



SMITH GILLIAM
WILLIAMS & MILES

Website: sgwmfirm.com

Phone: 770.536.3381

Fax: 770.531.1481

Mailing Address: P.O. Box 1098
Gainesville, GA 30503

Lease Agreement

Dated November 29, 1971

Between W.E. Parker and Annie L. Parker and Gainesville Stone Company, Inc.

Recorded in Deed Book 473 pages 224-235

And First Amendment to Lease Agreement September 23, 1980

And recorded in Deed Book 726 pages 337-339,

Hall County Georgia Deed Records

Street Address:

Smith Gilliam Williams & Miles, P.A.
340 Jesse Jewell Parkway, Suite 300
Gainesville, GA 30501

In Your **Community.** In Your **Corner.**

GEORGIA, HALL COUNTY

AGREEMENT

THIS AGREEMENT made and entered into this 29th day of November, 1971, by and between W. E. PARKER and ANNIE L. PARKER, his Wife, of Hall County, Georgia (hereafter referred to as "Lessors") and GAINESVILLE STONE COMPANY, INC., a Georgia corporation, (hereafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner of certain tracts of land in Hall County, Georgia, the legal description of which is attached hereto, marked Exhibit "A" and made a part hereof, and

WHEREAS, Lessors are desirous of leasing the properties described in Exhibit "A" hereof to Lessee, and

WHEREAS, Lessee is desirous of leasing the aforesaid properties from Lessors;

NOW, THEREFORE, in consideration of the premises, the mutual promises and covenants herein contained, and other good and valuable considerations, it is agreed as follows:

ONE

Lessors have demised and leased, and by these presents do hereby demise and lease unto Lessee, for a term of twenty (20) years, beginning the 29th day of November, 1971, and expiring the 28th day of November, 1991, or so long as either Lessor is living, whichever is longer, the tracts or parcels of land described in Exhibit "A" hereof, together with the exclusive right to mine, quarry, strip, and remove rock, stone and granite from said described properties at all times during the term of this lease, and in accordance with the provisions thereof.

TWO

Lessor sell, assign, grant, convey and set over to Lessee the exclusive title to all rock, stone and granite located upon the described properties, as and when same is extracted from the premises, until the termination of this lease in accordance with the provisions thereof, but upon the final termination of this agreement, such portion of said property as remains a part of the demised premises shall revert to Lessors.

THREE

Lessee covenants and agrees to pay Lessors as rent or royalty on all rock, stone and granite obtained from said lands and actually removed from the demised premises, which shall be payable monthly not later than the twentieth day of the month following the month during which the rock, stone, and granite are actually removed from the demised premises,

a total sum of five cents per ton for stone used or sold as aggregate, crushed stone, sand, rubble or rip rap;

Any rock or material such as, for instance, that known as "sap rock" from which Lessee obtains no consideration or other remuneration from any person, firm or corporation, shall not be considered as stone and shall not carry any royalty right to Lessors; however, in the event of the sale or removal from property of any "sap rock" by Lessee, Lessee shall pay Lessors such royalties upon same as is agreed upon prior to said sale or removal.

FOUR

In any event, Lessee guarantees a minimum royalty payment to Lessors of FOUR HUNDRED (\$400.00) DOLLARS per month, payable not later than the tenth (10th) day of each month. In this event this lease begins on any day other than the first day of the month, the aforesaid minimum royalty shall be pro-rated for such first month.

FIVE

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The Lessee agrees that it will, on or before the thirtieth day of each calendar month, furnish Lessors a report of all materials shipped from the demised premises during the preceding month, and covenants and agrees to afford Lessors and/or his agents all reasonable opportunities to check the Lessee's operations conducted hereunder by examining the operations and such records as may be reasonably necessary for said Lessors to determine the amount of such material so removed.

SIX

After the death of both Lessors, or after November 28th, 1991, whichever last occurs, Lessee may at any time thereafter terminate this lease whenever it, in its sole discretion, deems commercial operations upon the demised premises to be undesirable or impractical by mailing, by either certified or registered mail, written notice to Lessors at least six months in advance of said termination date, said notice to be mailed to Lessors' last known address as determined from the books and records of Lessee. The mailing of such notice shall immediately start the running of such six month period, and upon the expiration of said six months, this lease shall immediately terminate and all obligations of Lessee to pay rent or royalties thereafter accruing shall also terminate. It is mutually agreed and understood that the Lessee, and only the Lessee, shall be entitled to exercise the privilege of terminating this lease in the aforesaid manner, and that Lessors shall have no such right or privilege, except for non-payment of the royalties due hereunder, or other willful violation of the terms of this agreement.

