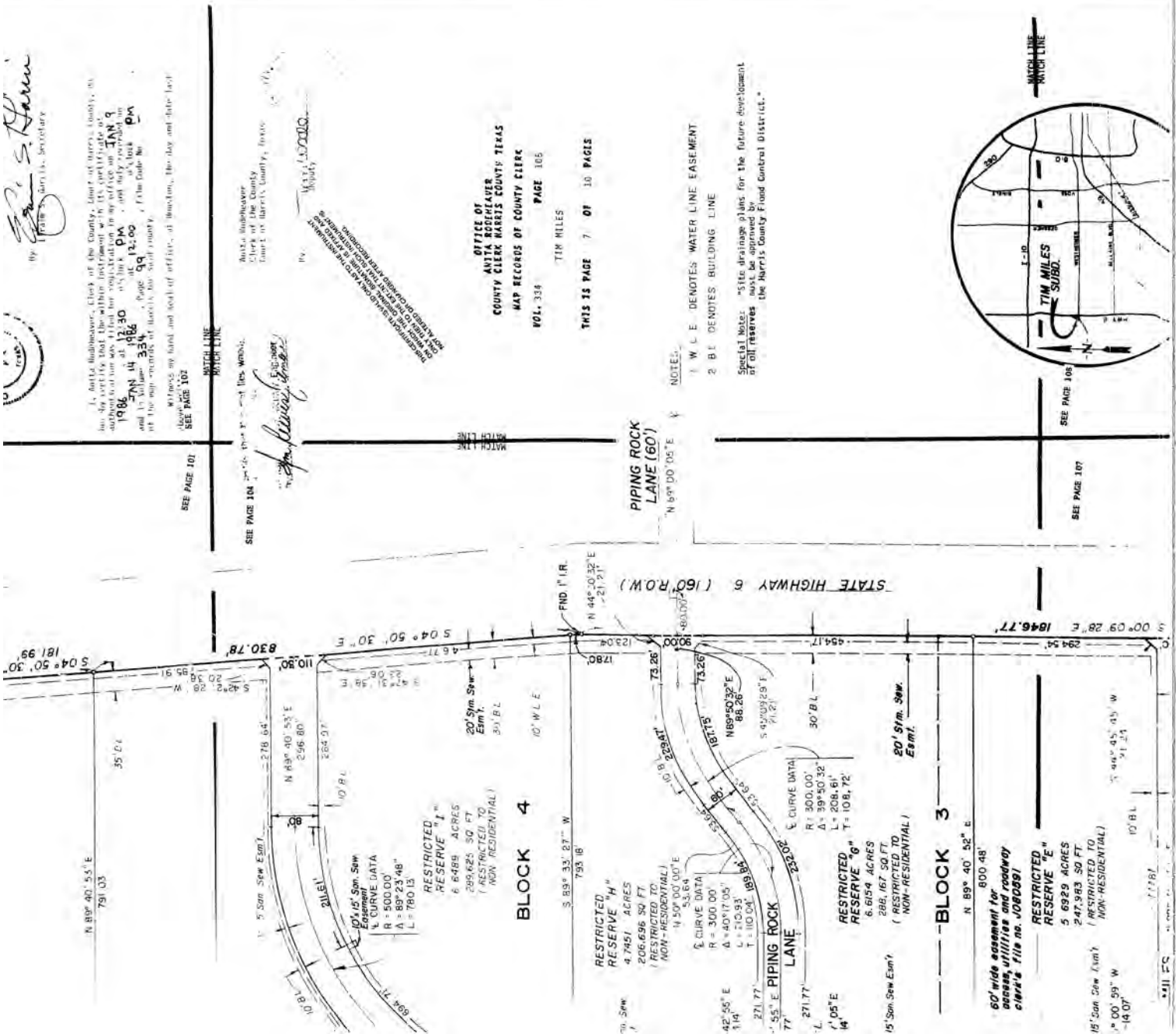
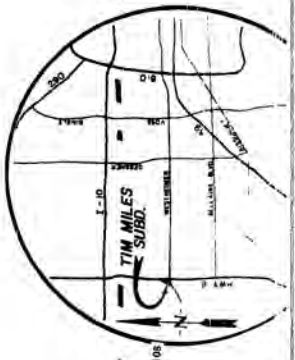
NOTICE: This instrument is subject to the provisions of the Texas Real Property Code, Chapter 12, Subchapter C, Section 12.051, which provides that the instrument shall be void if the instrument is not recorded in the public records of the county in which the land is located within the time specified in the instrument.

OFFICE OF
 ANITA MULHEUSER
 COUNTY CLERK HARRIS COUNTY TEXAS
 MAP RECORDS OF COUNTY CLERK
 VOL. 334 PAGE 105
 TIM RILES

THIS IS PAGE 7 OF 10 PAGES

NOTE:
 1 W L E DENOTES WATER LINE EASEMENT
 2 B L E DENOTES BUILDING LINE

Special Note: "Site design plans for the future development of all reserves must be approved by the Harris County Flood Control District."



BLOCK 4

BLOCK 3

RESTRICTED RESERVE "H"
 4.7451 ACRES
 205.696 SQ. FT.
 (RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "G"
 6.6159 ACRES
 288,167 SQ. FT.
 (RESTRICTED TO NON-RESIDENTIAL)

60' wide easement for access, utilities and roadway
 class's file no. J080081

RESTRICTED RESERVE "E"
 5.6929 ACRES
 247,983 SQ. FT.
 (RESTRICTED TO NON-RESIDENTIAL)

15' San Sew (1.5m)
 100' 99" W
 -14.00'

SEE PAGE 107

SEE PAGE 101

SEE PAGE 104

SEE PAGE 102

SEE PAGE 108

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Charles T. Hays, General Partner and Co-Administrator of the Highways 6 Associates, a Texas General Partnership, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed and in the capacity therein and here stated, and as the act and deed of said partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 24th day of February, 1985.

Kathy D. Rogers
Notary Public in and for the
State of Texas
My Commission Expires: 4/1/85

Mr. Maryland Savings Associates, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said County of Harris, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.

By: *Hollis Chestham*
Hollis Chestham, V.P.

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned authority, on this day personally appeared [Signature], known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 14th day of February, 1985.



By: *[Signature]*
Notary Public in and for the
State of Texas
My Commission Expires: 2/2/86

Mr. Pascock Realty, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number J367746 of the County of Harris, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.

By: *[Signature]*
Tom Pascock

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Tom Pascock, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 14th day of February, 1985.

[Signature]
Notary Public in and for the
State of Texas
My Commission Expires: 2/2/86

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Clarence B. Weaver, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of February, 1985.



[Signature]
Notary Public in and for the
State of Texas
My Commission Expires: 2/2/86

SEE PAGE 103

SEE PAGE 104

SEE PAGE 107

Ernest C. Cahoon, owner and holder of a lien against the property described in the plat known as Tim Miles Subdivision, said lien being evidenced by instrument of record in the clerk's file number J367746 of the County of Harris, Texas, do hereby in all things subordinate our interest in said property to the purposes and effects of said plat and the dedications and restrictions shown herein to said plat and we hereby confirm that we are the present owner of said lien and have not assigned the same nor any part thereof.

[Signature]
Ernest C. Cahoon
Trustee

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Ernest C. Cahoon, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of February, 1985.

[Signature]
Notary Public in and for the
State of Texas
My Commission Expires: 2/2/86

OFFICE OF
ANITA ROSENBAUM
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK
VOL. 334 PAGE 106
TEN MILES

THIS IS PAGE 0 OF 10 PAGES

I, Cesar R. Romero, a P.E., am authorized under the laws of the State of Texas to practice the profession of surveying and hereby certify that the foregoing instrument is a true and correct copy of the original survey of the property made under my supervision on the ground; that all boundary corners, angle points, points of curvature and other points of reference have been marked with iron (or other suitable permanent metal) stakes and the length of each line has been measured and the distance between each corner and a length of not less than three (3) feet; and that the boundary corners have been tied to the nearest survey corner and to the City of Houston survey marker system.



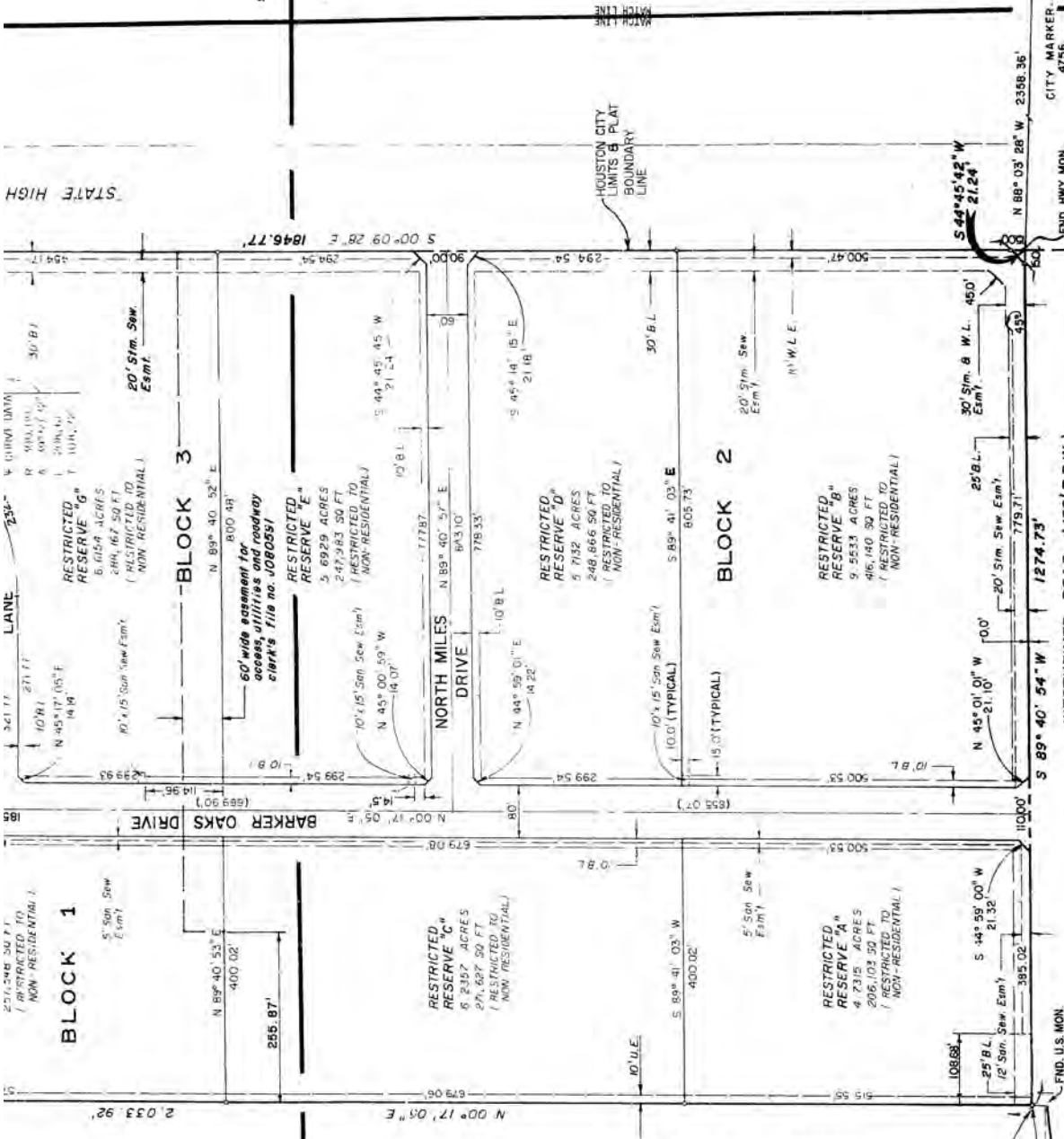
[Signature]
Cesar R. Romero
Texas Registration No. 1348

WESTHEIMER-BEELER ROAD (80')

FND. 1" I.R.
(706982.68, 3053594.69)

2,033.92

N 00° 17' 05" E



OFFICE OF
ANITA BODENHAVER
COUNTY CLERK HARRIS COUNTY TEXAS

MAP RECORDS OF COUNTY CLERK
VOL. 334
PAGE 107
TIM MILES
HARRIS COUNTY TEXAS

WESTHEIMER-DEELER ROAD (60')

WESTHEIMER ROAD (120' R.O.W.)
VOL. 725 PG. 647

BLOCK 1

BLOCK 2

BLOCK 3

RESTRICTED RESERVE "A"
473.15 ACRES
206,103.59 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "B"
553.1 ACRES
496,190.80 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "C"
217.497 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "D"
7132 ACRES
248,866.50 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "E"
3,692.9 ACRES
2,473,983.50 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "F"
5,092.9 ACRES
2,473,983.50 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "G"
5,615.4 ACRES
2,891,167.50 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "H"
553.1 ACRES
496,190.80 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "I"
217.497 SQ. FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "J"
553.1 ACRES
496,190.80 FT.
(RESTRICTED TO NON-RESIDENTIAL)

RESTRICTED RESERVE "K"
5,615.4 ACRES
2,891,167.50 FT.
(RESTRICTED TO NON-RESIDENTIAL)

PROPERTY priced according to the provisions of the Subchapter P of the Internal Revenue Code, Section 2031(b)(7) and Section 2518(b)(7).

STATE HIGH

HOUSTON CITY LIMITS & PLAT BOUNDARY LINE

HOUSTON CITY LIMITS (ORD. # 84-1588)

CITY MARKER - 4756 0905 (706909.83, 3067226.40)

SEE PAGE 104
MATCH LINE

SEE PAGE 105
MATCH LINE

SEE PAGE 106
MATCH LINE

SEE PAGE 107
MATCH LINE

PLAT FOR
TIM MILES SUB
BEING **85.8636 ACRES**
BLAS HERRERA SURV
HARRIS COUNTY, TEXAS

11 RESERVES - 4 BLOCKS

OWNERS
WILLIAM B. MILES, SR. - TRUSTEE
LEON GLENN MILES
EDWARD LOUIS MILES
EARL J. MILES
HIGHWAY 6 ASSOCIATES GENERAL PARTNERSHIP
CHARLES T. MEEKS, GENERAL PARTNER
LEON GOLDSTEIN, GENERAL PARTNER

AUGUST, 1984

LOCKWOOD, ANDREWS & NEWNAM, INC.

706909.83, 3067226.40

PLAT FOR
TIM MILES SUB
BEING **85.8636 ACRES**
BLAS HERRERA SURV
HARRIS COUNTY, TEXAS

11 RESERVES - 4 BLOCKS

OWNERS
WILLIAM B. MILES, SR. - TRUSTEE
LEON GLENN MILES
EDWARD LOUIS MILES
EARL J. MILES
HIGHWAY 6 ASSOCIATES GENERAL PARTNERSHIP
CHARLES T. MEEKS, GENERAL PARTNER
LEON GOLDSTEIN, GENERAL PARTNER

AUGUST, 1984

LOCKWOOD, ANDREWS & NEWNAM, INC.

706909.83, 3067226.40

1/2" = 100'

RESTRICTED RESERVE "G"
6,654 ACRES
288.167 SQ. FT.
RESTRICTED TO NON-RESIDENTIAL

20' 51m. Sew. Esm't.

-BLOCK 3
N 89° 40' 52" E
800.48'

Assessment for
utilities and roadway
File no. 0086381

RESTRICTED RESERVE "E"
5,692.9 ACRES
247,983 SQ. FT.
RESTRICTED TO NON-RESIDENTIAL

RESTRICTED RESERVE "D"
5,732 ACRES
248,866 SQ. FT.
RESTRICTED TO NON-RESIDENTIAL

BLOCK 2
S 89° 41' 03" E
805.73'

RESTRICTED RESERVE "B"
9,553 ACRES
416,140 SQ. FT.
RESTRICTED TO NON-RESIDENTIAL

30' 51m. Sew. Esm't.

25' B.L.

OWN SUBDIVISION
PG. 106 H.C.M.R.

PLAT FOR
TIM MILES SUBDIVISION
BEING 85.8636 ACRES OUT OF THE
BLAS HERRERA SURVEY A-321
HARRIS COUNTY, TEXAS

11 RESERVES — 4 BLOCKS

OWNERS

WILLIAM B. MILES, SR. — TRUSTEE

LEON GLENN MILES

EDWARD LOUIS MILES

EARL J. MILES

HIGHWAY 6 ASSOCIATES, A TEXAS
GENERAL PARTNERSHIP

CHARLES T. WEEKS, GENERAL PARTNER

LEON GOLDSTEIN, GENERAL PARTNER

AUGUST, 1984

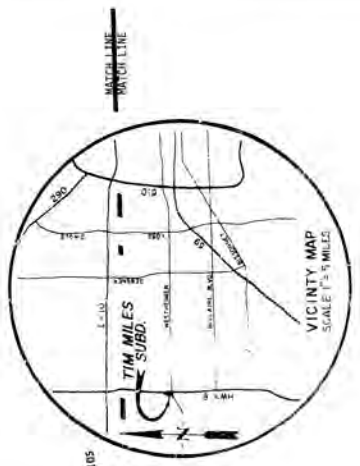
SCALE: 1" = 100'



Lockwood, Andrews & Newnam, Inc.
Professional Land Surveyors, Registered Engineers



Geogram Corporation
Land Surveyors, Engineers



PLAT FOR

TIM MILES SUBDIVISION
BEING 85.8636 ACRES OUT OF THE
BLAS HERRERA SURVEY A-321
HARRIS COUNTY, TEXAS

OFFICE OF
ANITA RODRIGUEZ
COUNTY CLERK HARRIS COUNTY TEXAS
MAP RECORDS OF COUNTY CLERK
101.334 PAGE 108

TIM MILES

THIS IS PAGE 10 OF 10 PAGES

S464504

Return to: ①
James J. Tyler
9 Gateway Plaza, #3010
Houston, TX 77046

RESTRICTIVE COVENANTS

513-15-2568

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

05/23/97 200422091 5464504 \$27.00

RECITALS:

A. JAY KAPLAN, TRUSTEE ("Trustee") owns an approximately 10.5943 acre tract of land (the "Land"), being all of Reserve "K" of the Tim Miles Subdivision, according to the map or plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas. *lee*

B. In order to satisfy the requirements of pending purchase and sale agreements to coordinate the uses of the Land for the possible sale of portions thereof, Trustee has agreed and does hereby impose and create certain rights, easements and protective covenants and restrictions on the Land as more fully set forth herein.

ARTICLE I. DEFINITIONS

Section 1.1 Applicable Deed. The term "Applicable Deed" shall mean the deed of a particular Tract from Trustee.

Section 1.2 Exclusive. The term "Exclusive" shall mean the specific use or uses reserved for the sole benefit of a Tract as provided herein.

27
h
Section 1.3 Floor Area. The term "Floor Area" shall mean the total number of square feet of enclosed space in a building or buildings available for the exclusive use of a particular person or entity, whether or not actually occupied. The Floor Area of any building for purposes of these Restrictive Covenants shall be calculated from the exterior of all exterior walls.

Section 1.4 Owner. The term "Owner" shall mean the record owner(s) of fee title from time to time of the Land or any portion thereof, but shall not mean an entity holding only a lien, mineral interest, easement, leasehold estate or other interest burdening such fee title.

Section 1.5 Restrictive Covenants. The term "Restrictive Covenants" shall mean these Restrictive Covenants executed by Trustee.

Section 1.6 Tract. The term "Tract" shall mean the portions of the Land subdivided by the Applicable Deed.

Section 1.7 Other Definitions. Other definitions are contained throughout in these Restrictive Covenants.

ARTICLE II. EASEMENTS

Section 2.1 Utility Easements. Trustee hereby declares and reserves unto himself, his heirs, successors and assigns within the Land a non-exclusive easement on, over, under and across those portions of the Land within ten (10) feet of State Highway 6 for electrical, gas and other utilities, provided such easement does not unreasonably interfere with the use of any Tract. Each Owner agrees to execute and deliver such additional documents as may be requested by utility companies to evidence the grant of this utility easement.

Section 2.2 Access Easement. Trustee currently intends to subdivide a portion of the Land into a Tract for use as a hotel, containing approximately 2.717 acres of land as more particularly depicted on Exhibit "A" attached hereto (the "Hotel Tract"). Trustee declares and reserves a non-exclusive access easement for the sole benefit of the Owner, tenants and invitees of the Tract located immediately in front and to the east of the Hotel Tract (such benefitted tract [the "Restaurant Tract"] being more particularly described on Exhibit "B" attached hereto) over and across the most easterly 150 feet of the north 24 feet (the "Access Easement") of the 30 foot wide strip (the "Hotel Strip") which connects the Hotel Tract to State Highway 6. The Hotel Strip is more particularly described on Exhibit "A-1" attached hereto. The owner of the Hotel Strip may relocate the Access Easement so long as at least a 24-foot wide area is provided within the Hotel Strip connecting to the Restaurant Tract. Entry into the Access Easement by the Owner, tenants and invitees of the Restaurant Tract shall only be through a 30 foot wide entry or curb cut located between 50 feet and 150 feet of State Highway 6, unless the express prior written consent of the Owner of the Hotel Tract is obtained.

Section 2.3 Construction and Maintenance of Access Easement. The Owners of the Hotel Tract and the Restaurant Tract shall coordinate so that construction of the road over the Hotel Strip is consistent with any driveways and parking facilities situated on the Restaurant Tract. The owner of the Restaurant Tract shall have a non-exclusive easement for access across the Hotel Strip to construct and/or maintain the road. No party constructing the road shall be entitled to reimbursement for its construction costs. The road shall be constructed in a good and workmanlike manner (utilizing good faith efforts to coordinate with Trustee or the then owner of the Hotel Tract), and, upon completion, shall thereafter be repaired and maintained at the sole cost and expense of the Owner of the Hotel Tract; except, however, the Owner of the Restaurant Tract shall promptly pay for any damage caused to the road by the Owner of the Restaurant Tract, its tenants and invitees. The owner of the Restaurant Tract may construct a temporary road across the Access Easement in compliance with applicable laws. If the Hotel Tract should ever be reconfigured in the Applicable Deed, Trustee shall have the right to designate which portion thereof shall be responsible for maintaining the road, provided such designation is in writing, filed of record in the Office of the Clerk of Harris County, Texas, and is not done in a manner which would materially diminish the benefits of the road.

Section 2.4 Disclaimer. The use in these Restrictive Covenants of the phrases "Restaurant Tract" and "Hotel Tract" shall not imply or constitute a representation or warranty that a restaurant or hotel shall be constructed thereon or that such Tracts are limited to such uses.

ARTICLE III USE RESTRICTIONS

Section 3.1 Restricted Activities. The following activities are prohibited within the Land:

- (a) any activity which tends to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on a Tract;
- (b) any activity which emits foul or obnoxious odors, fumes, dust, smoke or pollution outside a Tract or which creates noise, unreasonable risk of fire or explosion, or other conditions which tend to disturb the peace or threaten the safety or comfort of occupants and invitees of other Tracts, in all cases beyond levels typical for a municipality;
- (c) any activity which violates applicable governmental laws or regulations;
- (d) outside burning of trash, leaves, debris or other materials;
- (e) unless permitted in the Applicable Deed, outdoor storage, except the outdoor storage of building materials shall be permitted during bona fide construction on a Tract on which such materials are stored;
- (f) any activity which is a public or private nuisance;
- (g) any activity which is, in whole or in part, for the dumping, disposing or commercial warehousing of garbage or refuse; and
- (h) the operation of a gasoline refining and/or twenty-four (24) hour manufacturing operation.

Land:

Section 3.2 Prohibited Uses. The following uses shall be prohibited within the

- (a) junkyards, scrap metal yards and sanitary landfills;
- (b) commercial excavation of building or construction materials, except in the usual course of construction of improvements on a Tract;
- (c) flea markets, and fire and bankruptcy sale operations;
- (d) the sale of indecent or pornographic literature, adult entertainment or any other form of sexually oriented business (except for the sale of books or videos as an incident part [*i.e.*, comprising no more than five percent (5%) of

the total space devoted for sales] of a general purpose bookstore, video store or other bona fide use);

- (e) no Tract may be used in violation of an Exclusive, except for the Tract specifically benefitting from the Exclusive; and
- (f) no Tract may be used in violation of any additional restrictions contained in the Applicable Deed for such Tract.

Section 3.3 Exclusives. The Land shall be subject to the following Exclusives for the sole benefit of the Tract indicated:

- (a) **Extended Stay Lodging Facility:** The Hotel Tract shall be the only Tract within the Land which may be operated as an Extended Stay Lodging Facility (defined as a hotel or motel with full kitchen facilities or which promotes itself for lodging for five (5) days or longer).
- (b) **Seafood Restaurant:** The Restaurant Tract shall have an exclusive as the only Tract within the Land which may be a "seafood restaurant" (defined as a restaurant that has more than forty percent (40%) of its food items containing seafood or which uses the word "seafood" in its proper name).

ARTICLE IV. OPERATIONAL MATTERS

Section 4.1 Trash Containers. All garbage and trash shall be placed and kept in covered trash containers and all such containers shall be placed within at least a solid-faced four-sided enclosure attached to the main building, unless the written consent of Trustee is obtained. Unless fully enclosed, the enclosure shall be constructed not to exceed six feet (6') in height and be fixed permanently to the ground in a manner designed to minimize the view of the interior thereof. The exterior of the trash container building shall be constructed with substantially the same material used on the exterior of the main building on the Tract. Any substantial amount of wet trash generated by a restaurant shall be removed on a daily basis to minimize foul odors.

Section 4.2 Casualty Damage. Any buildings or other improvements that are destroyed partially or totally by fire or other casualty, shall be repaired or demolished within a reasonable period of time or otherwise restored to an orderly and attractive condition.

Section 4.3 Signs. No Tract may have more than one (1) pylon sign and one (1) monument sign, without the prior written consent of Trustee. Any restrictions on the location, size and height of any pylon or monument sign shall be set forth in the Applicable Deed. The restrictions set forth above in this Section 4.3 shall not apply to (a) up to three (3) directional signs per Tract of less than 3 square feet and a height not exceeding five (5) feet from ground level, (b) other signs to the minimum extent necessary to comply with applicable laws, or (c) signs which are attached to a

building containing more than 5,000 square feet of Floor Area, provided such signs do not extend more than two feet (2') in any direction from an exterior wall. No sign may advertise any use except for the business conducted from a Tract, other than one professionally built sign advertising a Tract for sale or lease, provided the total square footage of such sign does not exceed 50 feet.

Section 4.4 Building Setbacks. No building or extension thereof shall be constructed (i) within sixty (60) feet of State Highway 6 for the northernmost 150 feet of the Land, (ii) within 75 feet of State Highway 6 for the next 280 feet of the Land, (iii) within one hundred feet (100') of State Highway 6 for the next two hundred feet (200') to the south, or (iv) within any additional setbacks contained in the Applicable Deed. Signs, parking spaces, driveways and landscaping shall be permitted within any building setback.

Section 4.5 Building Height. No buildings may be constructed within the Land in excess of any height limitation specified in the Applicable Deed.

Section 4.6 Drainage and Water Retention. Each Tract shall be self-sufficient, and provide for its own drainage and water retention, unless the express, prior written consent of another Owner is obtained.

Section 4.7 Landscaping. The Owner of each Tract shall keep all grass mowed, weeds cut and landscaping properly maintained on its Tract.

Section 4.8 Parking. Each Tract shall contain sufficient parking to comply with any parking requirements of the City of Houston, unless an express easement is obtained in writing from another Owner.

Section 4.9 Curb Cuts. Each Tract may only have curb cuts providing access to State Highway 6 at the location(s) set forth in the Applicable Deed.

