

LEASE AGREEMENT

I HEREBY CERTIFY THAT NO DEED TRANSFER TAX IS PAYABLE	<input type="checkbox"/>
I HEREBY CERTIFY THAT THE DEED TRANSFER TAX HAS BEEN PAID IN FULL	<input checked="" type="checkbox"/>
DATE <u>Sept 15/04</u>	<u>Linda Belliveau</u> Linda Belliveau, Registrar Digby County, per Municipal Clerk

THIS LEASE AGREEMENT, made and entered into effective as of the 1st day of May 2004, by and between

BILCON OF NOVA SCOTIA, corporation, a Nova Scotia unlimited liability company, hereinafter referred to as "BNS";

And

JASON R. LINEBERGER and **LIDA C. LINEBERGER**, of Dallas, North Carolina, **JOHN A. JOHNSON** and **JOAN L. JOHNSON**, of Siler City, North Carolina, hereinafter referred to as "Owners".

WITNESSETH:

1. **GRANTING CLAUSE:** For and in consideration of the sum of ONE DOLLAR (\$1.00) the receipt of which from BNS, the Owners acknowledge, and for the further consideration of the royalties, covenants, and agreements hereinafter set forth, the Owners do hereby demise, lease and let unto BNS the following described property:

All that tract of property which is located in Digby County, Nova Scotia, Canada, which contains approximately three hundred and eighty (380) acres with P.I.D. #30161160 on the Land Records of Digby County, Province of Nova Scotia, as more particularly described on Schedule A, attached (the "Premises"). The Premises does not include any water lot or riparian rights granted or conveyed to BNS, which shall remain the property of BNS.

2. **MINING/EASEMENTS:** The above described grant is together with all necessary and convenient rights for the proper extracting and removal of all aggregate in and underlying the Premises, including the necessary rights-of-way for transportation of machinery

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and equipment and for hauling/shipping of harvested aggregate from the quarried area to the public road or to the ocean shipping area; provided, however, that any and all such extraction, removal, hauling/shipping of aggregate and any and all roadways or rights-of way used by BNS shall be in compliance with provincial and federal regulations.

3. **TERM OF LEASE:** TO HAVE AND TO HOLD said Premises, including the aggregate rights for a term or period of ninety (90) years from the date hereof (the "Term"), No additional mineral rights are granted pursuant to the Lease. BNS has the right for future development of business as a result of infrastructure improvements made by BNS to the property. BNS will pay the Owners fifty (50%) percent of the net profits, determined in accordance with GAAP, that generate from additional business or activity not directly related to the aggregate operations of BNS on the aforementioned property.

4. **FIXED RATES/ROYALTIES:** BNS shall pay the Owners according to the following payment schedule:

(A) BNS shall pay the Owners one thousand United States Dollars (\$1,000.00 US) upon core sample approval, two thousand United States Dollars (\$2,000.00 US) upon BNS acquisition of a dock permit for the site and two thousand United States Dollars (\$2,000.00 US) upon BNS's acquisition of a mining permit, including all permits, reviews and final approvals required to operate a quarry, for the entire Premise; and

(B) Commencing June 1, 2005, BNS shall pay the Owners, per calendar year, (i) a "Fixed Rate" of forty eight thousand United States Dollars (\$48,000.00 US) or (ii) "Royalties" in the amount of eight United States cents (\$.08 US) per short ton of aggregate that is extracted from the Premises and shipped, whichever is greater.

5. **COST OF LIVING:** The Fixed Rate and the Royalties will be subject to adjustment only on June 1, 2005, June 1, 2006, June 1, 2007, June 1, 2008 and June 1, 2009. The Fixed Rate and the Royalties shall be increased to reflect the increase, if any, in the cost of living as delineated in the Consumer Price Index for the U.S. City Average for All Items, 1982-84=100 ("CPI") published by the Bureau of Labor Statistics of the U.S. Department of Labor, or such other index as shall replace that index.

6. **PAYMENT OF FIXED RATE/ROYALTIES:** Fixed Rate payments or Royalty payments for aggregate shipped by BNS, whichever one of the two applies for the month in question, shall be made on the 15th day of the calendar month following the month of shipment (e.g. a Fixed Rate payment for January shipments would be due February 15th). If a payment date falls on a weekend or holiday, the payment shall be made the first business day proceeding said weekend or holiday.