SEVEN

Lessors covenant and agree:

- (a) That all machinery, building, and other structures placed upon said lands by Lessee may be removed in their entirety from the leased

premises by Lessee at Lessee's expense at any time during or within six (6) months after the termination of this lease.

(b) That Lessee shall have the right and privilege, at all times during the term of this lease, to enter upon, prospect, dynamite, blast, drill holes, and work said mineral and quarrying interests, and mine and quarry said described lands, including stripping the same, removing overburden, and depositing the same upon any part of said described property without liability to Lessors for said operations. Lessee shall have no obligation to leave any support for overlying strata or to fill in or level any pits, mines, or holes, but Lessee, at its option, may fill in or level any pits, mines or holes so long as Lessee is paying the royalties due hereunder. Upon termination of this lease, Lessee shall comply with the then governing statutes of the State of Georgia that apply to closing or abandoning mined properties.

(c) That Lessee shall have the right and privilege of using such part or parts of said described lands as Lessee may consider necessary for the purpose of establishing a rock crushing plant and building such sheds or houses and installing such other machinery and implements thereon as Lessee may require or consider useful and shall have the right to use such part of said described lands for roads, railways and tramways whenever Lessee shall consider the same desirable or advantageous.

(d) It is agreed that the Lessors shall not be liable in any respect or in any manner for any damages or negligent acts committed on the property by the Lessee, its agents, servants, employees or assigns, or by anyone acting for and in its behalf; and the said Lessee hereby agrees to indemnify and hold harmless the said Lessors for any actions or legal proceedings taken against him by reason of any act or actions performed on the property by Lessee or its assigns. The Lessee shall not be liable to Lessor for injuries or damages to the described property by reason of the rights and privileges herein granted to the Lessee, except for damages to the improvements located on the property described in Exhibit "B" caused by the actions of Lessee.

EIGHT

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The Lessee shall have the right and authority to establish, install, and maintain public utilities, electric lines, water mains, oil or gas lines, on said described properties as may be required or desired by Lessee in conducting its operation upon the described property; however, all expenses in connection with said utilities, their establishment, installation, and maintenance, shall be borne by the said Lessee.

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NINE

Lessors agree that Lessee may use any water obtainable from said premises from streams, springs, or wells for mining, processing or transporting said rock and stone; Lessee may also construct or build any holding pond upon the premises at Lessee's option for use in washing and processing of said rock, stone and granite.

TEN

It is agreed by the parties hereto that if and when the Lessee is in default of payment of any rentals and/or royalties due hereunder, Lessors may give to the Lessee written notice of the amount due and his intention to terminate this lease. If such rentals, and/or royalties then due, are not paid within thirty (30) days from the date Lessors give such notice, the Lessors may then declare this lease terminated, but otherwise, this lease is to remain in full force.

ELEVEN

Lessee shall promptly pay all ad valorem taxes or other assessments made or levied against all machinery, equipment or improvements placed on the demised premises as well as all increase in same against the demised premises over the amount of same assessed for the year 1970.

TWELVE

Lessors covenant and agree that they are the sole owners and have good and merchantable title to the demised premises (except as set forth in Exhibit "B") and covenant to defend title to said properties against the

claims of all persons whomsoever during the term of this agreement and agree that if at any time Lessors should fail to pay any after acquired mortgage, loan deed, taxes or other lien or assessment upon the demised premises, Lessee shall have the right at any time to pay such lien or other charge and that such payment shall subrogate Lessee to the rights of the holder thereof. Lessors further agree that all such payments so made by Lessee may be deducted by it from any royalty thereafter payable by Lessee to Lessors under the provisions of this agreement. Lessors further warrant that Lessee shall have peaceable and quiet possession, use and enjoyment of said premises and said rock and stone deposits thereon. 279

THIRTEEN

In the event that Lessee is prohibited for any reason by any Federal, State, County or Municipal ruling or ordinance, or court proceedings, from mining or quarrying said leased property, then Lessee, at its option, may thereupon terminate and cancel this lease upon giving Lessors thirty (30) days notice that it is so prevented. Lessee, however, covenants and agrees to use reasonably diligent efforts to obtain proper permission to mine and quarry said leased premises prior to the termination of this lease on this ground.

