

GROUND LEASE

This is a legally binding contract. If not understood, seek competent advice.

This Ground Lease is being re-recorded as a separate instrument to that certain mortgage for the improvements to said real property recorded as Inst#1998-31573 on or about August 14, 1998.

STATE OF ALABAMA)
SHELBY COUNTY)

THIS LEASE made this 1st day of August, 1998, by and between DRAVO LIME COMPANY, a Delaware corporation (hereinafter called "Lessor") and Robert W. Picou and wife, Brenda G. Picou (hereinafter, individually or collectively, called "Lessee"):

WITNESSETH:

1. **Lease of Premises.** That in consideration of the terms and conditions set forth herein, the Lessor does hereby lease and rent unto the Lessee the following described premises in Shelby County, Alabama (the "Premises"), to wit:

1177 Merry Fox Farms Road
Alabaster, Alabama 35007

More particularly described on Exhibit "A" attached hereto and made a part hereof

for use and occupation by the Lessee as a residence and for no other different use or purpose.

The Lessor and Lessee agree that the single family residential house and all appurtenances thereto, including, but not limited to barns, stalls, fences and other improvements used in connection with the private raising and keeping horses, animals or agricultural products, if any; swimming pools, pool houses, and associated pool maintenance equipment, if any; tennis courts, tennis court nets, and associated tennis court maintenance equipment, if any; and storage or tool sheds and other buildings normally incident to a private home site, if any (collectively, the "Improvements"), located on the Premises are owned by Lessee pursuant to a Bill of Sale of even date herewith between Lessor, as seller, and Lessee, as purchaser. Pursuant to the Bill of Sale, at any time during the term of this Lease, Lessee, or any mortgagee of Lessee, shall have the right to require Lessor to repurchase the Improvements for \$150,000.00, the Purchase Price set forth in the Bill of Sale. Further, pursuant to the Bill of Sale, the parties agree that the Lessee, and any mortgagee of Lessee, shall also have the option of selling the Improvements on the Premises to any third party with the prior written consent of Lessor. In the event Lessor refuses to give consent, Lessor will be obligated to repurchase the Improvements at the Purchase Price. In the event Lessor gives consent to such sale, Lessor shall either allow Lessee to assign the Lease to said third party or enter into a new Lease agreement with such third party, as tenant. **IN NO EVENT SHALL A SALE OF THE IMPROVEMENTS BY LESSEE TO A THIRD PARTY CHANGE THE PURCHASE PRICE FOR THE IMPROVEMENTS TO BE PAID BY LESSOR AS SET FORTH IN THE BILL OF SALE.**

2. **Term; Rent; Termination.** Lessor shall lease the Premises to Lessee, and Lessee shall lease the Premises from Lessor, for and during the term of Thirty (30) years beginning on the date hereof and ending on the same date of the thirtieth (30th) year hereafter, unless extended or terminated as provided herein (the "Term"). In consideration of Lessor's agreement to lease the Premises to Lessee for the Term, Lessee shall pay to Lessor in advance as rent for the said Premises rent in the amount of Five Hundred Ninety-Five and 50/100 (\$595.50) Dollars per year, being a rate of \$75.00 per acre per year for 7.94 acres of property, at the office of the Lessor located at 599 Highway 31 South, Saginaw, Shelby County, Alabama 35137 ("Lessor's Office"), beginning on the date hereof and on the same day of each successive year hereafter during the Term.

THIS LEASE IS MADE UPON THE FOLLOWING TERMS, CONDITIONS, AND COVENANTS:

3. **Possession of Premises.** Subject to the terms and conditions hereof, including, but not limited to, the Lessor's reservation of rights set forth in paragraphs 14 & 15 of this Lease, the Lessor covenants to keep the Lessee in possession of said Premises during the Term.

4. **No Warranties by Lessor.** Nothing herein contained shall be construed as a warranty that said Premises are in GOOD CONDITION or FIT or SUITABLE for the use and purpose for which they are hereby let. Lessor leases the Premises in their "AS IS, WHERE IS" condition, and Lessee acknowledges and agrees that Lessee's acceptance of possession of the Premises is conclusive evidence of Lessee's receipt of the Premises in good order and repair.