ARTICLE V. TERM AND ENFORCEMENT

Section 5.1 Term. These Restrictive Covenants and other rights created herein shall constitute covenants running with and binding the land affected, and shall inure to the benefit and run with the land so benefitted, and shall, except as set forth in the next sentence, remain in effect for a period of one hundred (100) years from the date hereof. Any utility easements or access easements shall be perpetual.

Section 5.2 Enforcement. The provisions of these Restrictive Covenants may be enforced by any Owner, without the necessity of the joinder of any other party whatsoever. No tenant, subtenant or occupant of any Tract shall have any rights to enforce any provisions of these Restrictive Covenants. In the event of any violation or attempted or threatened violation of any provision of these Restrictive Covenants, in addition to all other rights and remedies available at law or in equity,

513-15-2573

the Owners shall be entitled to obtain restraining orders and injunctions prohibiting such violation, attempted or threatened violation, and ordering compliance with the provisions hereof.

ARTICLE VI MISCELLANEOUS

Section 6.1 Notice. Any notice which shall or may be given in accordance with the provisions of these Restrictive Covenants shall be in writing and shall be either personally delivered or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the appropriate Owner at the last address for such Owner according to the records of the party giving such notice. Any Owner shall have the right to change its address for purposes of notice.

Section 6.2 Status Reports. Recognizing that Owners may find it necessary from time to time to establish to banks, mortgagees, purchasers and major tenants, the then-current status of performance hereunder, each Owner shall, upon no less than twenty (20) days written notice from another Owner, but no more often than once per calendar year as to a request from any one Owner, furnish a written statement, to the knowledge of such Owner, on the status of any matters relating to these Restrictive Covenants.

Section 6.3 Binding Effect. These Restrictive Covenants shall be binding upon and benefit Trustee, and his heirs, successors and assigns, and each Owner from time to time of a Tract and shall be covenants running with the Land. Whenever reference is made in these Restrictive Covenants to Trustee having certain rights of approval or being able to impose certain restrictions or other matters in the Applicable Deed, such right and power may only be transferable by Trustee if specific mention is made thereof.

Section 6.4 Severability. If any provision of these Restrictive Covenants shall be unenforceable to any extent, the remainder thereof and the application of such provisions to other circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 6.5 Governing Law. These Restrictive Covenants shall be governed by the laws of the State of Texas.

Section 6.6 Attorney's Fees. If a lawsuit is filed to enforce or interpret any portion of these Restrictive Covenants, the prevailing party shall be entitled to recover its reasonable attorney's fees and court costs.

DATED as of the 22nd day of May, 1997.

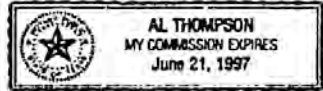



JAY KAPLAN, TRUSTEE
112

513-15-2374

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 19th day of May, 1997, by **JAY KAPLAN, TRUSTEE.**





Notary Public in and for the State of Texas

EXHIBIT "A"

513-15-2375

DESCRIPTION OF A 2.717 ACRE TRACT OF LAND
OUT OF RESTRICTED RESERVE "K", BLOCK 1
TIM MILES SUBDIVISION
HARRIS COUNTY, TEXAS

Being a 2.717 acre tract of land out of Restricted Reserve "K", Block 1 in the Blas Herrera Survey, Abstract No. 321, as shown on the plat of Tim Miles Subdivision recorded in Volume 334, Page 99, Harris County Map Records, said 2.717 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found in the west right-of-way line of State Highway 6, 160 feet wide, (formerly Addicks Howell Road) Volume 5032, Page 32, H.C.D.R., marking the southeast corner of said Restricted Reserve "K" and the northeast corner of Restricted Reserve "J", Block 1;

THENCE, in a westerly direction along the common line of said Restricted Reserves "J" and "K", S 89° 40' 46" W, 790.93 feet to a 5/8 inch iron rod found marking the southwest corner of said Restricted Reserve "K" and the northwest corner of Restricted Reserve "J", Block 1;

THENCE, along the westerly line of said Restricted Reserve "K", N 32° 07' 05" E, 379.16 feet to a 1 inch iron pipe set marking the northwest corner of the herein described tract;

THENCE, N 89° 40' 46" E, 235.19 feet to a 5/8 inch iron rod found marking the most northerly northeast corner of the herein described tract;

THENCE, S 00° 19' 14" E, 290.00 feet to a 5/8 inch iron rod found for corner;

THENCE, N 89° 40' 46" E, along a line parallel to and 30.00 feet north of (and perpendicular to) the southerly line of said Restricted Reserve "K", a distance of 350.00 feet to a 5/8 inch iron rod found in the west right-of-way line of State Highway 6;

THENCE, S 04° 49' 43" E, along the westerly right-of-way line of State Highway 6, a distance of 30.09 feet to the POINT OF BEGINNING and containing 2.717 acres of land.

EXHIBIT "A-1"

513-15-2376

DESCRIPTION OF A 10,554 SQ. FT. TRACT OF LAND
OUT OF RESTRICTED RESERVE "K", BLOCK 1
TIM MILES SUBDIVISION
HARRIS COUNTY, TEXAS

Being a 10,554 sq. ft. (0.242 Ac.) tract of land out of Restricted Reserve "K", Block 1 in the Blas Herrera Survey, Abstract No. 321, as shown on the plat of Tim Miles Subdivision recorded in Volume 334, Page 99, Harris County Map Records, said 10,554 sq. ft. tract being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found in the west right-of-way line of State Highway 6, 160 feet wide, (formerly Addicks Howell Road) Volume 5032, Page 32, H.C.D.R., marking the southeast corner of said Restricted Reserve "K" and the northeast corner of Restricted Reserve "J", Block 1;

THENCE, in a westerly direction along the common line of said Restricted Reserves "J" and "K", S 89° 40' 46" W, 352.37 feet to a point marking the southwest corner of the herein described tract;

THENCE, N 00° 19' 14" W, 30.00 feet to a 5/8 inch iron rod found marking the northwest corner of the herein described tract;

THENCE, N 89° 40' 46" E, along a line parallel to and 30.00 feet north of (perpendicular to) the southerly line of said Restricted Reserve "K", a distance of 350.00 feet to a 5/8 inch iron rod found in the west right-of-way line of State Highway 6;

THENCE, S 04° 49' 43" E, along the westerly right-of-way line of State Highway 6, a distance of 30.09 feet to the POINT OF BEGINNING and containing 10,554 sq. ft. (0.242 Ac) of land.

EXHIBIT "B"

513-15-2377

DESCRIPTION OF A 2.256 ACRE TRACT OF LAND
RESTRICTED RESERVE "K", BLOCK 1
TIM MILES SUBDIVISION
CITY OF HOUSTON, HARRIS COUNTY, TEXAS

BEING a 2.256 acre tract of land in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and being out of Restricted Reserve "K", Block 1 as shown on the plat of Tim Miles Subdivision recorded in Volume 334, Page 99 of the Harris County Map Records and being out of a 10.5043 acre tract described under Harris County Clerk's File Number S015191, said 2.256 acre tract being more particularly described as metes and bounds as follows:

COMMENCING at a 5/8" iron rod found in the west right-of-way line of State Highway No. 6 as described under H.C.C.F. No. B647227 (Vol. 5032, Pg. 132 H.C.D.R.) and being at the southeast corner of said Restricted Reserve "K" and at the northeast corner of Restricted Reserve "J", Block

THENCE N 04° 50' 30" W, 30.09 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" to a 5/8" set at the POINT OF BEGINNING of the herein described tract;

THENCE S 89° 40' 53" W, 350.00 feet to a set 5/8" iron rod for the southwest corner of the herein described tract;

THENCE N 00° 19' 07" W, 290.00 feet to a 5/8" iron rod set for the northeast corner of the herein described tract;

THENCE N 89° 40' 53" E, 329.48 feet to a 5/8" iron rod set in the east line of said Restricted Reserve "K" and being in the said west right-of-way line of State Highway No. 6;

THENCE in a southerly direction, 138.85 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" and following the arc of said curve the left having a radius of 3003.80 feet, a central angle of 01° 58' 31" and a chord which bears S 05° 50' 44" E, 138.84 feet to a 1/2" iron rod found and from said 1/2" iron rod, a found concrete monument bears S 18° 55' E, 0.66 feet and a found 1" iron rod bears S 77° 40' W, 0.18

THENCE S 04° 50' 30" E, 151.90 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" to the POINT OF BEGINNING and containing 2.256 acres of land.

ANY PROVIDER HEREIN WHICH REFLECTS THE SALE PRICE, OR ONE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR FACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was DAY RECORDED, in the Official Public Records of Real Property of Harris County, Texas.

MAY 23 1997



Beverly B. Hoffman
COUNTY CLERK
HARRIS COUNTY TEXAS

RECORDER'S MEMORANDUM

AT THE TIME OF RECORDATION THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.

FILED
97 MAY 23 PM 3:57
Beverly B. Hoffman
COUNTY CLERK
HARRIS COUNTY TEXAS

S464505

Return to:
James J. Tyler
9 Greenway Plaza, Suite 3010
Houston, Tx 77046-0904
515-15-2378

(2)

WD

SPECIAL WARRANTY DEED

05/23/97 200422092 S464505 \$19.00

STATE OF TEXAS §
COUNTY OF HARRIS § KNOW ALL PERSONS BY THESE PRESENTS:
§

That, JAY KAPLAN, TRUSTEE ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has GRANTED and CONVEYED, and by these presents does GRANT and CONVEY unto LANDRY'S CRAB SHACK, INC., a Texas corporation ("Grantee"), with an address of 1400 Post Oak Boulevard, Suite 1010, Houston, Texas 77056, that certain tract or parcel of land containing 2.256 acres in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, being out of Restrictive Reserve "A", Block One (1) as shown on the plat of Tim Miles Subdivision, recorded in Volume 344, Page 99 of the Harris County Map Records, and being more particularly described on Exhibit "A" attached hereto (the "Land").

ue

TO HAVE AND TO HOLD the Land, unto Grantee, its successors and assigns forever, and Grantor hereby warrants and agrees to forever defend title to the Land, against all persons whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise, subject in all events to (a) the matters set forth in this Deed and on Exhibit "B" attached hereto to the extent same are valid, subsisting and affect the Land, and (b) the "Additional Restrictions" set forth on Exhibit "C" attached hereto.

19
N

For the same consideration, Grantor does hereby grant and convey to Grantee, without warranty, whether express or implied, all right, title and interest of Grantor in and to all public roads and street bounding the Land, and rights of public ingress and egress thereto.

EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN THE EARNEST MONEY CONTRACT BETWEEN GRANTOR AND GRANTEE, AND THE LIMITED WARRANTY OF TITLE CONTAINED IN THIS DEED, GRANTEE ACKNOWLEDGES THAT (A) THE CONVEYANCE OF THE LAND IS MADE "AS-IS" AND "WHERE-IS" WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY, AND (B) GRANTEE HAS RELIED SOLELY ON ITS OWN INVESTIGATION OF THE LAND.

Grantor covenants and agrees that the tract of land located immediately to the north of the Land and owned by Grantor shall have a building setback of twenty feet (20') from the Land. Signs, parking spaces, driveways and landscaping shall be permitted within this setback. This setback restriction shall be binding upon Grantor and his heirs, successors and assigns, and shall be a covenant running with said land.

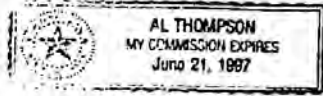
515-15-2379

Executed on the date of acknowledgment but effective May 22, 1997.

Jay Kaplan
JAY KAPLAN, TRUSTEE
1/12

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 19th day of May, 1997, by JAY KAPLAN, TRUSTEE.



Al Thompson
Notary Public in and for the State of Texas

EXHIBIT "A"

513-15-2580

DESCRIPTION OF A 2.256 ACRE TRACT OF LAND
RESTRICTED RESERVE "K", BLOCK 1
TIM MILES SUBDIVISION
CITY OF HOUSTON, HARRIS COUNTY, TEXAS

BEING a 2.256 acre tract of land in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and being out of Restricted Reserve "K", Block 1 as shown on the plat of Tim Miles Subdivision recorded in Volume 334, Page 99 of the Harris County Map Records and being out of a 10.5943 acre tract described under Harris County Clerk's File Number SD15191, said 2.256 acre tract being more particularly described as metes and bounds as follows:

COMMENCING at a 5/8" iron rod found in the west right-of-way line of State Highway No. 6 as described under H.C.C.F. No. 8847227 (Vol. 5032, Pg. 132 H.C.D.R.) and being at the southeast corner of said Restricted Reserve "K" and at the northeast corner of Restricted Reserve "J", Block:

THENCE N 04° 50' 30" W, 30.09 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" to a 5/8" set at the POINT OF BEGINNING of the herein described tract;

THENCE S 89° 40' 53" W, 350.00 feet to a set 5/8" iron rod for the southwest corner of the herein described tract;

THENCE N 00° 19' 07" W, 290.00 feet to a 3/8" iron rod set for the northwest corner of the herein described tract;

THENCE N 89° 40' 53" E, 329.48 feet to a 5/8" iron rod set in the east line of said Restricted Reserve "K" and being in the said west right-of-way line of State Highway No. 6;

THENCE in a southerly direction, 138.85 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" and following the arc of said curve the left having a radius of 3693.69 feet, a central angle of 01° 56' 31" and a chord which bears S 03° 50' 44" E, 138.84 feet to a 1/2" iron rod found and from said 1/2" iron rod, a found concrete monument bears S 18° 55' E, 0.66 feet and a found 1" iron rod bears S 77° 40' W, 0.18

THENCE S 04° 50' 30" E, 151.90 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" to the POINT OF BEGINNING and containing 2.256 acres of land.

513-15-2381

EXHIBIT "B"
PERMITTED EXCEPTIONS

1. Restrictive covenants depicted in the instrument recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas.
2. Restrictive covenants, easements, setback lines and other matters, set forth in those certain Restrictive Covenants executed by Jay Kaplan, Trustee, of even date herewith, filed under Harris County Clerk's File No. 5464504
3. Water line easement ten feet (10') in width along the east property line as reflected by the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas.
4. Storm sewer easement twenty-five feet (25') in width along the east property line as reflected by the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas.
5. Sanitary sewer easement twenty-five feet (25') in width along the east property line as reflected by the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas.
6. Aerial easement adjacent to all public utilities as set out on the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas.
7. Drainage easement fifteen feet (15') width on each side of the center line of all natural drainage courses as shown by the plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas.
8. Building setback line of thirty-five feet (35') decreasing to twenty-five feet (25') in width along the east property line as shown on plat recorded in Volume 334, Page 99 of the Map Records of Harris County, Texas.
9. All oil, gas and other minerals as set forth by instruments filed for record under Harris County Clerk's File Nos. E999075, E999077, and E997684.
10. Instrument relating to waiver of surface rights filed for record under Harris County Clerk's File No. F570806.
11. The terms, conditions and stipulations of that certain Mineral Lease dated January 2, 1955, recorded in Volume 843, Page 490 of the Contract Records of Harris County, Texas.
12. Instrument relating to waiver of surface rights filed for record under Harris County Clerk's File No. E283509.

513-15-2382

13. Taxes for the year 1997 which have been prorated to the effective date of the attached Deed.

0AWFDOCS11092410001SPWTD02.BEP#051697171&02

EXHIBIT "C"
ADDITIONAL RESTRICTIONS

513-15-2383

As contemplated by the Restrictive Covenants set forth in Item 2 on Exhibit "B", Grantor hereby imposes the following additional restrictions on the Land:

1. **Building Setbacks.** No building or extension thereof shall be constructed on the Land closer to seventy-five feet (75') from State Highway 6, nor closer than forty-five feet (45') to any rear or side property line. Overheads and extensions of building cannot encroach into these setbacks.
2. **Building Height.** No building may be constructed on the Land in excess of twenty-six feet (26') in height (measures at parking lot grade at the base of the foundation), exclusive of heating, ventilating and air conditioning equipment, satellite dishes, and antennae.
3. **Signs.** Only one (1) pylon sign may be constructed on the Land, and it must be situated on the northern one-third (1/3) of the Land within seventy-five feet (75') of State Highway 6 and in compliance with all applicable laws. No monument sign may be situated on the Land.
4. **Curb Cut.** The Land may have only one (1) curb cut for entry onto State Highway 6 and it must be situated on the northern one-third (1/3) of the Land.

FILED

97 MAY 23 PM 3:57

Barbara C. Hoffman

COUNTY CLERK
HARRIS COUNTY, TEXAS

NO PERSON HEREIN SHALL INFRINGE THE SALE, RENTAL, OR USE OF THE RECORDING MEDIA
PROPERTY BECAUSE OF COLOR OR SIZE OF THIS INSTRUMENT. UNLAWFUL MEDIA FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number
Sequence on the date and at the time stamped herein by me, and was
duly RECORDED, in the Official Public Records of Real Property of
Harris County, Texas on

MAY 23 1997



Barbara C. Hoffman
COUNTY CLERK
HARRIS COUNTY TEXAS

O:\WPDOCS\10924\10001\SPWTYD02.BEP\051997\103937

RECORDER'S MEMORANDUM

AT THE TIME OF RECORDATION, THIS
INSTRUMENT WAS FOUND TO BE INADEQUATE
FOR THE BEST PHOTOGRAPHIC REPRODUCTION
BECAUSE OF ILLEGIBILITY, CARBON OR
PHOTO COPY, DISCOLORED PAPER, ETC.

S607372

Grant

5484(6-85)

Job WA72418
Map 4756A
S/C SUGARLAND
DCM/s 07/17/97

EASEMENT

514-49-2068

STATE OF TEXAS }
COUNTY OF HARRIS }

08/26/97 100546475 S607372 \$15.00

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, Landry's Crab Shack, Inc., a Texas corporation, herein called Grantor, whether one or more, for and in consideration of the sum of ONE DOLLAR (\$1.00) CASH to Grantor paid by Houston Lighting & Power Company, a Texas corporation, herein called Grantee, whose principal address is P. O. Box 1700, Houston, Texas 77251, has GRANTED, SOLD AND CONVEYED and by these presents, does GRANT, SELL AND CONVEY unto said Grantee, its successors and assigns, an easement for electric distribution facilities (consisting of all necessary and desirable equipment and appurtenances) at, below and from ground level upward, located on, under, over, and across the following described lands, to wit:

Kg

That certain 2,256-acre tract or parcel of land out of Restricted Reserve "K" in Block 1 of Tim Miles Subdivision out of the Blas Herrera Survey, Abstract 321, in Harris County, Texas, according to the map or plat thereof recorded in Volume 334, Page 99 of the Map Records of said County and State, being that same property described in a deed from Jay Kaplan, Trustee, to Landry's Crab Shack, Inc., dated May 19, 1997, and filed of record under County Clerk's File S464505 and Film Code 513-15-2378 in the Official Public Records of Real Property of Harris County, Texas.

The easements herein granted are described as follows:

1. An easement ten (10) feet wide, the location of which is shown by the crosshatched area on Sketch No. 97-247, hereto attached and made a part hereof, together with an unobstructed aerial easement eleven (11) feet six (6) inches wide, beginning at a plane sixteen (16) feet above the ground and extending upward, located southerly of and adjoining said ten (10) foot wide easement.

5484(6-85)

514-49-2069

Job WA72418
Map 4756A
S/C SUGARLAND
DCM/s 07/17/97

2. An Easement ten (10) feet wide, the location of which is shown as a double-crosshatched area on said attached Sketch No. 97-247.
3. An easement ten (10) feet wide, the location of the centerline of which is shown by the dot-dash symbol on said attached Sketch No. 97-247.
4. An easement thirteen (13) feet wide and 16.0 feet long for Grantee's padmounted transformer station, the location of which is shown by the dotted area on said attached Sketch No. 97-247.

Grantee shall also have rights of ingress and egress to and from said easement, together with reasonable working space, for the purposes of erecting, installing, operating, maintaining, replacing, inspecting, and removing said electric distribution facilities, together with the additional right to remove from said easement and land adjoining thereto, all bushes, trees and parts thereof, or other structures which, in the opinion of Grantee, endanger or may interfere with the efficiency, safe and proper operation, and maintenance of said electric distribution facilities.

TO HAVE AND TO HOLD the above described easement, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee, its successors or assigns, forever, and Grantor does hereby bind itself and its successors, heirs, assigns, and legal representatives, to warrant and forever defend all and singular the above described easement and rights unto said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

FILED FOR RECORD
8:00 AM

AUG 26 1997

Bevelly B. Hoffman
County Clerk, Harris County, Texas

5484(6-85)

514-49-2070
Job WA72418
Map 4756A
S/C SUGARLAND
DCM/s 07/17/97

EXECUTED this 1st day of AUGUST, 1997.

ATTEST:

LANDRY'S CRAB SHACK, INC. 165

BY [Signature]
Secretary

BY [Signature]

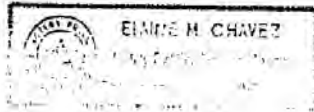
Steven L. Schriethal
(Name typed or printed)

ANDREW J. SLAVIN
(Name typed or printed)

STATE OF TEXAS }

COUNTY OF }

This instrument was acknowledged before me on August 8, 1997, by ANDREW J. SLAVIN, Director of Real Estate Dept of Landry's Crab Shack, Inc., a Texas corporation, on behalf of said corporation.



[Signature]
Notary's Signature

Elaine M. Chavez
(Name typed or printed)

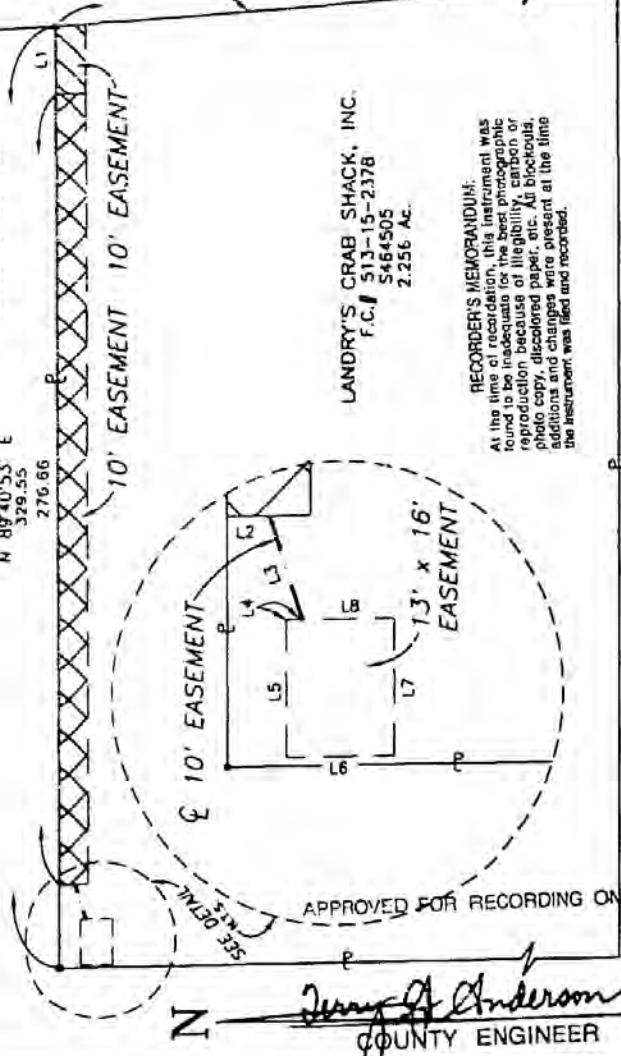
Commission Expires: 10-28-98

514-49-2071 7A

TIM MILES SUBDIVISION BLAS HERRERA SURVEY A-321

BEARING BASIS:
S464503
N 89°40'53" E
379.55

F.C.# 510-72-2084
S199642
Residue 10.5943 Ac.



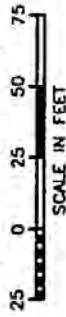
STATE HWY. 6

$\Delta = 01^{\circ}59'33''$
 $R = 3993.69$
 $L = 138.89$
 $T = 69.45$
 $LC = 138.88$
 $CB = 5.034842'$ E

Fnd. 5/8" I.R.



■ = Call & Fnd. 5/8" I.R.
 ■ = Unless Otherwise Noted.



NOTE: THE EXTREMES OF ALL EASEMENTS ARE TO INTERSECT WITH THE EXTREMES OF ALL ADJOINING EASEMENTS OR WITH ADJOINING PROPERTY LINES.

RECORDER'S MEMORANDUM:
 At the time of recording, this instrument was found to be inadequate for photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

LANDRY'S CRAB SHACK, INC.
 F.C.# 513-15-2378
 S464505
 2.256 Ac.

LINE	BEARING	DISTANCE
L1	N 89°40'53"	23.69
L2	E	5.00
L3	S 00°19'07"	12.84
L4	W 71°28'16"	2.01
L5	S 89°40'55"	16.00
L6	W 00°19'05"	13.00
L7	E 89°40'55"	16.00
L8	W 00°19'05"	10.99

REV.1:JOB NO.	BY:	DATE:	REV.2:JOB NO.	BY:	DATE:
EASEMENT - UNOBSTRUCTED		LAST PLOT DATE: 7-16-97			
COUNTY: HARRIS		DRAWN BY: M. D. LEE			
DATE: JULY 16, 1997		MAP NO: 4756 A4			
SCALE: 1" = 50'		JOB NO: WA 7241B			

HOUSTON LIGHTING & POWER CO.
 SURVEYING & MAPPING SECTION
 FILE NO. - BOOK: 9 DISK: 525
 SKETCH NO. 97-247

514-49-2072

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, REUSE, OR USE OF THE FOREGOING REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW THE STATE OF TEXAS } COUNTY OF HARRIS }

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time specified herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

AUG 26 1997



Beverly A. Hoffman
COUNTY CLERK
HARRIS COUNTY TEXAS

V055897

Agent
5/19/01

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT (this "Agreement") is made and entered as of the 19th day of April, 2001, by and among JAY KAPLAN, TRUSTEE ("Kaplan"), MB DEVELOPMENT COMPANY, a Texas corporation ("MBD") and FFCA ACQUISITION CORPORATION, a Delaware corporation ("FFCA").

05/16/01 300543617 V055897 \$57.75

RECITALS:

A. Kaplan is the owner of that certain tract of land containing approximately 3.3893 acres located in the City of Houston, Harris County, Texas. Such tract shall hereinafter be referred to as the "Kaplan Parcel" and is more particularly described on Exhibit "A" attached hereto.

B. MBD is the owner of that certain tract of land containing approximately 1.118 acres located in the City of Houston, Harris County, Texas. Such tract shall be referred to as the "MBD Parcel" and is more particularly described on Exhibit "B" attached hereto.

C. The MBD Parcel is presently improved with, and operated as, a James Coney Island Restaurant and related parking and site facilities.

D. FFCA is the owner of that certain tract of land containing approximately 1.1195 acres located in the City of Houston, Harris County, Texas. Such tract shall hereinafter be referred to as the "FFCA Parcel" and is more particularly described on Exhibit "C" attached hereto.

E. The FFCA Parcel is presently improved with, and operated as, a Tortuga's Cantina Restaurant and related parking and site facilities.

F. Kaplan contemplates ultimately selling the Kaplan Parcel and for Kaplan or the purchaser to construct thereon improvements and related parking and site facilities.

G. The Kaplan Parcel, the MBD Parcel and the FFCA Parcel (collectively sometimes referred to herein as the "Parcels" and individually as a "Parcel") are situated from north-to-south adjacent to each other. To coordinate the use and operation of traffic in and around the Parcels, the Parties desire to grant to each other certain reciprocal easements in, to, over and across certain portions of the Parcels.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other valuable consideration, the parties hereby agree as follows:

1. Definitions. Each reference in this Agreement to any of the following terms shall mean:

1.1 Common Area. The driveways, service drives and curb cuts constructed and to be constructed from time to time on the Parcels and intended for the non-exclusive use of a Party and its Occupants and Users, but expressly excluding buildings, building canopies, building truck docks and wells, trash and compactor areas and parking areas. Except for the Access Drive, no rights are given by this Agreement to use any of the Common Area.