FOURTEEN

Lessee has paid to Lessor the sum of Four Hundred Thirteen and 33/100 (\$413.33), cash, the receipt and sufficiency of which is hereby acknowledged by Lessors as payment for the first full month hereof of the minimum royalties due Lessor under paragraph Four hereof as well as any pro-rated amount due for the period prior to the first full month.

FIFTEEN

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The Lessee is granted the option to renew this lease for four (4) additional terms of twenty (20) years each, upon the same terms and conditions, provided Lessee notifies Lessors in writing by certified or registered mail of its intention to renew same not less than twelve (12) ²³⁰ months prior to the expiration of the term hereof for the first twenty (20) year renewal period and not less than twelve (12) months prior to the expiration of each additional renewal periods.

SIXTEEN

Lessee, at its option, may within sixty (60) days from the date hereof, examine the title of Lessors to the demised premises, as well as examine the zoning and restrictions pertaining to same, and in the event such examinations disclose that Lessor's title is defective or that the zoning or private or public restrictions prevent Lessee from using the demised property for the quarrying of granite, Lessee shall have the option to treat this lease null and void, and Lessors shall promptly repay Lessee the sums paid Lessor as monthly royalties. However, Lessee shall notify Lessors of its objections to the said title, zoning or restrictions within said sixty (60) days and allow Lessors a reasonable time in which to cure such objections before Lessee exercises its option to void this lease.

SEVENTEEN

It is understood that Lessors have the right to use that portion of the demised property (including all improvements thereon) as described in Exhibit "C", attached hereto and made a part hereof, so long as either occupy same as their home. It is further understood that Lessors shall have the right to any of the demised properties for general farming purposes so long as such use does not then interfere with the use of the demised premises by Lessee.

EIGHTEEN

Lessee agrees during any calendar year to advance Lessors one-half (1/2) of the minimum royalties due Lessors during such calendar year, without charge or interest upon Lessors notifying Lessee of their desire to have such advance. Lessee shall credit one-half of the remaining minimum royalties due for such calendar year to the repayment of such advance until same has been paid in full.

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NINETEEN

In the event Lessors desire to sell the demised premises, or receive a bona fide written offer from a third party desiring to purchase same upon such terms and conditions which Lessors are then willing to accept, then Lessors shall so notify Lessee of their desire to sell, which notice shall set forth the terms of such sale, or in the event of receipt of the aforesaid offer, furnish Lessee with a copy thereof, and Lessee shall then have thirty (30) days in which to accept Lessors' offer to sell, or to purchase same upon the same terms and conditions of such third party's offer.

TWENTY

The word "Lessors" whenever used herein shall include Lessors, their heirs, administrators and assigns; and the word "Lessee" whenever used herein shall include Lessee, its successors and assigns.

TWENTY-ONE

This written agreement contains the entire and complete agreements between the parties hereto and no representations, modifications, promises or inducements shall be binding on either party unless contained herein or reduced to writing and signed by all parties hereto.

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IN WITNESS WHEREOF, the parties hereto have set their hands and seals, the day and year first above written.

Signed, sealed and delivered in the presence of:

Mattie S. Head

W. E. Parker
W. E. PARKER

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Rae Anderson
Notary Public, Hall County, Ga.

Annie L. Parker
ANNIE L. PARKER

Signed, sealed and delivered in the presence of:

Mattie S. Head

GAINESVILLE STONE COMPANY, INC.

Rae Anderson
Notary Public, Hall County, Ga.

BY John W. Hale, V.P.

ATTEST Clayton P. Secor, Jr.
Asst. Sec.

