

21-7

BOOK 1032 PC 287

STATE OF WEST VIRGINIA
COUNTIES OF WOOD AND RITCHIE

LEASE AGREEMENT

THIS AGREEMENT entered into this 21st ^{August} day of ~~July~~, 2001, by and between Dominion Transmission Inc., a Delaware Corporation, hereinafter referred to as Lessor; and Martin Marietta Materials, Inc., a North Carolina corporation with its principal office in Raleigh, NC, hereinafter referred to as Lessee.

WITNESSETH:

The Lessor, its successors, heirs, administrators or executors, for and in consideration of the sum of ONE DOLLAR the receipt of which is hereby acknowledged, and in further consideration of the covenants, agreements and the rentals and royalties hereinafter mentioned, does hereby lease, let and convey to the Lessee, its successors or assigns, for the period described below the subsurface of all that certain tract or parcel of land, the Property, situated in Wood and Ritchie Counties, State of West Virginia, said tract being more particularly described as follows:

SEE ATTACHED DESCRIPTION MARKED EXHIBIT A,
INCORPORATED BY REFERENCE HEREIN

LEASE

I. PURPOSE AND USE.

Lessee shall have and hold the Property below the surface together with all privileges and appurtenances unto the Lessee for and during the full term covered by this lease from the date this lease is brought into effect unless said term is sooner terminated as hereinafter provided, for the sole and only use of the Lessee for mining, quarrying, and removal therefrom by blasting and otherwise deposits of rock, stone, gravel, sand, soil, limestone, minerals or earth as may exist under the Property. Lessee shall have the full right and privilege to use such personnel and equipment to mine the subsurface of the Property as it deems prudent, but Lessee shall have no right to occupy or use the surface of the

Mail to: Martin Marietta Aggregates
300 Star Ave., Ste. 312
Parkersburg, WV 26101

Property.

II. TERM.

The term of this lease shall be for a period of Twenty (20) years, starting from the date of this agreement.

This lease will be extended at the option of Lessee for Two (2) additional Twenty (20) year periods unless Lessee notifies Lessor in writing of Lessee's intention to terminate the lease at least ninety (90) days prior to the expiration of the initial lease period or any extension thereof. The Lessee may terminate this lease at the end of any lease year by giving at least ninety (90) days notice of such intention and paying the Minimum Annual Rental for the next lease year. However, it is agreed that this does not affect the Lessor's rights and interest in any earned royalties or payments that may be then due.

III. PAYMENT.

(a) Minimum Annual Rental.

The minimum annual rental for each lease year that this lease is in force shall be as follows: Year 1: \$15,000

Year 2:	\$17,500
Year 3:	\$30,000
Year 4:	\$37,500
Year 5:	\$45,000

Year 6-20: \$55,000, as escalated according to (c) below, continuing through the renewal terms, if applicable. All minimum rentals for a lease year shall be deducted from any royalties earned during that lease year. The payment for each year's minimum rental is to be made within thirty (30) days following the end of each lease year. The parties agree that Lessee may make a pro rata payment for a part of a year and thereafter convert to calendar years for purposes of the time deadlines herein.

There is no requirement that Lessee continuously conduct quarrying activity on the Property or that Lessee actually remove or sell stone, sand, gravel from the Property, it being the clear

understanding of the parties that the minimum rental fairly compensates Lessor for the use of the Property.

(b) Royalty.

An amount equal to \$0.30 (30 cents) per ton for each ton (2000 pounds) of crushed aggregate described in Paragraph I removed and sold from the Property but not to include "strippings" or waste materials which are removed to facilitate operations as described in Paragraph VIII, or minerals taken from other lands owned or leased by Lessee, the tonnage to be determined by scale weight. The payment for any earned royalties from materials sold is to be made within thirty (30) days from the end of the month in which such materials were removed and sold. The Lessee agrees that it will permit the Lessor and/or its agents reasonable opportunity to check the Lessee's operations conducted hereunder, by examination of the operation and such records as may be reasonably necessary for Lessor to determine the amount of such materials removed and sold.

(c) Escalation of Minimum Annual Rental

Starting on the seventh (7th) anniversary date of this Lease Agreement, the minimum annual rent will be adjusted, if changed at all, depending on the index, on an annual basis based on the change in the Producer Price Index for Industrial Commodities (the "PPI-IC"), provided, however, that the minimum annual rental after the seventh (7th) anniversary date of this Lease Agreement shall under no circumstances be less than \$55,000 per year. Minimum rentals paid for a lease year shall be a credit against royalties due for that lease year.

