

the terms of its oil and gas lease without compensation to any of the first or second parties, except for actual damage to growing crops or to any buildings located on any of said lots, and the third party specifically agrees to use diligence to prevent any unnecessary damage to the surface of any of the lots and to exercise reasonable care in its operations and to use no more of the surface of any of the said lot or lots than necessary for proper operation of said premises.

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It is specifically understood and agreed, that in consideration of the second parties agreeing to the operations on said lots, in accordance with the terms of this contract, that the said first parties have and hereby agree or cause to be paid to the owner or owners of each separate lot in said subdivision, an undivided 1/256th part of the royalty accruing from the sale of oil or gas from any part of the Southwest Quarter (SW $\frac{1}{4}$) of the Northwest (NW $\frac{1}{4}$) Quarter of Section Four (4), above described. It being the intention of this contract that such distribution or royalty is to be made to each and every lot owner who has already acquired a lot in said subdivision or who may hereafter acquire a lot therein unless seller retains royalty in deed, and without regard to the location of any well drilled on said lands, provided that such lot owner has become a party to this agreement.

The said first parties further agree that each and every conveyance or contract made subsequent to the date hereof shall be made subject to the terms and conditions of this agreement by specific reference thereto in said contract, or deed, and except further that seller may retain royalty.

It is specifically understood and agreed that Ross H. Rayburn is hereby designated as a trustee to whom an undivided one-half of the oil and gas royalty accruing from said lands may be paid by any pipe line, or purchaser, person or corporation for the paying to lot owners, their proportion of said royalty.

It is further understood and agreed that if the said trustee shall at any time decline to act in the premises, or ^{he} if for any reason incapacitated from further acting, that then and in that event said second parties may if they so agree, designate a successor to said trustee or if they shall fail for thirty days to agree upon a trustee, then and in that event, it is understood and agreed that the Exchange Trust Company, of Tulsa, Oklahoma, shall be and is hereby designated as trustee for the receipt of rents, royalties, under the terms of this agreement and a payment to said trustee or his successor or successors by an pipe line or purchaser, person or corporation, taking said oil from said land, shall be in full satisfaction of the claim of either of the first or second parties, or any of them to one-half interest in said royalties.

It is further understood, stipulated and agreed that if for any reason any one or more persons who have heretofore acquired by contract or deed any lot or lots within the Vern Heights Subdivision, shall fail to join in the execution of this agreement, that they shall not become entitled to receive the royalty set apart for each of said lots, as aforesaid, and in that event the said first parties have and hereby do agree to save harmless and indemnify the third party against any damage or loss it may sustain by reason of the claim of any of such owner or owners of Lot or Lots who have not signed this said agreement because of any damage to surface or buildings only on any of said lot or lots through operations of the third party thereon.

It is further specifically understood and agreed that this agreement shall extend to and bind the respective heirs, administrators, successors and assigns of each and every of the parties to this agreement and that all of the terms and conditions of this said contract on the part of the first parties hereto are to be kept and performed with reference to further conveyance of said lands and are hereby made covenant to run with said lands.