Georgia, Hall County, Clerk Superior Court
Filed in office, this 17 day of Feb'y.
10 12:15 P. Recorded in Book 473
Page 229-3 this 18 day of Feb'y. 1912
H. Grady Watson
H. GRADY WATSON, Clerk

Exhibit "A"

All that tract or parcel of land lying and being in Candler G. M. D. 1385, Hall County, Georgia, and more particularly described as follows:

Beginning at a point on the center line of the tracks of the Seaboard Coast Line Railroad tracks located at a right angle from said center line and Mile Post 32 of said railroad, running north 23 degrees 52 minutes west, and along the center line of said railroad tracks, 298 feet to an iron pin; thence north 60 degrees 05 minutes east 665.6 feet to an iron pin; thence north 65 degrees 42 minutes east 463 feet to an iron pin; thence south 63 degrees 06 minutes east 1,650.00 feet to an iron pin; thence south 25 degrees 55 minutes west 524 feet to a point; thence north 28 degrees 15 minutes west 250 feet to a poplar tree; thence south 45 degrees 30 minutes west 395 feet to an iron pin; thence south 44 degrees 12 minutes west 165 feet to an iron pin; thence north 79 degrees 47 minutes east 479 feet to a point; thence south 25 degrees 55 minutes west 586.6 feet to a point in the center line of Dixie Farm Road; thence south 39 degrees 56 minutes west, and along the center line of said road, 283.6 feet to a point; thence south 39 degrees 56 minutes west and along the center line of said road, 9.5 feet to a point; thence north 77 degrees 30 minutes west 522 feet to an iron pin; thence north 77 degrees 15 minutes west 129.5 feet to an iron pin; thence north 5 degrees 16 minutes east 272 feet to an iron pin; thence south 89 degrees 13 minutes west 635.1 feet to a point in the center line of the aforesaid railroad tracks; thence north 23 degrees 52 minutes west, and along the center line of said railroad tracks, 657.2 feet to a point; thence north 66 degrees 08 minutes east 290 feet to an iron pin; thence north 23 degrees 52 minutes west 150 feet to an iron pin; thence south 66 degrees 08 minutes west 290 feet to an iron pin in the center line of said railroad tracks; thence north 23 degrees 52 minutes west and along the center line of said railroad tracks, 132.4 feet to the point of beginning.

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Exhibit "B"

All that tract or parcel of land lying and being in Candler G. M. D., 1385, Hall County, Georgia, and more particularly described as follows:

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TO FIND THE POINT OF BEGINNING, commence at a point in the center line of the Seaboard Coast Line Railroad tracks, which point is at a right angle from said center line and Mile Post 32 and run thence south 23 degrees 52 minutes east, and along said center line, 939.6 feet to a point; run thence north 89 degrees 13 minutes east 635.1 feet to an iron pin; run thence north 89 degrees 13 minutes east 156 feet to an iron pin; run thence south 5 degrees 16 minutes west 272 feet to an iron pin; run thence north 77 degrees 15 minutes east 129.5 feet to an iron pin which is the POINT OF BEGINNING; From said Point of Beginning run thence south 77 degrees 30 minutes east 522 feet to a point in the center line of Dixie Farm Road; run thence north 39 degrees 56 minutes east, and along the center line of said road, 9.5 feet to a point; run thence north 39 degrees 56 minutes east, and along the center line of said road, 283.6 feet; run thence north 25 degrees 55 minutes east 586.6 feet to a point; run thence south 79 degrees 47 minutes west 479 feet to an iron pin; run thence south 44 degrees 12 minutes west 668.3 feet to an iron pin; run thence south 9 degrees 15 minutes west 80.8 feet to an iron pin and the Point of Beginning.

Exhibit "C"

All that tract or parcel of land lying and being in Candler G. M. D. 1385, Hall County, Georgia, and more particularly described as follows:

Commencing at a point on the center line of the Seaboard Coast Line Railroad tracks, which point is south 23 degrees 52 minutes east 282.4 feet from a point in the center line of said tracks and at a right angle from said center line to Mile Post 32, thence south 23 degrees 52 minutes east, and along said center line, 657.2 feet to a point; thence north 89 degrees 13 minutes east 635.1 feet to a point; thence north 23 degrees 52 minutes west 846 feet to an iron pin; thence south 66 degrees 08 minutes west 150 feet to an iron pin; thence south 66 degrees 08 minutes west 290 feet to the Point of Beginning.

7.35

FIRST AMENDMENT TO LEASE AGREEMENT

This Agreement, made and entered into this the 23rd day of September, 1980, by and between W. E. PARKER and ANNIE L. PARKER, husband and wife, of Hall County, Georgia, (hereinafter referred to as "Lessors") and GAINESVILLE STONE COMPANY, INC., a Georgia corporation with offices in Gainesville, Georgia, (hereinafter referred to as "Lessee").