Commencing on the seventh (7th) anniversary date of this Lease Agreement, and annually thereafter (each such date referred to herein as the "Adjustment Date") the PPI-IC published most recently prior to the Adjustment Date, hereafter, the "Extension Index", shall be compared to the PPI-IC published most recently prior to the beginning of this Lease Agreement, the "Beginning Index". The new adjusted minimum rent shall be calculated as follows:

$$(\$55,000) \times \left(\frac{\text{Extension Index}}{\text{Beginning Index}} \right)$$

In the event that the PPI-IC is discontinued or revised, such other index with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if there had been no revision or discontinuation. If there shall be no such other index, the parties shall accept comparable statistics on the purchasing power of the consumer dollar as published at the time of such discontinuation by a responsible financial periodical of recognized authority.

IV. A. INDEMNITY.

The Lessee will indemnify and hold the Lessor harmless from and against all claims, judgments, liabilities, fines, penalties and expenses caused by Lessee, its employees or agents, or the mining operation contemplated herein.

B. RELEASE.

Lessor, for itself, its successors or assigns hereby releases the Lessee from claims for physical damage to the Property subsurface that will occur as the Lessee exercises its rights hereunder and mines the subsurface of the Property.

V. DEFAULT; TERMINATION.

It is agreed between the parties hereto that if and when the Lessee is proved to be in default of payment of any rentals and/or royalties due hereunder as set out in Paragraph III, Lessor may give the Lessee notice of the amount due and their intention to terminate this Lease. If such payments then due are not paid within thirty (30) days from date the Lessee receives such notice, the Lessor may then declare the Lease terminated, but otherwise this Lease is to remain in full force.

VI. WARRANTY AND INDEMNITY BY LESSOR.

The Lessor warrants that at the time of execution of this lease it is the owner of the

Property in fee and has the full right to lease or sell same, and that same is free and clear of all encumbrances, and that (except to the extent specifically provided otherwise in this lease) Lessee will be entitled to full and exclusive possession of the subsurface of the Property.

The Lessor makes the warranties and representations set forth in Exhibit B, attached hereto and incorporated herein. Lessor agrees to indemnify and hold the Lessee harmless against any claim, fine, penalty, assessment, cause of action, clean up costs, or other expense incurred by or billed to Lessee arising out of or in connection with the breach by Lessor of any warranty or representation contained herein.

VII. PERMITS; COOPERATION OF LESSOR.

The Lessor agrees to assign to the Lessee any existing permits in its possession or constructive possession which are assignable and that are related to the operation of a quarry on the Property. The Lessor also agrees to take such action as Lessee may reasonably request in order to assist Lessee in obtaining any additional zoning or permits required to operate a quarry on the Property, provided any expenses incurred for zoning or permitting will be borne by the Lessee.

XII. LESSEE RIGHTS, OBLIGATIONS AFTER TERMINATION OF THE LEASE.

(a) Removal of Equipment.

Lessee shall remove any and/or all of the equipment from the subsurface of the Property during the term of this lease and within one (1) year after its termination.

(b) Reclamation.

The Lessee agrees and covenants with the Lessor that it will, at its sole expense, reclaim and refurbish the land upon which the quarrying operation takes place to the extent required by the federal and state mining laws and complete the reclamation within two (2) years from the date this lease is terminated. Prior to conducting any quarrying operation, the Lessee will file a land reclamation plan with the State of West Virginia and will obtain all necessary federal and state licenses and permits for conducting said quarrying operation. Compliance with the state reclamation plan shall be deemed compliance with the reclamation requirements of this lease Agreement.

IX. TAXES.

Real property taxes assessed against the Property shall be paid by the Lessor.

X. REMEDIES.

In the event that legal action is necessary by either party to enforce any provision of this Lease Agreement, the prevailing party shall be entitled to recover the expenses thereof, including reasonable attorney's fees.

This agreement shall be governed by the laws of the state in which the subject property lies.

XI. NOTICES.

All notices sent to Lessor shall be mailed to:

Dominion Transmission, Inc.
Route 4 Box 55
Weston, West Virginia 26452
Attention: Kevin J. Wagner

And copied to:

All notices sent to Lessee shall be mailed to:

Martin Marietta Materials, Inc.
4421 Emerson Avenue, Suite 204
Parkersburg, West Virginia 26104
Attn: General Manager

And copied to:

Martin Marietta Materials, Inc.
P. O. Box 30013
Raleigh, NC 27622
Attn: Natural Resources Dept.

XII. MEMORANDUM.

The parties agree that a memorandum of this Agreement in a form suitable for recordation may be prepared by the Lessee. Both parties agree to properly execute this memorandum, and it may, at the option of the Lessee, be recorded.

XIII. HEIRS, ASSIGNS.

This lease shall bind and inure to the benefit of the parties and their respective heirs, successors, assigns, representatives, or executors.

XIV. ENTIRE AGREEMENT.

This agreement contains all of the agreements between the parties and no representations or statements not contained herein shall be binding upon either party unless endorsed herein in writing. No amendment or modification to this lease nor any waiver of rights hereunder will be effective unless in writing and signed by both parties.