All Payments shall be equally divided between the Owners with one (1) fifty percent (50%) share sent to Jason R. Lineberger and Lida C. Lineberger (i.e., 25% each) and the remaining fifty percent (50%) share sent to John A. Johnson and Joan L. Johnson (i.e., 25% each) for a total of one hundred percent (100%) of the Fixed Rate or Royalties, whichever is applicable.

7. **MINING OPERATIONS:** BNS shall conduct its afore-described extraction (mining) operations on the Premises in a proper and skillful manner in order to secure the greatest possible recovery of merchantable aggregates from the Premises. BNS shall conduct these operations in accordance with all existing local, provincial and federal laws and regulations pertaining to this type of operation. Without restricting the generality of the foregoing, all mining activities shall be in accordance with all Nova Scotia Department of Environment and

Labour rules and regulations, including but not limited to, reclamation and bonding of the operation.

8. **INDEMNIFICATION.** BNS shall save, indemnify and keep harmless the Owners or any of them from and against any and all claims, damages, judgments, fines, penalties and losses of any nature (specifically including, but not limited to, claims for personal injuries and property damage) arising in any manner from the mining operations or other activities of BNS on the Premises, providing the same does not derive from or arise from the fault or negligence of the Owners. BNS shall at all times carry and maintain in effect Worker's Compensation Insurance, in accordance with all legal requirements and adequate casualty and property insurance and public liability insurance. BNS shall provide satisfactory proof of such insurance to the Owners prior to commencing any operations on the Premises and, thereafter, in each subsequent year when such insurance is renewed and otherwise upon request of the Owners.

9. **CONSENT:** Owners agree to execute, on request by BNS, any consent, disclaimer, or other form that may be necessary to obtain mining permits or be otherwise required by any federal, provincial or other governmental agency having jurisdiction with regard to the mining operations envisaged by this Lease.

10. **ARBITRATION:** In the event any dispute arises between the Owners and BNS concerning the terms and provisions of this Agreement, including the payment of any monies due under the Lease, and the parties cannot agree among themselves upon a proper resolution of the dispute, then they agree to submit the matter to arbitration in Ocean County, New Jersey and the decision of the arbitration panel shall be final and binding upon the parties. The arbitration panel shall be selected as follows: Owners and BNS shall each select an

arbitrator and the two so chosen shall select a third arbitrator. The decision of a majority of the arbitrators shall control, and all costs of the arbitrators shall be divided equally between Owners and BNS.

11. **CONTROLS:** BNS is an independent contractor and no control of the method or manner of the extracting and shipping of the aggregate, as hereinafter provided, is retained by the Owners. This shall include any control or determination as to when said extracting operations shall commence or terminate.

12. **ASSUMPTION OF LIABILITY:** To the extent provided in paragraph 8, BNS hereby assumes any and all responsibility for and hereby agrees to save free and harmless the Owners from any liability for injuries occurring to persons or their property resulting from or associated with the extracting and shipping of aggregate, subject of this Agreement.

13. **DEFAULT:** In case of any default by BNS in the performance of any of the terms and conditions of this Agreement or in payment of any royalties due and owing, the Owners shall give written notice of such default to BNS and if the same is not corrected within thirty (30) days after such written notice is received, then and in such event the Owners shall have the right to cancel and terminate this Agreement forthwith. Notwithstanding the foregoing, if such default is other than a monetary default of payments due to Owners and is not reasonably susceptible of cure within such thirty (30) day time frame, Owners may not terminate this Lease so long as BNS is actively and diligently pursuing such cure and continues to make all payments due to Owners, as provided in this Lease Upon the termination, expiration, or cancellation of this Agreement BNS shall surrender up quiet and peaceable possession of the demised premises to the Owners one hundred twenty (120) days after the written notice to vacate has been issued.

14. **MACHINERY AND EQUIPMENT:** It is agreed between the parties hereto that any tools, machinery, building, or equipment, including any ship loader (save and excepting any wharf or dock facility which shall remain the sole and exclusive property of the owners), brought or placed upon the Premises hereby leased in connection with the mining operations contemplated under the terms of this Agreement shall remain the property of BNS, if placed thereon by BNS and may be removed at the expiration of this Agreement or within ninety (90) days thereafter, unless there be a default in the terms thereof or arrears in the rentals or royalties due and payable hereunder.

15. **TERMINATION OF USE:** Upon termination of its use of all or any portion of the Premises, BNS shall remove, at its cost, all of its machinery or equipment, not including the wharf facility, within one hundred twenty (120) days. BNS will pay for the cost of an environmental assessment of the site and pay all costs associated with any necessary remedial measures, as in accordance with government regulations.