548-89-1288

548-89-1289

1.2 Occupant. Each Party and any Person from time to time entitled to the use and occupancy of any portion of any building at any time located upon either Parcel, under this Agreement or any lease, license or concession agreement or other instrument or arrangement under which the Occupant acquires its right to such use and occupancy. Occupant shall include the officers, directors, employees and agents of such Persons.

1.3 Parcels. The Kaplan Parcel, the MBD Parcel, and the FFCA Parcel.

1.4 Party. Each Person executing this Agreement, or its respective successor-in-interest as a Party with respect to its Parcel, as shown in the Official Public Records of Real Property of Harris County, Texas. Each Party shall be liable for the performance of all covenants, obligations and undertakings herein set forth with respect to the Parcel owned by it which accrue during the period of such ownership, and such liability shall continue with respect to any Parcel (or portion thereof) transferred until a notice of transfer setting forth the name and address of the new Party is given to the other Party, at which time the transferring Party's personal liability for obligations hereunder shall terminate.

1.5 Person. Individuals, partnerships, firms, associations, corporations, trusts or any other form of business or legal entity.

1.6 Access Drive. The driveway located or to be constructed on the eastern portion of each Parcel running parallel with, and west of, State Highway 6, as shown on the site plans attached hereto as Exhibit "D". The portion of the Access Drive situated on the Kaplan Parcel is more particularly described on Exhibit "E" attached hereto.

1.7 Users. All Occupants, Parties and their respective employees, licensees, invitees, customers, owners, contractors, agents, lessees, sublessees, tenants and concessionaires, who are granted permission to utilize the Access Drive on a Parcel.

1.8 Owner. The fee simple owner of the relevant Parcel.

1.9 Other Terms. Certain other terms shall have the meaning set forth for each such term in this Agreement.

2. Grant of Reciprocal Easements.

2.1 Grant of Easements by Parties. Each Party grants to the other Parties a non-exclusive easement over, across, in and through the Access Drive on its Parcel for the benefit of the other Parcels, for the uses and purposes set forth in Section 2.2. Each easement granted herein shall in each instance be (i) appurtenant to and for the benefit of the Parcel owned by the grantee of each such easement and (ii) non-exclusive for use in common with the grantor of each such easement and all Users and Occupants. Kaplan shall construct, or cause to be constructed, the portion of the Access Drive on the Kaplan Parcel as soon as reasonably possible after the date of this Agreement, and in any event by no later than September 30, 2001. Such construction shall be in substantial conformity with the plans and specifications prepared by KRE&S Engineers, dated

548-89-1298

June 4, 1999. In addition, Kaplan shall construct, or cause to be constructed a traffic signal within the State Highway 6 right-of-way opposite the entrance to the Kaplan Parcel in substantial conformity with the plans prepared by Traffic Engineers Incorporated, dated July 22, 1999, using his best efforts to complete the signal by September 30, 2001. In consideration for the cost of construction of the Access Drive and traffic signal (including engineering fees already incurred and paid by Kaplan), FFCA is contemporaneously herewith paying Kaplan the sum of \$26,088.50, and MBD is contemporaneously herewith paying Kaplan the sum of \$23,131.83. If the actual cost of constructing the Access Drive and installing the signal plus related engineering expenses incurred by Kaplan exceeds the sum of \$104,554.00, FFCA shall pay to Kaplan 24.95217% of such excess, and MBD shall pay to Kaplan 22.12426% of such excess. An invoice documenting the construction costs, including the construction contract, change orders and paid invoices, shall be delivered by Kaplan to FFCA and MBD, together with an invoice for FFCA's and MBD's share of such excess costs. Within thirty (30) days following delivery of such documentation, FFCA and MBD shall pay to Kaplan the amount shown to be due by such invoice.

2.2 Use of Access Drive. The Access Drive on each Parcel shall be used only for the following purposes related to the businesses and activities conducted on the Parcels:

(a) Ingress and Egress. Ingress and egress by any Users and any motor vehicles of such Users to and from any portion of the Common Area and the public streets and private driveways adjacent to or on the Common Area. Each Party reserves the right to close off its portion of the Common Area for such reasonable period of time as may be legally necessary, in the opinion of such Party's counsel, to prevent the acquisition of prescriptive rights by anyone; provided, however, that prior to closing off any portion of the Common Area, as herein provided, such Party shall give written notice to the other Parties of its intention to do so, and shall attempt to coordinate such closing with the other Parties so that no unreasonable interference in the passage of pedestrians or vehicles shall occur. Further, each Party reserves the right at any time and from time to time to exclude and restrain any Person who is not a permitted User under Section 1.7 hereof from using its portion of the Access Drive. This Agreement shall not give rise to any prescriptive rights by the Parties, and each Party shall use reasonable efforts to prevent such rights from being acquired by the public or any third party.

(b) Pedestrian Traffic. Pedestrian traffic by Users between business establishments on the Parcels and between such business establishments and the adjoining streets.

(c) Repairs, Maintenance and Replacement of Common Area. Ingress, egress and access to the Common Area located over, along and under each Party's Parcel for the purpose of effectuating any necessary repairs, maintenance and replacement of the Common Area located on each Parcel as provided herein; provided, however, such uses shall not unreasonably prevent or impair the use of the Access Drive for the purposes granted in Section 2.1.

15-03-12-15

(d) Utility Easements. Such utility easements as may be granted by the Owner of the Parcel; provided however, such uses shall not unreasonably prevent or impair the use of the Access Drive for the purposes granted in Section 2.1.

(e) Construction, Repairs and Maintenance of Buildings. Ingress, egress, access, use as a temporary staging area for construction, repairs, maintenance and use of any buildings or other improvements situated on a parcel by the Owner, Occupant or Users of such Parcel, and such other uses by the Parcel which do not unreasonably interfere with any of the other purposes described in this Section 2.2; provided, however, none of the aforesaid uses shall unreasonably prevent or impair the use of the Access Drive for the purposes granted in Section 2.1.

2.3 Compliance with Law. All construction work undertaken by any Party pursuant to this Agreement shall comply with the requirements of all applicable governmental authorities having jurisdiction and all applicable laws, ordinances, rules and regulations of such authorities, including, without limitation, building codes. Each Party shall also secure all licenses and permits from governmental agencies and other entities (such as public utilities) necessary for any construction undertaken by it. No Party shall cause or permit to exist on another Party's Parcel any lien arising out of construction work undertaken by a Party pursuant to this Agreement. The Party causing such lien to be filed shall, within thirty (30) days after the filing thereof, cause such lien to be released or bonded or otherwise insured around.

2.4 Indemnification by Parties. Each Party shall indemnify, defend and hold the other Parties harmless of and from any and all loss, cost, damage, injury or expense (including, without limitation, reasonable attorneys' fees) arising by reason of injury to or death of Persons, damage to property or claims of lien for work or labor performed, materials or supplies furnished arising out of or in connection with use by the indemnifying Party of the easements granted hereunder or the exercise by such Party of any other rights granted to it in this Agreement. Any Party may contest any lien or claim of lien asserted against such Party or the Parcel affected by such Party's use of any of the easements granted hereunder; provided, however, that such Party shall pay and fully discharge any such claim of lien within twenty (20) days after entry of final judgment adverse to such Party in any action to enforce or foreclose the same.

3. Use, Management and Maintenance.

3.1 Use, Generally. Except as expressly set forth in this Agreement, nothing herein contained shall limit, affect or diminish the right of each Party to own, manage and operate its Parcel in the manner deemed necessary or appropriate by such Party, and it is specifically agreed that each Party may modify its Parcel, relocate or reconfigure the parking areas thereon and construct and reconstruct from time to time additional improvements thereon, all without the consent or joinder of the other Party; however, in no event shall the Access Drive or access points be modified, closed or relocated without the consent of the other Parties, such consent not to be unreasonably withheld or delayed.

3.2 No Walls, Fences or Barriers. No walls, fences or barriers of any kind shall be

constructed, erected or maintained on the Access Drive, or any portion thereof, by any Party which shall prevent or impair the use or exercise of any of the easements granted herein or the free access and movement of Occupants and Users, including, without limitation, pedestrians and vehicular traffic, between the Parcels; provided, however, reasonable traffic control signs and devices, directional barriers and parking stops, as may be necessary to guide and control the orderly flow of traffic, may be installed so long as the Access Drive and curb cuts on a Parcel are not closed or blocked.

4. Additional Common Area Provisions.

4.1 Construction of Parking. The parking spaces on any portion of the Kaplan Parcel necessary or required for a building constructed thereon shall be constructed no later than the date the business conducted in such building is opened to the public.

4.2 Parking. Nothing contained in this Agreement shall be construed to grant to a Party the right to use or permit the use by others of any parking areas located from time to time on the other Party's Parcel. Each Party agrees to construct and thereafter maintain a sufficient number of automobile parking spaces in order to comply with the requirements of any governmental authority having jurisdiction over the Parcels.

4.3 Changes in Common Area. Each Party shall have the right to make such changes in the Common Area on its Parcel as it deems necessary or appropriate to serve the best interests of its business, provided no change shall adversely affect or impair the free and uninterrupted use of the Access Drive.

4.4 Operation and Maintenance. Each Party shall repave, resurface, patch and replace markings on the surface of the Access Drive on its Parcel from time to time as and when necessary.

4.5 Liability Insurance. Each Party shall maintain or cause to be maintained public liability insurance insuring against claims on account of loss of life, bodily injury or property damage that may arise from, or be occasioned by the condition, use or occupancy of the Common Areas owned by such Party or caused by such Party or caused by those Persons for whose acts or omissions such Party is legally liable. Each Party shall cause the policies evidencing such liability insurance to name the other Parties as an additional insured. Such insurance shall be written by an insurance company or companies with a Best's Insurance Guide rating of not less than A- and qualified to do business in the State of Texas; and said policy or policies of insurance shall have limits for loss of life or bodily injury in the amounts of not less than One Million and No/100 Dollars (\$1,000,000.00) for each Person and Three Million and No/100 Dollars (\$3,000,000.00) for each occurrence and Five Hundred Thousand and No/100 Dollars (\$500,000.00) for property damage for each occurrence. Such insurance may be carried under a "blanket" policy covering other properties of the owner of the relevant Parcel. Each Party shall, upon written request from another Party, furnish to the requesting Party one or more certificates of insurance evidencing the existence of the insurance required to be carried under this Section 4.5. All such insurance policies shall include provisions (to the extent obtainable in policies prescribed or approved by the State Board of Insurance of Texas) denying to the insurer subrogation rights against the Party causing the

548-88-125

548-89-129

loss of life or bodily injury or property damage to the extent such rights have been waived by the insured prior to the occurrence of such bodily injury, loss of life or property damage. To the extent that a Party is compensated by insurance for bodily injury, loss of life or property damage, such Party hereby waives any rights of recovery and rights of subrogation against the other Party causing such bodily injury, loss of life or property damage as well as against such other Party's directors, officers, employees, agents and others for whose acts and/or omissions such other Party may be legally liable. In the event that a Party required to maintain liability insurance under the provisions of this Section 4.5 fails to do so, such Party hereby waives any rights of recovery against the other Parties as well as such other Parties' directors, officers, employees, agents and others for whose acts or omissions such other Party is legally liable to the same extent as if such Party were required to carry a policy of liability insurance under the provisions of this Section 4.5 and complied with such provisions and waived rights of recovery and subrogation under the provisions hereof.

5. Construction of Buildings. Subject to the provisions contained elsewhere in this Agreement, each Party may from time to time (i) develop and construct on its Parcel buildings and improvements, and (ii) remodel and renovate existing buildings and improvements located on its Parcel

6. Condemnation. In the event the whole or any part of a Party's Parcel shall be taken by right of eminent domain or any similar authority of law (the "Taking") or in the event that any Party conveys all or any portion of its Parcel under threat of eminent domain, any such conveyance also being a "Taking" as used herein, the entire award or compensation paid shall belong to the owner of the Parcel constituting the subject matter of such Taking (whether such award or compensation so paid is for the property taken or as severance damages with respect to such owner's property not taken) and no other Party shall have a right to claim any portion of such award or compensation paid.

7. Rights Upon Default.

7.1 Right to Cure. In the event a Party defaults in the performance of the obligations of such Party under this Agreement, the non-defaulting Party or Parties shall have the right, but not the obligation, following twenty (20) days written notice, to cure such default for the account of and at the expense of the defaulting Party; provided, however, that in the event of emergency conditions constituting default, the non-defaulting Party acting in good faith shall have the right to cure such default upon such advance notice as is reasonably possible under the circumstances or, if necessary, without advance notice, so long as notice is given as soon as possible thereafter. Any notice hereunder shall specify with particularity the nature of the default claimed. To effectuate any such cure, the non-defaulting Party shall have the right to enter upon the Parcel of the defaulting Party to perform any necessary work or furnish any necessary materials or services to cure the default of the defaulting Party. Prior to a non-defaulting Party exercising its rights under this Section 7.1, it shall first confer with any other non-defaulting Party to coordinate, if the other non-defaulting Party wishes to exercise its rights, the action taken pursuant to this Section 7.1.

7.2 Costs of Cure and Lien Rights. All costs and expenses reasonably incurred by a Party to cure a default of a defaulting Party under the provisions of Section 7.1 hereof, together with

interest thereon at the rate of twelve percent (12%) per annum, shall be paid by the defaulting Party. In the event MBD or FFCA is liable for the excess costs of construction described in Section 2.1, such costs shall be treated in the same manner as provided in the preceding sentence. The payment of all such costs and expenses shall be secured by a lien on the Parcel and improvements thereon owned by the defaulting Party, which lien shall be created by the recording of a notice thereof (executed by the non-defaulting Party) in the Official Public Records of Real Property of Harris County, Texas. Such lien shall be subordinate to any previously recorded mortgage or deed of trust ("**Prior Mortgage**") now or hereafter affecting the Parcel owned by the defaulting Party which arose and was recorded prior to recordation of such notice. Such lien may be enforced in any manner allowed by law including, without limitation, a suit in the nature of a suit to foreclose a deed of trust under the applicable provisions of the laws of the State of Texas.

7.3 Legal and Equitable Relief. Each Party shall have the right to prosecute any proceeding at law or in equity against the other Party hereto, or any other Person, violating or attempting to violate or defaulting in any of the provisions contained in this Agreement, in order to prevent the violating or defaulting Party or any such Person from violating or attempting to violate or defaulting under the provisions of this Agreement and to recover damages for any such violation or default. The remedies available hereunder shall include, by way of illustration but not limitation, applications for temporary restraining orders, temporary injunctions and permanent injunctions enjoining any such default or attempted violation or default, and actions for specific performance of this Agreement.

7.4 Non-Waiver. No delay or omission of any Party in the exercise of any right accruing upon any default of the other Party shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any Party of a breach of, or default in, any of the terms and conditions of this Agreement by the other Party shall not be construed to be a waiver of any subsequent breach of or default in the same or other provision of this Agreement. Except as otherwise specifically provided in this Agreement, no remedy provided in this Agreement shall be exclusive but each shall be cumulative with all other remedies provided in this Agreement and all remedies at law or in equity shall be available.

7.5 Non-Terminable Agreement. No breach of the provisions of this Agreement shall entitle either Party to cancel, rescind or otherwise terminate this Agreement, but such limitations shall not affect, in any manner, any other rights or remedies which either Party may have hereunder by reason of any breach of the provisions of this Agreement. No breach of the provisions of this Agreement shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value covering either Parcel and any improvements thereon.

7.6 Force Majeure. In the event any Party shall be delayed or hindered in or prevented from the performance of any act required to be performed by such Party by reason of acts of God, strikes, lockouts, unavailability of materials, failure of power, prohibitive governmental laws or regulations, riots, insurrections, the act or failure to act of the other Parties, adverse weather conditions preventing the performance of work as certified to by an architect, war or other reason beyond such Party's reasonable control and with respect to which, in each of the aforesaid

548-89-1235

circumstances, the Party is diligently and in good faith seeking to abate and remove the circumstances causing the delay, then the time for performance of such act shall be extended for a period equivalent to the period of such delay. Lack of adequate funds or financial inability to perform or financial losses or hardship resulting from performance or imprudent management or negligence shall not be deemed to be a cause beyond the reasonable control of such Party.

8. Term. This Agreement and the easements, rights, restrictions, obligations and liabilities created hereby shall be and remain in full force and effect for the period commencing on the date of this Agreement and terminating on December 31, 2030; Upon termination of this Agreement, all rights and privileges derived from and all duties and obligations created and imposed by the provisions of this Agreement, except as otherwise expressly provided herein, shall terminate and have no further force or effect; provided, however, that the termination of this Agreement shall not limit or affect any remedy of either Party against the other Party with respect to any liability or obligation arising prior to the date of such termination.

9. Effect of Instrument and Transfers.

9.1 Transfer of Entire Interest. In the event of the transfer, conveyance or termination of the entire interest of either Party in its Parcel without retaining any beneficial interest therein other than as beneficiary under the terms of a deed of trust or without simultaneously acquiring a new interest by way of leasehold or other similar interests, then the rights and powers conferred upon and the obligations under this Agreement of the transferring Party shall be transferred and assigned with its interest, or termination thereof.

9.2 Mortgage Subordination. Any mortgage or deed of trust affecting any portion of a Parcel shall, at all times, be subject and subordinate to the terms of this Agreement; and any Person foreclosing any such mortgage or deed of trust, or acquiring title by deed in lieu of foreclosure shall acquire title subject to all of the terms and provisions of this Agreement. Any Person holding any such mortgage or deed of trust on the date hereof shall join in the execution of this Agreement for the purpose of subordinating such mortgage or deed of trust to this Agreement.

9.3 Binding Effect. Every agreement, covenant, promise, undertaking, condition, easement, right, privilege, option and restriction made, granted or assumed, as the case may be, by each Party to this Agreement is made by such Party for the benefit of the other Parties. Any transferee of any part of a Parcel shall automatically be deemed, by acceptance of title thereto, to have assumed all obligations of this Agreement relating thereto to the extent of its interest in such Parcel.

9.4 Non-Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of any portion of a Parcel to the general public or for any public use or purpose whatsoever, it being the intention of the Parties and their successors and assigns that nothing in this Agreement, expressed or implied, shall confer upon any Person, other than the Parties and their successors and assigns, any rights or remedies under or by reason of this Agreement.

9.5 Liability. Notwithstanding anything to the contrary contained in this Agreement, each Party shall be liable and responsible for the obligations, covenants, agreements and responsibilities created by this Agreement and for any judgment rendered hereon only to the extent of its respective interest in its Parcel.

9.6 Release Upon Sale of Interest. Upon the sale and conveyance by a Party of its entire right, title and interest in its Parcel, such Party shall be released from its obligations under this Agreement arising subsequent to the effective date of such sale and conveyance other than those obligations arising from any default by such Party in the performance of any provision of this Agreement prior to such sale and conveyance. The subdivision by a Party of its Parcel shall be treated in the same fashion as a sale once the subdivided portion is sold or conveyed; however, each subdivided portion of such Parcel shall continue to be subject to the provisions hereof following such sale and conveyance.

10. Covenants and Recordation. All of the provisions, agreements, covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns and all other persons acquiring any Parcel, or any portion thereof, or any interest therein, whether by operation of law or in any other manner whatsoever. All of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law. It is expressly acknowledged that each covenant to do or refrain from doing some act on each Parcel hereunder (i) is for the benefit of the other Parcel, (ii) runs with each Parcel and (iii) shall benefit or be binding upon each successive owner during its ownership of each Parcel, or any portion thereof. This Agreement shall become effective and binding upon the Parties in accordance with the provisions of this Article 10 upon recordation of this Agreement in the Official Public Records of Real Property of Harris County, Texas.

11. Notices. Any notice, report or demand required, permitted or desired to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if it is hand delivered or is mailed by registered or certified mail, return receipt requested or delivered by guaranteed overnight delivery service. The respective mailing addresses of the Parties hereto are, until changed as hereinafter provided, as follows:

Kaplan;	P. O. Box 56783 Houston, Texas 77256-6783
MBD	c/o United Equities Incorporated 6909 Ashcroft, Suite 200 Houston, Texas 77081 Attention: Edwin Freedman
FFCA:	FFCA Acquisition Corporation 17207 North Perimeter Drive Scottsdale, Arizona 85255

Any Party may change its mailing address or add one (1) additional Person to receive notice at any time by giving written notice of such change to the other Parties in the manner provided herein at least ten (10) days prior to the date such change is effected. All notices under this Agreement shall be deemed given on the date personal delivery is effected or, if mailed or sent by guaranteed overnight delivery service, on the delivery date.

12. Miscellaneous.

12.1 Termination and Amendment. This Agreement may be terminated, modified or amended in whole or in part only by written and recorded instrument executed by each of the Parties hereto or by all of the Owners and mortgagees of each Parcel in the event that any of such Owners and mortgagees are not then Parties hereto.

12.2 Severability. Invalidation of any of the provisions contained in this Agreement, or the application thereof to any person, by judgment or court order shall in no way affect any of the other provisions hereof or the application thereof to any other Person, and the same shall remain in full force and effect.

12.3 Entire Agreement. This Agreement and the exhibits hereto contain all of the representations and agreements between the Parties with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are superseded in total by this Agreement.

12.4 Captions. The captions preceding the text of each article and section hereof are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

12.5 Litigation Expenses. If any Party shall bring an action or proceeding against the other Party hereto by reason of the breach or alleged violation of any covenant, agreement or obligation herein contained or for the enforcement of any provision hereof, or to interpret this Agreement, the prevailing Party in such action or proceeding shall be entitled to recover its costs and expenses of suit, including, but not limited to, reasonable attorneys' fees actually incurred and court costs.

12.6 Governing Law. This Agreement and all rights and obligations created hereby shall be governed by and construed under the laws of the State of Texas. This Agreement is performable in Harris County, Texas.

12.7 Estoppel Certificate. Each Party agrees that upon written request of any other Party, it will issue to such Party, or its prospective mortgagee or successor, an estoppel certificate stating to the best of the issuer's knowledge as of such date (i) whether it knows of any default under this Agreement by the requesting Party, and if there are known defaults, specifying the nature thereof; (ii) whether this Agreement has been assigned, modified or amended in any way by it and if so, then stating the nature thereof and furnishing a copy thereof; and (iii) whether this Agreement is in full force and effect.

548-89-1298

12.8 Condition Precedent. Each Party acknowledges that Kaplan's ability to construct the driveway and traffic signal described in Section 2.1 hereof is subject to his receiving a satisfactory building permit from the City of Houston. Promptly after the complete execution of this Agreement, Kaplan agrees to submit plans for construction of the driveway and traffic signal to the City of Houston and to diligently pursue receipt of a building permit. If notwithstanding such efforts, Kaplan is unable by June 1, 2001, to receive a building permit reasonably acceptable to Kaplan for construction of the driveway and traffic signal described in Section 2.1, this Agreement shall terminate and the Parties and their mortgagees shall execute an appropriate release of this Agreement in exchange for a full refund by Kaplan of any payments made to Kaplan pursuant to this Agreement.

The Parties hereto have executed this Agreement as of the day and year first above written.

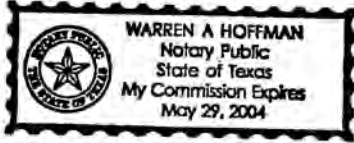
J. Kaplan, Trustee (4)(4)
JAY KAPLAN, TRUSTEE 10/1/01

MB DEVELOPMENT COMPANY 10/1/01
By: Edwin Freedman, President
Edwin Freedman, President

FFCA ACQUISITION CORPORATION 10/1/01
By: Howard J. Powers II
Name: Howard J. Powers II
Title: Associate General Counsel

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 4th day of MAY, 2001, by JAY KAPLAN, TRUSTEE.



Warren A Hoffman
Notary Public, State of Texas

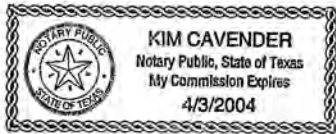
Printed Name of Notary

My Commission Expires: _____

548-89-1299

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 25th day of April, 2001, by EDWIN FREEDMAN, President of MB DEVELOPMENT COMPANY, a Texas corporation, on behalf of said corporation.



Kim Cavender
Notary Public, State of Texas

Kim Cavender
Printed Name of Notary

My Commission Expires: 4/3/2004

2001 MAY 16 PM 3:51
FILED
Warren A Hoffman
COUNTY CLERK
HARRIS COUNTY TEXAS

THE STATE OF ARIZONA
COUNTY OF MARICOPA

This instrument was acknowledged before me on this 19th day of April, 2001, by Howard J. Powers-H, Assoc. General Counsel of FPCA ACQUISITION CORPORATION, a Delaware corporation, on behalf of said corporation.



Cindy Krauh
Notary Public, State of Arizona

Cindy Krauh
Printed Name of Notary

My Commission Expires: 8/5/01

O:\109\109241\0013\REA3P03.DOC

548-85-1388

LIENHOLDER SUBORDINATION

United Equities Incorporated, the Mortgagee of the MBD Parcel, joins in the execution of this Reciprocal Easement Agreement ("REA") solely to consent to the creation of the REA and to agree that the liens held by it will be subject and subordinate to the terms and conditions of the REA. Subject to the foregoing sentence, no term, provision, requirement or restriction contained in any of the undersigned's lien instruments is changed, waived or otherwise affected by the REA.

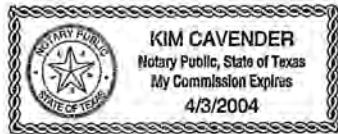
UNITED EQUITIES INCORPORATED *10/1/01*

By: *Edwin Freedman, Pres*
Edwin Freedman, President

548-189-1384

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 25th day of April, 2001, by EDWIN FREEDMAN, President of UNITED EQUITIES INCORPORATED, a Texas corporation, on behalf of said corporation.



Kim Cavender
Notary Public, State of Texas

Kim Cavender
Printed Name of Notary

My Commission Expires: 4/3/2004

EXHIBIT "A"
KAPLAN PARCEL
[TO BE ATTACHED]

1545-09-1302

KAPLAN PARCEL

147,639 square feet (3.3893 acres) of land located in the Blas Herrera Survey, Abstract No.321, Harris County, Texas, being out of Restricted Reserve "K", Block 1 of the Tim Miles Subdivision, the plat of which is filed for record in Volume 334, Page 99 of the Harris County Map Records, and being a portion of a 10.5943 acre tract of land conveyed to Jay Kaplan, Trustee, in deed filed of record under Harris County Clerk's File No.S199642 and being more particularly as follows:

BEGINNING at a 5/8 inch Iron rod found at the southeast corner of a 1.1118 acre tract conveyed to MB Development Company by deed filed of record under Harris County Clerk's File No.T479134, being in the west right-of-way line of State Highway Six, having a right-of-way width of 160.00 feet;

THENCE S.0°46'58"W. 64.95 feet along the west right-of-way line of said State Highway Six to a point of curvature;

THENCE 253.19 feet in a southerly direction, following said west right-of-way line of State Highway Six, along a curve to the left, said curve having a radius of 3993.69 feet, a central angle of 3°37'57" and a long chord which bears S.1°01'59"E. 253.15 feet to the northeast corner of a 2.256 acre tract of land conveyed to Landry's Crab Shack, Inc. in deed filed of record under Harris County Clerk's File No.S464505;

THENCE S.89°40'53"W. 564.77 feet along the north line of said 2.256 acre tract to a point for the northwest corner thereof, same being in the west line of said Restricted Reserve "K" and being the east line of a 490.1 acre tract conveyed to the United States of America in deed filed for record in Volume 1346, Page 199 of the Harris County Deed Records;

THENCE N.32°07'05"E. 299.16 feet along the west line of said Restricted Reserve "K" and the east line of said 490.1 acre tract to an angle point therein;

THENCE N.16°08'56"E. 70.14 feet continuing along the west line of said Restricted Reserve "K" and the east line of said 490.1 acre tract to the southwest corner of said 1.1118 acre tract;

THENCE N.89°55'54"E. 382.53 feet along the south line of said 1.1118 acre tract to the PLACE OF BEGINNING of the herein described tract of land.

