



Cause No. 4222-A

IN THE ESTATE OF

§

IN THE 39TH JUDICIAL DISTRICT

§

§

OF

IDA BALDWIN DENISON,
DECEASED

§

§

STONEWALL COUNTY

Settlement Agreement

At a mediation held on the 27th and 28th days of May, 2002, it is agreed that this case is settled on the following terms and conditions.

1. John Wayne Denison is awarded the 9.5 sections, known as the "West Ranch" herein, of the Estate of Ida Baldwin Denison, Deceased, to be more particularly described in the settlement and release, including all fixtures attached thereto.
2. John Wayne Denison shall assume the note with the Hamlin National Bank, which encumbers the above described realty awarded to him herein, subject to obtaining refinancing.
3. John Wayne Denison shall be solely responsible for the pickup note with Hamlin National Bank.
4. John Wayne Denison shall obtain a release of the Bob Denison Trust's liability to the Hamlin National Bank.
5. John Wayne Denison and Bob Marshall Denison shall be responsible for their own respective attorney's fees.
6. The escrow account wherein 40% of the oil royalties have been deposited,

STATE OF TEXAS
COUNTY OF STONEWALL
In the Estate of Ida Baldwin Denison, Deceased
SETTLEMENT AGREEMENT - Page 1 of 4
GIVEN UNDER MY HAND AND SEAL OF OFFICE

Dated 1-4 A.D. 2008
COUNTY/DISTRICT CLERK OF STONEWALL CO., TEXAS
Blenda Day DEPUTY

FILED

County/District Court
Stonewall Co. Texas

JUN 3 2002

11:55am

BETTY L. SMITH, Clerk

R. Page Clerk/Deputy

21/4

EXHIBIT
A

according to Judge Hart's order on February 26, 2002, shall be divided equally between John Wayne Denison and the Bob Marshall Denison Trust.

7. John Wayne Denison is awarded all cattle owned by the Estate of Ida Baldwin Denison, Deceased.

8. John Wayne Denison shall assume all debts listed in the accounting, in the approximate amount of \$275,000.00, subject to financing, including but not limited to the attorney's fees incurred by Jessica Denison and the guardian ad litem fees related to the Estate, such fees shall be paid within 30 days of John Wayne Denison's receipt of statement for same.

9. All personalty of the Estate of Ida Baldwin Denison, Deceased, shall be divided according to Exhibit "A", which is attached hereto and incorporated herein by reference.

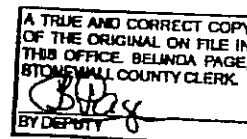
10. All mineral rights of the Estate of Ida Baldwin Denison, Deceased, shall be undivided one-half to John Wayne Denison, and an undivided one-half to the Bob Marshall Denison Trust.

11. John Wayne Denison shall resign, or refuse to serve as trustee of the Bob Marshall Denison Trust. The substitute trustee shall be appointed by the Court. John Wayne Denison and his attorneys shall be provided with adequate notice of any hearing regarding the appointment of a substitute trustee.

12. The Estate of Ida Baldwin Denison, Deceased shall pay all mediation fees and expenses.

13. The Bob Denison Trust shall be severed from the Estate of Ida Baldwin Denison, Deceased administration as of the date this agreement.

14. All parties, in every capacity, release all other parties, in every capacity, and their



attorneys from any and all liability other than the indemnity agreement as set forth herein.

15. All parties will cooperate in drafting documents to effect agreement and all suits will be dismissed with prejudice.

16. - Bob Denison Trust and its beneficiaries shall release the Hamlin National Bank from any claims arising out of the pending litigation, as well as from any transactions between Hamlin National Bank and the Estate of Ida Baldwin Denison and Bob Denison Trust.

17. John Wayne Denison and the Bob Denison Trust shall indemnify the other from any claims by the Internal Revenue Service as a result of any party's sale of property that is awarded herein to that party, which relates to the special use valuation.

18. The Bob Denison Trust is awarded the 250 acres known as the "Boyd Place", the 160 acres known as the "Norris Place", the Raynor Place including the surrounding 880 acres, and the lot in Rule, Texas, all more particularly described in the settlement and release.

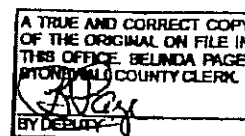
19. John Wayne Denison shall vacate the Raynor Place within 30 days of this agreement.

