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11/15/2013 02:04 PM Total Pages: 1
Lawrence Kosterbaum, Washtenaw Co



MEMORANDUM OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

On October 28, 2013, an Oil and Gas Lease was entered into by and between George Yoanides, not individually but as Trustee for Arbor International Inc., Profit Sharing Plan and Trust, whose address is 143 Enterprise Dr., Ann Arbor, Michigan 48103, as Lessor, and Paxton Resources, L.L.C., 132 North Otsego Avenue, Gaylord, Michigan 49735, as "Lessee", covering lands situated in the County of Washtenaw, State of Michigan, to wit:

Township 4 South - Range 5 East, Saline Township

Section 10: All that part of the W/2 NW/4 and the W/2 SW/4 of Section 10, lying Northerly of the centerline of Highway U.S. 12 further described as beginning at the W/4 corner of said Section 10; thence N 00°46'09" E 2641.30 feet along the West line of said Section 10; thence S 89°26'27" E 1339.49 feet along the North line of said Section 10; thence S 00°30'57" W 2659.28 feet along the East line of the W/2 NW/4 to the Northerly right of way line of Highway U.S. 12; thence along the Northerly right of way of Highway U.S. 12 aforesaid, S 61°11'12" W 75.59 feet; thence N 00°22'02" E 116.56 feet; thence N 00°30'57" E 1038.81 feet; thence N 88°40'40" W 1214.70 feet; thence S 00°46'09" W 1038.76 feet; thence S 00°49'00" W 775.76 feet; thence along the Northerly right of way line of Highway U.S. 12 aforesaid 73.36 feet along a 19,636.80 foot radius curve to the right having a chord bearing and distance of S 64°55'58" W 73.36 feet; thence N 00°49'00" E 808.36 feet along the West line of said Section 10; thence S 00°22'02" W 78.60 feet along the East line, W/2 SW/4 of said Section 10 to the Point of Beginning.

Tax Parcel ID# R-18-10-200-007

Containing 54.18 acres, more or less

Pursuant to the terms of that Lease, the primary term of the Lease is for three (3) years, commencing on October 28, 2013, and "as long thereafter as operations are conducted upon said land or on lands pooled or unitized therewith...."

This Memorandum of Oil and Gas Lease has been executed by the undersigned to provide recorded evidence and proof of the existence of the aforescribed Oil and Gas Lease.

IN WITNESS WHEREOF, this Memorandum is executed this 5th day of November, 2013.

PAXTON RESOURCES, L.L.C.

By: [Signature]
Kevin Reynolds, CFO

STATE OF MICHIGAN)
) ss.
COUNTY OF OTSEGO)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me, a Notary Public, this 5th day of November, 2013, by Kevin Reynolds, as CFO of Paxton Resources, L.L.C., a Michigan limited liability company, on behalf of the company.

My Commission Expires: _____
May 15, 2016

[Signature]
Becky A. Farmer, Notary Public
In and for Otsego County, Michigan.
Acting in Otsego County, Michigan

Washtenaw County Register of Deeds
Submitted for Recording
11/15/2013, 11:06:00 AM



Prepared by/Return to: Becky A. Farmer, Paxton Resources, L.L.C, 132 N. Otsego Ave, Gaylord, MI 49735 [Signature]