147639-500-0000

EXHIBIT "B"
MBD PARCEL
[TO BE ATTACHED]

548-85-1384

MBD PARCEL

Being a tract or parcel of land containing 1.1118 acres, more or less, located in the Blas Herrera Survey, A-321, Harris County, Texas, being a northerly portion of that call 10.5943 acre Restricted Reserve "K", Block 1, of the Tim Miles Subdivision, a subdivision of record in Volume 334, Page 99, of the Harris County Map Records (HCMR), and also being a northerly portion of that same call 10.5943 acres conveyed to Jay Kaplan, Trustee, as recorded in File No. S-199642, of the Harris County Official Public Records of Real Property (HCOPRRP), said 1.1118 acres being more particularly described by metes and bounds as follows:

COMMENCING at a 1-inch iron rod found marking the northeast corner of the aforesaid Restricted Reserve "K", Block 1, Tim Miles Subdivision and said 10.5943 acre Kaplan, Trustee tract, said rod being on the west right-of-way (ROW) line of State Highway (SH) No. 6 (formerly known as Addicks-Howell Road), 160 feet wide, said rod also being the southeast corner of that certain call 1.9999 acre tract conveyed to Farouk Alattar, et al, as recorded in File No. N-752602, HCOPRRP, said rod being also the northeast corner of a call 1.1195 acre tract conveyed to Monterey Acquisition, Corp., as recorded in File No. T-029823, HCOPRRP;

THENCE S 00°46'58" W, along the west ROW line of said State Highway No. 6, same being the east line of the aforesaid Reserve "K", said 10.5943 acre Kaplan, Trustee tract, and said 1.1195 acre Monterey Acquisition tract, 150.00 feet to a 5/8-inch iron rod found for northeast corner of the herein described tract, said rod being the southeast corner of the aforesaid Monterey Acquisition tract, and the POINT OF BEGINNING;

THENCE S 00°46'58" W, continuing along said west ROW line, same being the east line of said Restricted Reserve "K", and said 10.5943 acre Kaplan, Trustee tract, 133.00 feet to a 5/8-inch iron rod set for southeast corner of the herein described tract, from which a 5/8-inch iron rod found on said west ROW line bears S 00°46'58" W, 64.95 feet;

THENCE S 89°55'54" W, leaving said west ROW line, 382.53 feet to a 5/8-inch iron rod set for southwest corner of the herein described tract, said rod being on a west line of said Restricted Reserve "K", same being a west line of said 10.5943 acre Kaplan, Trustee tract, said rod also being on the east line of a call 490.1 acre (Tract BR-49) conveyed to the United States of America (USA) as recorded in Volume 1346, Page 199, of the Harris County Deed Records (HCDR), from which a USA brass disk found in concrete bears S 16°08'56" W, 70.13 feet;

THENCE N 16°08'56" E, along a west line of said Restricted Reserve "K", same being a west line of said call 10.5943 acre Kaplan, Trustee tract, same also being a east line of said call 490.1 acre USA tract, a distance of 138.50 feet to a 5/8-inch iron rod found for northwest corner of the herein described tract, said rod being the southwest corner of the aforesaid 1.1195 acre Monterey Acquisition tract;

THENCE N 89°55'54" E, leaving the west line of said Reserve "K" and said 10.5943 acre Kaplan tract, and along the south line of said call 1.1195 acre Monterey Acquisition tract, a distance of 345.83 feet to the POINT OF BEGINNING and containing 1.1118 acres (48,430 square feet) of land, more or less.

548-88-1385

EXHIBIT "C"
EECA PARCEL
(TO BE ATTACHED)

543-101-4775

FFCA PARCEL

Being a tract or parcel of land containing 1.1195 acres, more or less, located in the Blas Herrera Survey, A-321, Harris County, Texas, being a northerly portion of that call 10.5943 acre Restricted Reserve "K", Block 1, of the Tim Miles Subdivision, a subdivision of record in Volume 334, Page 99, of the Harris County Map Records (HCMR), and also being a northerly portion of that same call 10.5943 acres conveyed to Jay Kaplan, Trustee, as recorded in File No. S-199642, of the Harris County Official Public Records of Real Property (HCOPRRP), said 1.1195 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 1-inch iron rod found marking the northeast corner of the aforesaid Restricted Reserve "K", Block 1, in Tim Miles Subdivision, said rod being on the west right-of-way (ROW) line of State Highway No. 6 (formerly Addicks-Howell Road), 160 feet wide, said rod also being the southeast corner of that certain call 1.9999 acre tract conveyed to Farouk Alattar, et al, as recorded in File No. N-752602, HCOPRRP, said rod being also the southeast corner of a prior called 10.000 acre tract conveyed to Ralph Fisher, Trustee and Wilmer Davis, Trustee, as recorded in File No. F-592529, HCOPRRP;

THENCE S 00°46'58" W, along the west ROW line of said State Highway No. 6, same being the east line of the aforesaid Restricted Reserve "K", Block 1, and said call 10.5943 acre Kaplan tract, 150.00 feet to a 5/8-inch iron rod set for southeast corner of the herein described tract, from which a found 5/8-inch iron rod on said west ROW line bears S 00°46'58" W, 197.95 feet;

THENCE S 89°55'54" W, leaving said west ROW line, 345.83 feet to a 5/8-inch iron rod set for southwest corner, said rod being on a west line of said Restricted Reserve "K", same being a west line of said call 10.5943 acre Kaplan tract, said rod also being on the east line of a call 490.1 acre (Tract BR-49) conveyed to the United States of America (USA) and recorded in Volume 1346, Page 199, of the Harris County Deed Records (HCLR), from which a USA brass disk found in concrete bears S 16°08'56" W, 208.63 feet;

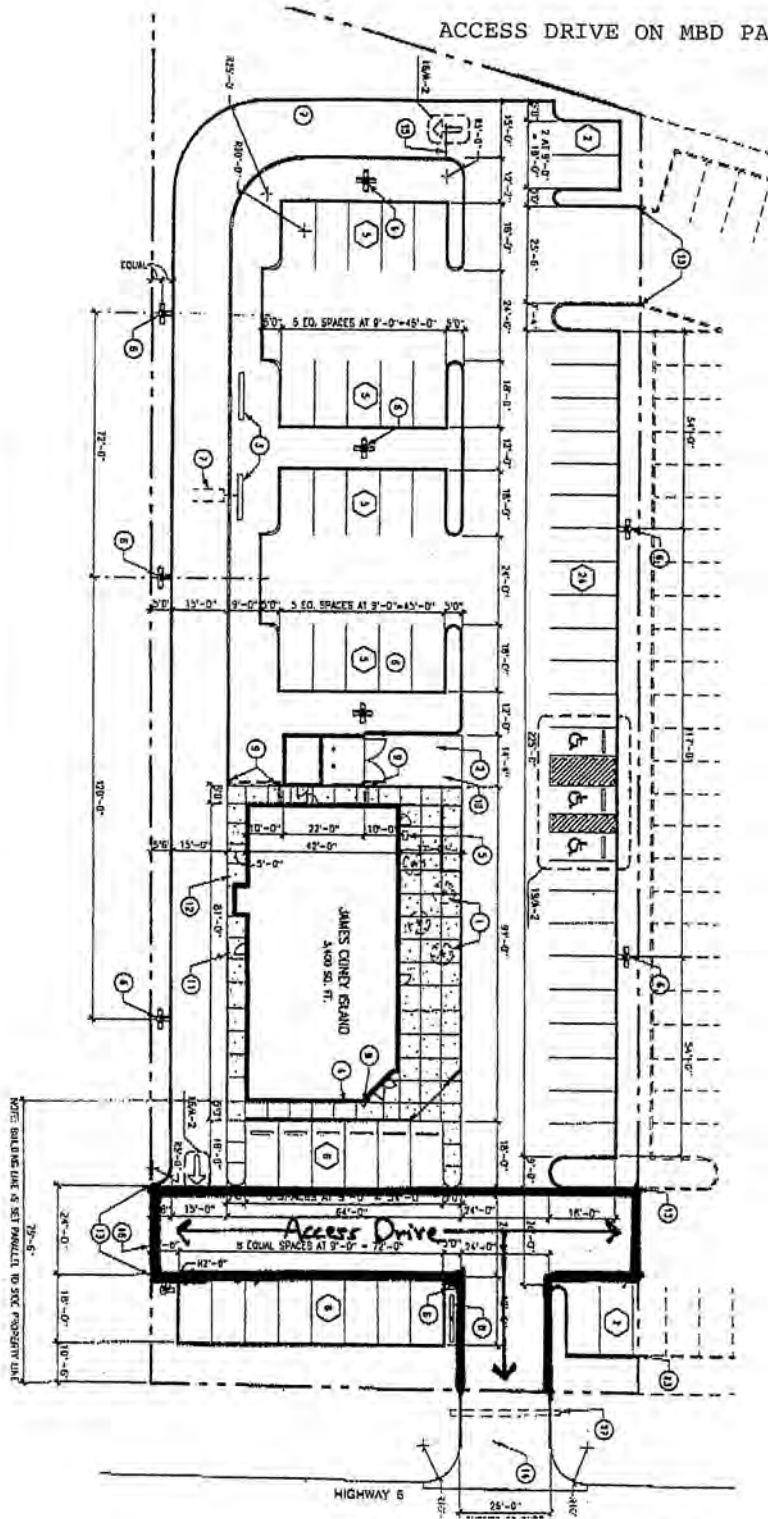
THENCE N 16°08'56" E, along a west line of said Restricted Reserve "K", same being a west line of said call 10.5943 acre Kaplan tract, same also being a east line of said call 490.1 acre USA tract, a distance of 156.20 feet to a 5/8-inch iron rod found for northwest corner of the herein described tract and said call 10.5943 acre Restricted Reserve "K", said rod being the southwest corner of the aforesaid call 1.9999 acre Farouk Alattar, et al, tract, said rod also being the southwest corner of said prior call 10.000 acre Fisher and Davis, Trustee tract;

THENCE N 89°55'54" E, along the north line of said Restricted Reserve "K", same being the south line of said call 1.9999 acre and prior call 10.000 acre tracts, a distance of 304.43 feet to the POINT OF BEGINNING and containing 1.1195 acres (48,764 square feet) of land, more or less.

EXHIBIT "D"
SITE PLAN
(TO BE ATTACHED)

15-000000-000000

ACCESS DRIVE ON MBD PARCEL



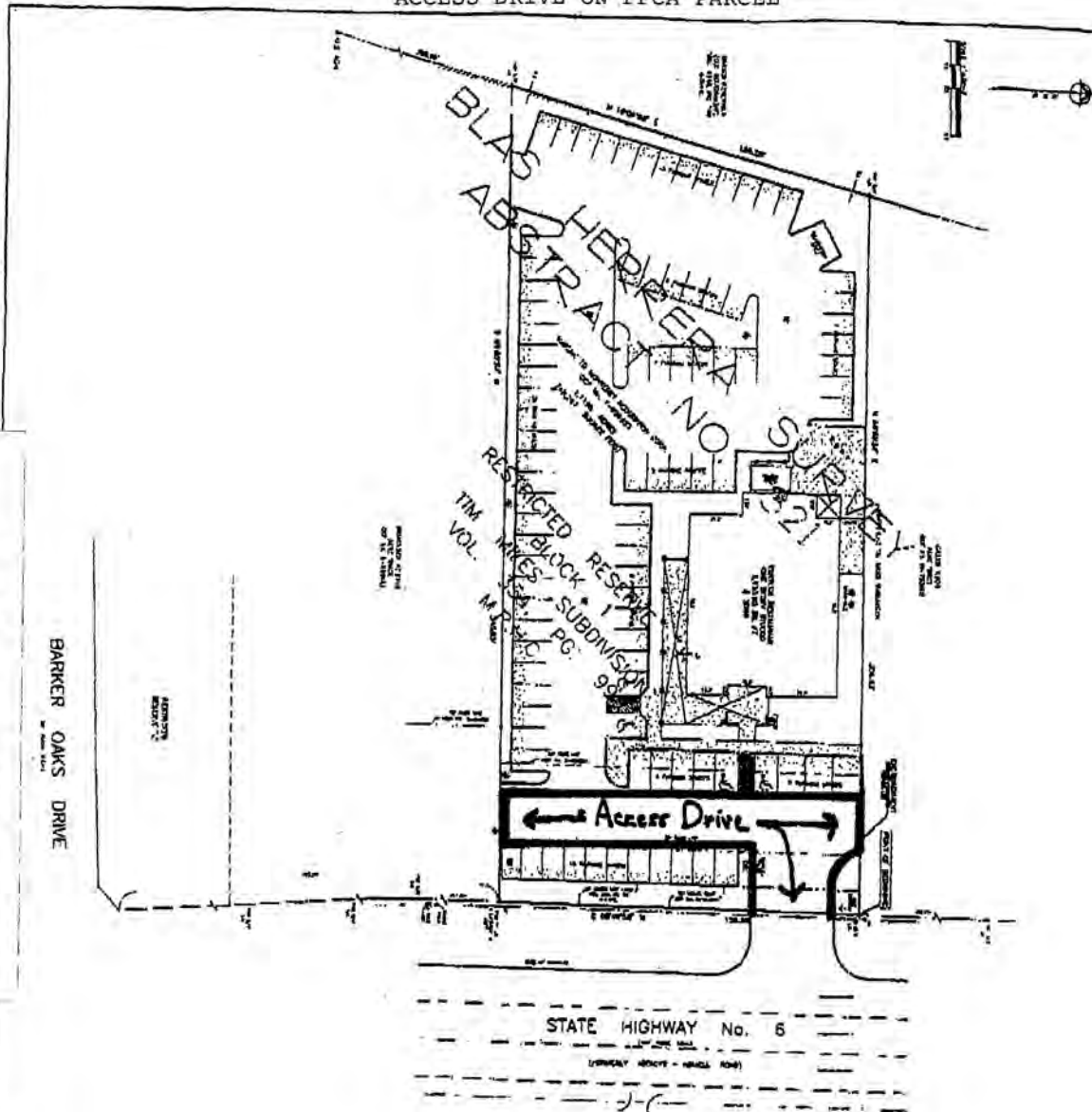
DRAWING: SITE PLAN
 UNIT NO.: 37
 2020 S. HWY 6
 PLOT DATE: 12-1-99
 SCALE: 1" = 40'-0"

SECRET - 5010-107-5

ACCESS DRIVE ON FFCA PARCEL

540-89-1310

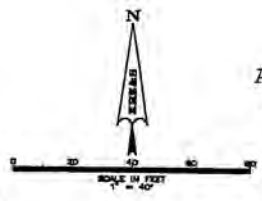
BARKER OAKS DRIVE



BLAS HERRERA SURVEY
A-#321

1.1118 ACRES
MB DEVELOPMENT COMPANY
H.C.C.F.No.T479134

ACCESS DRIVE ON
KAPLAN PARCEL



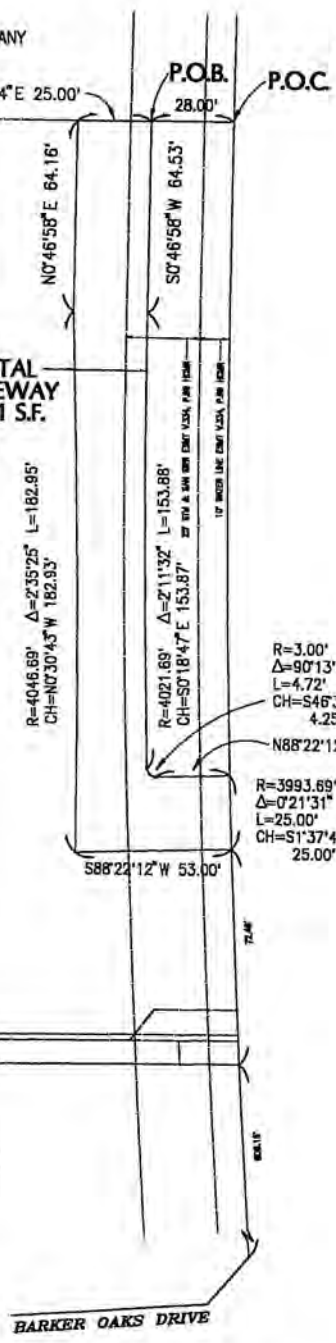
S-48-09-1311

TIM MILES SUBDIVISION
RESTRICTED RESERVE 'K', BLOCK
VOLUME 384, PAGE 98 H.C.M.R.

**TOTAL
DRIVEWAY
6,871 S.F.**



2.256 ACRES
LANDRY'S CRAB SHACK, INC.
H.C.C.F.No.S464505



STATE HIGHWAY 6
168' R.O.W.

EXHIBIT "E"

ACCESS DRIVE ON KAPLAN PARCEL

6,871 square feet of land located in the Blas Herrera Survey, Abstract No.321, Harris County, Texas, being out of Restricted Reserve "K", Block 1 of the Tim Miles Subdivision, the plat of which is filed for record in Volume 334, Page 99 of the Harris County Map Records, and being a portion of a 10.5943 acre tract of land conveyed to Jay Kaplan, Trustee, in deed filed of record under Harris County Clerk's File No.S199642 and being more particularly as follows:

COMMENCING at a 5/8 inch iron rod found at the southeast corner of a 1.1118 acre tract conveyed to MB Development Company by deed filed of record under Harris County Clerk's File No.T479134;

THENCE S.89°55'54"W. 28.00 feet along the south line of said 1.1118 acre tract to the PLACE OF BEGINNING of the herein described tract of land;

THENCE S.0°46'58"W. 64.53 feet to a point of curvature;

THENCE 153.88 feet in a southerly direction along a curve to the left, said curve having a radius of 4021.69 feet, a central angle of 2°11'32" and a long chord which bears S.0°18'47"E. 153.87 feet to a point of compound curvature;

THENCE 4.72 feet in a southeasterly direction along a curve to the left, said curve having a radius of 3.00 feet, a central angle of 90°13'16" and a long chord which bears S.46°31'11"E. 4.25 feet to a point of tangency;

THENCE N.88°22'12"E. 25.00 feet to a point in the west right-of-way line of State Highway Six, having a right-of-way width of 160.00 feet;

THENCE 25.00 feet in a southerly direction, following said west right-of-way line of State Highway Six, along a curve to the left, said curve having a radius of 3993.69 feet, a central angle of 0°21'31" and a long chord which bears S.1°37'48"E. 25.00 feet to the end of said curve;

THENCE S.88°22'12"W. 53.00 feet to a point on a curve;

THENCE 182.95 feet in a northerly direction along a curve to the right, said curve having a radius of 4046.69 feet, a central angle of 2°35'25" and a long chord which bears N.0°30'43"W. 182.93 feet to a point of tangency;

THENCE N.0°46'58"E. 64.16 feet to a point in the south line of said 1.1118 acre tract;

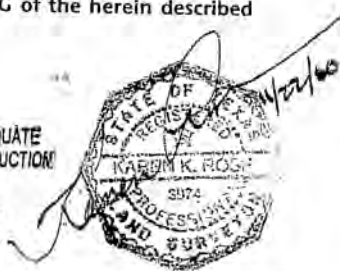
THENCE N.89°55'54"E. 25.00 feet along the south line of said 1.1118 acre tract to the PLACE OF BEGINNING of the herein described tract of land.

548-89-1312

AFTER RECORDING: des679-4

PLEASE RETURN TO:
BARRY E. PUTTERMAN
DOW, COGBURN & FRIEDMAN, P.C.
NINE GREENWAY PLAZA
SUITE 2300
HOUSTON, TEXAS 77046

RECORDERS MEMORANDUM
AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.



KAREN ROSE ENGINEERING & SURVEYING

540-09-1313

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in the Official Public Records of Real Property of Harris
County, Texas on

MAY 16 2001



Dorely B. Hayden

COUNTY CLERK
HARRIS COUNTY, TEXAS

21
B

V105170

FIRST AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT

This First Amendment to Reciprocal Easement Agreement ("First Amendment") is made and entered into as of the 1st day of June, 2001, by and among JAY KAPLAN, TRUSTEE ("Kaplan"), MB DEVELOPMENT COMPANY, a Texas corporation ("MBD"), and FFCA ACQUISITION CORPORATION, a Delaware corporation ("FFCA").

RECITALS:

- A. Kaplan, MBD and FFCA entered into that certain Reciprocal Easement Agreement ("Agreement") dated as of April 19, 2001.
- B. The Agreement was filed under Clerk's File No. V055897, and recorded under Film Code Reference No. 540-09-1288 in the Official Public Records of Real Property of Harris County, Texas.
- C. Section 12.8 of the Agreement contained a condition precedent for the benefit of Kaplan, providing that the Agreement would terminate if Kaplan did not receive a building permit reasonably acceptable to him (the "Condition Precedent"). Rather than terminate the Agreement, each Party desires to give Kaplan additional time to obtain the building permit to satisfy the Condition Precedent.

NOW, THEREFORE, in consideration of Five Dollars (\$5.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party hereby agrees as follows:

- 1. Each Party hereby ratifies and confirms the above facts. All capitalized terms not defined in this First Amendment shall have the same meanings given them in the Agreement.
- 2. The reference in Section 12.8 to June 1, 2001, is hereby replaced with the date of June 30, 2001.
- 3. Except as modified by this First Amendment, the Parties acknowledge and confirm that the Agreement is in full force and effect in accordance with its original terms.
- 4. This First Amendment may be executed in multiple counterparts where the signatures and acknowledgments of the Parties may not appear on the same page. By signing below, each Party authorizes Kaplan's attorney to affix counterpart signature and/or

548-09-045

acknowledgment pages to a single, integrated counterpart of this First Amendment, with the full force and effect of an original.

Jay Kaplan Trustee (3)
JAY KAPLAN, TRUSTEE (3) / 02

MB DEVELOPMENT COMPANY

By: _____
Edwin Freedman, President

FFCA ACQUISITION CORPORATION

By: _____
Howard J. Powers II,
Associate General Counsel

548-98-8796

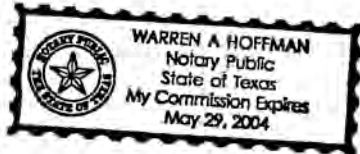
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 7th day of JUNE, 2001, by JAY KAPLAN, TRUSTEE.

Warren A. Hoffman
Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____



acknowledgment pages to a single, integrated counterpart of this First Amendment, with the full force and effect of an original.

JAY KAPLAN, TRUSTEE

MB DEVELOPMENT COMPANY

By: _____
Edwin Freedman, President

FFCA ACQUISITION CORPORATION

By: Howard J. Powers II _____
Howard J. Powers II,
Associate General Counsel

543-93-0797

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____
2001, by JAY KAPLAN, TRUSTEE.

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____

acknowledgment pages to a single, integrated counterpart of this First Amendment, with the full force and effect of an original.

JAY KAPLAN, TRUSTEE

MB DEVELOPMENT COMPANY

By: Edwin Freedman, Presid ^{for}
Edwin Freedman, President

FFCA ACQUISITION CORPORATION

By: _____
Howard J. Powers II,
Associate General Counsel

340-981-9293

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2001, by JAY KAPLAN, TRUSTEE.

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____

540-96-8799

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2001, by EDWIN FREEDMAN, President of MB DEVELOPMENT COMPANY, a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____

THE STATE OF ARIZONA §
 §
COUNTY OF MARICOPA §

This instrument was acknowledged before me on this 30th day of May, 2001, by HOWARD J. POWERS, II, Associate General Counsel of FPCA ACQUISITION CORPORATION, a Delaware corporation, on behalf of said corporation.



Cindy Kruh

Notary Public, State of Arizona

Cindy Kruh

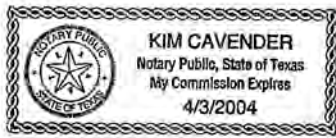
Printed Name of Notary

My Commission Expires: 8/5/01

540-98-0000

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 1st day of June, 2001, by EDWIN FREEDMAN, President of MB DEVELOPMENT COMPANY, a Texas corporation, on behalf of said corporation.



Kim Cavender
Notary Public, State of Texas

Kim Cavender
Printed Name of Notary

My Commission Expires: 4/3/2004

THE STATE OF ARIZONA §
 §
COUNTY OF MARICOPA §

This instrument was acknowledged before me on this _____ day of _____, 2001, by HOWARD J. POWERS, II, Associate General Counsel of FFCA ACQUISITION CORPORATION, a Delaware corporation, on behalf of said corporation.

Notary Public, State of Arizona

Printed Name of Notary

My Commission Expires: _____

LIENHOLDER SUBORDINATION

United Equities Incorporated, the Mortgagee of the MBD Parcel, joins in the execution of this First Amendment to Reciprocal Easement Agreement ("First Amendment") solely to consent to the creation of the First Amendment and to agree that the liens held by it will be subject and subordinate to the terms and conditions of the First Amendment. Subject to the foregoing sentence, no term, provision, requirement or restriction contained in any of the undersigned's lien instruments is changed, waived or otherwise affected by the First Amendment.

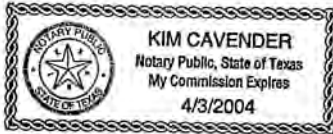
UNITED EQUITIES INCORPORATED

By: Edwin Freedman, President
Edwin Freedman, President

540-90-0001

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 1st day of June, 2001, by EDWIN FREEDMAN, President of UNITED EQUITIES INCORPORATED, a Texas corporation, on behalf of said corporation.



Kim Cavender
Notary Public, State of Texas
Kim Cavender
Printed Name of Notary
My Commission Expires: 4/3/04

O:\109\10924\10013\1stAMEND1.DOC

PLEASE RETURN TO:
BARRY E. PUTTERMAN
DOW, COGBURN & FRIEDMAN, P.C.
NINE GREENWAY PLAZA
SUITE 2300
HOUSTON, TEXAS 77046

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of said Property of Harris County, Texas on

JUN - 8 2001



Bonaly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

Bonaly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS
JUN 8 2001
FILED
JUN 8 2001
PM 4:28

Amend V269078
21
g

SECOND AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT

05/29/01 091643676 V269078 \$21.00

This Second Amendment to Reciprocal Easement Agreement ("Second Amendment") is made and entered into as of the 30th day of June, 2001, by and among **JAY KAPLAN, TRUSTEE** ("Kaplan"), **MB DEVELOPMENT COMPANY**, a Texas corporation ("MBD"), and **GE CAPITAL FRANCHISE FINANCE CORPORATION**, a Delaware corporation (successor by merger to FFCA Acquisition Corporation, a Delaware corporation)("FFCA").

RECITALS:

A. Kaplan, MBD and FFCA (collectively, the "Parties") entered into that certain Reciprocal Easement Agreement ("Agreement") dated as of April 19, 2001, filed under Clerk's File No. V055897, and recorded under Film Code Reference No. 540-09-1288 in the Official Public Records of Real Property of Harris County, Texas.

B. Section 12.8 of the Agreement contained a condition precedent for the benefit of Kaplan, providing that the Agreement would terminate if Kaplan did not receive by the date specified therein a building permit reasonably acceptable to him (the "Condition Precedent").

C. Rather than terminate the Agreement, each Party gave Kaplan additional time to obtain the building permit to satisfy the Condition Precedent, as evidenced by that certain First Amendment to Reciprocal Easement Agreement ("First Amendment") dated as of June 1, 2001, filed under Clerk's File No. V105170, and recorded under Film Code Reference No. 540-90-0795 in the Official Public Records of Real Property of Harris County, Texas.

