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STATE OF ALABAMA )

SHELBY COUNTY )

THIS AGREEMENT, made and entered into by and between RALPH B. PFEIFFER and wife, ARLENE PFEIFFER, parties of the first part (hereinafter referred to as Grantors), and LONGVIEW LIME CORPORATION, a Delaware corporation, party of the second part (hereinafter referred to as Grantee),

W I T N E S S E T H

For and in consideration of the sum of ONE DOLLAR (\$1.00) and other considerations herein expressed, the Grantors hereby lease and let to Grantee the following described lands for the term hereinafter stated, and for said consideration, the Grantors hereby grant unto Grantee, its successors and assigns, the exclusive right during the term of this lease to quarry, stripmine, crush, remove and to otherwise recover and prepare limestone and rock from said real property, situated in Section 8, Township 21 South, Range 2 West, Shelby County, Alabama, subject to the covenants, terms and conditions hereinafter set forth, said lands being described as follows, to wit:

The North 100 feet of the Northwest Quarter of the Southwest Quarter; the South Half of the Northeast Quarter of the Northwest Quarter; the South Half of the Northwest Quarter of the Northeast Quarter; the Southwest Quarter of the Northwest Quarter EXCEPT 3.1 acres described as follows: Beginning at the Northeast corner of the Southwest Quarter of the Northwest Quarter of said Section 8, run thence West along the north line of said forty a distance of 525 feet to the point of beginning of the lot herein excepted; and from said point of beginning, run South 450 feet, thence West 300 feet; thence North 450 feet to the North line of said forty, thence East along said forty line to the point of beginning. Also EXCEPT Longview Lime Corporation's 35 foot right of way in said Southwest Quarter of the Northwest Quarter.

All in Section 8, Township 21 South, Range 2 West, Shelby County, Alabama.

Section 1. Grantors covenant with the Grantee that they are lawfully seized in fee simple of said lands and that they are free from all encumbrances except electric transmission line easements, if any, of record, and Grantors shall warrant and defend the same unto the Grantee, its successors or assigns, against the lawful claims of all persons. The Grantors will, at their expense, promptly furnish Grantee with an abstract of title beginning June 29, 1938 and

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brought down to the present date, showing good and merchantable title in Grantors, or one of them, to said property, free and clear of all encumbrances except said right of way, and except electric transmission line easements, if any, of record, and except public roads. Grantors shall, at Grantors' expense, do any and all things which may be reasonably necessary to remove any cloud from or correct any imperfections in Grantors' title as herein warranted.

Section 2. ROYALTIES:

A. Grantee covenants and agrees to pay Grantors royalties as follows:

(1) A tonnage royalty (herein sometimes referred to as "tonnage royalty") of five cents (5¢) per ton of two thousand (2,000) pounds, dry weight, will be paid for all limestone quarried and removed from said property used for the production of lime, flux stone, or rock dust, and mined at a depth not exceeding eighty (80) feet from the surface of the land, and a royalty of three cents (3¢) per ton of two thousand (2,000) pounds, dry weight, will be paid for all such limestone used for the production of lime, flux stone, or rock dust mined at a depth of more than eighty (80) feet below the surface of said land.

(2) For all such limestone or rock not used for the production of lime, flux stone, or rock dust, which is sold by Grantee in its original form as quarried or after further processing, a royalty in an amount equal to one per cent (1%) of the gross sales price received by Grantee for same shall be paid, not to exceed, however, an amount equal to five cents (5¢) per ton of two thousand (2,000) pounds, dry weight, for that sold. There shall, however, be no duplication of royalty payments under any part of this subsection A or otherwise, and there shall be no royalty due or payable under this subsection A if the product sold is a by-product of, or material resulting from, the manufacture of lime, flux stone, or rock dust, or from the quarrying or processing of said limestone or rock, if such material in its original form was included in computing the tonnage royalty payable under this subsection A.

(3) A minimum monthly royalty shall be paid by Grantee to Grantors as follows whether or not any limestone or rock is quarried and removed from said property:

One Hundred Dollars (\$100.00) per month for a period of two years next

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after the beginning of the term of this lease, payment of which in the amount of Two Thousand, Four Hundred Dollars (\$2,400.00) has this date been made in advance by Grantee to Grantors, receipt of which is hereby acknowledged. For the next ensuing ten (10) years (hereinafter referred to as "ten-year period"), after said two-year period, a minimum royalty of Five Hundred Dollars (\$500.00) per month shall be paid by Grantee to Grantors, except, however, the amount of said payment of said minimum monthly royalty shall be reduced in accordance with the following formula:

For purposes of said formula it is agreed that Grantee's production of limestone processed in its quarry and plant at Saginaw, Alabama, for the production of lime and other commercial products during the calendar year of 1964 amounted to 490,502 tons of two thousand (2,000) pounds each, as calculated on the books of Grantee. For each and every year (consecutive periods of twelve months each from anniversary date of lease term) during said ten-year period that Grantee's production of limestone for the production of lime and other commercially marketed products from its quarrying operations at Saginaw, Alabama, (without regard to whether or not on Grantor's said land) is less than 400,000 tons of 2,000 pounds each, similarly calculated, the said minimum monthly royalty for the ensuing year shall be reduced proportionately. For example, suppose that during the first year after the beginning of said ten-year period such production for said year was ten per cent (10%) less than said 400,000 tons as so calculated, then the minimum monthly royalty for the ensuing twelve months shall be reduced by ten per cent (10%); that is, it shall be reduced by Fifty Dollars (\$50.00) per month, the minimum monthly royalty for said ensuing twelve months in such case being Four Hundred and Fifty Dollars (\$450.00) per month. As a further example, suppose that during the second year after the beginning of said ten-year period such production for said year was one hundred and ten per cent (110%) of the said 400,000 tons as so calculated, then the minimum monthly royalty for the ensuing twelve months would amount to Five Hundred Dollars (\$500.00) per month.

There shall be no minimum royalty due or payable under this lease after the expiration of said ten-year period.

B. Grantee shall be entitled to and shall receive a cumulative and continuing credit for all amounts paid at any time as minimum royalty hereunder against all amounts payable by Grantee as tonnage or other royalties hereunder, whenever accruing, payable, or paid, under the provisions of subparagraphs (1) and (2) of subsection A of this Section 2; and Grantee shall be entitled to and shall receive a cumulative and continuing credit for all amounts paid at any time as tonnage royalties or other royalties under the provisions of said subparagraphs (1) and (2) of said subsection A in excess of minimum royalties, such credit to be applied against minimum royalties thereafter payable from time to time under the provisions of subparagraph (3) of said subsection A of this Section 2.

C. Grantee agrees to determine the tonnage of limestone quarried and removed from said property monthly by means of survey of the working face of said quarry by a competent engineer, and agrees to make all such engineering data and calculations available for inspection on request during business hours by Grantors. The weight of limestone as quarried and removed from said property shall be determined on the basis of four thousand (4,000) pounds per cubic yard of limestone displaced. In such determination there shall be an adjustment and deduction made for all materials included in such cubic measurement not physically and chemically suitable for the manufacture of lime, flux stone, or rock dust, and no royalty shall be payable on such materials except as to that which is sold by Grantee, in which event the only royalty payable is that provided for under subparagraph (2) of subsection A of this Section 2. Without limiting the foregoing, it is agreed that such adjustment and deduction shall be made for materials known in the trade as "fines" (1/4" X 0") generated in the crushing or processing of limestone and not used in the manufacture of lime or rock dust and not sold by Grantee. As to such fines which are sold, the only royalty payable thereon is that provided for under subparagraph (2) of said subsection A. A ton of limestone as referred to shall consist of two thousand (2,000) pounds, dry weight. In order to verify the accuracy of Grantee's calculations, Grantors may, at their own expense, have surveys and calculations made by a qualified engineer of their own choosing. Surveys for the determination of limestone quarried and removed from said property shall be made by Grantee on the last working day of each month,

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and payment of royalties shall be made to Grantors monthly on the twentieth day of each month for royalties accruing for the last preceding month.

D. All dirt, sand, muck and other waste substances and waste materials resulting from quarrying or manufacturing operations of Grantee on the lands herein described or on other lands may be deposited on said lands described to the extent desired and at any place or places desired by Grantee and/or disposed of by Grantee without accounting therefor to Grantors, and there shall be no liability on Grantee or its successors, assigns, or contractors, for any damages occasioned to said described lands from such deposits or for any damages whatsoever, and to whatever extent, resulting to said lands described from said quarrying or manufacturing operations.

E. Upon the failure of Grantee to pay the sums due hereunder on any due date, Grantors shall have the right to give Grantee written notice of their intention to cancel this agreement if the defaulted payment is not made good (or adequately secured by bond if dispute exists as to the amount due) within a period of sixty (60) days after the date of said written notice, and in the event said payments are not paid or secured by bond as aforesaid within said period, this agreement may, at the option of Grantors, be terminated, and in the event of such termination, no further minimum or other royalties will be due.