16. **TERMINATION CLAUSE:** If BNS determines, at any time during the Term, that the aggregate underlying the Premises has become unprofitable for BNS to continue operations or, if the quality of the said aggregate, in the opinion of BNS is unmerchantable, or for any other reason, BNS may terminate this Lease by giving written notice to Owners sixty (60) days in advance of said termination date.

17. **DAMAGES:** BNS agrees to replace or repair any fences and repair any roads on the Premises that are damaged by BNS's operations. BNS further agrees to be responsible for any loss suffered by Owners at the Premises, other than damages or conditions attributable to normal mineral extraction and shipping operations.

18. **CONVENANTS OF TITLE:** Owners covenant that they have good right and title to the Premises and the right to lease the same, and that BNS shall have quiet and peaceable possession of the same during the continuance of this Lease, and Owners will warrant generally the right of BNS to peaceably enjoy the use of the Premises.

19. **TAXES:** BNS will be responsible for (pay) all taxes of every nature and kind whatsoever due and payable in respect of the Premises after June 1, 2005, including taxes assessed on improvements and equipment placed on said Premises by BNS.

20. **ASSIGNMENT:** This Agreement shall be freely and fully assignable.

21. **SUCCESSORS AND ASSIGNS:** It is agreed that the covenants, agreements, conditions and stipulations herein contained to be performed by either of the parties shall be binding upon the parties, their respective successors and assigns.

22. **RECORDS INSPECITON:** Should the need arise, and to ensure honest and fair dealings, BNS and Owners agree to appoint mutually agreed upon representatives to inspect BNS's books, records and accounts and perform audits ("Records Inspection"), directly related to the amount of aggregate extracted and shipped from the Premises as described herein or any other business or activity not directly related to the aggregate operations of BNS as described in Paragraph 3 hereof, for the sole purpose of confirmation as to the amounts due to Owners. Duplicate records of amounts of all aggregate shipped from the Premises shall be provided to Owners on a monthly basis. Any and all information obtained within the Records Inspection shall be kept strictly confidential between BNS and Owners. Any unauthorized use of this information will result in the right to injunctive relief as well as all rights at law.

23. **OPERATIONS INSPECTION:** BNS grants Owners or their representatives the right to inspect operations at any time to satisfy Owners that BNS is not breaching any of its

contractual obligations to Owners or any applicable law or regulation. Any and all information gleaned from these inspections is to be kept strictly confidential between BNS and the Owners except as may be necessary to disclose to any competent governmental authority or its agents or in any arbitration conducted pursuant to the terms hereof. Any unauthorized use of this information will result in the right to injunctive relief as well as all rights at law.

24. **FORCE MAJEURE:** It is mutually agreed between the parties hereto that in the event of unavoidable delays in the operations of BNS due to strikes, lockouts, labor difficulties (whether such strike, lockout or labor difficulty involves employees of BNS or others), governmental restraint, market conditions, accidents, or acts of God, BNS shall then give the Owners prompt written notice of such "force majeure" with reasonable full particulars concerning it. Thereupon, during, but no longer than the continuance of the "force majeure", BNS shall pay an annual Fixed Rate payment of twenty-four thousand United States Dollars (\$24,000.00 US) until the 36th month that such "force majeure" continues and, thereafter, the forty-eight thousand United States Dollar (\$48,000 US) annual Fixed Rate of paragraph 4B(i) shall apply.

25. **ENTIRE AGREEMENT:** This Agreement contains the entire undertaking of the parties, and there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

26. **BNS'S OPTION TO PURCHASE.** During the twelve (12) month period commencing five (5) years after the first aggregate shipment (the "Option Period"), BNS shall have, and the Owners hereby grant to BNS, the exclusive option (the "Option") to elect to purchase the PREMISES, free and clear of all liens and encumbrances and free from the claims of Owners' creditors, for a purchase price of One Million Five Hundred Thousand United States

Dollars (\$1,500,000.00 US) (the "Purchase Price"). The Purchase Price shall be paid Three Hundred Thousand United States Dollars (\$300,000.00 US) at the time of closing, with the balance payable in four (4) annual installments of Three Hundred Thousand United States Dollars (\$300,000.00 US) each, together with interest at the rate of five percent (5%) per annum on any unpaid balance, with the right to make prepayments without penalty. BNS may exercise the Option by giving written notice to Owners during the Option Period, in which event, Owners warrant and covenant that they shall convey and deliver, by bargain and sale deed with covenants against Grantor's Acts, good and marketable title to the PREMISES, such that will be insurable at regular rates without exception by a reputable title insurance company licensed to do business in Nova Scotia, upon tender of the Purchase Price by certified, bank or attorney trust account check or wire transfer. Owner shall also provide BNS and its title insurance company with an affidavit of title, corporate resolutions and such other documents as may be reasonably requested to transfer good and clear title to the Premises. In the event that Owners seek to sell the Premises during the Term, BNS shall also have a right of first refusal to purchase the Premises before it is sold or transferred by Owners.