D. Additional time is necessary for the Condition Precedent to be satisfied and the Parties desire to allow for such additional time.

NOW, THEREFORE, in consideration of Five Dollars (\$5.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party hereby agrees as follows:

1. Each Party hereby ratifies and confirms the above facts. All capitalized terms not defined in this Second Amendment shall have the same meanings given them in the Agreement.
2. The reference in Section 12.8 to June 30, 2001, is hereby replaced with the date of July 31, 2001.
3. Except as modified by this Second Amendment and the First Amendment, the Parties acknowledge and confirm that the Agreement is in full force and effect in accordance with its original terms.

543-62-1899

4. This Second Amendment may be executed in multiple counterparts where the signatures and acknowledgments of the Parties may not appear on the same page. Each Party authorizes Kaplan's attorney to affix counterpart signature and/or acknowledgment pages to a single, integrated counterpart of this Second Amendment, with the full force and effect of an original.

J. Kaplan, Trustee (5)
JAY KAPLAN, TRUSTEE (5) | *ll*

MB DEVELOPMENT COMPANY

By: _____
Edwin Freedman, President

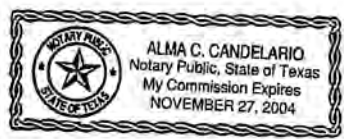
GE CAPITAL FRANCHISE FINANCE CORPORATION, a Delaware corporation (successor by merger to FFCA Acquisition Corporation, a Delaware corporation)

By: _____
Harold W. Vinson,
Senior Vice President

543-62-1985

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 23 day of August, 2001, by JAY KAPLAN, TRUSTEE.



Alma C. Candelario
Notary Public, State of Texas

Alma C. Candelario
Printed Name of Notary

My Commission Expires: 11-27-04

4. This Second Amendment may be executed in multiple counterparts where the signatures and acknowledgments of the Parties may not appear on the same page. Each Party authorizes Kaplan's attorney to affix counterpart signature and/or acknowledgment pages to a single, integrated counterpart of this Second Amendment, with the full force and effect of an original.

JAY KAPLAN, TRUSTEE

MB DEVELOPMENT COMPANY

100
100

By: Edwin Freedman, President
Edwin Freedman, President

GE CAPITAL FRANCHISE FINANCE CORPORATION, a Delaware corporation (successor by merger to FFCA Acquisition Corporation, a Delaware corporation)

By: _____
Harold W. Vinson,
Senior Vice President

543-52-1901

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2001, by JAY KAPLAN, TRUSTEE.

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____

543-52-1902

4. This Second Amendment may be executed in multiple counterparts where the signatures and acknowledgments of the Parties may not appear on the same page. Each Party authorizes Kaplan's attorney to affix counterpart signature and/or acknowledgment pages to a single, integrated counterpart of this Second Amendment, with the full force and effect of an original.

JAY KAPLAN, TRUSTEE

MB DEVELOPMENT COMPANY

By: _____
Edwin Freedman, President

GE CAPITAL FRANCHISE FINANCE CORPORATION, a Delaware corporation (successor by merger to FFCA Acquisition Corporation, a Delaware corporation) *HW*
HW

By: _____
Harold W. Vinson,
Senior Vice President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2001, by JAY KAPLAN, TRUSTEE.

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____

543-52-1983

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2001, by EDWIN FREEDMAN, President of MB DEVELOPMENT COMPANY, a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____

THE STATE OF ARIZONA §
 §
COUNTY OF MARICOPA §

This instrument was acknowledged before me on this 8th day of August, 2001, by HAROLD W. VINSON, Senior Vice President of GE CAPITAL FRANCHISE FINANCE CORPORATION, (successor by merger to FFCA Acquisition Corporation, a Delaware corporation), on behalf of said corporation.

Susan M. Goldberg
Notary Public, State of Arizona

Susan M. Goldberg
Printed Name of Notary

My Commission Expires: July 17, 2002



543-52-1904

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 17th day of August, 2001, by EDWIN FREEDMAN, President of MB DEVELOPMENT COMPANY, a Texas corporation, on behalf of said corporation.



Kim Cavender
Notary Public, State of Texas

Kim Cavender
Printed Name of Notary

My Commission Expires: 4/3/04

THE STATE OF ARIZONA §
 §
COUNTY OF MARICOPA §

This instrument was acknowledged before me on this _____ day of _____, 2001, by HAROLD W. VINSON, Senior Vice President of GE CAPITAL FRANCHISE FINANCE CORPORATION, (successor by merger to FFCA Acquisition Corporation, a Delaware corporation), on behalf of said corporation.

Notary Public, State of Arizona

Printed Name of Notary

My Commission Expires: _____

LIENHOLDER SUBORDINATION

United Equities Incorporated, the Mortgagee of the MBD Parcel, joins in the execution of this Second Amendment to Reciprocal Easement Agreement ("Second Amendment") solely to consent to the creation of the Second Amendment and to agree that the liens held by it will be subject and subordinate to the terms and conditions of the Second Amendment. Subject to the foregoing sentence, no term, provision, requirement or restriction contained in any of the undersigned's lien instruments is changed, waived or otherwise affected by the Second Amendment.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me, and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

AUG 29 2001

UNITED EQUITIES INCORPORATED

100
100

By: Edwin Freedman, President
Edwin Freedman, President

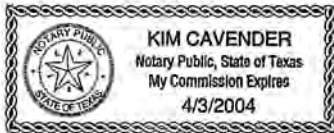


Barry E. Putterman
COUNTY CLERK
HARRIS COUNTY, TEXAS

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

543-62-1986

This instrument was acknowledged before me on this 17th day of August, 2001, by EDWIN FREEDMAN, President of UNITED EQUITIES INCORPORATED, a Texas corporation, on behalf of said corporation.



Kim Cavender
Notary Public, State of Texas

Kim Cavender
Printed Name of Notary

My Commission Expires: 4/3/04

O:\109\109241\0013\2ndAMEND1.DOC

Return To:
Barry E. Putterman
Winstead Sechrest & Minick P.C.
2400 Bank One Center
910 Travis Street
Houston, TX 77002

**FILE FOR RECORD
8:00 AM**

AUG 29 2001

Barry E. Putterman
County Clerk, Harris County, Texas

V443017
Amended
19.75
✓

THIRD AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT

11/28/01 201650259 V443017 \$19.75

This Third Amendment to Reciprocal Easement Agreement ("Third Amendment") is made and entered into as of the 25th day of October, 2001, by and among **JAY KAPLAN, TRUSTEE** ("Kaplan"), **MB DEVELOPMENT COMPANY**, a Texas corporation ("MBD"), and **GE CAPITAL FRANCHISE FINANCE CORPORATION**, a Delaware corporation (successor by merger to FFCA Acquisition Corporation, a Delaware corporation)("FFCA").

RECITALS:

A. Kaplan, MBD and FFCA (collectively, the "Parties") entered into that certain Reciprocal Easement Agreement ("Agreement") dated as of April 19, 2001, filed under Clerk's File No. V055897, and recorded under Film Code Reference No. 540-09-1288 in the Official Public Records of Real Property of Harris County, Texas.

B. The Agreement was modified by (i) that certain First Amendment to Reciprocal Easement Agreement ("First Amendment") dated as of June 1, 2001, filed under Clerk's File No. V105170, and recorded under Film Code Reference Number 540-90-0795 in the Official Public Records of Real Property of Harris County, Texas, and (ii) that certain Second Amendment to Reciprocal Easement Agreement ("Second Amendment") dated as of June 30, 2001, filed under Clerk's File No. V269078, and recorded under Film Code Reference Number 543-52-1899 in the Official Public Records of Real Property of Harris County, Texas.

C. Reference is made to the fact that situated immediately to the south of the Kaplan Parcel is a 2.256 acre tract of land (the "Landry's Parcel") owned by Landry's Crab Shack, Inc., a Texas corporation ("Landry's"). Landry's has requested that Kaplan grant it a non-exclusive easement of access over and across a portion of the Kaplan Parcel, including a portion that would include the Access Drive. Under Section 2.2(a) of the Agreement, the use of the Access Drive is limited to Users. Rather than grant Landry's a license to use the portion of the Access Drive situated on the Kaplan Parcel, Kaplan and Landry's would prefer that Landry's rights be established by the grant of a non-exclusive easement (the "Landry's Easement") for the benefit of the Landry's Parcel, subject to the provisions of this Agreement (the "Landry's Easement").

D. The Parties are willing to amend the Agreement to permit Kaplan to execute the Landry's Easement.

NOW, THEREFORE, in consideration of Five Dollars (\$5.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party hereby agrees as follows:

1. Each Party hereby ratifies and confirms the above facts. All capitalized terms not defined in this Third Amendment shall have the same meanings given them in the Agreement.

2. The Parties hereby modify the Agreement to permit Kaplan to create the Landry's Easement, provided that the Landry's Easement is subject to the provisions of the Agreement. Sections 2.2(a) and (b) are hereby modified to include within the definition of "Users" the

546-23-0028

546-23-0021


Persons entitled to use the Access Drive (or portions thereof) in accordance with the Landry's Easement.

3. The Parties acknowledge that as of the Effective Date of this Third Amendment, Kaplan has completed construction of the Access Drive and the traffic signal described in Section 2.1 of the Agreement. As a result of cost savings to Kaplan due to the participation of Landry's in a portion of the cost of construction of the Access Drive and the traffic signal, the sums paid or due from FFCA and MBD under Section 2.1 have been adjusted. Within thirty (30) days of the effective date of this Third Amendment, Kaplan shall refund to FFCA the amount of \$5,419.03, and shall refund to MBD the amount of \$4,804.90. No additional sums shall be due and owing by the Parties with respect to the construction obligation set forth in Section 2.1 of the Agreement.

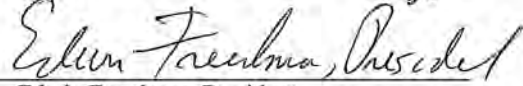
4. Nothing contained in this Third Amendment shall give Landry's or any Person claiming by, through or under Landry's the right to use any portion of the Access Drive located on other than the Kaplan Parcel, nor any portion of the MBD Parcel or the FFCA Parcel.

5. Except as modified by this Third Amendment, the Second Amendment and the First Amendment, the Parties acknowledge and confirm that the Agreement is in full force and effect in accordance with its original terms.

6. This Third Amendment may be executed in multiple counterparts where the signatures and acknowledgments of the Parties may not appear on the same page. Each Party authorizes Kaplan's attorney to affix counterpart signature and/or acknowledgment pages to a single, integrated counterpart of this Third Amendment, with the full force and effect of an original.


JAY KAPLAN, TRUSTEE

MB DEVELOPMENT COMPANY

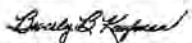
By: 
Edwin Freedman, President

GE CAPITAL FRANCHISE FINANCE CORPORATION, a Delaware corporation (successor by merger to FFCA Acquisition Corporation, a Delaware corporation)

By: _____
Harold W. Vinson,
Senior Vice President

FILE FOR RECORD
8:00 AM

NOV 28 2001


County Clerk, Harris County, Texas

546-23-0022

Persons entitled to use the Access Drive (or portions thereof) in accordance with the Landry's Easement.

3. The Parties acknowledge that as of the Effective Date of this Third Amendment, Kaplan has completed construction of the Access Drive and the traffic signal described in Section 2.1 of the Agreement. As a result of cost savings to Kaplan due to the participation of Landry's in a portion of the cost of construction of the Access Drive and the traffic signal, the sums paid or due from FFCA and MBD under Section 2.1 have been adjusted. Within thirty (30) days of the effective date of this Third Amendment, Kaplan shall refund to FFCA the amount of \$5,419.03, and shall refund to MBD the amount of \$4,804.90. No additional sums shall be due and owing by the Parties with respect to the construction obligation set forth in Section 2.1 of the Agreement.

4. Nothing contained in this Third Amendment shall give Landry's or any Person claiming by, through or under Landry's the right to use any portion of the Access Drive located on other than the Kaplan Parcel, nor any portion of the MBD Parcel or the FFCA Parcel.

5. Except as modified by this Third Amendment, the Second Amendment and the First Amendment, the Parties acknowledge and confirm that the Agreement is in full force and effect in accordance with its original terms.

6. This Third Amendment may be executed in multiple counterparts where the signatures and acknowledgments of the Parties may not appear on the same page. Each Party authorizes Kaplan's attorney to affix counterpart signature and/or acknowledgment pages to a single, integrated counterpart of this Third Amendment, with the full force and effect of an original.




JAY KAPLAN, TRUSTEE

MB DEVELOPMENT COMPANY

By: _____
Edwin Freedman, President

GE CAPITAL FRANCHISE FINANCE
CORPORATION, a Delaware corporation
(successor by merger to FFCA Acquisition
Corporation, a Delaware corporation)



By: 

Harold W. Vinson,
Senior Vice President

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 8th day of November, 2001, by JAY KAPLAN, TRUSTEE.

Sandra H. Bownardel
Notary Public, State of Texas

SANDRA H. BOWNARDEL
Printed Name of Notary

My Commission Expires: 1/19/03

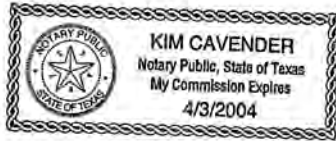
THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 25th day of October, 2001, by EDWIN FREEDMAN, President of MB DEVELOPMENT COMPANY, a Texas corporation, on behalf of said corporation.

Kim Cavender
Notary Public, State of Texas

Kim Cavender
Printed Name of Notary

My Commission Expires: 4/3/04



546-23-0023

THE STATE OF ARIZONA §
§
COUNTY OF MARICOPA §

This instrument was acknowledged before me on this _____ day of _____, 2001, by HAROLD W. VINSON, Senior Vice President of GE CAPITAL FRANCHISE FINANCE CORPORATION, (successor by merger to FFCA Acquisition Corporation, a Delaware corporation), on behalf of said corporation.

Notary Public, State of Arizona

Printed Name of Notary

My Commission Expires: _____

LIENHOLDER SUBORDINATION

United Equities Incorporated, the Mortgagee of the MBD Parcel, joins in the execution of this Third Amendment to Reciprocal Easement Agreement ("Third Amendment") solely to consent to the creation of the Third Amendment and to agree that the liens held by it will be subject and subordinate to the terms and conditions of the Third Amendment. Subject to the foregoing sentence, no term, provision, requirement or restriction contained in any of the undersigned's lien instruments is changed, waived or otherwise affected by the Third Amendment.

UNITED EQUITIES INCORPORATED

By: Edwin Freedman, President
Edwin Freedman, President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

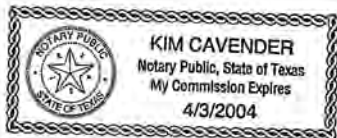
546-23-0025

This instrument was acknowledged before me on this 25th day of October, 2001, by EDWIN FREEDMAN, President of UNITED EQUITIES INCORPORATED, a Texas corporation, on behalf of said corporation.

Kim Cavender
Notary Public, State of Texas

Kim Cavender
Printed Name of Notary

My Commission Expires: 4/3/04



HOUSTON_1\515871\6
10/24/2001 - 29889-13

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

NOV 28 2001



Barbara B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

[Signature]
BARRY E. PUTTERMAN
Winstead Sechrest & Minick P.C.
2400 Bank One Building
910 Travis Street
Houston, Texas 77002-5895

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V

EASEMENT AGREEMENT

This EASEMENT AGREEMENT (this "Agreement") is made and entered into as of the day of November, 2001, by and between JAY KAPLAN, TRUSTEE ("Kaplan"), and LANDRY'S CRAB SHACK, INC., a Texas corporation ("Landry's").

RECITALS: 12/12/01 201669318 V474090 \$35.00

546-77-2534

A. Kaplan is the owner of that certain tract of land containing approximately 3.3893 acres located in the City of Houston, Harris County, Texas. Such tract shall hereinafter be referred, to as the "Kaplan Parcel" and is more particularly described on Exhibit "A" attached hereto.

B. Landry's is the owner of that certain tract of land containing approximately 2.256 acres located in the City of Houston, Harris County, Texas. Such tract shall hereinafter be referred to as the "Landry's Parcel" and is more particularly described on Exhibit "B" attached hereto.

C. The Landry's Parcel is presently improved with, and operated as, a Joe's Crab Shack Restaurant and related parking and site facilities.

D. Kaplan ultimately contemplates selling the Kaplan Parcel and for Kaplan or the purchaser to construct thereon improvements and related parking and site facilities.

E. The Kaplan Parcel and the Landry's Parcel (collectively sometimes referred to herein as the "Parcels" and individually as a "Parcel") are contiguous and adjacent. To effectuate the traffic flow on the Landry's Parcel, Landry's has requested from Kaplan and Kaplan has agreed to grant a non-exclusive access easement across a portion of the Kaplan Parcel.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other valuable consideration, the parties hereby agree as follows:

1. Definitions. Each reference in this Agreement to any of the following terms shall mean:

1.1 Occupant. Each Party and any Person from time to time entitled to the use and occupancy of any portion of any building at any time located upon either Parcel, under this Agreement or any lease, license or concession agreement or other instrument or arrangement under which the Occupant acquires its right to such use and occupancy. Occupant shall include the officers, directors, employees and agents of such Persons.

1.2 Party. Each Person executing this Agreement, or its respective successor-in-interest as a Party with respect to its Parcel, as shown in the Official Public Records of Real Property of Harris County, Texas. Each Party shall be liable for the performance of all covenants, obligations and undertakings herein set forth with respect to the Parcel owned by it which accrue during the period of such ownership, and such liability shall continue with respect to any Parcel transferred until a notice of transfer setting forth the name and address of the new Party is given to the other

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Party, at which time the transferring Party's personal liability for obligations hereunder shall terminate.

1.3 Person. Individuals, partnerships, firms, associations, corporations, trusts or any other form of business or legal entity.

1.4 Access Drive. The driveway currently located or to be constructed as hereinafter provided on the eastern portion of the Kaplan Parcel running parallel with, and west of, State Highway 6, described on Exhibit "C" attached hereto.

1.5 Users. All Persons granted permission by Kaplan to utilize the Access Drive (or portions thereof), including, without limitation, Occupants, Parties and their respective employees, licensees, invitees, customers, owners, contractors, agents, lessees, sublessees, tenants and concessionaires, and the Persons under the Prior Easement entitled to use portions of the Access Drive.

1.6 Prior Easement. That certain Reciprocal Easement Agreement entered into as of April 19, 2001, by and among Jay Kaplan, Trustee, MB Development Company, and FFCA Acquisition Corporation, filed under Clerk's File No. V055897, and recorded under Film Code Reference Number 540-09-1288 in the Official Public Records of Real Property of Harris County, Texas, as modified by (i) that First Amendment to Reciprocal Easement Agreement filed under Clerk's File No. V105170, and recorded under Film Code Reference Number 540-90-0795 in the Official Public Records of Real Property of Harris County, Texas, (ii) that certain Second Amendment to Reciprocal Easement Agreement filed under Clerk's File No. V269078, and recorded under Film Code Reference Number 543-52-1899 in the Official Public Records of Real Property of Harris County, Texas, and (iii) that certain Third Amendment to Reciprocal Easement Agreement filed under Clerk's File No. V443017.

1.7 Other Terms. Certain other terms shall have the meaning set forth for each such term in this Agreement.

2. Grant of Easement.

2.1 Grant of Easements by Kaplan. Kaplan hereby grants to Landry's a non-exclusive easement over, across, in, upon, and through the Access Drive for the benefit of Landry's, for the uses and purposes set forth in Section 2.2. The easement granted herein shall be (i) appurtenant to and for the benefit of the Landry's Parcel, (ii) non-exclusive for use in common with the grantor of such easement and all Users and Occupants, and (iii) subject to the applicable terms of the Prior Easement. Kaplan shall construct, or cause to be constructed, the Access Drive as soon as reasonably possible after the date of this Agreement, and in any event by no later than October 10, 2001. Such construction shall be in substantial conformity with the plans and specifications prepared by KRE&S Engineers, dated June 4, 1999. In addition, Kaplan shall use its best efforts to construct, or cause to be constructed, by no later than October 31, 2001, a traffic signal within the State Highway 6 right-of-way opposite the entrance to the Kaplan Parcel in substantial conformity with the plans prepared by Traffic Engineers Incorporated, dated July 22, 1999. In consideration for

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the cost of construction of the Access Drive and traffic signal, Landry's is contemporaneously herewith paying Kaplan the sum of \$51,216.08.

2.2 Use of Easement. The Access Drive shall be used by Landry's only for ingress and egress by any Users and any motor vehicles of such Users to and from any portion of the Landry's Parcel and the public streets adjacent to the Access Drive. Notwithstanding anything in this Agreement to the contrary, no portion of the Access Drive may be utilized by vehicles involved in the construction, remodeling or repair of improvements situated on the Landry's Parcel, including, without limitation, heavy equipment and tractor trailers. No portion of the Kaplan Parcel other than the Access Drive and no land owned by the other parties to the Prior Easement may be used by Landry's or any persons claiming by, through or under Landry's. Kaplan reserves the right to close off the Access Drive for such reasonable period of time as may be legally necessary, in the reasonable opinion of Kaplan's counsel, to prevent the acquisition of prescriptive rights by anyone; provided, however, that prior to closing off any portion of the Access Drive, as herein provided, Kaplan shall give written notice to Landry's of its intention to do so, and shall attempt to coordinate such closing with Landry's so that no unreasonable interference in the passage of pedestrians or vehicles shall occur. Further, Kaplan reserves the right at any time and from time to time to exclude and restrain any Person whom is not a permitted User under Section 1.5 hereof from using the Access Drive. This Agreement shall not give rise to any prescriptive rights by the Parties, and each Party shall use reasonable efforts to prevent such rights from being acquired by the public or any third party.

2.3 Compliance with Law. All construction work undertaken by Kaplan pursuant to this Agreement shall comply with the requirements of all applicable governmental authorities having jurisdiction and all applicable laws, ordinances, rules and regulations of such authorities, including, without limitation, building codes. Kaplan shall also secure all licenses and permits from governmental agencies and other entities (such as public utilities) necessary for any construction undertaken by it.

3. Use, Management and Maintenance.

3.1 Use, Generally. Except as expressly set forth in this Agreement, nothing herein contained shall limit, affect or diminish the right of each Party to own, manage and operate its Parcel in the manner deemed necessary or appropriate by such Party, and it is specifically agreed that each Party may modify its Parcel, relocate or reconfigure the parking areas thereon and construct and reconstruct from time to time additional improvements thereon, all without the consent or joinder of the other Party; however, other than for temporary periods of construction on its Parcel, in no event shall (a) the Access Drive be modified, closed or relocated without the consent of the other Party, such consent not to be unreasonably withheld or delayed, or (b) the Landry's Parcel have fewer than two (2) other curb cut access points to State Highway 6, each with a width of least twenty-four (24) feet.

3.2 No Walls, Fences or Barriers. No walls, fences or barriers of any kind shall be constructed, erected or maintained on either Parcel, or any portion thereof, by either Party which

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shall prevent or impair the use or exercise of any of the easement granted herein or the free access and movement of Occupants and Users, including, without limitation, pedestrians and vehicular traffic, between the Kaplan Parcel and the Landry's Parcel; provided, however, reasonable traffic control signs and devices, directional barriers and parking stops, as may be necessary to guide and control the orderly flow of traffic, may be installed so long as the curb cuts on a Parcel are not closed or blocked.

4. Additional Provisions.

4.1 Parking. Nothing contained in this Agreement shall be construed to grant to either Party the right to use or permit the use by others of any parking areas located from time to time on the other Party's Parcel. Each Party agrees to construct and thereafter maintain a sufficient number of automobile parking spaces in order to comply with the requirements of any governmental authority having jurisdiction over the Parcels.

4.2 Operation and Maintenance. Upon the initial completion of improvements on the Kaplan Parcel, Kaplan shall, at its sole cost and expense, repave, resurface, patch and replace markings on the surface of the Access Drive from time to time as and when necessary.

4.3 Cost of Operation and Maintenance of Access Drive. Landry's shall pay to Kaplan an annual maintenance charge of Five Hundred Dollars (\$500.00) as a contribution to the costs incurred by Kaplan to operate and maintain the Access Drive (the "Maintenance Charge"). The Maintenance Charge shall be payable by Landry's within thirty (30) days of an invoice therefor. In the event the Kaplan Parcel is ever subdivided, the Maintenance Charge shall be payable to the owner of the portion of the Kaplan Parcel closest to the Landry's Parcel, unless the conveyance deed from Kaplan specifies a different allocation. Notwithstanding anything in this Agreement to the contrary, the Maintenance Charge shall constitute the entirety of Landry's obligation to contribute to the operation and maintenance of the Access Drive, including, without limitation, real estate taxes, common area maintenance charges, landscaping, and paving, resurfacing and repatching the surface of the Access Drive. The Maintenance Charge shall be subject to adjustment as of January 1 of each fifth calendar year, commencing January 1, 2005, based on the product of (a) \$500.00, and (b) one hundred percent (100%) plus the percentage change in the "CPI" (defined below) during the period from January 1, 2002 and ending on January 1 of each fifth year during the term of this Agreement. As used herein, "CPI" is defined as the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index-All Items, All Urban Consumers (CPI-U) 1982-1984 = 100, for U.S. City Average (or similar governmental successor Index).

4.4 Liability Insurance. Each Party shall maintain or cause to be maintained public liability insurance insuring against claims on account of loss of life, bodily injury or property damage that may arise from, or be occasioned by the condition, use or occupancy of the Access Drive or caused by each Party or caused by those Persons for whose acts or omissions each Party is legally liable. Each Party shall cause the policies evidencing such liability insurance to name the other Party as an additional insured. Such insurance shall be written by an insurance company or companies with a Best's Insurance Guide rating of not less than A- and qualified to do business in

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the State of Texas; and said policy or policies of insurance shall have limits for loss of life or bodily injury in the amounts of not less than One Million and No/100 Dollars (\$1,000,000.00) for each Person and Three Million and No/100 Dollars (\$3,000,000.00) for each occurrence and Five Hundred Thousand and No/100 Dollars (\$500,000.00) for property damage for each occurrence. Such insurance may be carried under a "blanket" policy covering other properties of the Owner of the Parcel. Each Party shall, upon written request from the other Party, furnish to the other Party one or more certificates of insurance evidencing the existence of the insurance required to be carried under this Section 4.4. All such insurance policies shall include provisions (to the extent obtainable in policies prescribed or approved by the State Board of Insurance of Texas) denying to the insurer subrogation rights against the Party causing the loss of life or bodily injury or property damage to the extent such rights have been waived by the insured prior to the occurrence of such bodily injury, loss of life or property damage. Each Party hereby waives any rights of subrogation against the other Party.

5. Construction of Buildings. Subject to the provisions contained elsewhere in this Agreement, Kaplan may (i) develop and construct on its Parcel buildings and improvements and (ii) remodel and renovate existing buildings and improvements located on its Parcel. Each Party agrees that its construction activities shall not unreasonably interfere with construction work or business being performed or conducted on the other Party's Parcel.

6. Condemnation. In the event the whole or any part of the Access Drive shall be taken by right of eminent domain or any similar authority of law (the "**Taking**") or in the event that Kaplan conveys all or any portion of the Access Drive under threat of eminent domain, any such conveyance also being a "Taking" as used herein, the entire award or compensation paid for loss of fee or loss of the easement shall belong to the owner of the Kaplan Parcel constituting the subject matter of such Taking (whether such award or compensation so paid is for the property taken or as severance damages with respect to such owner's property not taken) and Landry's shall have no right to claim any portion of such award or compensation paid; provided, however, if a separate award is made for the improvements on the Access Drive (i.e., the asphalt, concrete or similar materials), Landry's shall be entitled to 34.74% of the award allocable to such improvements.