Section 3. The term of this lease agreement shall be for a fixed period of twenty-five (25) years beginning February 1, 1965 and ending January 31, 1990, whether or not Grantee has prior to said expiration date quarried and removed all limestone and rock which Grantee desires to remove from said premises. In the event any disagreement should arise between the parties as to the amount of royalties due hereunder, the parties agree to submit such questions to an arbitration board composed of three qualified engineers, one of whom shall be appointed by each of the parties hereto and the third selected by the two arbitrators designated by the parties. In the event the two arbitrators designated by the parties are unable to reach an agreement concerning the appointment of a third arbitrator

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B. Grantors further agree in consideration of the promises of Grantee hereunder and as a part of the consideration of this lease agreement, that in the event Grantee quarries or mines the limestone on said described lands during the period of this lease by extending the quarrying operations or quarry pit on and across said lands until the quarry operations or quarry pit reaches other contiguous property owned or hereafter acquired by Grantee, or on which Grantee has or acquires quarrying rights or conducts quarrying operations, to grant, and Grantors hereby grant to Grantee a right of way over and across the floor of the quarry or pit and a reasonable area on the surface around said quarry or pit on that portion of the property described above which Grantee quarries and mines during the period of this lease, and a reasonable ingress and egress over and across such quarried portion of such property and over and across a reasonable



area of the surface around said quarried portion for the quarrying and mining of and the removal of limestone or other materials on such contiguous property and other property to which Grantee's quarrying operations are or may be extended, and for the transportation of such limestone and other materials over and across such portion of the demised premises to Grantee's plant premises as now or hereafter located, such right of way shall be and hereby is granted, without payment of any royalty or other additional consideration, for a period of twenty-five (25) years from and after the expiration of this lease or until such time as the Grantee gives Grantors notice in writing that Grantee has abandoned quarrying operations on said contiguous lands and other lands to which such quarrying operations have been extended, such termination to be effective upon the first happening of either such event.

Section 5. Grantors shall have the right to use for pasture or agricultural purposes, and no other purpose or purposes, that part of the surface of said described lands leased hereunder not being then or previously stripped, quarried, or used by Grantee for its operations hereunder. No houses, buildings or other structures of any kind shall be erected on said lands by Grantors during the term of this lease. Grantors covenant and agree that neither Grantee, nor Grantee's successors, assigns, or contractors shall be liable for any injuries or damages to any of said lands or to any buildings, structures, improvements, wells or water courses or property of any kind now or hereafter located on said lands, or for any injuries to any occupants or other persons, or livestock or other animals, now or hereafter on said land, resulting from quarrying or other operations of Grantee, its successors, assigns, or contractors on said lands or other lands, including but not limited to injuries and/or damages caused by blasting or the casting of rocks or the deposit of dust or other materials, and no right of action for damages or otherwise on account of any such injuries or damages shall ever accrue to or be asserted by Grantors or either of them or by anyone else, or by their respective heirs, administrators, successors or assigns, and all of said covenants and agreements shall constitute covenants running with said described lands.

Section 6. The Grantors, or one of them, also own certain additional

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lands, hereinafter referred to as "additional lands," situated in Section 8, Township 21 South, Range 2 West, Shelby County, Alabama, near said demised lands, said additional lands being particularly described as follows:

The North Half of the Northwest Quarter of the Northeast Quarter; that part of the North Half of the Northeast Quarter of the Northwest Quarter lying South of the old Saginaw Railroad Bed; the Northwest Quarter of the Southwest Quarter, except as follows:

1. Except two acres along the south side of said Northwest Quarter of the Southwest Quarter.

2. Except that part described as follows:

Begin at the Southwest corner of said Northwest Quarter of the Southwest Quarter and run east 435 feet, thence north and parallel with the west line of said forty acres 766 feet to the point of beginning of the tract herein excepted; thence continue north 250 feet, thence west 150 feet, thence south 300 feet to a ditch, thence Northeast along said ditch 158 feet to point of beginning of tract excepted, said excepted tract containing one acre, more or less.

3. Also except that part described as follows:

Begin at the Southwest corner of said Northwest Quarter of the Southwest Quarter, thence north along the west line of said forty acres for 66 feet for point of beginning of the tract excepted, from said point of beginning run east 320 feet, thence north to a drainage branch, thence west along drainage branch to the west line of said forty, thence south along the west line of said forty to the point of beginning of said excepted tract, said excepted tract containing four acres, more or less, known as the Charlie Seales lot.

4. Except the north 100 feet of said Northwest Quarter of the Southwest Quarter leased hereunder to Longview Lime Corporation.

All of said additional lands above described lying and being in Section 8, Township 21 South, Range 2 West, Shelby County, Alabama. Title to above additional lands is not warranted by Grantors.