5. **No Repairs by Lessor; Rights of Lessor.** The Lessor shall not be REQUIRED to make any repairs or do any work on or about said Premises or any part thereof, or on any premises connected therewith, but not hereby leased. However, the Lessor may elect to make any repairs or do any work on or about the Premises in Lessor's sole

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discretion, and the Lessee hereby gives the Lessor, or its agents or employees, the right to enter said Premises at any reasonable hour to make such repairs and to do such work on or about said Premises as Lessor or its agent deems necessary. In the event the Premises require any major repairs which Lessor elects not to make, Lessor may terminate this Lease on thirty (30) days prior written notice to Lessee, and Lessee agrees to vacate the Premises on or before the end of said thirty (30) day period. The Lessee hereby gives the Lessor, or its agents or employees, the right to VISIT and INSPECT said Premises at all reasonable times and to show said Premises to prospective tenants or purchasers, and to display "For Rent" and "For Sale" signs on or about said Premises at any time.

6. No Alterations by Lessee. The Lessee herein agrees NOT to make any ALTERATIONS in said building or Premises, or on or about any premises connected therewith, but not hereby leased, nor to paint upon or attach any signs, wires or other material, other structure, apparatus, or radio antennae without the prior written consent of the Lessor.

7. Lessee's Obligations. The Lessee further agrees with the Lessor: That Lessee shall use the Premises only for Lessee's personal residential uses and for no other purposes, including, but not limited to, any business or professional uses, including boarding or training horses as a business, or any agricultural or related business uses; that the Lessee shall pay all of the expenses of maintenance and repair of the houses and other structures located on the Premises and the yard surrounding the houses during the Term hereof; that the Lessee shall replace all glass broken and keys lost or broken, if and when broken and lost, will pay all bills for water, gas, electricity, refuse pickup, telephone, cable, sewer, and any other utilities or services used on or about said Premises; that Lessee will take good care of said Premises, commit no waste of property or permit same to be done, and keep in good condition all water closets, lavatories, fixtures and other plumbing and all electrical wires and fixtures, and clear all sewers and drains that may become stopped; that Lessee will promptly repair and make good all injury or damage to said Premises caused by the Lessee, members of Lessee's family, or any other person or persons on or about said Premises, and that failing so to do the Lessor, by giving five (5) days' notice to the Lessee, may repair and make good the same at the cost of the Lessee, and such cost shall be considered as additional rent for said Premises, secured by landlord's lien, and that the Lessee will pay said additional rent to Lessor on the day rent is due in the month immediately following the month in which the same were incurred by the Lessor; that the Lessee shall preserve the Premises and shall surrender possession of the Premises to Lessor in a condition at least as good as that existing on the date of this Lease, normal wear and tear excepted; that the Lessor shall have a lien upon all goods, furniture and effects and fixtures of the Lessee on said Premises, or to be placed thereon during said term, for the rent for the full term hereof and for any other amounts owing or accruing hereunder, in addition to the statutory landlord's lien.

8. Lessee's Default; Lessor's Remedies. In the event the Lessee: (a) fails to pay any one or more of said installments of rent, or any other amount owing or accruing hereunder, as and when due, (b) or if the Lessee removes, or attempts to remove, or permits to be removed from said Premises, without the prior written consent of the Lessor, any of the goods, furniture, effects or other property of the Lessee brought thereon, without first paying in full all rent herein reserved for the entire term, (c) or if an execution or other legal process is levied upon said goods and chattels, or upon the interest of the Lessee in this lease, (d) or if a petition in bankruptcy is filed by or against Lessee, or any assignment for the benefit of creditors is made by Lessee, or if a receiver of Lessee's property is appointed, (e) or if the Lessee uses or permits any part of the Premises to be used for any immoral, illegal or purpose prohibited by State, County, City or Federal Laws, (f) or if Lessee uses or permits the same to be used for any other purpose than for which the Premises are hereby let, (g) or if the Lessee vacates before the expiration of said term without notifying the Lessor in writing as aforesaid, (h) or if the Lessee fails to allow Lessor, or its agents or employees, to show said Premises, (i) or if Lessee violates any of the other terms, conditions or covenants herein contained, THEN, and upon the happenings of any one or more of said events, Lessor or its agents may, at their option, accelerate, mature and make due and payable, all rent reserved herein, immediately upon giving written notice to said Lessee. The Lessor or its agents may, whether the above option is exercised or not, terminate this Lease upon the happenings of any one or more of the above events, and may upon giving twenty-four (24) hours' written notice to Lessee terminate this Lease, re-enter, take possession and re-let said Premises. The said rights of the Lessor or its agents to accelerate or mature said rents and to terminate this Lease, as above provided, shall be and remain in full force and effect continuously after the happenings of any one or more of said events of default, and the failure of Lessor or its agents to exercise said rights, or either of them, shall not be deemed a waiver or relinquishment thereof. No re-entry hereunder shall bar the recovery of rent or damages for breach of any of the terms, conditions or covenants on the part of the Lessee herein contained. The receipt of rent after breach or conditions broken shall not be deemed a waiver or forfeiture or a waiver of the right of the Lessor or its agents to mature and accelerate the rent or to terminate the Lease and to re-enter or re-let said Premises. On any termination of the Lease, Lessor shall have the right to, and Lessee or any mortgagee of Lessee shall have the right to require Lessor to, repurchase the Improvements located on the Premises for the Purchase Price.