7. Rights Upon Default.

7.1 Right to Cure. In the event either Party defaults in the performance of the obligations of such Party under this Agreement, the non-defaulting Party shall have the right, but not the obligation, following twenty (20) days written notice, to cure such default for the account of and at the expense of the defaulting Party; provided, however, that in the event of emergency conditions constituting default, the non-defaulting Party acting in good faith shall have the right to cure such default upon such advance notice as is reasonably possible under the circumstances or, if necessary, without advance notice, so long as notice is given as soon as possible thereafter. Any notice hereunder shall specify with particularity the nature of the default claimed. Following the expiration of the notice period provided for herein, to effectuate any such cure, the non-defaulting Party shall have the right to enter upon the Parcel of the defaulting Party to perform any necessary work or furnish any necessary materials or services to cure the default of the defaulting Party.

546-77-2539

7.2 Costs of Cure and Lien Rights. All costs and expenses reasonably incurred by a Party to cure a default of a defaulting Party under the provisions of Section 7.1 hereof and the annual Maintenance Charge owed by Landry's shall bear interest thereon at the rate of twelve percent (12%) per annum (if, in the case of the Maintenance Charge, it is not paid within the time set forth in Section 4.3). The payment of all such costs, expenses and charges shall be secured by a lien on the applicable Parcel and improvements thereon owned by the defaulting Party, which lien shall be created by the recording of a notice thereof (executed by the non-defaulting Party) in the Official Public Records of Real Property of Harris County, Texas. Such lien shall be subordinate to any previously recorded mortgage or deed of trust ("*Prior Mortgage*") now or hereafter affecting the Parcel owned by the defaulting Party which arose and was recorded prior to recordation of such notice. Such lien may be enforced in any manner allowed by law including, without limitation, a suit in the nature of a suit to foreclose a deed of trust under the applicable provisions of the laws of the State of Texas.

7.3 Legal and Equitable Relief. Each Party shall have the right to prosecute any proceeding at law or in equity against the other Party hereto, or any other Person, violating or attempting to violate or defaulting in any of the provisions contained in this Agreement, in order to prevent the violating or defaulting Party or any such Person from violating or attempting to violate or defaulting under the provisions of this Agreement and to recover damages for any such violation or default. The remedies available hereunder shall include, by way of illustration but not limitation, applications for temporary restraining orders, temporary injunctions and permanent injunctions enjoining any such default or attempted violation or default, and actions for specific performance of this Agreement.

7.4 Non-Waiver. No delay or omission of any Party in the exercise of any right accruing upon any default of the other Party shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any Party of a breach of, or default in, any of the terms and conditions of this Agreement by the other Party shall not be construed to be a waiver of any subsequent breach of or default in the same or other provision of this Agreement. Except as otherwise specifically provided in this Agreement, no remedy provided in this Agreement shall be exclusive but each shall be cumulative with all other remedies provided in this Agreement and all remedies at law or in equity shall be available.

7.5 Force Majeure. In the event either Party shall be delayed or hindered in or prevented from the performance of any act required to be performed by such Party by reason of acts of God, strikes, lockouts, unavailability of materials, failure of power, prohibitive governmental laws or regulations, riots, insurrections, the act or failure to act of the other Party, adverse weather conditions preventing the performance of work as certified to by an architect, war or other reason beyond such Party's reasonable control and with respect to which, in each of the aforesaid circumstances, the Party is diligently and in good faith seeking to abate and remove the circumstances causing the delay, then the time for performance of such act shall be extended for a period equivalent to the period of such delay. Lack of adequate funds or financial inability to perform or financial or economic losses or hardship resulting from performance or imprudent management or negligence shall not be deemed to be a cause beyond the reasonable control of such Party.

546-77-2548

8. Term. This Agreement and the easements, rights, restrictions, obligations and liabilities created hereby shall be and remain in full force and effect for the period commencing on the date of this Agreement and terminating on December 31, 2050; provided, however, the term of this Agreement shall be automatically extended on an annual basis for so long as the Owner of the Kaplan Parcel uses substantially all of the Access Drive and the traffic signal described in Section 2.1 remains in place. Upon termination of this Agreement, all rights and privileges derived from and all duties and obligations created and imposed by the provisions of this Agreement, except as otherwise expressly provided herein, shall terminate and have no further force or effect; provided, however, that the termination of this Agreement shall not limit or affect any remedy of either Party against the other Party with respect to any liability or obligation arising prior to the date of such termination.

9. Effect of Instrument and Transfers.

9.1 Transfer of Entire Interest. In the event of the transfer, conveyance or termination of the entire interest of either Party in its Parcel without retaining any beneficial interest therein other than as beneficiary under the terms of a deed of trust or without simultaneously acquiring a new interest by way of leasehold or other similar interests, then the rights and powers conferred upon and the obligations under this Agreement of the transferring Party shall be transferred and assigned with its interest, or termination thereof.

9.2 Mortgage Subordination. Any mortgage or deed of trust affecting any portion of a Parcel shall, at all times, be subject and subordinate to the terms of this Agreement; and any Person foreclosing any such mortgage or deed of trust, or acquiring title by deed in lieu of foreclosure shall acquire title subject to all of the terms and provisions of this Agreement. Any Person holding any such mortgage or deed of trust on the date hereof shall join in the execution of this Agreement for the purpose of subordinating such mortgage or deed of trust to this Agreement.

9.3 Binding Effect. Every agreement, covenant, promise, undertaking, condition, easement, right, privilege, option and restriction made, granted or assumed, as the case may be, by either Party to this Agreement is made by such Party for the benefit of the other Party hereto. Any transferee of any part of a Parcel shall automatically be deemed, by acceptance of title thereto, to have assumed all obligations of this Agreement relating thereto to the extent of its interest in such Parcel.

9.4 Non-Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of any portion of a Parcel to the general public or for any public use or purpose whatsoever, it being the intention of the Parties and their successors and assigns that nothing in this Agreement, expressed or implied, shall confer upon any Person, other than the Parties and their successors and assigns, any rights or remedies under or by reason of this Agreement.

9.5 Liability. Notwithstanding anything to the contrary contained in this Agreement, each Party shall be liable and responsible for the obligations, covenants, agreements and responsibilities created by this Agreement and for any judgment rendered hereon only to the extent of its respective interest in its Parcel, and there shall be no personal liability on the part of any Party,

546-77-2541

or any partner, shareholder, director, trustee or agent of any Party, for their performance of any obligations hereunder.

9.6 Release Upon Sale of Interest. Upon the sale and conveyance by a Party of its entire right, title and interest in its Parcel, such Party shall be released from its obligations under this Agreement arising subsequent to the effective date of such sale and conveyance other than those obligations arising from any default by such Party in the performance of any provision of this Agreement prior to such sale and conveyance. The subdivision by a Party of its Parcel shall be treated in the same fashion as a sale once the subdivided portion is sold or conveyed; however, each subdivided portion of such Parcel shall continue to be subject to the provisions hereof following such sale and conveyance.

10. Covenants and Recordation. All of the provisions, agreements, covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns and all other persons acquiring any Parcel, or any portion thereof, or any interest therein, whether by operation of law or in any other manner whatsoever. All of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law. It is expressly acknowledged that each covenant to do or refrain from doing some act on each Parcel hereunder (i) is for the benefit of the other Parcel, (ii) runs with each Parcel and (iii) shall benefit or be binding upon each successive owner during its ownership of each Parcel, or any portion thereof. This Agreement shall become effective and binding upon the Parties in accordance with the provisions of this Article 10 upon recordation of this Agreement in the Official Public Records of Real Property of Harris County, Texas.

11. Notices. Any notice, report or demand required, permitted or desired to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if it is hand delivered or is mailed by registered or certified mail, return receipt requested or delivered by guaranteed overnight delivery service. The respective mailing addresses of the Parties hereto are, until changed as hereinafter provided, as follows:

Kaplan:	P.O. Box 56783 Houston, Texas 77256-6783
Landry's:	<i>1510 West Loop South</i> 1400 Post Oak Boulevard, Suite 1010 Houston, Texas 77056 <i>77027</i> Attn: General Counsel

Either Party may change its mailing address or add one (1) additional Person to receive notice at any time by giving written notice of such change to the other Party in the manner provided herein at least ten (10) days prior to the date such change is effected. All notices under this Agreement shall be deemed given on the date personal delivery is effected or, if mailed or sent by guaranteed overnight delivery service, on the delivery date.

546-77-2542

12. Miscellaneous.

12.1 Termination and Amendment. This Agreement may be terminated, modified or amended in whole or in part only by written and recorded instrument executed by the Parties hereto or by all of the record owners and mortgagees of each Parcel in the event that any of such record owners are not then Parties hereto.

12.2 Severability. Invalidation of any of the provisions contained in this Agreement, or the application thereof to any person, by judgment or court order shall in no way affect any of the other provisions hereof or the application thereof to any other Person, and the same shall remain in full force and effect.

12.3 Entire Agreement. This Agreement and the exhibits hereto contain all of the representations and agreements between the Parties with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are superseded in total by this Agreement.

12.4 Captions. The captions preceding the text of each article and section hereof are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

12.5 Litigation Expenses. If any Party shall bring an action or proceeding against the other Party hereto by reason of the breach or alleged violation of any covenant, agreement or obligation herein contained or for the enforcement of any provision hereof, or to interpret this Agreement, the prevailing Party in such action or proceeding shall be entitled to recover its costs and expenses of suit, including, but not limited to, reasonable attorneys' fees actually incurred and court costs.

12.6 Governing Law. This Agreement and all rights and obligations created hereby shall be governed by and construed under the laws of the State of Texas. This Agreement is performable in Harris County, Texas.

12.7 Estoppel Certificate. Each Party agrees that upon written request of any other Party, it will issue to such Party, or its prospective mortgagee or successor, an estoppel certificate stating to the best of the issuer's knowledge as of such date (i) whether it knows of any default under this Agreement by the requesting Party, and if there are known defaults, specifying the nature thereof; (ii) whether this Agreement has been assigned, modified or amended in any way by it and if so, then stating the nature thereof and furnishing a copy thereof; and (iii) whether this Agreement is in full force and effect.

LANDRY'S CRAB SHACK, INC.

(Handwritten initials)

By: *Steven L. Scheinthal*
Name: Steven L. Scheinthal
Title: Vice President

Legal: *SWZ*

Jay Kaplan, Trustee
JAY KAPLAN, TRUSTEE

10/25/01

546-77-2543

FILE FOR RECORD
8:00 AM
DEC 12 2001

Dorothy L. Kayman
County Clerk, Harris County, Texas

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 6 day of November, 2001
by Steven L. Scheinthal, **Vice President** of LANDRY'S CRAB SHACK, INC.,
a Texas corporation, on behalf of said corporation.



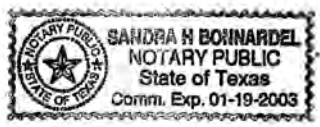
Roxanne Pattillo
Notary Public, State of Texas

ROXANNE PATTILLO
Printed Name of Notary

My Commission Expires: 10-7-02

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 8th day of November, 2001
by JAY KAPLAN, TRUSTEE.



Sandra H. Bonnardel
Notary Public, State of Texas

SANDRA H. BONNARDEL
Printed Name of Notary

My Commission Expires: 1/19/03

546-77-2544

EXHIBIT "A"

KAPLAN PARCEL

147,639 square feet (3.3893 acres) of land located in the Blas Herrera Survey, Abstract No.321, Harris County, Texas, being out of Restricted Reserve "K", Block 1 of the Tim Miles Subdivision, the plat of which is filed for record in Volume 334, Page 99 of the Harris County Map Records, and being a portion of a 10.5943 acre tract of land conveyed to Jay Kaplan, Trustee, in deed filed of record under Harris County Clerk's File No.S199642 and being more particularly as follows: D

BEGINNING at a 5/8 Inch Iron rod found at the southeast corner of a 1.1118 acre tract conveyed to MB Development Company by deed filed of record under Harris County Clerk's File No.T479134, being in the west right-of-way line of State Highway Six, having a right-of-way width of 160.00 feet;

THENCE S.0°46'58"W. 64.95 feet along the west right-of-way line of said State Highway Six to a point of curvature;

THENCE 253.19 feet in a southerly direction, following said west right-of-way line of State Highway Six, along a curve to the left, said curve having a radius of 3993.69 feet, a central angle of 3°37'57" and a long chord which bears S.1°01'59"E. 253.15 feet to the northeast corner of a 2.256 acre tract of land conveyed to Landry's Crab Shack, Inc. in deed filed of record under Harris County Clerk's File No.S464505;

THENCE S.89°40'53"W. 564.77 feet along the north line of said 2.256 acre tract to a point for the northwest corner thereof, same being in the west line of said Restricted Reserve "K" and being the east line of a 490.1 acre tract conveyed to the United States of America in deed filed for record in Volume 1346, Page 199 of the Harris County Deed Records;

THENCE N.32°07'05"E. 299.16 feet along the west line of said Restricted Reserve "K" and the east line of said 490.1 acre tract to an angle point therein;

THENCE N.16°08'56"E. 70.14 feet continuing along the west line of said Restricted Reserve "K" and the east line of said 490.1 acre tract to the southwest corner of said 1.1118 acre tract;

THENCE N.89°55'54"E. 382.53 feet along the south line of said 1.1118 acre tract to the PLACE OF BEGINNING of the herein described tract of land.

346-77-2545

EXHIBIT "B"

LANDRY'S PARCEL

DESCRIPTION OF A 2.256 ACRE TRACT OF LAND
RESTRICTED RESERVE "K", BLOCK 1
TIM MILES SUBDIVISION
CITY OF HOUSTON, HARRIS COUNTY, TEXAS

BEING a 2.256 acre tract of land in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and being out of Restricted Reserve "K", Block 1 as shown on the plat of Tim Miles Subdivision recorded in Volume 334, Page 99 of the Harris County Map Records and being out of a 10.5943 acre tract described under Harris County Clerk's File Number S015191, said 2.256 acre tract being more particularly described as metes and bounds as follows:

COMMENCING at a 5/8" iron rod found in the west right-of-way line of State Highway No. 6 as described under H.C.C.F. No. B647227 (Vol. 5032, Pg. 132 H.C.D.R.) and being at the southeast corner of said Restricted Reserve "K" and at the northeast corner of Restricted Reserve "J", Block

THENCE N 04° 50' 30" W, 30.09 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" to a 5/8" set at the POINT OF BEGINNING of the herein described tract;

THENCE S 89° 40' 53" W, 350.00 feet to a set 5/8" iron rod for the southwest corner of the herein described tract;

THENCE N 00° 19' 07" W, 290.00 feet to a 5/8" iron rod set for the northwest corner of the herein described tract;

THENCE N 89° 40' 53" E, 329.48 feet to a 5/8" iron rod set in the east line of said Restricted Reserve "K" and being in the said west right-of-way line of State Highway No. 6;

THENCE in a southerly direction, 138.85 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" and following the arc of said curve the left having a radius of 3993.69 feet, a central angle of 01° 59' 31" and a chord which bears S 03° 50' 44" E, 138.84 feet to a 1/2" iron rod found and from said 1/2" iron rod, a found concrete monument bears S 18° 55' E, 0.66 feet and a found 1" iron rod bears S 77° 40' W, 0.18

THENCE S 04° 50' 30" E, 151.90 feet along the said west right-of-way line of State Highway No. 6 and along the westerly boundary line of said Reserve "K" to the POINT OF BEGINNING and containing 2.256 acres of land.

546-77-2546

3,115 square feet of land located in the Blas Herrera Survey, Abstract No.321, Harris County, Texas, being out of Restricted Reserve "K", Block 1 of the Tim Miles Subdivision, the plat of which is filed for record in Volume 334, Page 99 of the Harris County Map Records, and being a portion of a 10.5943 acre tract of land conveyed to Jay Kaplan, Trustee, in deed filed of record under Harris County Clerk's File No.S199642 and being more particularly as follows:

COMMENCING at a 5/8 inch iron rod found at the northeast corner of a 2.256 acre tract conveyed to Landry's Crab Shack, Inc. by deed filed of record under Harris County Clerk's File No.S464505;

THENCE S.89°40'53"W. 31.13 feet along the north line of said 2.256 acre tract to the PLACE OF BEGINNING of the herein described tract of land;

THENCE S.89°40'53"W. 25.00 feet continuing along the north line of said 2.256 acre tract;

THENCE N.0°14'12"E. 68.63 feet to a point of curvature;

THENCE 27.60 feet in a northerly direction along a curve to the right, said curve having a radius of 4046.69 feet, a central angle of 0°23'27" and a long chord which bears N.1°38'55"W. 27.60 feet;

THENCE N.88°22'12"E. 53.00 feet to a point in the west right-of-way line of State Highway Six, having a right-of-way width of 160.00 feet;

THENCE 25.00 feet in a southerly direction, following said west right-of-way line of State Highway Six, along a curve to the left, said curve having a radius of 3993.69 feet, a central angle of 0°21'31" and a long chord which bears S.1°37'48"E. 25.00 feet to the end of said curve;

THENCE S.88°22'12"W. 25.00 feet to a point of curvature;

THENCE 4.61 feet in a southwesterly direction along a curve to the left, said curve having a radius of 3.00 feet, a central angle of 88°07'59" and a long chord which bears S.44°18'12"W. 4.17 feet to a point of tangency;

THENCE S.0°14'12"W. 68.90 feet to the PLACE OF BEGINNING of the herein described tract of land.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

DEC 12 2001



Beverly L. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

RECORDER'S MEMORANDUM

AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.

Barry E. Putterman
Winstead Sechrest & Minick P.C.
2400 Bank One Building
910 Travis Street
Houston, Texas 77002-5895

S46-77-2547

899075

DEED OF GIFT

156-02-0612

THE STATE OF TEXAS |
COUNTY OF HARRIS |

KNOW ALL MEN BY THESE PRESENTS:

80-30-76 680103 E 999075 LST A P3 250

That we, Leon Lucas Miles and wife, Mary Lou Miles, for and in consideration of the love and affection which we have and bear unto our four children hereinafter named, do hereby Give, Grant and Convey unto the said children as a part and parcel of their respective separate property and estate, an undivided one-third (1/3) interest in all the oil, gas and other minerals in, on and under and that may be produced and saved from the following described tract of land in Harris County, Texas, to-wit:

All of Lot No. Eleven (11) and all of Lot No. Six (6), both out of and a part of the David Middleton Survey, Abstract No. 535, and the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and those portions of Lot No. 12, No. 5 and No. 4 owned by Donors, said tracts being out of and a part of the Blas Herrera Survey, Abstract No. 321 and containing a total of 596.12 acres of land, more or less, being the same land more fully described in a deed from J. H. Arnold and wife, to Tim Miles, dated April 18, 1929, recorded in Book 797, Page 292, under File No. 402463 of the Deed Records of Harris County, Texas, reference to which is hereby made for all purposes.

The donees to whom this deed of gift is executed and delivered are our children, whose names are as follows; Leon Glenn Miles, Mary Leona Williams, Edward Louis Miles, Linda Susan Richards, and each of said children are hereby given an undivided one-fourth (1/4) interest in the property hereby conveyed.

This conveyance is expressly made subject to an oil, gas and mineral lease to the extent that the same is now valid and enforceable, which lease is dated January 2, 1955, from Tim Miles and wife, Mary Miles, as Lessors, to Petroleum Leaseholds, Inc., as Lessee, which lease is recorded in Volume 843, Page 490 of the Contract Records of Harris County, Texas, it being intended that each of the Donees shall receive one-twelfth (1/12) (one-fourth of Donors' one-third) of the proceeds of all production of oil, gas or other minerals which may be produced and saved under the terms of said lease.

Donor Leon Lucas Miles owns one-third (1/3) of the minerals in and under the 596.12 acres hereinabove more fully described and it is intended by this conveyance to transfer and assign to the aforementioned children all of said undivided one-third (1/3) of the minerals so that from and after the

Miles
250

D

Jan

execution and delivery of this deed said one-third (1/3) of the minerals will be owned as follows:

Leon Glenn Miles	one-fourth (1/4) of Donors' one-third (1/3);
Mary Leona Williams	one-fourth (1/4) of Donors' one-third (1/3);
Edward Louis Miles	one-fourth (1/4) of Donors' one-third (1/3);
Linda Susan Richards	one-fourth (1/4) of Donors' one-third (1/3)

156-02-0613

TO HAVE AND TO HOLD the above described property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Donees as a part and parcel of their respective separate property and estates, their heirs and assigns forever, and Donors do hereby bind themselves, their heirs, personal representatives, executors and administrators to Warrant and Forever Defend all and singular the said premises unto the said Donees, their heirs, successors, and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, subject, however, as aforesaid.

This conveyance is irrevocable and unconditional.

EXECUTED at Houston, Texas, this the 23 day of December, 1976, effective as to production from and after 7:00 o'clock A.M., January 1, 1977.

Leon Lucas Miles
Leon Lucas Miles

Mary Lou Miles
Mary Lou Miles

NOTARY PUBLIC'S MISDEMEANOR (ART. 11)
This instrument is not enforceable as to the donor until the donor has received the proceeds of the sale of the property described herein. The donor shall retain the right to rescind this deed and to receive the proceeds of the sale of the property.

THE STATE OF TEXAS |
COUNTY OF HARRIS |

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared LEON LUCAS MILES and wife, MARY LOU MILES, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23 day of December, 1976.

Rula B. Wynn
Notary Public in and for Harris County,
TEXAS

1999077

DEED OF GIFT

156-02-0621

THE STATE OF TEXAS
COUNTY OF HARRIS

KNOW ALL MEN BY THESE PRESENTS:

JUL-30-76 680105 E 999077 LST A F3

That we, Earl John Miles and wife, Peggy Louise Miles, for and in consideration of the love and affection which we have and bear unto our four children hereinafter named, do hereby Give, Grant and Convey unto the said children as a part and parcel of their respective separate property and estate, an undivided one-third (1/3) interest in all the oil, gas and other minerals in, on and under and that may be produced and saved from the following described tract of land in Harris County, Texas, to-wit:

All of Lot No. Eleven (11) and all of Lot No. Six (6), both out of and a part of the David Middleton Survey, Abstract No. 535, and the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and those portions of Lot No. 12, No. 5 and No. 4 owned by Donors, said tracts being out of and a part of the Blas Herrera Survey, Abstract No. 321 and containing a total of 596.12 acres of land, more or less, being the same land more fully described in a deed from J. H. Arnold and wife to Tom Miles, dated April 18, 1929, recorded in Book 797, Page 292, under File No. 402463 of the Deed Records of Harris County, Texas, reference to which is hereby made for all purposes.

The donees to whom this deed of gift is executed and delivered are our children, whose names are as follows; Timothy Thomas Miles, Michael Earl Miles, Patrick Carl Miles, Sandra Ann Morgan, and each of said children are hereby given an undivided one-fourth (1/4) interest in the property hereby conveyed.

This conveyance is expressly made subject to an oil, gas and mineral lease to the extent that the same is now valid and enforceable, which lease is dated January 5, 1965, from Tom Miles and wife, Mary Miles, as Lessors, to Petroleum Leaseholds, Inc., as Lessee, which lease is recorded in Volume 843, Page 490 of the Contract Records of Harris County, Texas, it being intended that each of the Donees shall receive one-twelfth (1/12) (one-fourth of Donors' one-third) of the proceeds of all production of oil, gas or other minerals which may be produced and saved under the terms of said lease.

Donor Earl John Miles owns one-third (1/3) of the minerals in and under the 596.12 acres hereinabove more fully described and it is intended by this conveyance to transfer and assign to the aforementioned children all of said undivided one-third (1/3) of the minerals so that from and after the execution and delivery of this deed said one-third (1/3) of the minerals

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Handwritten mark resembling "1)" on the right side of the text.

Handwritten signature or initials on the right side of the text.

will be owned as follows:

- Timothy Thomas Miles - one-fourth (1/4) of Donors' one-third (1/3);
- Michael Earl Miles - one-fourth (1/4) of Donors' one-third (1/3);
- Patrick Carl Miles - one-fourth (1/4) of Donors' one-third (1/3);
- Sandra Ann Morgan - one-fourth (1/4) of Donors' one-third (1/3);

156-02-0622

TO HAVE AND TO HOLD the above described property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Donees as a part and parcel of their respective separate property and estates, their heirs and assigns forever, and Donors do hereby bind themselves, their heirs, personal representatives, executors and administrators to Warrant and Forever Defend all and singular the said premises unto the said Donees, their heirs, successors, and assigns, against every person whomsoever lawfully claiming, or to claim the same, on any part thereof, subject, however, as aforesaid.

This conveyance is irrevocable and unconditional.

EXECUTED at Houston, Texas, this the 30th day of December, 1976, effective as to production from and after 7:00 o'clock A.M., January 1, 1977.

Earl John Miles
Earl John Miles

Peggy Louise Miles
Peggy Louise Miles

THE STATE OF TEXAS |
COUNTY OF HARRIS |

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EARL JOHN MILES and WIFE, PEGGY LOUISE MILES, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 30th day of December, 1976.

Lula B. Warr
Notary Public in and for Harris County,
TEXAS

E997684

75

DEED OF GIFT

550

THE STATE OF TEXAS Y
COUNTY OF HARRIS X

KNOW ALL MEN BY THESE PRESENTS:

155-20-0800

That we, William B. Miles and wife, Sarah Ann Miles (hereinafter called "Donors"), for and in consideration of the love and affection which we have for our six children hereinafter named (sometimes hereinafter referred to as "Donees"), do hereby Give, Grant and Convey unto the said children as a part and parcel of their respective separate property and estate, an undivided one-third (1/3) interest in all the oil, gas and other minerals in, on and under and that may be produced and saved from the following described tract of land in Harris County, Texas, to-wit:

All of Lot No. Eleven (11) and all of Lot No. Six (6), both out of and a part of the David Middleton Survey, Abstract No. 535, and the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and those portions of Lot No. 12, No. 5 and No. 4 owned by Donors, said tracts being out of and a part of the Blas Herrera Survey, Abstract No. 321 and containing a total of 596.12 acres of land, more or less, being the same land more fully described in a deed from J. H. Arnold and wife to Tim Miles, dated April 18, 1929, recorded in Book 797, Page 292, under File No. 402463 of the Deed Records of Harris County, Texas, reference to which is hereby made for all purposes.

The Donees to whom this deed of gift is executed and delivered are our children, whose names are as follows:

- W. B. Miles, Jr.
- John T. Miles
- Charles T. Miles
- David L. Miles
- Elizabeth Williams
- Marilyn Sue Smith,

and each of said children are hereby given an undivided one-sixth (1/6) interest in the property hereby conveyed.

155-2C-0801

This conveyance is subject to an oil, gas and mineral lease to the extent that the same is now valid and enforceable, which lease is dated January 2, 1955, from Tim Miles and wife, Mary Miles, as Lessors, to Petroleum Leaseholds, Inc., as Lessee, which lease is recorded in Volume 843, Page 490 of the Contract Records of Harris County, Texas, it being intended that each of the Donees shall receive one-eighteenth (1/18) (one-sixth of Donors' one-third) of the proceeds of all production of oil, gas or other minerals which may be produced and saved under the terms of said lease.

Donor William B. Miles owns one-third (1/3) of the minerals in and under the 596.12 acres hereinabove more fully described and it is intended by this conveyance, to transfer and assign to the Donees all of said undivided one-third (1/3) of the minerals so that from and after the execution and delivery of this deed said one-third (1/3) of the minerals will be owned as follows:

- W. B. Miles, Jr. - one-sixth (1/6) of Donors' one-third (1/3);
- John T. Miles - one-sixth (1/6) of Donors' one-third (1/3);
- Charles T. Miles - one-sixth (1/6) of Donors' one-third (1/3);
- David L. Miles - one-sixth (1/6) of Donors' one-third (1/3);
- Elizabeth Williams - one-sixth (1/6) of Donors' one-third (1/3);
- Marilyn Sue Smith - one-sixth (1/6) of Donors' one-third (1/3).

