

FAMILY SETTLEMENT AGREEMENT

THIS FAMILY SETTLEMENT AGREEMENT (the "Agreement") is made and entered into this ____ day of August, 2007, is effective as provided in Section 6.09 of this Agreement, and is by and between the following parties:

- A. Donald A. Wilson and Betty H. Wilson in their capacity as Trustees of Trust A and Michael E. Smith and Craig A. Smith in their capacity as Trustees of Trust B of the Wilson Family Trust, a trust created under the laws of the State of Texas. The Wilson Family Trust shall be referred to herein as the "Trust", and all of the above Trustees collectively as the "Trustee."

- B. Betty H. Wilson, Julie Ann Johnson, Jan Wilson, Donald A. Wilson, Christine C. Jones, Michael E. Smith, and Craig A. Smith ("Beneficiaries"), who are the sole remaining beneficiaries of the Trust and the sole heirs to the Estate of Alan C. Wilson.

The foregoing individuals are sometimes collectively referred to as the "parties" or "the parties hereto."

ARTICLE I. RECITALS

Establishment of Trust

1.01. The Trust was established on May 18, 1992 by Alan C. Wilson and Betty H. Wilson, as Settlers ("Settlers").

Death of Settlor

1.02. Settlor Alan C. Wilson died on October 15, 2000, and is therefore referred to herein with reference to his estate as the "Decedent."

Beneficiaries and Benefits of Trust

1.03. The sole remaining beneficiaries of the Trust upon the death of Settlor, pursuant to the terms thereof, are Betty H. Wilson, Julie Ann Johnson, Jan Wilson, Donald A. Wilson, Christine C. Jones, Michael E. Smith, and Craig A. Smith. The Trust provides that the Beneficiaries receive certain benefits upon the death of the Settlor, to wit:

- (a) All of the assets listed as the separate property of Settlor, plus Settlor's share of community assets, with the exception of the residence located at 3209 Main Street, Houston, Texas, are to be divided into four equal shares and distributed to Julie Ann Johnson, Jan Wilson, Donald A. Wilson, and Christine C. Jones; and
- (b) The Residence is to be retained by the Trust until the death of the surviving Settlor (Betty H. Wilson). Upon such event, the Residence is to be sold and the proceeds distributed sixty percent (60%) to Julie Ann Johnson, Jan Wilson, Donald A. Wilson, and Christine C. Jones and forty percent (40%) to Michael E. Smith and Craig A. Smith.

Will and Codicil of Settlor

1.04. Settlor executed his Last Will and Testament (the "Will") on May 18, 2000, and signed a codicil thereto (the "Codicil") on January 18, 1996. The Will provided that all of Settlor's estate should be transferred into the Trust. The Codicil provided that the sum of \$100,000 be withdrawn from the share of Settlor's estate to go to Julie Ann Johnson and distributed to Settlor's other heirs.

Disputes

1.05. Disputes have arisen between the parties regarding certain issues as a result of the death of the Settlor, including without limitation, the following:

- (a) the validity and enforceability of that certain Antenuptial Agreement (the "Antenuptial Agreement") executed by the Settlor and Betty H. Wilson prior to their marriage, as

- (1) Betty H. Wilson was not represented by independent counsel,
 - (2) the Antenuptial Agreement allegedly failed to disclose fully and completely the estate of Settlor, and
 - (3) the Antenuptial Agreement allegedly was signed under duress;
- (b) the potential rights of Betty H. Wilson to reimbursement from the Trust and from the Estate of Settlor for income accrued during the marriage on Settlor's separate property;
 - (c) the validity and enforceability of the transfer of the Residence into the Trust via quitclaim deed;
 - (d) the validity and enforceability of the Codicil due to alleged irregularities in the drafting and execution thereof; and
 - (e) responsibility for payment of taxes, debts, and expenses of the Decedent, including but not limited to attorneys' fees.

Compromise Settlement

1.06. In order to minimize the hazards, costs and uncertainty of continued controversy and potential litigation, the parties have agreed to completely compromise and settle the above listed disputes and claims that have arisen between them.

NOW THEREFORE, in consideration of the mutual agreements, covenants, stipulations, releases and terms contained in this Agreement, the sufficiency of which consideration is hereby mutually acknowledged, the parties to this Agreement agree as follows:

ARTICLE II.
AGREEMENTS AS TO PROPERTY AND LIABILITIES

Disposition of Residence

2.01. In full and final settlement of the claims of Betty H. Wilson against the Estate of Settlor and the Trust, the parties hereto agree to transfer the Residence to Betty H. Wilson in fee simple. All parties hereto agree to strike Article VII from the Trust in its entirety and hereby waive any property rights relating to the distribution proposed therein.