27. **ADJACENT OPERATIONS.** The parties acknowledge that BNS may wish to mine other properties, adjacent to or near the Premises, that it now owns or may own in the future (the "BNS Properties") in order to prevent or avoid difficulties in obtaining or maintaining mining rights on the BNS Properties. The parties agree that any aggregate extracted from BNS Properties will not be included in the calculation of Royalties provided for in paragraph 4(B)(ii). Annually, at the beginning of each calendar year, the parties shall agree on an estimated percentage of shipped aggregate anticipated to be extracted from BNS Properties and the

Royalties paid pursuant to paragraph 4B(ii) will be adjusted, prospectively, based upon that estimate. At the end of each calendar year during the Term, the Royalties paid will be verified, recalculated and adjusted based upon aerial topographic mapping or other survey methodologies, conducted by a qualified third party, at the expense of BNS.

28. **OWNERS' NEARBY PROPERTY.** The parties acknowledge that Owners or their affiliates now own and may in the future acquire other property in the vicinity of the Premises (the "Nearby Property"). Owners acknowledge that BNS intends to conduct quarry operations, including blasting, within the property boundaries of the Premises and the BNS Properties and that Nearby Property may be adversely affected by such operations. In consideration of BNS entering into this Lease, Owners accept any such adverse effects on Nearby Property and release BNS from any claims and demands in respect thereof and, without limiting the generality of the foregoing, Owners consent to such quarry and blasting operations notwithstanding any setback requirements contained in the Pit and Quarry Guidelines (May 1999) published by the Nova Scotia Department of the Environment, as revised or amended from time to time, or any other regulations, policies or guidelines that may in the future apply to such operations. It is understood and agreed that this release and consent shall continue to apply regardless of the location of any structures that now exist or may in the future be constructed or placed on Nearby Property or any uses that may in the future be made of Nearby Property. Owners agree to execute and provide such further consents, assurances and documents and to do all such further acts and things, as may be reasonably requested from time to time by BNS to further evidence this consent and to assure the ability of BNS to conduct its quarry and blasting operations at the Premises and the BNS Properties. Owners

covenant and agree that if any portion of the Nearby Property is sold or transferred, they shall require, as a condition of the sale or transfer, that the purchaser or transferee enter into an agreement with BNS (or its successor or assignee then conducting quarry operations on the Premises or the BNS Properties) to the same effect as the foregoing release, consent and agreement and by which the purchaser or transferee agrees to cause any subsequent purchasers or transferees to enter into agreements to the same effect, and in addition Owner shall reserve an easement encumbering the sold or transferred property for the benefit of the Premises and the BNS Properties, incorporating the foregoing release, consent and agreement, the said agreement and easement both to be in form satisfactory to and approved by BNS, acting reasonably. Owners further covenant and agree that they shall not authorize or allow any improvements to be constructed or placed on the Nearby Property (i) within a distance of eight hundred (800) meters from the Premises or the BNS Properties in the case of any Owners' Nearby Property that is located to the west of Highway #217, or (ii) within a distance of four hundred (400) meters in an easterly direction (i.e., in the direction of St. Mary's Bay) from the easterly property boundary of Highway #217 in the case of any Nearby Property that is located to the east of Highway #217, unless and until the deed restrictions delineated in Schedule B, attached hereto are placed upon the Nearby Property. In the event any portion of the Owners' Nearby Property is sold or transferred, such transfer shall be made subject to, and shall include the deed restrictions delineated in Schedule B, attached hereto. All legal and surveying cost that are directly associated with delineating the deed restrictions shall be the responsibility of BNS. Owners acknowledge and agree that remedies at law and damages are not adequate remedies to protect the rights of BNS hereunder and that BNS or its successors in interest shall have the right

to seek injunctive relief to enforce the provisions of this paragraph and the further covenants and agreements contemplated herein. In the event that the Premises is acquired by BNS and/or any affiliate, transferee, successor or assignee of BNS, the provisions of this paragraph shall survive termination of this Lease and shall remain in full force and effect. For greater certainty the parties acknowledge that the restrictions listed above and the deed restrictions of Schedule B do not apply to the portion of the Nearby Property that lies east of Highway #217 beyond the 400 - meter setback from the easterly boundary of Highway #217.