TO HAVE AND TO HOLD the above described property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Donees as a part and

155-2C-0802

parcel of their respective separate property and estates, their heirs and assigns forever, and Donors do hereby bind themselves, their heirs, executors and administrators to Warrant and Forever Defend all and singular the said premises unto the said Donees, their heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

By way of enlargement and not by way of limitation, Donors intend by this conveyance to Give, Grant and Convey to Donees in equal proportions all of their undivided interest in the property hereinabove described and Donees by their acceptance hereof agree that the property herein conveyed to them shall hereafter be owned by them in equal proportions.

This conveyance is irrevocable.

EXECUTED at Houston, Texas, this the 22nd day of December, 1976, effective as to production from and after 7:00 o'clock A.M., January 1, 1977.

William B. Miles
William B. Miles

Sarah Ann Miles
Sarah Ann Miles

THE STATE OF TEXAS |
COUNTY OF HARRIS |

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared WILLIAM B. MILES and wife, SARAH ANN MILES, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22nd day of December, 1976.

Jean Wickes
NOTARY PUBLIC IN AND FOR HARRIS COUNTY,
TEXAS

JEAN WICKES
Notary Public in and for Harris County, Texas
My Commission Expires July 16 1978



155-20-0803

570806

APR-25-78 808606 -F 570806 LS D 13 10.00

RELEASE

193-07-1394

THE STATE OF TEXAS §
COUNTY OF HARRIS § KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being the owners of the entire mineral interest and estate of the following described tract of land in Harris County, Texas, to wit:

All that certain tract or parcel of land in Harris County, Texas, out of the DAVID MIDDLETON SURVEY A-535 and BLAS HERRERA SURVEY A-321, being a portion of Lots 4, 5, and 6 of MEADOWBROOK FARMS, an addition in Harris County, Texas, according to the map or plat thereof recorded in Volume 1 at Page 16-A of the Map Records of Harris County, Texas, and containing 95,8294 acres, D

for and in consideration Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt and sufficiency of which is hereby acknowledged, do hereby RELEASE, WAIVE and OBLIVION to William B. Miles, Leon L. Miles and Earl J. Miles, J. L. their heirs, successors and assigns, all of the right title and interest in any surface rights, including rights of ingress and egress, which the undersigned possess and hold incidental to their ownership of the mineral estate in the above described tract.

It is the intention of the undersigned that this release operate solely to relinquish complete surface control of the above described tract to the owners of the surface estate and not operate in any other way to affect or diminish the mineral estate in the above described tract reserved to the undersigned. Executed this the 22nd day of April, 1978.

Timothy T. Miles
Timothy T. Miles

Patrick C. Miles
Patrick C. Miles

Michael E. Miles
Michael E. Miles

Sandra A. Morgan
Sandra A. Morgan

B. Miles
ite 4 Bar 354
Houston, Texas

Leon Glenn Miles
Leon Glenn Miles

Edward Louis Miles
Edward Louis Miles

William B. Miles, Jr.
William B. Miles, Jr.

Charles T. Miles
Charles T. Miles

David L. Miles
David L. Miles

Mary Leona Williams
Mary Leona Williams

Linda S. Richards
Linda S. Richards

John T. Miles
John T. Miles

Elizabeth Ann Williams
Elizabeth Ann Williams

Marilyn S. Smith
Marilyn S. Smith

193-07-1395

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared TIMOTHY T. MILES, PATRICK C. MILES, MICHAEL E. MILES, and SANDRA A. MORGAN, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of April, 1978.

193-07-1306

Lula B. Swan
Notary Public in and for Harris County,
TEXAS
My Commission Expires June 1, 1979

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared LEON GLENN MILES, MARY LEONA WILLIAMS, EDWARD LOUIS MILES, and LINDA S. RICHARDS, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of April, 1978.

Lula B. Swan
Notary Public in and for Harris County,
TEXAS
My Commission Expires June 1, 1979

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared WILLIAM B. MILES, JR., JOHN T. MILES, DAVID L. MILES, ELIZABETH ANN WILLIAMS, CHARLES T. MILES, and MARILYN S. SMITH, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of April, 1978.

Lula B. Swan
Notary Public in and for Harris County,
TEXAS
My Commission Expires July 3, 1979

283509

OCT-18-74 300621 E 283509 - A M

750

RELEASE

111-11-2290

STATE OF TEXAS)
COUNTY OF HARRIS)

WHEREAS, on the 2nd day of January, 1955, Tim Miles and wife, Mary Miles, of the State of Texas, County of Harris, as lessors, did execute that certain Oil, Gas and Mineral Lease to Petroleum Leaseholds, Inc., a Delaware Corporation, as lessee, which said lease is recorded in Volume 843, page 490, of the Contract Records of Harris County, Texas, covering the following described land in Harris County, Texas, to-wit:

All of Lot No. Eleven (11) and all of Lot No. 6, both out of and a part of the David Middleton Survey, Abstract No. 535, and the Blas Herrera Survey, Abstract No. 321, Harris County, Texas, and those portions of Lot No. 12, No. 5 and No. 4 owned by Lessor, said tracts being out of and a part of the Blas Herrera Survey, Abstract No. 321 and containing a total of 596.12 acres of land, more or less. The hereinabove described land is the same land described in deed from J. H. Arnold and wife to Tim Miles, dated April 18, 1929, and recorded in Book 797, Page 292, under File No. 402463 of the Deed Records of Harris County, Texas, to which deed and the record thereof reference is hereby made for all purposes,

and,

WHEREAS, the undersigned have succeeded to the interest of the original lessee in such lease; and

WHEREAS, the original lessors, Tim and Mary Miles are deceased, and William Benjamin Miles, Leon L. Miles and Earl John Miles have succeeded to the interest of such original lessors; and

WHEREAS, by virtue of said oil and gas lease, the undersigned have certain rights existing in and pertaining to the surface of the tract of land covered by such lease; and

FILED FOR RECORD
9:00 A. M.

OCT 18 1974

Petermontano

County Clerk, Harris County, Texas

LEE & BABCOCK
890 Houston Natural Gas Bldg.
Houston, Texas 77002

111-11-2291

WHEREAS, it is the desire of the undersigned and William Benjamin Miles, Leon L. Miles and Earl John Miles that such surface rights be in all things released as to the tract hereinafter described, except as hereinafter expressly stated,

NOW, THEREFORE, know all men by these presents that the undersigned, for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration to it in hand paid by William Benjamin Miles, Leon L. Miles and Earl John Miles, receipt and sufficiency of which is hereby acknowledged, do hereby RELEASE and QUITCLAIM to the said William Benjamin Miles, Leon L. Miles, and Earl John Miles all of its right, title and interest in the surface and the surface rights only in and to the following tract or parcel of land, in the Blas Herrera Survey, Abstract 321, and the David Middleton Survey, Abstract 535, both in Harris County, Texas, and more particularly described as follows:

BEGINNING at a 4" x 4" concrete monument at the northwest corner of the intersection of Westheimer Road and Addicks-Howell Road for the point of beginning, and being the southeast corner of the tract herein described;

THENCE S $89^{\circ} 23' 33''$ West 1289.49 feet along the north edge of Westheimer Road and along a barbwire fence to a 5/8" iron rod for the southwest corner of this tract;

THENCE N $00^{\circ} 03' 33''$ E 2037.05 feet along a barbwire fence to a 5/8" iron rod for corner;

THENCE N $31^{\circ} 49' 20''$ E 1452.38 feet along a barbwire fence to a U.S. Engineers' boundary marker, T-BR 49-5;

THENCE N $15^{\circ} 52' 27''$ E 1177.90 feet along a barbwire fence to U.S. Engineers' boundary marker, T-BR 49-4;

THENCE N $00^{\circ} 07' 47''$ W 2812.27 feet along a barbwire fence to a 5/8" iron rod set in the south edge of Noble Road, for the Northwest corner of this tract;

111-11-2292

THENCE N 89° 53' 30" E with the south edge of such road 105.66 feet to a 5/8" iron rod in the west edge of the Addicks-Howell Road;

THENCE S 00° 00' 21" E 1582.60 feet along the west edge of said Addicks-Howell Road, and along a barbwire fence to a 4" x 4" concrete right of way monument;

THENCE S 00° 29' 41" W 2359.90 feet along such road and along such barbwire fence to a 4" x 4" concrete right of way monument for a point of curvature;

THENCE along the west edge of Addicks-Howell Road and along such barbwire fence along a curve, the radius of which is 3899.8 feet a distance of 392.50 feet to a 4" x 4" concrete right of way monument for the point of tangent;

THENCE S 05° 06' 13" E 1013.10 feet along the west edge of such road and along such barbwire fence to a 4" x 4" concrete right of way monument;

THENCE S 00° 25' 35" E 1859.28 feet along the west edge of such road and along such barbwire fence to a 4" x 4" concrete right of way monument, for the place of beginning.

It is distinctly understood and agreed that it is the overriding intention of this instrument that this release covers the surface of all land belonging to the lessors lying east of the most westerly boundary of the tract hereinabove described and west of the Addicks-Howell Road. It is the further intention of this release to release all of the surface and surface rights only in all of the lands covered by the said Oil and Gas Lease described in the first paragraph hereof not conveyed to the United States of America by decree of the District Court of the United States of America for the Southern District of Texas, Houston Division, in case styled United States of America vs. Andrea Georgi, et al, Civil Action No. 687 (Tract No. BR 49). Said decree being recorded in Volume 1346 at page 199 of Deed Records of Harris County, Texas. It is further distinctly understood and agreed, notwith-

standing anything to the contrary in this instrument, that the undersigned reserve full right of ingress and egress over Noble Road as long as the above described Oil, Gas and Mineral Lease shall remain in force and effect.

EXECUTED this 17th day of September, 1974.

PETRO-LEWIS CORPORATION

ATTEST:

Robert B. Hartman
Assistant Secretary

D. B. Cahley
Vice-President



TESORO PETROLEUM CORPORATION

Donald A. Skelly
Asst. Secretary

John H. ...
President

J. S. ABERCROMBIE MINERAL COMPANY, INC.

9/16/74

Robert A. ...
Secretary

John H. ...
Vice President

Joseph ...
J. S. ABERCROMBIE MINERAL COMPANY, INC.

ACKNOWLEDGMENT

THE STATE OF COLORADO
COUNTY OF DENVER

SS

RECORDER'S MEMORANDUM:
The changes made on this instrument were present at the time instrument was filed and recorded.

RECORDER'S MEMORANDUM:
The additions on this instrument were present at the time instrument was filed and recorded.

BEFORE ME, the undersigned authority, on this day personally appeared D. B. Cahley President of Petro-Lewis Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations

111-11-2294

therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this the 6th day of October, 1974.



Beverly Applegate
Notary Public in and for
Denver County, Colorado

My Commission expires Jan. 16, 1977

ACKNOWLEDGMENT

THE STATE OF Texas
COUNTY OF Texas SS

BEFORE ME, the undersigned authority, on this day personally appeared Richard D. Papp President of Tesoro Petroleum Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this the 14th day of September, 1974.



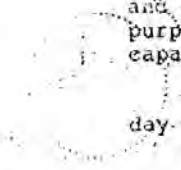
Patricia Hudson
Notary Public in and for
PATRICIA HUDSON
NOTARY PUBLIC, BEXAR COUNTY, TEXAS
COMMISSION EXPIRES: JUNE 1, 1975

ACKNOWLEDGMENT

THE STATE OF
COUNTY OF SS

BEFORE ME, the undersigned authority, on this day personally appeared J. S. Abercrombie President of J. S. Abercrombie Minerals, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this the 1st day of October, 1974.



Gwen Lorentz
Notary Public in and for
GWEN LORENTZ
Notary Public in and for Harris County, Texas

111-11-2295

ACKNOWLEDGMENT

BEFORE ME, the undersigned authority, on this day personally appeared WILLIAM A. BRYAN, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this the 1st day of October, 1974.



[Signature]
Notary Public in and for



Y936419

Producers 88 (7-89) Paid Up
With 640 Acres Pooling Provision

© POUND PRINTING COMPANY

P.O. Box 683046, Houston, Texas 77268-3046, (713) 652-9797

07/15/02 300793696 Y936419

\$15.00

15 w

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 23 day of May, 2002, between

Clydene Miles

Lessor (whether one or more), whose address is: PO Box 116 New Ulm, TX. 78950
and Contract Oil & Gas Service Company

Lessee, WITNESSETH:

1. Lessor, in consideration of \$ 333,333 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 Acres of land in the form of a square around the Tim Miles #1 well in the Blas Herrera survey abstract 321 Harris County, Texas API#42-201-04126

(Paragraphs 12-18 Attached Hereto As Exhibit "A")

554-83-2525

FILED
2002 JUL 15 PM 1:43
CLERK
COUNTY CLERK
HARRIS COUNTY TEXAS

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 10 years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, as the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the

Bank

at _____, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any unit in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written:

554-83-2526

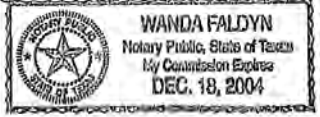
Clydene Miles 44-51-72-6714
LESSOR SS. OR TAX I.D. NO.

LESSOR SS. OR TAX I.D. NO.

Clydene Miles
STATE OF Texas
COUNTY OF Austin

ACKNOWLEDGEMENT 1012

This instrument was acknowledged before me on the 10th day of June, 2002,
by Clydene Miles



Wanda Faldyn
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the _____ day of _____, _____
by _____

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the _____ day of _____, _____
by _____
of _____
a _____ corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between Clydene Miles as Lessor and Contract Oil and Gas Service Company as Lessee.

OTHER TERMS AND CONDITIONS

Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil, gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.

13. **Pugh and retained Acre Clauses:** (a) At the expiration of the primary term, in the event a portion or portions of the leased premises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leases premises which are included in such unit or units. Any portion or portions of the leases premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including, but not limited to: operations upon or production from such portions of the leased premises, or by payment of shut-in gas well royalties.

(b) In addition, if at the end of the primary term there is a producing well or wells on leased acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40-acre, if oil, or 640-acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.

(c) As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cessation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not less than 8500 feet below the surface of the earth.

(d) Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.

(e) Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations, which Lessee is conducting on said lands pursuant to this lease.

554-83-2527

554-03-2528

- 14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.
- 15. **Royalty:** (a) Wherever the word and fraction "one-eighth (1/8th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words and fraction "one-fifth (1/5th)".
 (b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.
- 16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said Lease.
- 17. **Shut-In Limitation:** (a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.
 (b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to five dollars (\$5.00) for each acre of land then covered hereby.
- 18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.

Signed for Identification:

Clydene Miles
Clydene Miles

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

JUL 15 2002



Dorothy L. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

Return to: Contract Oil + Gas
9307 Hufsmith Rd
Tomball Tx 77375

RECORDERS MEMORANDUM
AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.

Amended

AMENDMENT OF OIL, GAS AND MINERAL LEASE

20

STATE OF TEXAS
COUNTY OF HARRIS

Z253621
04/26/06 300823706

\$20.00

X

He

KNOW ALL MEN BY THESE PRESENTS: That, heretofore, under date of May 23, 2002, CLYDENE MILES, as Lessor, did execute and deliver to CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, an Oil, Gas and Mineral Lease recorded as File No. V936419 of the Official Records of Harris County, Texas, covering land located in Harris County, Texas, being more specifically described as follows, to-wit:

40 acres of land in the form of a square around the Time Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

which mineral lease is called "the Lease" and

WHEREAS, the Lease and all rights and privileges thereunder are now owned and held by CONTRACT OIL & GAS SERVICE COMPANY, with offices located at 9307 Hufsmith Road, Tomball, Texas 77375, hereinafter called "COG"; and

WHEREAS, it is the desire of both Lessor and Lessee to amend said Lease so as to amend and correct the description of the land intended to be included in said Lease;

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, (whether one or more) as Lessor, hereby agrees with Lessee that said Lease shall be, and the same hereby reformed and amended so that the land covered and to be covered thereby is described as follows:

596.12 acres of land, more or less, out of and a part of the David Middleton Survey, A-535 and the Blas Herrera Survey, A-321, Harris County, Texas and being described in that certain Deed dated April 18, 1929 from J.H. Arnold and wife to Tim Miles, recorded in Volume 797, Page 292 under File No. 402463 of the Deed Records of Harris County, Texas.

D

EXCEPT AS AMENDED HEREBY, the Lease shall remain unchanged and the undersigned do hereby adopt, ratify, and confirm the Lease and all of the terms and provisions thereof, as changed, altered and amended hereby; and the undersigned do hereby LEASE, GRANT and LET the above described property covered by the Lease unto COG, subject to and in accordance with all of the terms and provisions of the Lease as amended hereby and the undersigned do further agree and declare that the Lease is a valid and subsisting oil, gas and mineral lease and is binding on the undersigned in all of its terms and provisions.

PP 020-93-3171

This Amendment shall extend to and bind the undersigned and COG and its respective heirs, successors, assigns, administrators, executors and legal representatives. The filing of this instrument for record by COG or its successors and assigns, shall constitute an acceptance thereof by COG or its successors and assigns.

EXECUTED this 29th day January, 2003, but effective for all purposes as of May 23, 2002.

LESSOR:

Clydene Miles
Clydene Miles

10R

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW. THE STATE OF TEXAS COUNTY OF HARRIS I hereby certify that this instrument was FILED in the number Sequence on the date and at time stamped herein by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County Texas on

APR 26 2006



Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

RET. Robert M. Curtis
11211 Katy Freeway #300
Houston, TX 77079

✓

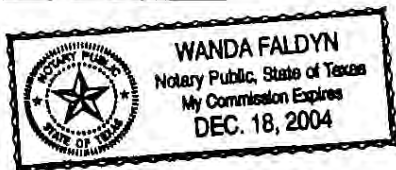
THE STATE OF TEXAS

COUNTY OF Austin

This instrument was acknowledged before me on the 29th day of January, 2003 by Clydene Miles.

Wanda Faldyn
Notary Public in and for the State of Texas

My commission expires:
12-18-04



Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

2006 APR 26 PM 12:14

FILED

HP 020-93-3172

W175518

Producers 88(7/69)—Paid Up
With 640 Acres Pooling Provision

OIL GAS AND MINERAL LEASE

THIS AGREEMENT made this 23rd day of May, 2002, EDWARD LOUIS MILES and wife, MAUREEN M. MILES, as Lessor, whose address is: 1903 Wildwood Lane, Richmond, TX 77469 and CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, whose address is: 9307 (Hufsmith) Road, Tomball, TX 77375, WITNESSETH:

10/25/02 201914070 W175518 \$15.00

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations (\$10.00 and O.V.C.), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on the said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses, and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing, and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 acres of land in the form of a square around the Tim Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by the Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For this purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40 acres, whereby actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal to one-eighth (1/8th) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-eighth (1/8th) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-eighth (1/8th) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-eighth (1/8th) of the amount realized by the Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth (1/8th) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or in value at the well or mine at the Lessee's election, except that on sulphur mined and marketed the royalty shall be Two and 50/100 dollar (\$2.50) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period, if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the PAY LESSOR DIRECT AT THE ABOVE ADDRESS, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereon, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to the acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, as to contain not more than the 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of these herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilled, or already drilled, any such unit may be established as enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (as to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

558-26-3224

Handwritten signature/initials

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558-28-3225

6. Whenever used in this lease the word "operations" shall mean all operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or any other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than Lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet in the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division of ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of the Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all the obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after the service of such notice on Lessee. Neither the service of said notice nor the doing of acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provisions of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in default. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. Lessee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which Lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to the Lessor. If this lease covers a less interest in the oil, gas, sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF.

Edward Louis Miles
EDWARD LOUIS MILES

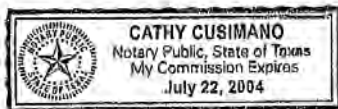
Maureen M. Miles *Jow*
MAUREEN M. MILES

STATE OF TEXAS

COUNTY OF FORT BEND

This instrument was acknowledged before me on this 15th day of October, 2002 by Edward Louis Miles and Maureen M. Miles.

Cathy Cusimano
Notary Public in and for the State of Texas.



FILED
2002 OCT 25 PM 12:27
COUNTY CLERK
FORT BEND COUNTY TEXAS

Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between Edward Louis Miles and wife, Maureen M. Miles, as Lessor and Contract Oil and Gas Service Company as Lessee.

OTHER TERMS AND CONDITIONS

Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil, gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.

13. **~~Pugh and Retained Acre Clauses:~~**

~~(a) — At the expiration of the primary term, in the event a portion or portions of the leased premises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leased premises which are included in such unit or units. Any portion or portions of the leased premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including, but not limited to, operations upon or production from such portions of the leased premises, or by payment of shut-in gas well royalties.~~

~~(b) — In addition, if at the end of the primary term there is a producing well or wells on leased acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40-acre, if oil, or 640-acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.~~

~~(c) — As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cessation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not less than 8500 feet below the surface of the earth.~~

~~(d) — Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.~~

~~(e) — Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations, which Lessee is conducting on said lands pursuant to this lease.~~

558-26-3227

14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.

15. **Royalty:**
(a) Wherever the word and fraction "one-eighth (1/8th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words "twenty-two and one-half percent (22.50%)".

(b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.

16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, ~~which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said lease.~~

17. **Shut-In Limitation:**
(a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.

(b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to twenty-five dollars (\$25.00) for each acre of land then covered hereby.

18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.

19. **Indemnification:** Lessee, for itself, its successors and assigns, hereby agrees to indemnify and hold harmless Lessor, their heirs, successors and assigns, from and against any and all claims, demands and causes of action for injury (including death), or damage to persons or property arising out of, incidental to, or resulting from the operations of or for Lessee, its servants, agents, employees, invitees, independent contractors, successors and/or assigns, and from and against all costs and expenses incurred by Lessor by reason of any such claim or claims, including attorneys' fees, and each Assignee of this lease or interest therein, agrees to indemnify and hold harmless Lessor in the same manner provided above. Such indemnity shall apply to any claim arising out of operations conducted or pursuant to this lease, howsoever caused, including, but not by way of limitation, any negligent act or omission of Lessor, Lessor's representatives, agents or employees.

RECORDERS MEMORANDUM
ALL BLACKOUTS, ADDITIONS AND CHANGES
WERE PRESENT AT THE TIME THE INSTRUMENT
WAS FILED AND RECORDED.

Signed for Identification:

Edward Louis Miles
Edward Louis Miles

Maureen M. Miles
Maureen M. Miles

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me, and was duly RECORDED in the Official Public Records of said Property of Harris County, Texas on

OCT 25 2002

RETURN TO: CUALY OIL INC
11211 KATY FWY
STE 300
HOUSTON TX 77079



Dorothy L. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

OIL GAS AND MINERAL LEASE

10/25/02 201914071 W175519

\$15.00

J. J. J.

THIS AGREEMENT made this 23rd day of May, 2002, LINDA RICHARDS, as Lessor, whose address is: 11403 Cold Springs Dr., Houston, TX 77043 and CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, whose address is: 9307 Hufsmith Road, Tomball, TX 77375, WITNESSETH:

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations (\$10.00 and O.V.C.), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on the said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses, and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing, and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 acres of land in the form of a square around the Tim Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by the Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessee has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For this purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40 acres, whereby actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

5588-26-3222

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal to one-eighth (1/8th) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-eighth (1/8th) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-eighth (1/8th) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-eighth (1/8th) of the amount realized by the Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth (1/8th) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or in value at the well or mine at the Lessee's election, except that on sulphur mined and marketed the royalty shall be Two and 50/100 dollar (\$2.50) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period, if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the PAY LESSOR DIRECT AT THE ABOVE ADDRESS, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereon, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to the acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction, if larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well on a regular location, or for obtaining maximum allowable from any well to be drilled, drilled, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of each unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty, and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any form royalty or mineral estate agrees that the amount of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

558-26-3229

6. Whenever used in this lease the word "operations" shall mean all operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or any other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than Lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet in the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division of ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of the Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all the obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after the service of such notice on Lessee. Neither the service of said notice nor the doing of acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provisions of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in default. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. ~~Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever.~~ Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. Lessee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which Lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to the Lessor. If this lease covers a less interest in the oil, gas, sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF.

Linda Richards
LINDA RICHARDS
SS# 450-90-4777 *LR*

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on this 17th day of October, 2002 by Linda Richards.

George H. Joiner, Jr.
Notary Public in and for the State of Texas

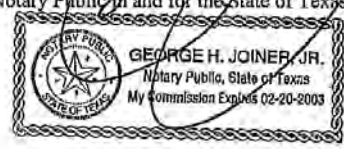


Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between Linda Richards, as Lessor and Contract Oil and Gas Service Company as Lessee.

OTHER TERMS AND CONDITIONS

Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil,gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.

13. **~~Pugh and Retained Acre Clauses: —~~**

~~(a) — At the expiration of the primary term, in the event a portion or portions of the leased premises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leases premises which are included in such unit or units. Any portion or portions of the leases premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including but not limited to operations upon or production from such portions of the leased premises, or by payment of shut-in gas well royalties.~~

~~(b) — In addition, if at the end of the primary term there is a producing well or wells on leased acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40-acre, if oil, or 640-acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.~~

~~(c) — As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cessation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not less than 8500 feet below the surface of the earth.~~

~~(d) — Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.~~

~~(e) — Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations which Lessee is conducting on said lands pursuant to this lease.~~

159-92-888

- 14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.
- 15. **Royalty:**
 - (a) Wherever the word and fraction "one-eighth (1/8th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words "twenty-two and one-half percent (22.50%)".
 - (b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.
- 16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, ~~which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said lease.~~
- 17. **Shut-In Limitation:**
 - (a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.
 - (b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to twenty-five dollars (\$25.00) for each acre of land then covered hereby.
- 18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.
- 19. **Indemnification:** Lessee, for itself, its successors and assigns, hereby agrees to indemnify and hold harmless Lessor, their heirs, successors and assigns, from and against any and all claims, demands and causes of action for injury (including death), or damage to persons or property arising out of, incidental to, or resulting from the operations of or for Lessee, its servants, agents, employees, invitees, independent contractors, successors and/or assigns, and from and against all costs and expenses incurred by Lessor by reason of any such claim or claims, including attorneys' fees, and each Assignee of this lease or interest therein, agrees to indemnify and hold harmless Lessor in the same manner provided above. Such indemnity shall apply to any claim arising out of operations conducted or pursuant to this lease, howsoever caused, including, but not by way of limitation, any negligent act or omission of Lessor, Lessor's representatives, agents or employees.

Signed for Identification:

Linda Richards
 Linda Richards
 SS.# 450-90-4777

RECORDERS MEMORANDUM
 ALL BLACKOUTS, ADDITIONS AND CHANGES
 WERE PRESENT AT THE TIME THE INSTRUMENT
 WAS FILED AND RECORDED.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
 THE STATE OF TEXAS
 COUNTY OF HARRIS
 I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

Barbara A. Kaufman
 COUNTY CLERK
 HARRIS COUNTY, TEXAS

2002 OCT 25 PM 12:27

FILED

OCT 25 2002



Barbara A. Kaufman
 COUNTY CLERK
 HARRIS COUNTY, TEXAS

RETURN TO: CURLY OIL INC.
 11211 KATY FLY
 STE 300
 HOUSTON, TX 77079

OIL GAS AND MINERAL LEASE

10/25/02 20191407E W175520 \$15.00

THIS AGREEMENT made this 23rd day of May, 2002, MARY L. WILLIAMS, as Lessor, whose address is: 5103 Berry Creek, Houston, TX 77017 and CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, whose address is: 9307 Hufsmith Road, Tomball, TX 77375, WITNESSETH:

Handwritten signature/initials

Handwritten initials

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations (\$10.00 and O.V.C.), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on the said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses, and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing, and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 acres of land in the form of a square around the Tim Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

Handwritten letter 'D'

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by the Lessee by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For this purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40 acres, whereby actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

558-26-8855

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal to one-eighth (1/8th) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-eighth (1/8th) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-eighth (1/8th) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-eighth (1/8th) of the amount realized by the Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth (1/8th) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or in value at the well or mine at the Lessee's election, except that on sulphur mined and marketed the royalty shall be Two and 50/100 dollar (\$2.50) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be required to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period, if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the PAY LESSOR DIRECT AT THE ABOVE ADDRESS, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereon, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to the acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than the 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas; (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir; (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the receipt of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, new or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean all operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or any other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than Lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet in the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division of ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of the Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all the obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after the service of such notice on Lessee. Neither the service of said notice nor the doing of acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provisions of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in default. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. ~~Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever.~~ Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. Lessee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which Lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to the Lessor. If this lease covers a less interest in the oil, gas, sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.
SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF.