IN WITNESS WHEREOF the parties hereto have affixed their hands and seals and executed this agreement in duplicate originals the day and year first above written.

LESSOR:

Dominion Transmission, Inc.

By: Paul E. Ruppert
Director, Engineering Services

Attest:

[Signature]
Assistant Secretary

LESSEE:
Martin Marietta Materials, Inc.

BY: [Signature]

Attest:

[Signature]
Asst. Sec.

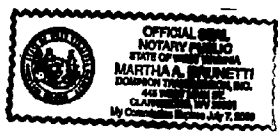
STATE OF West Virginia
COUNTY OF Marion

I, Martha A. Brunetti, a Notary Public for and in the aforesaid county do hereby certify that Paul E. Ruppert personally appeared before me this day and being by me first duly sworn does hereby acknowledge the due execution of the foregoing agreement for the purposes herein expressed.

WITNESS my hand and official seal, this 7th ^{August} day of July, 2001.

Notary Public Martha A. Brunetta

My Commission Expires: July 7, 2003



STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Leila M. Scott, Notary Public, do hereby certify that George S. Seaman, Vice President of Martin Marietta Materials, Inc., personally appeared before me this day and being by me duly sworn, says that he executed this agreement for the purpose therein expressed for and in behalf of the said Martin Marietta Corporation and as its act and deed.

WITNESS my hand and official seal, this 17 day of ~~July~~ ^{September}, 2001

Notary Public Leila M. Scott

My Commission Expires: 3-21-2005

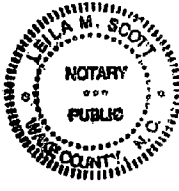


Exhibit "A"

To the Lease Agreement between Dominion Transmission, Inc., Lessor, and Martin Marietta Materials, Inc., Lessee dated August 27, 2001, defining the property conveyed by this lease.

Martin Marietta Materials, Inc.:

Larry G. ...

Title: *VP- GENERAL MANAGER*
WEST VIRGINIA DISTRICT

Dominion Transmission, Inc.:

Paul E. Ruppert

Title: *Director, Engineering Services*

Exhibit "A"
LEGAL DESCRIPTION

Tract One

Situate District of Walker, County of Wood, State of West Virginia

Beginning at a corner to that same property as conveyed to Martin Marietta Materials of record in Deed Book 993 at Page 73, said point being the most Southerly corner of tax parcel "E" as conveyed to said Martin Marietta Materials and shown on Walker District Tax Map Number 110 of Wood County, said point also being a corner to Dominion Transmission, Inc. parcel in Wood County Court House of record in Deed Book 805 at Page 176, known as Tax Map Number 190, Parcel "A", Tax Map 180, Parcels A, B, C and G; Tax Map 320, Parcel D, Tax Map 310, Parcels F and H. THENCE with 33 calls around the boundary of the above mentioned Dominion Transmission, Inc.'s tracts lying in Walker District, Wood County, in said Deed Book 805 at Page 176 as described below:

THENCE South 47 degrees 30 minutes West for a distance of 297 feet
THENCE South 42 degrees 30 minutes East for a distance of 2722.50 feet
THENCE North 47 degrees 30 minutes East for a distance of 1732.50 feet
THENCE North 42 degrees 30 minutes West for a distance of 816.75 feet
THENCE North 47 degrees 30 minutes East for a distance of 651.75 feet
THENCE South 42 degrees 45 minutes East for a distance of 1641.75 feet
THENCE South 47 degrees 30 minutes West for a distance of 2318.25 feet
THENCE South 42 degrees 30 minutes East for a distance of 250.80 feet
THENCE South 47 degrees 30 minutes West for a distance of 2013.00 feet
THENCE South 42 degrees 30 minutes East for a distance of 976.14 feet
THENCE South 48 degrees 00 minutes West for a distance of 940.50 feet
THENCE South 48 degrees 00 minutes West for a distance of 1699.5 feet
THENCE South 41 degrees 00 minutes East for a distance of 1374.45 feet
THENCE South 49 degrees 45 minutes West for a distance of 9780.87 feet
THENCE North 40 degrees 20 minutes West for a distance of 1140.15 feet
THENCE North 49 degrees 00 minutes East for a distance of 1564.20 feet
THENCE North 40 degrees 20 minutes West for a distance of 2066.12 feet
THENCE North 49 degrees 15 minutes East for a distance of 2853.00 feet
THENCE South 40 degrees 20 minutes East for a distance of 594.00 feet
THENCE North 49 degrees 15 minutes East for a distance of 3267.00 feet
THENCE North 40 degrees 20 minutes West for a distance of 297.00 feet
THENCE North 49 degrees 15 minutes East for a distance of 1188.00 feet
THENCE North 42 degrees 30 minutes West for a distance of 1188.00 feet
THENCE North 48 degrees 00 minutes East for a distance of 2475.00 feet
THENCE North 42 degrees 30 minutes West for a distance of 1056.00 feet
THENCE North 56 degrees 00 minutes West for a distance of 445.50 feet
THENCE North 85 degrees 00 minutes West for a distance of 1056.00 feet
THENCE South 49 degrees 00 minutes West for a distance of 132.00 feet
THENCE North 42 degrees 30 minutes West for a distance of 1051.87 feet
THENCE North 49 degrees 15 minutes East for a distance of 1932.00 feet
THENCE South 40 degrees 20 minutes East for a distance of 297.00 feet
THENCE North 49 degrees 15 minutes East for a distance of 2376.00 feet
THENCE South 42 degrees 30 minutes East for a distance of 891.00 feet
being all of the above mentioned Dominion Transmission, Inc.'s tracts lying in Walker District, Wood County in said Deed Book 805 at Page 176, containing a total area of 1086.825 acres +/-, said property subject to any and all exceptions, restrictions, covenants, and right of ways set forth in prior deeds of record.