Effectuation of Codicil

2.02. Whereas Decedent intended to offset certain distributions to Julie Ann Johnson upon his death, in full and final settlement of the claims and disputes surrounding the Codicil and the Will the parties agree to add the following sentence after the third sentence of Article VI, Paragraph A of the Trust:

Provided, however, that the sum of One Hundred Thousand and no/100 Dollars (\$100,000.00) shall be deducted from the share to be distributed to Julie Ann Johnson, formerly known as Julie C. Rodriguez, and shall be distributed $\frac{1}{3}$ to Jan Wilson, $\frac{1}{3}$ to Donald A. Wilson, and $\frac{1}{3}$ to Christine C. Jones.

Statutory Allowances

2.03. Each party waives and relinquishes any claim he or she may have as to any statutory allowance.

Estate and Inheritance Taxes

2.04. It is agreed by the parties that any estate or inheritance tax liability associated with any property received by any party under this Agreement or otherwise, as a result of the Decedent's death shall be completely paid and discharged by the Trust.

Agreement Not to Attempt to Probate

2.05. The parties agree and stipulate that all assets of the Decedent have been properly transferred into the Trust in accordance with Decedent's wishes expressed in his Will, and that any attempt to probate the Will and Codicil of Settlor will unnecessarily increase costs to the Estate and Trust and decrease the amounts distributable to the Beneficiaries, without providing any corresponding benefit in administration. Each party therefore agrees and covenants that he or she will not, directly or indirectly, make any effort to probate any purported will of the Settlor.

ARTICLE III. REPRESENTATIONS AND WARRANTIES

No Assignment

3.01. Each party represents and warrants that he has made no transfer, assignment, pledge or contract to transfer, assign or pledge any interest he may have in the Estate or Trust or in any claim or property right subject to the terms of this Agreement.

Values of Assets, Liabilities and Sources of Income

3.02. Each party represents and warrants that to the best of his ability, he or she has disclosed to all other parties the nature, extent and probable value of all assets, liabilities and sources of income in which such party, the Decedent, the Decedent's estate and/or Spouse own any interest, have any obligation to satisfy or have any right to receive as a result of Decedent's death. Each party agrees that he or she is satisfied with the estimated values so disclosed and that any error or mistake in the estimated value of any asset, liability or source of income shall not effect the validity of this Agreement.

Subsequently Discovered Property

3.03. Each party represents and warrants that any property of the Decedent, the Decedent's estate, or the Trust discovered after this Agreement shall be immediately declared to the other parties and will be subject to further division consistent with the terms of this Agreement or as agreed at such later date.

Competency

3.04. Each party represents and warrants that he or she is of legal age and is legally competent to execute this Agreement. Each signatory acting on behalf of a party to this Agreement represents and warrants that he or she has authority to bind the party for whom that signatory acts.

Binding Effect

3.05. Each party represents and warrants that the terms and provisions of this Agreement are valid, fair, reasonable to him or her, supported by adequate consideration, and is and enforceable against him or her.

Reliance on Personal Judgment and Independent Legal Counsel

3.06. Each party represents and warrants that he or she:

- (a) has carefully read this Agreement,
- (b) has been told to be adequately represented by competent legal counsel of that party's choosing throughout the negotiations leading to this Agreement,
- (c) has had sufficient time to consult with his or her respective legal counsel, if any, regarding the meaning and effect of the provisions of this Agreement,
- (d) has adequate knowledge of his or her legal rights relating to the matters pertaining to this Agreement,
- (e) adequately understands its contents and is making an informed decision to enter this Agreement
- (f) is not relying upon any fact, promise or representation made by any other party or any other party's attorneys other than the expressed agreements, stipulations, representations and warranties contained in this Agreement, and

- (g) is relying solely upon his or her own judgment and the advice of his or her own legal counsel, if any, in entering this Agreement.

Free Act, Adequate Information

3.07. Each party represents and warrants that he or she has been provided sufficient time and opportunity to fully study and investigate the facts relating to this Agreement and is executing this Agreement of his or her own free will. Each party waives any right to complain concerning insufficient information and further disclosure, absent fraud.

ARTICLE IV. MUTUAL RELEASES

4.01. Each party to this Agreement unconditionally and with prejudice releases, acquits, abandons, waives, and forever discharges each other party of and from any and all claims, rights, demands, damages, actions, causes of action and/or suits in equity of any kind or character whatsoever without exception or limitation, except as otherwise provided herein, heretofore occurring arising out of or in any way connected with:

- (a) the establishment and validity of the Trust;
- (b) the enforceability and validity of the Antenuptial Agreement;
- (c) acts or omissions of the Settlers of the Trust;
- (d) acts or omissions of the Trustee of the Trust; and/or
- (e) the death of the Decedent.

Notwithstanding the foregoing, this release shall not release any right or claim of any party against the Estate or any other party hereto by virtue of any (i) breach of this Agreement, (ii) breach of fiduciary duties occurring or discovered subsequent to the execution of this Agreement, (iii) right to subsequently discovered property, or (iv) misrepresentation or omission of any material fact that forms the basis of this Agreement.