Said additional lands are near the lands leased hereunder and the said Grantors hereby covenant and agree that neither Grantee nor Grantee's successors, assigns, or contractors, shall be liable for any injuries or damages to said additional lands or to any buildings, improvements, structures, wells or water courses, or property of any kind now or hereafter located on said additional lands, or for any injuries to any occupants or other persons, or livestock or other animals, now or hereafter on said additional lands, resulting from quarrying or other operations of Grantee, its successors, assigns, or contractors, on the demised lands or other lands, including but not limited to injuries and/or damages caused by blasting or the casting of rocks or the deposit of dust or other materials, and no right of action for damages or otherwise on account of any such injuries

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or damages shall ever accrue to or be asserted by the Grantors, or either of them, or anyone else, or by their respective heirs, administrators, successors or assigns, and all of said covenants and agreements shall constitute covenants running with said additional lands.

Section 7. There shall be no obligation on Grantee to pump and discharge water on said lands leased hereunder, but Grantee shall have the right to do so at any place or places as desired by Grantee.

Section 8. Grantors will pay all ad valorem taxes on the lands leased hereunder, provided, however, that in the event the ad valorem taxes on said lands leased hereunder are increased during the term of this lease, the Grantee will reimburse Grantors for any excess amount of ad valorem taxes on lands leased hereunder over and above the amount of said ad valorem taxes for the tax year beginning October 1, 1964, and in the event the Grantors should fail to pay ad valorem taxes on said property and if the ad valorem taxes thereon are paid by the Grantee, the Grantee shall be entitled to reimbursement from the Grantors for the amount which the Grantors are required to pay under the provisions hereof. Grantee shall assess and pay all ad valorem taxes on all chattels, improvements, plant machinery and equipment placed by Grantee on said lands leased hereunder during the term of this lease.

Section 9. Grantee shall have the right to impound, divert, or change the course of flow of any streams, whether or not on the lands leased hereunder, which in Grantee's sole judgment interfere with or are likely to interfere with Grantee's quarrying or other operations under this agreement, and in doing so, to cause streams or waters to flow on said lands leased hereunder or said additional lands that would not otherwise flow thereon, or to cause streams or waters flowing through such lands to be diverted therefrom, without any liability to Grantors or either of them, or their heirs, administrators, successors or assigns, or to anyone succeeding to any interest in said lands; except, however, Grantee shall have no right in diverting any such stream or streams to cause the same to flow upon that part of said additional lands in the Northwest Quarter of the Southwest Quarter of said Section 8 except in natural drainage ditches or in accordance with the natural drainage of said quarter-quarter section. The Grantee shall also have the right to take such steps as may be necessary to vacate and

close any private or public roads on said lands leased hereunder or on said additional lands, which roads interfere with or are likely to interfere with said quarrying or other operations of Grantee hereunder, and Grantors will execute any and all such instruments and do, at Grantee's request and expense, whatever may reasonably be necessary or proper to effectuate the closing of such road or roads.

Section 10. This agreement and the covenants herein contained shall be binding on and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of the parties hereto.

Section 11. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States mail, postage prepaid, and addressed to the parties as follows:

(a) If by Grantee to Grantors: C/o Dr. Ralph B. Pfeiffer  
Woodward Building  
Birmingham 3, Alabama

or at any changed address of which Grantors shall give Grantee written notice.

(b) If by Grantors to Grantee: Longview Lime Corporation  
Woodward, Alabama

or at any changed address of which Grantee shall give Grantors written notice.

IN WITNESS WHEREOF, the said parties have hereto set their hands and seals on this 1 day of Feb, 1965.

Ralph B. Pfeiffer  
Ralph B. Pfeiffer

Arlene Pfeiffer  
Arlene Pfeiffer

ATTEST:

[Signature]  
Secretary

LONGVIEW LIME CORPORATION,  
a corporation,

By [Signature]  
Its President

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STATE OF ALABAMA )

JEFFERSON COUNTY )

I, George Nitcher, a Notary Public in and for said county in said state, hereby certify that RALPH B. PFEIFFER and wife, ARLENE PFEIFFER, whose names are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 1 day of

Feb, 1965.

George Nitcher  
Notary Public

STATE OF ALABAMA )

JEFFERSON COUNTY )

I, Alvin McEniry, a Notary Public in and for said county in said state, hereby certify that W. A. Brant, whose name as President of Longview Lime Corporation, a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 1st day of

February, 1965.

Alvin McEniry  
Notary Public

Notary Public, Jefferson County, Ala.  
My commission expires Jan. 17, 1968.  
Bonded by Home Indemnity Co. of N. Y.

STATE OF ALA. SHELBY CO.  
I CERTIFY THIS INSTRUMENT  
WAS FILED IN 88  
9/2 1965  
RECORDED ✓ TAX  
& \$44.00  
PD. ON TH  
Com  
JUDGE OF PROBATE

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