W I T N E S S E T H :

WHEREAS, the parties hereto executed a certain Lease Agreement dated November 29, 1971 (the "Lease Agreement") whereunder Lessors lease to Lessee certain property in Candler G.M.D. 1365, Hall County, Georgia, the legal description of which property is attached to said Lease Agreement, and

WHEREAS, the parties hereto desire to amend the Lease Agreement as provided herein;

NOW, THEREFORE, in consideration of the premises, the mutual promises and covenants herein contained, and intending to be legally bound, the parties hereto agree as follows:

1. Upon execution of this Amendment, Lessee shall pay to Lessors the sum of Forty-Nine Thousand (\$49,000) Dollars, which amount shall constitute prepaid royalties in accordance with the terms of the Lease Agreement, as amended herein.

2. Paragraph "FOUR" of the Lease Agreement shall be deleted in its entirety and the following language inserted in place thereof:

"FOUR

In the event that the earned royalties, if any, payable by Lessee to Lessors pursuant to Paragraph THREE hereof shall not equal, in any month during the term of this Lease Agreement, the sum of One Thousand (\$1,000) Dollars, Lessee shall pay with respect to such month to Lessors an additional

amount equal to the difference between such amount, if any, of earned royalties and One Thousand (\$1,000) Dollars, such payment to constitute prepaid royalties. In addition, the sum of Forty-nine Thousand (\$49,000) Dollars paid by Lessee to Lessors upon execution of the First Amendment to this Lease Agreement shall constitute prepaid royalties. Such prepaid royalties shall be aggregated and shall be creditable by Lessee to reduce, dollar for dollar, earned royalties otherwise payable by Lessee to Lessors under Paragraph THREE hereof, provided that such payment shall not be reduced below One Thousand (\$1,000) Dollars per month. No earned royalties in excess of One Thousand (\$1,000) Dollars per month shall be payable by Lessee to Lessors under Paragraph THREE so long as there exist any prepaid royalties available to reduce such earned royalties."

3. Paragraph "SEVENTEEN" of the Lease Agreement shall be deleted in its entirety and the following inserted in lieu thereof:

"SEVENTEEN

It is understood that W. E. and Annie L. Parker, or either of them, shall have the personal, non-assignable right during their lifetime to use that portion of the demised property as described in Exhibit C, attached hereto and made a part hereof, for farming purposes so long as such use does not interfere with the use by Lessee of the property for mining and related purposes. Any such use of the property by W. E. or Annie L. Parker shall be solely at their own risk, and each of them do hereby, for themselves and their heirs, administrators and assigns, release Lessee from all costs and liability which may arise in connection with the use by W. E. and Annie L. Parker of the property and do hereby indemnify

Lessee against any such costs and liability, including costs of defense relating thereto. Such right accorded in this paragraph SEVENTEEN to W. E. and Annie L. Parker shall not pass to their heirs, administrators or assigns."

4. Upon execution of this First Amendment to Lease Agreement, the property described in Exhibit C to the Lease Agreement shall be deemed included within the property leased by Lessors to Lessee for all purposes and without special restriction on use thereof by Lessee.

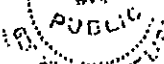
5. Except as expressly herein amended, the Lease Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals, the day and year first above written.

Signed, sealed and delivered in the presence of:

Harold T. Charley

Barbara Holcomb
Notary Public,
State of Georgia



Signed, sealed and delivered in the presence of:

John W. Baker

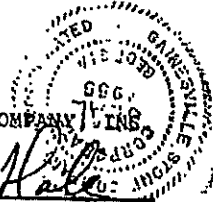
John P. Cameron
Notary Public,
State of Georgia



W. E. Parker
W. E. PARKER

Annie L. Parker
ANNIE L. PARKER

GAINESVILLE STONE COMPANY
BY: John W. Baker



Attest: Doc S. Harris

Georgia, Hall County, Clerk Superior Court
Filed in office this 14 day of October
1986, 9:00 AM Recorded in Book... 726
Page 333, 15 day of October, 1986.
Attest: H. Grady Watson
H. GRADY WATSON, Clerk

Mail: King + Spalding
2500 Trust Co. Tower
Atl, Ga. 30303