ARTICLE V.
FINAL JUDGMENT AND CONVEYANCES

Entry of Agreed Final Judgment

5.01. The parties agree to the immediate entry of an Agreed Final Judgment if and when any proceeding relating to the validity or interpretation of the Trust is filed. Each party waives the right to a new trial, right of appeal, right of writ of error and right of bill of review with respect to such Agreed Final Judgment.

Conveyances and Other Instruments

5.02. Each party covenants and agrees to complete all steps necessary to effectuate the transfers and conveyances contemplated by this Agreement with thirty (30) days of the Effective Date, as defined below. Each party further covenants and agrees that upon reasonable request by any other party, it will execute such other and further instruments and documents as are or may become necessary to effectuate the terms and purposes of this Agreement.

ARTICLE VI.
MISCELLANEOUS PROVISIONS

Parties Bound

6.01. This Agreement shall be binding upon and shall inure to the benefit of all of the parties and their respective heirs, executors, administrators, representatives, successors and assigns.

Entire Agreement, Amendment

6.02. This Agreement embodies the entire and final agreement among the parties with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements among the parties. No amendment of or modification, waiver, or consent with respect to any provision of this Agreement shall be effective unless the same be in writing and signed by the party against whom enforcement of the amendment, modification, waiver or consent is sought.

Headings

6.03. The headings used in this Agreement are for descriptive purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

References

6.04. References herein to the singular or plural shall be deemed to include the other unless the circumstances eliminate such inclusion. References herein to one gender shall be deemed to include all other genders unless the circumstances eliminate such inclusion.

Partial Invalidity

6.05. If any provision of this Agreement or the application thereof to any person or circumstance is held to be illegal, void, invalid or unenforceable by any court of competent jurisdiction, the remainder of this Agreement and the application of such provision to other persons or circumstances will not be affected thereby and will be enforced to the greatest extent permitted by law unless to do so would clearly be contrary to the overall intent of the parties as evidenced by the provisions of this Agreement. Furthermore, in lieu of such invalid provision, there shall be automatically added as a part of this Agreement, a provision as similar in terms and effect to the illegal, void, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. The illegality, invalidity or unenforceability of any provision of this Agreement in a particular jurisdiction shall not alter or diminish the legality, validity and enforceability of such provision in each other jurisdiction in which it may be legal, valid or enforceable.

Counterparts

6.06. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and a single instrument. This Agreement shall only be binding when one or more counterparts hereof, individually or taken together shall bear the signatures of all the parties reflected hereon as signatories.

Choice of Law and Venue

6.07. This Agreement shall be construed under and in accordance with the laws of the State of Texas. Dallas County, Texas, shall be the appropriate and exclusive venue for any suit arising out of this Agreement.

Incorporation of Exhibits

6.08. All Exhibits attached hereto are incorporated by reference for all purposes set forth above.

Effective Date

6.09. This Agreement shall be effective on September 1, 2007.

Enforcement

6.10. If it becomes necessary to assert any claim to enforce or defend the provisions of this Agreement, the prevailing party shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party. The terms of this Agreement shall be enforceable by specific performance which shall be in addition to any other enforcement remedy available at law or in equity.

Survival

6.11. All representations, warranties, covenants, agreements and releases contained herein shall survive the Effective Date of this Agreement and the consummation of the transactions contemplated hereby.

EACH PARTY TO THIS AGREEMENT UNDERSTANDS THAT BY SIGNING THIS DOCUMENT, HE OR SHE MAY PERMANENTLY SURRENDER CLAIMS HE OR SHE WOULD OTHERWISE HAVE UNDER TEXAS LAW.

TRUSTEE

TRUSTEE

By: Donald A. Wilson

TRUSTEE

By: Betty H. Wilson

TRUSTEE

By: Michael E. Smith

BENEFICIARY

By: Craig A. Smith

BENEFICIARY

Betty H. Wilson

BENEFICIARY

Donald A. Wilson

BENEFICIARY

Julie Ann Johnson,

formerly Julie C. Rodriguez

BENEFICIARY

Jan Wilson

BENEFICIARY

Christine C. Jones

BENEFICIARY

Michael E. Smith

BENEFICIARY

Betty H. Wilson

BENEFICIARY

Donald A. Wilson

Craig A. Smith

APPROVED AS TO FORM:

Michael A. Koenecke
TBA# 11652300
P.O. Box 830190
Richardson, Texas 75080
(972) 387-2904

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared BETTY H. WILSON, known to me to be the person whose name is subscribed to the foregoing Settlement Agreement, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2007.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared CRAIG A. SMITH, known to me to be the person whose name is subscribed to the foregoing Settlement Agreement, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2007.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared JULIE ANN JOHNSON, formerly known as Julie C. Rodriguez, known to me to be the person whose name is subscribed to the foregoing Settlement Agreement, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2007.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared JAN WILSON, known to me to be the person whose name is subscribed to the foregoing Settlement Agreement, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2007.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared CHRISTINE C. JONES, known to me to be the person whose name is subscribed to the foregoing Settlement Agreement, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2007.

Notary Public, State of Texas

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