550-26-0203

Mary L. Williams
MARY L. WILLIAMS
SS 463-64-0097

STATE OF TEXAS
COUNTY OF Harris

This instrument was acknowledged before me on this 16th day of October, 2002 by Mary L. Williams.

Christine Durlam
Notary Public in and for the State of Texas.



Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between Mary L. Williams, as Lessor and Contract Oil and Gas Service Company as Lessee.

OTHER TERMS AND CONDITIONS

Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil, gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.
13. **Plug and Retained Acre Clauses:**
- (a) ~~At the expiration of the primary term, in the event a portion or portions of the leased premises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leased premises which are included in such unit or units. Any portion or portions of the leased premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including, but not limited to, operations upon or production from such portions of the leased premises, or by payment of shut-in gas well royalties.~~
- (b) ~~In addition, if at the end of the primary term there is a producing well or wells on leased acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40-acre, if oil, or 640-acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.~~
- (c) ~~As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cessation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not less than 8500 feet below the surface of the earth.~~
- (d) ~~Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.~~
- (e) ~~Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations, which Lessee is conducting on said lands pursuant to this lease.~~

5522-92-2235

- 14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.
- 15. **Royalty:**
 - (a) Wherever the word and fraction "one-eighth (1/8th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words "twenty-two and one-half percent (22.50%)".
 - (b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.
- 16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, ~~which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said lease.~~
- 17. **Shut-In Limitation:**
 - (a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.
 - (b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to twenty-five dollars (\$25.00) for each acre of land then covered hereby.
- 18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.
- 19. **Indemnification:** Lessee, for itself, its successors and assigns, hereby agrees to indemnify and hold harmless Lessor, their heirs, successors and assigns, from and against any and all claims, demands and causes of action for injury (including death), or damage to persons or property arising out of, incidental to, or resulting from the operations of or for Lessee, its servants, agents, employees, invitees, independent contractors, successors and/or assigns, and from and against all costs and expenses incurred by Lessor by reason of any such claim or claims, including attorneys' fees, and each Assignee of this lease or interest therein, agrees to indemnify and hold harmless Lessor in the same manner provided above. Such indemnity shall apply to any claim arising out of operations conducted or pursuant to this lease, howsoever caused, including, but not by way of limitation, any negligent act or omission of Lessor, Lessor's representatives, agents or employees.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
 THE STATE OF TEXAS
 COUNTY OF HARRIS
 I hereby certify that this instrument was FILED in the Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

Signed for Identification:

Mary L. Williams
 Mary L. Williams

OCT 25 2002

Dorothy B. Kaufman
 COUNTY CLERK
 HARRIS COUNTY, TEXAS



463-64-0097

RECORDERS MEMORANDUM
 ALL BLACKOUTS, ADDITIONS AND CHANGES
 WERE PRESENT AT THE TIME THE INSTRUMENT
 WAS FILED AND RECORDED.

Dorothy B. Kaufman
 COUNTY CLERK
 HARRIS COUNTY, TEXAS

2002 OCT 25 PM 12:27

FILED

RETURN TO: CURLY OIL INC.
 11211 KATY FLOYD
 STE 300
 HOUSTON, TX 77079

AMEND

AMENDMENT OF OIL, GAS AND MINERAL LEASE

20

STATE OF TEXAS

Z253622
04/26/06 300823707

\$20.00

COUNTY OF HARRIS

KNOW ALL MEN BY THESE PRESENTS: That, heretofore, under date of May 23, 2002, MARY L. WILLIAMS, as Lessor, did execute and deliver to CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, an Oil, Gas and Mineral Lease recorded as File No. W175520 of the Official Records of Harris County, Texas, covering land located in Harris County, Texas, being more specifically described as follows, to-wit:

Lee

40 acres of land in the form of a square around the Time Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

which mineral lease is called "the Lease" and

WHEREAS, the Lease and all rights and privileges thereunder are now owned and held by CONTRACT OIL & GAS SERVICE COMPANY, with offices located at 9307 Hufsmith Road, Tomball, Texas 77375, hereinafter called "COG"; and

WHEREAS, it is the desire of both Lessor and Lessee to amend said Lease so as to amend and correct the description of the land intended to be included in said Lease;

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, (whether one or more) as Lessor, hereby agrees with Lessee that said Lease shall be, and the same hereby reformed and amended so that the land covered and to be covered thereby is described as follows:

596.12 acres of land, more or less, out of and a part of the David Middleton Survey, A-535 and the Blas Herrera Survey, A-321, Harris County, Texas and being described in that certain Deed dated April 18, 1929 from J.H. Arnold and wife to Tim Miles, recorded in Volume 797, Page 292 under File No. 402463 of the Deed Records of Harris County, Texas.

D

EXCEPT AS AMENDED HEREBY, the Lease shall remain unchanged and the undersigned do hereby adopt, ratify, and confirm the Lease and all of the terms and provisions thereof, as changed, altered and amended hereby; and the undersigned do hereby LEASE, GRANT and LET the above described property covered by the Lease unto COG, subject to and in accordance with all of the terms and provisions of the Lease as amended hereby and the undersigned do further agree and declare that the Lease is a valid and subsisting oil, gas and mineral lease and is binding on the undersigned in all of its terms and provisions.

This Amendment shall extend to and bind the undersigned and COG and its respective heirs, successors, assigns, administrators, executors and legal representatives. The filing of this

RR 020-99-9179

instrument for record by COG or its successors and assigns, shall constitute an acceptance thereof by COG or its successors and assigns.

EXECUTED this 30~~th~~ day January, 2003, but effective for all purposes as of May 23, 2002.

LESSOR:

Mary L. Williams
Mary L. Williams

10R

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RET

Robert M. Curtis
11211 Katy Freeway #300
Houston, TX 77079

THE STATE OF TEXAS

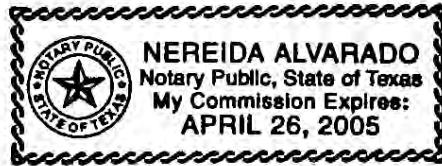
COUNTY OF Harris

This instrument was acknowledged before me on the 30 day of January, 2003 by Mary L. Williams.

Nereida Alvarado
Notary Public in and for the State of Texas

My commission expires:

4-26-2005



Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

2006 APR 26 PM 12:14

FILED

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW. THE STATE OF TEXAS COUNTY OF HARRIS I hereby certify that this instrument was FILED in the number Sequence on the date and at the stipulated hours by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County Texas on

APR 26 2006



Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

RP 020-93-3174

W175521

Producers 88(7/69)--Paid Up
With 640 Acres Pooling Provision

OIL GAS AND MINERAL LEASE

4935 Havemann Rd

THIS AGREEMENT made this 23rd day of May, 2002. TIMOTHY MILES and wife, BRENDA MILES, as Lessor, whose address is: Rt 2, Box 163, Burton, TX 77835 and CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, whose address is: 9307 Hufsmith Road, Tomball, TX 77375, WITNESSETH: 10/25/02 201914073 W175521 \$15.00

Leave
K
B

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations (\$10.00 and O.V.C.), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on the said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses, and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing, and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 acres of land in the form of a square around the Tim Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

This lease also covers and includes, in addition to the above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by the Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For this purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40 acres, whereby actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

558-26-3238

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal to one-fifth (1/5th) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fifth (1/5th) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to hear one-fifth (1/5th) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fifth (1/5th) of the amount realized by the Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-fifth (1/5th) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or in value at the well or mine at the Lessee's election, except that on sulphur mined and marketed the royalty shall be Two and 50/100 dollar (\$2.50) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period, if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the PAY LESSOR DIRECT AT THE ABOVE ADDRESS, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereon, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to the acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres, plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas; (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir; (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order as rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered, for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the amount of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of extinguishing or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph, a unit once established hereunder shall remain in force as long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean all operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or any other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than Lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet in the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division of ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of the Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all the obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after the service of such notice on Lessee. Neither the service of said notice nor the doing of acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provisions of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in default. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. ~~Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever.~~ Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. Lessee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which Lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to the Lessor. If this lease covers a less interest in the oil, gas, sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF.

2002-10-10-10

Tim Miles
TIMOTHY MILES

Brenda Miles Jon
BRENDA MILES

STATE OF TEXAS

COUNTY OF Fayette

This instrument was acknowledged before me on this 10th day of October, 2002 by Timothy Miles and Brenda Miles.



Mary Jane Oltmann
Notary Public in and for the State of Texas.

Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between **Timothy Miles and wife, Brenda Miles**, as Lessor and **Contract Oil and Gas Service Company** as Lessee.

OTHER TERMS AND CONDITIONS

Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil,gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.

13. **~~Pugh and Retained Acre Clauses:~~**

~~(a) At the expiration of the primary term, in the event a portion or portions of the leased prises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leases premises which are included in such unit or units. Any portion or portions of the leases premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including, but not limited to operations upon or production from such portions of the leased premises, or by payment of shut-in gas well royalties.~~

~~(b) In addition, if at the end of the primary term there is a producing well or wells on leased acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40 acre, if oil, or 640 acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.~~

~~(c) As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cessation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not less than 8500 feet below the surface of the earth.~~

~~(d) Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.~~

~~(e) Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations, which Lessee is conducting on said lands pursuant to this lease.~~

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559-92-3235

14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.

15. **Royalty:**
(a) Wherever the word and fraction "one-eighth (1/8th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words "twenty-two and one-half percent (22.50%)".

(b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.

16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said lease.

17. **Shut-In Limitation:**
(a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.

(b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to twenty-five dollars (\$25.00) for each acre of land then covered hereby.

18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.

19. **Indemnification:** Lessee, for itself, its successors and assigns, hereby agrees to indemnify and hold harmless Lessor, their heirs, successors and assigns, from and against any and all claims, demands and causes of action for injury (including death), or damage to persons or property arising out of, incidental to, or resulting from the operations of or for Lessee, its servants, agents, employees, invitees, independent contractors, successors and/or assigns, and from and against all costs and expenses incurred by Lessor by reason of any such claim or claims, including attorneys' fees, and each Assignee of this lease or interest therein, agrees to indemnify and hold harmless Lessor in the same manner provided above. Such indemnity shall apply to any claim arising out of operations conducted or pursuant to this lease, howsoever caused, including, but not by way of limitation, any negligent act or omission of Lessor, Lessor's representatives, agents or employees.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Final Property of Harris County, Texas on

OCT 25 2002

Timothy Miles
Timothy Miles

Brenda Miles
Brenda Miles



COUNTY CLERK
HARRIS COUNTY, TEXAS

RETURN TO: CURLY OIL INC.
11211 KATY FLYWY
STE 300
HOUSTON, TX 77079

RECORDERS MEMORANDUM
ALL BLACKOUTS, ADDITIONS AND CHANGES
WERE PRESENT AT THE TIME THE INSTRUMENT
WAS FILED AND RECORDED.

Brenda Miles
COUNTY CLERK
HARRIS COUNTY, TEXAS

2002 OCT 25 PM 12:27

FILED

Producers 88(7/69)—Paid Up
With 640 Acres Pooling Provision

OIL GAS AND MINERAL LEASE

THIS AGREEMENT made this 23rd day of May, 2002, W.B. MILES, JR., dealing in his separate property, as Lessor, whose address is: 6410 Katy Hockley Cut-Off, Katy, Texas 77493 and CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, whose address is: 9307 Hufsmith Road, Tomball, TX 77375, WITNESSETH:

10/25/02 201914074 W175522 \$15.00

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations (\$10.00 and O.V.C.), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on the said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses, and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing, and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 acres of land in the form of a square around the Tim Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by the Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For this purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40 acres, whereby actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal to one-fifth (1/5th) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fifth (1/5th) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fifth (1/5th) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fifth (1/5th) of the amount realized by the Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-fifth (1/5th) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or in value at the well or mine at the Lessee's election, except that on sulphur mined and marketed the royalty shall be Two and 50/100 dollar (\$2.50) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period, if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the PAY LESSOR DIRECT AT THE ABOVE ADDRESS, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereon, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to the acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than the 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean all operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or any other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than Lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet in the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division of ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of the Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all the obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after the service of such notice on Lessee. Neither the service of said notice nor the doing of acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provisions of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in default. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. Lessee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which Lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to the Lessor. If this lease covers a less interest in the oil, gas, sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF.

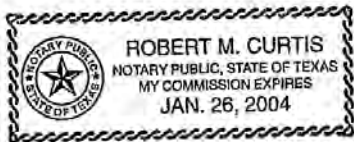
W.B. Miles Jr.
W.B. MILES, JR. *WBM*

STATE OF TEXAS

COUNTY OF WALLER

This instrument was acknowledged before me on this 18th day of September 2002 by W.B. Miles, Jr.

Robert M. Curtis
Notary Public in and for the State of Texas.



558-26-3241

Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between W.B. Miles, Jr., as Lessor and Contract Oil and Gas Service Company as Lessee.

OTHER TERMS AND CONDITIONS

Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

- 558-26-3242
12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil,gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.
13. **Pugh and Retained Acre Clauses:**
- (a) At the expiration of the primary term, in the event a portion or portions of the leased prises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leases premises which are included in such unit or units. Any portion or portions of the leases premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including, but not limited to: operations upon or production from such portions of the leased premised, or by payment of shut-in gas well royalties.
- (b) In addition, if at the end of the primary term there is a producing well or wells on leased-acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40-acre, if oil, or 640-acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.
- (c) As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cessation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not. less than 8500 feet below the surface of the earth.
- (d) Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.
- (e) Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations, which Lessee is conducting on said lands pursuant to this lease.

558-26-3243

- 14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.
- 15. **Royalty:**
 - (a) Wherever the word and fraction "one-eighth (1/8'th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words and fraction "one-fifth (1/5th)".
 - (b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.
- 16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said Lease.
- 17. **Shut-In Limitation:**
 - (a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.
 - (b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to five dollars (\$5.00) for each acre of land then covered hereby.
- 18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.

Signed for Identification:

W.B. Miles, Jr.
 W.B. Miles, Jr.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
 THE STATE OF TEXAS
 COUNTY OF HARRIS
 I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

OCT 25 2002



Dorely B. Kaufman
 COUNTY CLERK
 HARRIS COUNTY, TEXAS

Beauvais de Kayman
 COUNTY CLERK
 HARRIS COUNTY, TEXAS
 2002 OCT 25 PM 12: 27
 FILED

RETURN TO: CURLY OIL INC
 11211 KATY FLOWY
 STE 300
 HOUSTON, TX 77079

Producers 88(7/69)--Paid Up
With 640 Acres Pooling Provision

OIL GAS AND MINERAL LEASE

THIS AGREEMENT made this 23rd day of May, 2002, JOHN T. MILES, dealing in his separate property, as Lessor, whose address is: P.O. Box 623, Katy, Texas 77492 and CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, whose address is: 9307 Hufsmith Road, Tomball, TX 77375, 10/25/02 201914075 W175523 \$15.00

John T. Miles
JT

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations (\$10.00 and O.V.C.), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on the said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses, and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing, and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 acres of land in the form of a square around the Tim Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by the Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For this purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 40 acres, whereby actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal to one-fifth (1/5th) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fifth (1/5th) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fifth (1/5th) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fifth (1/5th) of the amount realized by the Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-fifth (1/5th) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or in value at the well or mine at the Lessee's election, except that on sulphur mined and marketed the royalty shall be Two and 50/100 dollar (\$2.50) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land so long as wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period, if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the PAY LESSOR DIRECT AT THE ABOVE ADDRESS, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereon, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to the acreage owned by each.

558-26-3244

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than the 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean all operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or any other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than Lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet in the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division of ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of the Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

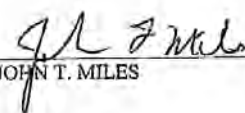
9. In the event Lessor considers that Lessee has not complied with all the obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after the service of such notice on Lessee. Neither the service of said notice nor the doing of acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provisions of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in default. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. Lessee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which Lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to the Lessor. If this lease covers a less interest in the oil, gas, sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF.

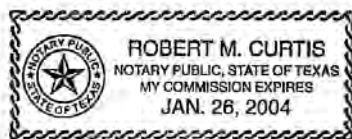

JOHN T. MILES



STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on this 23rd day of August, 2002 by John T. Miles.




Notary Public in and for the State of Texas.

Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between **John T. Miles**, as Lessor and **Contract Oil and Gas Service Company** as Lessee.

OTHER TERMS AND CONDITIONS


Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

- 558-26-3246
12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil,gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.
 13. **Pugh and Retained Acre Clauses:**
 - (a) At the expiration of the primary term, in the event a portion or portions of the leased prises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leases premises which are included in such unit or units. Any portion or portions of the leases premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including, but not limited to: operations upon or production from such portions of the leased premised, or by payment of shut-in gas well royalties.
 - (b) In addition, if at the end of the primary term there is a producing well or wells on leased-acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40-acre, if oil, or 640-acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.
 - (c) As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cessation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not. less than 8500 feet below the surface of the earth.
 - (d) Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.
 - (e) Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations, which Lessee is conducting on said lands pursuant to this lease.

558-26-3247

- 14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.
- 15. **Royalty:**
 - (a) Wherever the word and fraction "one-eighth (1/8'th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words and fraction "one-fifth (1/5th)".
 - (b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.
- 16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said Lease.
- 17. **Shut-In Limitation:**
 - (a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.
 - (b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to five dollars (\$5.00) for each acre of land then covered hereby.
- 18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.

Signed for Identification:



 John T. Miles

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
 THE STATE OF TEXAS
 COUNTY OF HARRIS
 I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

OCT 25 2002





 BEVERLY B. KAYMAN
 COUNTY CLERK
 HARRIS COUNTY, TEXAS

2002 OCT 25 PM 12: 27
 BEVERLY B. KAYMAN
 COUNTY CLERK
 HARRIS COUNTY, TEXAS

FILED

RETURN TO: CURLY OIL INC
 11211 KATY FLYWY
 STE 300
 HOUSTON, TX 77079

W175524

Producers 88(7/69)--Paid Up
With 640 Acres Pooling Provision

OIL GAS AND MINERAL LEASE

THIS AGREEMENT made this 23rd day of May, 2002, DAVID L. MILES, dealing in his separate property, as Lessor, whose address is: 7827 Dover Lane, Richmond, Texas 77469 and CONTRACT OIL & GAS SERVICE COMPANY, as Lessee, whose address is: 9307 Huffsmith Road, Tomball, TX 77375, WITNESSETH:

10/25/02 201914076 W175524 \$15.00

1. Lessor, in consideration of Ten Dollars and Other Valuable Considerations (\$10.00 and O.V.C.), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on the said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, employee houses, and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing, and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Harris, State of Texas, and is described as follows:

40 acres of land in the form of a square around the Tim Miles #1 Well in the Blas Herrera Survey, Abstract No. 321, Harris County, Texas. API # 42-201-04126

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by the Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For this purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain .40 acres, whereby actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal to one-fifth (1/5th) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fifth (1/5th) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fifth (1/5th) of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-fifth (1/5th) of the amount realized by the Lessee, computed at the month of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-fifth (1/5th) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or in value at the well or mine at the Lessee's election, except that on sulphur mined and marketed the royalty shall be Two and 50/100 dollar (\$2.50) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing gas or any other mineral covered hereby, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period, if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the PAY LESSOR DIRECT AT THE ABOVE ADDRESS, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereon, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to the acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more the 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

Handwritten initials and numbers: "15" and "BR" in a vertical column on the left margin.

Handwritten initials "102" in the top right corner.

Handwritten letter "D" in the right margin next to the land description.

Vertical handwritten number "558-26-3248" in the left margin.

558-26-3249

6. Whenever used in this lease the word "operations" shall mean all operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or any other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than Lessor's wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet in the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division of ownership of said land, royalties, delay rental, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of the Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all the obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after the service of such notice on Lessee. Neither the service of said notice nor the doing of acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provisions of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in default. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes, or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. Lessee is hereby given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in said land which Lessee or any other party contends is outstanding and not covered hereby and even though such outstanding interest or claim be invalid or adverse to the Lessor. If this lease covers a less interest in the oil, gas, sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.
SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF.

David L. Miles
DAVID L. MILES *JSM*

STATE OF TEXAS
COUNTY OF *H. Bess*

This instrument was acknowledged before me on this 04 day of Oct, 2002 by David L. Miles.

Anita A. Filip
Notary Public in and for the State of Texas.

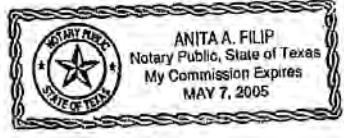


Exhibit "A"

Attached to and made part of that certain oil, mineral lease dated May 23, 2002 by and between David L. Miles, as Lessor and Contract Oil and Gas Service Company as Lessee.

OTHER TERMS AND CONDITIONS

Notwithstanding anything contained in this lease to the contrary, and insofar as mineral owner is the owner of the surface estate, the following provisions shall prevail over any other, insofar as the mineral owner has the unencumbered right to enforce such provisions.

12. **Oil and Gas Only:** Notwithstanding anything hereinabove to the contrary, and there is excepted herefrom and reserved to the Lessor herein, all coal, lignite, uranium, fissionable materials, and all bentonite, fullers earth and other clay-like substances, it is specifically understood and agreed upon that this lease covers only oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other minerals, being reserved to the Lessor herein. Accordingly, the words "oil,gas" when used herein shall mean oil, gas, associated sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from the lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.
13. **Pugh and Retained Acre Clauses:**
- (a) At the expiration of the primary term, in the event a portion or portions of the leased prises are pooled or utilized with other land, lease or leases pursuant to paragraph 4 hereof so as far to form a pooled unit or units, operations for drilling or reworking operations on such unit or units, or production of oil and gas from such unit or units, shall maintain this lease in effect only as to the portion or portions of the leases premises which are included in such unit or units. Any portion or portions of the leases premises which do not underlie the area within the surface boundaries of a pooled unit or units may be maintained in effect in any manner elsewhere provided in this lease, including, but not limited to: operations upon or production from such portions of the leased premised, or by payment of shut-in gas well royalties.
- (b) In addition, if at the end of the primary term there is a producing well or wells on leased-acreage or any portion thereof which well or wells have not been pooled with other land according to the terms of paragraph 4 of this lease, such well or wells will maintain this lease in force beyond the primary term only as to enough contiguous acreage surrounding such well or wells necessary to create a 40-acre, if oil, or 640-acre, plus 10% tolerance, if gas, area surrounding said well or wells or such larger area as may be prescribed or permitted by governmental authority having jurisdiction, as provided in paragraph 4 hereof. This lease shall then automatically expire as to all other acreage not so held, or not within any pooled area as provided in paragraph 13 (a) of this lease. Lessee shall designate such retained area to be as near as practicable in the form of a square with the well in the center thereof, and file a notice describing such retained acreage in the real property records of the county where said land is located. If Lessee fails to file such notice within thirty days after the expiration of the primary term, Lessor may designate such retained acreage and file such notice on behalf of Lessee.
- (c) As to any portions of the leased premises which remains in effect at the end of the primary term pursuant to paragraphs 13 (a) and (b), this lease shall nevertheless at the end of the primary term, or at the cossation of continuous drilling operations, if Lessee is engaged in actual drilling operations at the end of the primary term, expire as to all of the mineral estate lying below 100 feet below the deepest depth drilled in which Lessee has completed a well on the leased premises or on lands or leases pooled with the leased premises as a commercial producer of oil and/or gas or shut-in gas well, but in no event shall be less than the deepest depth drilled in the Tim Miles #1, which depth shall be not. less than 8500 feet below the surface of the earth.
- (d) Lessee, within 30 days after the expiration of the primary term of this lease, or the completion or plugging of a well so commenced at the expiration of the primary term, shall execute and deliver to Lessor a proper recordable instrument releasing such portions and depths of the leased premises covered hereby as to which lease has so expired. The expiration of this lease as to such portions and depths, however, shall occur automatically upon the conditions provided herein, regardless of whether Lessee executes and delivers the required release.
- (e) Lessor, his or her heirs and assigns may at any time and from time to time go upon any lands then remaining subject to this lease and prospect and drill for hydrocarbons and produce hydrocarbons from any lands and depths as to which this lease shall have terminated. Such operations shall not unreasonably interfere with any operations, which Lessee is conducting on said lands pursuant to this lease.

553-26-2258

558-1-2-3255

14. **Surface Damages:** It is agreed that Lessee will backfill all pits used in drilling operations after they have dried out completely and as nearly as practical, return the surface to the same condition as it was prior to said drilling operations. Further, insofar as mineral owner is the owner of the surface estate, Lessee agrees to pay Lessor for damages to all timber, grasses, crops, fences, livestock, water wells and water ponds as a result of drilling operations and those damages shall be based on reasonable market value at the time of such damage. Lessee shall not have the use of any ponds, lakes, or streams on the leased premises without the express written consent of the Lessor and shall protect the same from pollution and damage as result of drilling operations.

15. **Royalty:**
(a) Wherever the word and fraction "one-eighth (1/8'th)" appears in the lease, and specifically in paragraph 3 above, such words are deemed deleted and substituted with the words and fraction "one-fifth (1/5th)". *In the event any co-owner in the Miles #1 Well is paid a higher royalty fraction or other additional compensation by Lessee, Lessor shall be entitled to the same higher royalty or other compensation.*
(b) Lessor's royalty provided for herein shall not be charged directly or indirectly with or reduced by any of the expenses of production, operating, gathering, dehydration, compression, transportation, manufacturing, processing, treating or marketing of gas, oil, or any liquefiable hydrocarbons extracted therefrom and covered by this lease with the exception of any and all taxes and/or regulatory fees.

16. **Disposal Wells:** Lessee agrees that there will be no disposal or injection wells of any kind located or utilized on the leased premises without prior written consent of the Lessor, which consent shall not be unreasonably withheld, if for the purpose of producing oil or gas from said Lease.

17. **Shut-In Limitation:**
(a) Lessee may not maintain this lease by payment of shut-in royalty for any one shut-in period greater than two (2) years, or for more than three (3) years in the aggregate, and it is understood that the provisions of this lease for the perpetuation of this lease by shut-in payments shall apply only to well designated as a gas well by the railroad Commission of Texas.

(b) It is hereby agreed and understood between Lessor and Lessee that if at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to five dollars (\$5.00) for each acre of land then covered hereby.

18. **Hunting and fishing:** Hunting and fishing by Lessee, its employees, agents, or contractors are specifically forbidden.

Signed for Identification:

David L. Miles
David L. Miles

RECORDERS MEMORANDUM
ALL BLACKOUTS, ADDITIONS AND CHANGES
WERE PRESENT AT THE TIME THE INSTRUMENT
WAS FILED AND RECORDED.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

OCT 25 2002



Dorothy L. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

2002 OCT 25 PM 12:27
HARRIS COUNTY CLERK
HARRIS COUNTY, TEXAS
Dorothy L. Kaufman

FILED

RETURN TO: CURLY OIL INC
11211 KATY FLYNN
STE 300
HOUSTON, TX 77079