9. Vacation of Premises by Lessee. If the Lessee vacates said Premises before the expiration of said term, then the Lessor or its agents may re-enter, and re-let same, from time to time, without notice to the Lessee, as the agent of Lessee, and such re-entry and re-letting shall not discharge the Lessee from any liability for rent nor from

any of the terms, conditions or covenants of this Lease; and the Lessee shall make good to the Lessor the difference, if any, between total rental as provided in the within contract and the total rental collected and remitted from such sub-tenant or tenants.

10. **Notices.** Any notice provided for herein may be delivered, if by Lessee to Lessor, by certified mail to Lessor at Lessor's Office, or if by the Lessor to the Lessee, by serving on the Lessee in person or by leaving said notices at the Premises or by mailing said notice to Lessee at the Premises by ordinary or registered mail. Lessee hereby agrees that any notice addressed to Lessee at the above address shall be legal notice the same as if personally served. All notices hereunder must be given in writing and notices not given in writing will be considered void and without effect.

11. **No Sublease, etc.** The Lessee shall not under-lease or sub-let or sub-rent said Premises, or any part thereof, or transfer or assign within Lease, without the prior written consent of Lessor. In the event Lessee desires the under-lease or sub-rent the Premises in connection with the sale of the Improvements to a third party, the options of Lessor set forth in paragraph 1 of this Lease and in the Bill of Sale shall apply. Each transfer and assignment, and each sub-letting or renting of said Premises in violation of this provision shall be and is null and void.

12. **Lessee's Insurance.** Lessee acknowledges and agrees that Lessor plans to conduct mining and related activities, including blasting, on or near the Premises. Lessee's sole remedy for any damage or destruction of the Improvements or Lessee's personal property located on the Premises caused by such mining and related activities, including blasting, shall be through Lessee's insurance policies. The Lessee shall obtain and maintain in full force and effect contents and personal property insurance on Lessee's possessions located in the Premises. Lessee shall obtain and maintain in full force and effect during the Term of this Lease, insurance in an amount of not less than 100% of the replacement cost of the Improvements insuring against fire, wind, rain, storm and other casualties, including contents insurance, insuring Lessee from loss or damage to the Improvements. Such policy or policies shall be paid for solely by Lessee, and Lessor shall not be required to pay any premium or other costs for or with respect to such insurance. Lessee shall name Lessor as an additional insured on all such policies and such policies shall contain a standard clause providing at least thirty (30) days notice to Lessor of cancellation of such insurance, and shall deliver to Lessor prior to the time such insurance is first required to be carried by Lessee, and thereafter at least thirty (30) days prior to the expiration of each such policy, either a duplicate or original or a certificate of insurance of all policies required to be procured by Lessee in compliance with Lessee's obligation hereunder, together with evidence satisfactory to Lessor of full payment of the premiums therefor. Lessee acknowledges and agrees that Lessor shall in no way be responsible for damage to or destruction of the Improvements during the Term of this Lease, such damage or destruction being the subject of the insurance policy or policies set forth herein obtained by Lessee for the benefit of Lessee. If at any time during the Term of this Lease, any part or all of the Improvements shall be damaged or destroyed, Lessee shall be obligated to either repair and replace, or demolish and dispose of, any damage to or destruction of the Improvements which, if not repaired and replaced or demolished and disposed of, would constitute a nuisance or a health or safety hazard.

13. **Damage or Destruction; Condemnation.** THIS LEASE SHALL BECOME NULL AND VOID in the event the Improvements located on the Premises shall be entirely destroyed or rendered entirely unfit or incapable of being used for the purpose for which the same is hereby let, by fire or other casualty, beyond the control of the Lessee, Lessee's family or other occupants of Premises, or in the event the Improvements should be condemned and the Lessor or his agents be forced to tear down and remove said building by the State, County, City or other authorities, and the liability of the Lessee for the rents thereafter accruing hereunder shall cease upon the happening of either of said events and such condemnation by said authorities, destruction or injury shall operate as a cancellation of this Lease and Lessee shall thereupon at once give up possession without further notice from Lessor or its agents, surrender possession of said Premises to the Lessor or its agents, and rent shall be payable only to the time of said surrender. In the event of such damage, destruction or condemnation, Lessor shall have the right to all proceeds of such condemnation but will be obligated to repurchase the Improvements for the Purchase Price.