Exhibit "A"

LEGAL DESCRIPTION
Tract Two

Situate District of Grant, County of Ritchie, State of West Virginia

Beginning a cut stone lying at a corner to that same property as conveyed to Dominion Transmission, Inc. of record in Deed Book 805 at Page 176, said point also being a corner to lot 19 of the Old Volcanic Oil and Coal Company property and a corner to that same property as conveyed to Martin Marietta Material, Incorporated of record in Deed Book 993 at Page 73.

THENCE South 46 degrees 17 minutes 51 seconds East along the common line of said Dominion Transmission, Inc. and Martin Marietta passing over at a distance of 1260.53 feet the intersection of said line and an existing road which follows on or near the Wood and Ritchie County line for a total distance of 1766.40 feet to an iron rod set and the true point of beginning.

THENCE leaving said line North 45 degrees 34 minutes 55 seconds East for a distance of 1733.43 feet to another common corner of said Dominion Transmission, Inc. and Martin Marietta. THENCE continuing with three common lines of said Dominion Transmission, Inc. and Martin Marietta: South 46 degrees 17 minutes 51 seconds East for a distance of 816.75 feet to a point South 43 degrees 42 minutes 09 seconds West for a distance of 1732.50 feet to a point and North 46 degrees 17 minutes 51 seconds West for a distance of 873.60 feet to the true point of beginning containing a total area of 33.615 acres and being all that same property as conveyed to the above mentioned Dominion Transmission, Inc. of record in the Ritchie County Court House of record in Deed Book 273 at Page 298 and shown as tax parcel "2" on Grant District, Ritchie County tax map 9, said property subject to any and all exceptions, restrictions, covenants, and right of ways set forth in prior deeds of record.

MEMORANDUM OF LEASE

This Memorandum of Lease is filed to record in Wood and Ritchie Counties, West Virginia, to provide notice that Martin Marietta Materials, Inc. ("Martin Marietta"), having an address at P. O. Box 30013, Raleigh, North Carolina 27622, has entered into a lease agreement with Dominion Transmission, Inc., ("Lessor"), having an address at Route 4, Box 55, Weston, West Virginia 26452, covering a tract of land and any improvements thereon in Wood and Ritchie Counties, West Virginia, more fully described on Exhibit A attached hereto and incorporated herein. The lease agreement may extend through July, 2061. Upon termination of the lease agreement, Martin Marietta will file notice of such termination in the said counties.

Lessor:

Dominion Transmission, Inc.

By: Paul E. Ruppert
Name: PAUL E. RUPPERT
Title: Director, Engineering Services

Lessee:

Martin Marietta Materials, Inc.:

By: George S. Seaman
Name: George S. Seaman
Title: Vice President

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STATE OF West Virginia
COUNTY OF Harrison

This instrument was acknowledged before me by Paul E. Ruppert, the
Director of Dominion Transmission, Inc. on this the 27th day of
August, 2001.

Martha A. Brunetta
Notary Public

(PERSONALIZED SEAL)



STATE OF NORTH CAROLINA
COUNTY OF WAKE

This instrument was acknowledged before me by George S. Seamen, the Vice President of
Martin Marietta Materials, Inc. on this the 17 day of July, 2001.

September



(PERSONALIZED SEAL)

Lela M. Scott
Notary Public



After recording return to:

Prepared by:
Martin Marietta

WOOD COUNTY COMMISSION
LESE CLERK OK
Date/Time: 10/29/2001 13:45
Lot #: 58871
Book/Page: 1032 / 287-
Recd/Tax: 16.00
.00

This instrument was presented to the Clerk of the County
Commission of Wood County, West Virginia; and the same
is admitted to record.

Teste: Jamie Lio Clerk
Wood County Commission