

- A. From the effective date of this conveyance to and including October 31, 1961 or the last day of the month in which the Production Payment previously conveyed by Belfer Natural Gas Company to Bright Star Foundation, Inc. on December 18, 1958, in the Primary Amount of \$1,400,000.00, plus a Secondary Amount equal to five and one-half (5 1/2%) percent per annum on the outstanding balance of the Primary Amount, is liquidated, whichever date may be the later, an undivided two (2%) percent of such proceeds.
- B. From and after November 1, 1961, or the first day of the month next succeeding the month in which the Production Payment previously conveyed by Belfer Natural Gas Company to Bright Star Foundation, Inc. on December 18, 1958, in the Primary Amount of \$1,400,000.00, plus a Secondary Amount equal to five and one-half (5 1/2%) per annum on the outstanding balance of the Primary Amount, is liquidated, whichever date may be the later, an undivided twenty (20%) per cent of such proceeds.

It is further expressly provided that no proceeds shall accrue to this Production Payment for make-up gas taken without payment by El Paso Natural Gas Company in accordance with its right under the above mentioned Gas Sales Contracts as amended.

If any of the proceeds from the sale of any of the production of oil or gas accruing to the Production Payment herein conveyed shall be withheld as a result of any adverse claim, then such production shall not be deemed to have accrued thereto until the proceeds from the sale thereof shall have actually been received by the Grantee; or if, prior to the receipt of the full net sum of this Production Payment as above provided, by reason of any such claim or failure of title, the Grantee shall be compelled to pay over the proceeds from the sale of any such production theretofore received to a person claiming under a superior title, then such production shall not be deemed to have accrued to this Production Payment or to have been received by the Grantee or applied in the manner set forth above.

The Grantor, for itself, its successors and assigns, does hereby represent and warrant that it has good right, full power and lawful authority, to grant, bargain, sell, transfer, assign and convey the Production Payment hereby conveyed in the manner and form hereby done or intended; that the above Production Payment is free and clear of all liens, encumbrances and adverse claims; that the leases and leasehold interests as described in Exhibit "A" are valid and existing; that all rents and royalties due and payable under said leases