

41

Exhibit A, such excess burdens shall not be taken into account in determining net profits hereinafter referred to but shall be borne and paid by First Parties as they by separate agreement have provided. Malco agrees to pay such rentals or comply with such requirements as may be necessary to keep such leases in full force and effect during the term hereof. No party shall, however, be liable for failure to pay any rental so long as it has acted in good faith.

No party hereto makes any representations or warranties as to the validity of the underlying title to its leases or lands covered thereby. In the event of failure of title to any party's lease or leases, other than a failure covered by the representations and warranties above specified, such failure shall not be cause for terminating this agreement nor excuse performance of the provisions of this agreement by the other party or parties hereto; provided, however, that, in the event of such title failure to twenty per cent (20%) or more of the lands covered by the Novi leases, the other parties may at their election terminate this agreement and, in the event of such title failure to more than twenty per cent (20%) of the lands covered by leases other than the Novi leases, Novi may terminate this agreement.

3. ASSIGNMENT OF NOVI LEASES -

Promptly upon final approval of the proposed Pinedale Unit, Novi shall assign, transfer and convey the Novi