If said Improvements and/or Premises are so injured by fire, rain, wind or earthquake as to render the same partially untenable or partially unfit for the use or purpose for which the same are hereby let and are repairable within a reasonable time after written notice of said injury is given by the Lessee to the Lessor or its agents, then, and in any of those events, the Lessee or its agents may, but are not required to, repair the Improvements, and Lessor or its agents may, but are not required to, repair the Premises, within a reasonable time. During any time during which the Premises are being repaired by Lessor, rent shall be reduced in the proportion that that part of said Premises which is in untenable or unfit conditions bears to that part of the Premises in the condition before said injury. Within ten (10) days after the occurrence of such injury and receipt of notice of same from the Lessee, the parties shall notify the other whether the affected party intends to repair said Improvements or Premises, as the case may be, or terminate and cancel this Lease. Provided, however, that in the event the affected party or its agents fail to commence said repairs within thirty (30) days after notice to the other, the other party may terminate this Lease by written notice after the expiration of said thirty (30) days, and before said repairs are commenced. On any such termination and cancellation,

the Lessor may elect or be required by Lessee or Lessee's mortgagee to repurchase the Improvements for the Purchase Price; provided, however, that Lessor will be entitled to receive all of the proceeds of insurance to cover the cost of damage to the Improvements.

It is expressly understood and agreed that neither the Lessor nor its agents are in any way responsible for any damage that may accrue or be caused by repairing, restoring, or rebuilding said Premises as above provided; nor shall the Lessor or its agents be liable for any damage caused by or growing out of any breakage, leakage, getting out of order, or defective condition of any pipes, toilets, plumbing, electric wires, or fixtures, gas pipes, fixtures, apparatus, or connections, or any of them, or caused by or growing out of any defects in said Premises, or any part thereof, or by fire, wind, rain or other cause, including, but not limited to any mining and related activities, including blasting, on or about the Premises, or during the repairing, alteration, or construction thereof. Lessee agrees that neither Lessor nor its agents are in any way responsible for damage to Lessee's or any other person's personal property or contents on the Premises. In the event the Premises or any portion of the Premises becomes uninhabitable due to damage, destruction or breakage of any system which Lessor elects not to repair, Lessee shall have the right to terminate the Lease upon ten (10) days prior written notice to Lessor, in which case Lessor shall be required to repurchase the Improvements for the Purchase Price.

14. **Lessor's Reservation of Rights.** The Lessor hereby reserves the right to enter the Premises for the purposes of preparing to mine and quarry, and mining and quarrying of, the Premises or property surrounding the Premises. The Lessee agrees that the Lessee's rights under this Lease shall not in any way diminish or impair the rights of Lessor to mine and quarry the minerals on the Premises or on any property near the Premises. In the event the Lessor's mining plan for the Premises necessitates mining any part of the Premises during the term of this Lease, Lessor agrees to limit mining to a location that is at least two hundred fifty (250) feet away from the house located on the Premises. During any such mining or quarrying of the Premises, the Lessee agrees to fully cooperate with Lessor to assure safe conditions in and around the house. In consideration of the terms and conditions of the Agreement and Lessor's entering into this Lease with Lessee, the Lessee waives, releases, discharges and covenants not to sue the Lessor for any type of disturbance and/or nuisance caused to Lessee by Lessor's mining or quarrying on the Premises or on any property near the Premises, including disturbance or nuisances related to blasting, noise, dust, vibrations or similar causes. If at any time, there is a conflict between Lessee's rights under this Lease to reside at the Premises and Lessor's right to mine and quarry the minerals on the Premises, the Lessor's rights to mine and quarry shall be supreme, and the Lessee's rights shall in all events be subject and subordinate to the rights of Lessor as set forth herein.

Lessee's Initials:

BGP

Lessor's Initials:

dis

15. **Lessee's Indemnity.** Lessee hereby agrees to indemnify and save and hold harmless the Lessor, its officers, directors, agents, employees, contractors, successors and assigns, and each of them (collectively, the "Indemnified Parties"), from any loss, liability, damage, cost or expense (including reasonable attorneys fees and expenses) the Indemnified Parties may incur due to any claim of damage related to the presence of the Lessee or Lessee's invitees, guests, agents, employees, contractors, or their personal property, upon the Premises during the term of this Lease, whether caused by the negligence of the Indemnified Parties or otherwise, including, but not limited to, and claims arising out of mining, quarrying and related activities on and around the Premises and the violation of any environmental laws, rules or regulations by Lessee.