20. All undisclosed or unknown property to be divided in an equal undivided one-half interest to John Wayne Denison and an equal undivided one-half interest to Bob Denison Trust.

21. All other funds currently on deposit in the Estate Bank accounts shall be the property of John Wayne Denison.

22. Oil Royalties which have not been deposited as of the date of this agreement, if any, shall be divided equally one-half to John Wayne Denison and one-half to the Bob Denison Trust.

23. The parties agree to dissolve the Temporary Injunction.



The above terms and conditions will be reduced to a formal settlement agreement and either an agreed judgment or a Motion and Order of Dismissal with Prejudice.

The parties and their counsel agree to cooperate with each other in the drafting and execution of such additional documents as are reasonably requested or required to implement the provisions and spirit of this settlement agreement. Notwithstanding such additional documents, the parties confirm that this is a written settlement agreement as contemplated by Section 154.071 of the Texas Civil Practice and Remedies Code, is a complete, valid and binding contract, is intended to be an enforceable agreement as contemplated by Rule 11, Texas Rules of Civil Procedure, and may be used as the basis for a Motion for Summary Judgment, or Motion to Enforce, with each party waiving all rights to a jury trial.

All signatories to this settlement agreement hereby acknowledge that they have signed this agreement of their own free will, voluntarily, and under no pressure or duress from anyone.

All signatories to this settlement agreement hereby release the mediator, JOE H. NAGY, from any and all responsibility arising from the mediation held in this cause and from the drafting of this settlement agreement.

AGREED TO this 28th day of May, 2002.

Don W. Denison
Jessie A. Denison
Walter Denison

Don Wayne Denison

Will recommend ~~off~~ to the Court approval
of settlement agreement on behalf of
Linda Denison, Mother, Guardian Ad
In the Estate of Ida Baldwin Denison, Deceased
Litem
SETTLEMENT AGREEMENT - Page 4 of 5

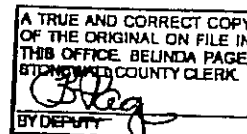


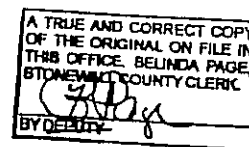
Exhibit "A"

Property to Bob Denison Trust

1. 16' WW livestock trailer
2. Round bale buggy trailer
3. 1985 Ford 1-ton pickup
4. 1976 Ford pickup (not operating)
5. 1976 Chrysler
6. Two pickup bed trailers
7. 1985 Lincoln Town Car
8. Livestock spraying rig
9. Grain auger
10. One-half of Estate personal property to be divided pursuant to the attached "Procedure for Division"

Property to John Wayne Denison

1. 16' Flatbed trailer
2. Electric Welder
3. Hay trailer
4. 1987 Ford pickup (not operating)
5. 1984 Ford Bronco II (not operating)
6. 1992 Chevrolet pickup
7. 1999 Dodge pickup
8. 1940 Chevrolet (not operating)
9. Two portable 2-ton livestock feeders
10. 24' Felps livestock trailer
11. 1976 4430 John Deere Tractor
12. Offset, tandem and breaking plows
13. 8300 John Deere grain drill
14. 8' diesel trailer
15. Red Morgan Storage Barn at Old Glory
16. One-half of Estate personal property to be divided pursuant to the attached "Procedure for Division"



Procedure for Division

The personal property of the Estate shall be divided as follows:

1. Bob Denison and John Denison shall appear at the residence located in Old Glory, at an agreed upon time on an agreed upon date, their spouse, significant others and children may attend if they so desire.
2. Bob Denison shall set aside his own personal property.
3. John Denison shall set aside his own personal property.
4. Bob Denison and John Denison will indicate the items of the Estate either desires and, if the other agrees, each item will be marked as an "agreed item" either for Bob Denison and John Denison and set aside for that person. If there is no agreement on an item, it will be marked as a "disputed item" and set aside in an area designated for such disputed items. After Bob Denison and John Denison complete examining and marking all items, the disputed items shall be divided as follows: each item shall be awarded to the highest bidder. After all disputed items have been sold to either party, the amounts owed by each shall be totaled. The party with the greater total shall pay to the other one-half of the difference of the two totals.
5. John Denison shall remove all of his personal property, and all of the items of the Estate that have been awarded to him by agreement or auction, at the completion of this procedure.