Lessee's Initials:

BGP

Lessor's Initials:

dis

16. **Surrender of Possession.** The Lessee agrees, upon the termination or expiration of this Lease, to surrender quiet, and peaceable possession of said Premises in the like good order as at the commencement of said Term, normal wear and tear excepted, and notice so to do is hereby waived. It is further understood and agreed that if the Lessee shall continue in possession of any part of said Premises after the expiration of the aforesaid term, without the prior written consent of Lessor or its agents, then this Lease, at the option of the Lessor or its agents, shall continue in full force for such length of time as Lessor may elect up to one year from date of expiration with all conditions, covenants, and terms herein set forth, except that the rental of said Premises shall be DOUBLE THE AMOUNT herein fixed. Unless the Lessor or its agents elect to the contrary as set forth above, the Lease shall not be

continued on Lessee's holding over and Lessee shall be considered a tenant at the sufferance of Lessor and not a tenant from month to month or quarter to quarter.

17. Environmental. Lessee covenants and agrees that during Lessee's possession of the Premises, Lessee will not, and will not allow others to, release or dispose of any hazardous substances, solid wastes or other environmental contaminants in, on or under the Premises.

18. Attorney's Fees on Default. The Lessee agrees to pay the Lessor or its agents a reasonable attorney's fee and expenses in the event of the employment of an attorney to collect any rents, damages, or amounts that may become due by the Lessee under this Lease, or to file and prosecute a suit against Lessee or one holding under this Lease for unlawfully withholding possession of said Premises or waste of the Premises, or to protect the interest of the Lessor in the event the Lessee is adjudged a bankrupt or legal process is levied upon the goods and chattels of the Lessee in or upon said Premises, or because of the violation of any of the terms, conditions, or covenants on the part of the Lessee herein contained. In order to further secure prompt payment of said rents, or any other amounts, as and when the same mature, and the faithful performance by the Lessee of all and singular the terms, conditions, and covenants on the part of said Lessee herein contained, and all damages and costs that the Lessor or its agents may sustain by reason of the violation of said terms, conditions, or covenants, or any of them, the Lessee does hereby waive any and all rights to claim or have any personal property of the Lessee exempt from levy or other legal process under the Constitution and Laws of the State of Alabama or any other State of the United States.

19. No Hunting on Premises; No Removal of Trees from Premises. The Lessee agrees that the Premises is leased for residential purposes only and that Lessee shall not hunt, or allow others to hunt, on the Premises. Lessee covenants and agrees that Lessee shall not cut-down or remove any trees, shrubbery or plantings from the property without the prior written consent of Bob Picou, manager of Lessor, which consent may be withheld in Lessor's sole discretion. Nothing in this paragraph 19 shall be construed as preventing Lessee from fulfilling its obligations under this Lease to keep the Premises in good condition and repair, including, without limitation, the obligation to remove dead or diseased trees that are dangerous or could cause harm to persons or property.

IN TESTIMONY WHEREOF, the parties have hereunto set their hands on the day and year first above written.

LESSOR:
DRAVO LIME COMPANY

By: David L. Schmier (L.S.)
Its Assistant Treasurer

CERTIFIED AS A
TRUE AND CORRECT
[Signature]

LESSEE:

Robert W. Picou (L.S.)
ROBERT W. PICOU
Brenda G. Picou (L.S.)
BRENDA G. PICOU

EXHIBIT "A" LEGAL DESCRIPTION

Lot 2, Lecroy Estates, as recorded in Map Book 15, Page 94, and the southwest 125 feet of Lot 1, Brashier Estates, as recorded in Map Book 17, page 40, in the Judge of Probate Office, Shelby County, Alabama, described as follows:

From the southeast corner of said Lot 2, being the southeast corner of the NE 1/4 of the NE 1/4 of Section 20, Township 21 South, Range 2 West, run northerly along the east line of said Lot 2 for 221.86 feet to the northeast corner of Lot 2, the point of beginning; thence continue northerly along the same course for 125.44 feet; thence run westerly deflecting 85 degrees 13 minutes left for 775.59 feet to the west line of said Lot 1, being the east right of way line of Merry Fox Farms Road; thence run southerly along said right of way line deflecting 96 degrees 59 minutes left for 125.93 feet to the northwest corner of said Lot 2; thence run easterly along the north line of Lot 2 deflecting 83 degrees 01 minutes left for 770.74 feet to the point of beginning.

Minerals and mining rights excepted.

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