29. **ENVIRONMENTAL MATTERS.** Without restricting or reducing the obligations of BNS under Paragraph 7 hereof, BNS agrees that the development and operation of the Premises shall be done, to the extent possible, taking into consideration all environments issues.

IN WITNESS WHEREOF, the parties have each duly executed this instrument, this the day and year first above written.

BILCON OF NOVA SCOTIA, Corporation

By: 
DOUGLAS R. CLAYTON, President

AND

OWNERS:


JASON R. LINEBERGER


LIDA C. LINEBERGER

John A. Johnson
JOHN A. JOHNSON

Joan L. Johnson
JOAN L. JOHNSON

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Province of Nova Scotia
COUNTY OF Digby

I, undersigned, a Commissioner of Oaths in the Supreme Court of Nova Scotia and for said County and in said Province, hereby certify that Jason R. Lineberger, Lida C. Lineberger, John A. Johnson and Joan L. Johnson, whose names are known to me acknowledge before me on this 5th day of August, 2004, that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

K. Herron-Bishop

Commissioner of Oaths
Supreme Court of Nova Scotia
Kristy Herron-Bishop

STATE OF NEW JERSEY
COUNTY OF OCEAN

I CERTIFY that on August 5th 2004, Douglas R. Clayton, personally came before me and stated to my satisfaction that this person:

- (a) was the maker of the foregoing Lease;
- (b) was authorized to and did execute this Lease as the President of Bilcon of Nova Scotia, the entity named in this Lease;
- (c) this Lease was executed as the act of the entity.

Kathleen M. Roe
Notary Public of State of New Jersey
My Commission Expires 8/26/05

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Schedule A

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SCHEDULE "A"

ALL that certain parcel of land situate on the Easterly shoreline of Bay of Fundy at Whites Cove near the Community of Little River in the County of Digby and Province of Nova Scotia as shown on a plan of survey entitled "Plan of Survey showing perimeter boundaries (portion) of lands of Allen C. Denton and Cheryl A. Denton at Little River, County of Digby, Province of Nova Scotia" said plan dated December 17, 1999 bearing plan No. D5976-99 as prepared by Everett B. Hall, Nova Scotia Land Surveyor and also being shown on a plan of survey entitled "Site Plan showing proposed Quarry Site (9.68 acres \pm) and boundaries of lands of John A. Johnson & Joan L. Johnson and Jason R. Lineberger & Lida C. Lineberger at Little River (Whites Cove), County of Digby, Province of Nova Scotia" , dated September 20, 2002 bearing Plan No. D6153-02 as prepared by Everett B. Hall, Nova Scotia Land Surveyor and being more particularly described as follows:

COMMENCING at a survey marker located on the Northwesterly side of the White Cove Road No. 442 being located a distance of 500 feet more or less North of the intersection of the Northerly side line of Highway No. 217 and the Northwesterly side line of White Cove Road No. 442 said survey marker located on a grid azimuth of 230 degrees 23 minutes 16 seconds for a distance of 2079.55 feet from Nova Scotia Coordinate Monument No. 25763 said survey marker marking the Southeasterly corner of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington and marking the Southwesterly corner of former lands of Clarence Denton subsequently lands of Lareta G. Denton subsequently lands of Bilcon of Delaware Inc. and marking the ***POINT OF COMMENCEMENT***.

THENCE on a grid azimuth of 279 degrees 09 minutes 11 seconds along an old wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a

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distance of 200 feet more or less to a point marking the Northwesterly corner of a three (3) acre lot formerly owned by Clarence Denton subsequently lands of Lareta G. Denton subsequently lands of Bilcon of Delaware Inc. said point marking the Southwesterly corner of the herein described lands and marking the *POINT OF BEGINNING*.

THENCE in a Northwesterly direction on a grid azimuth 279 degrees 09 minutes 12 seconds along a wire fence marking the Northerly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 414 feet to a survey marker marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 280 degrees 56 minutes 55 seconds along a wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 490.27 feet to a survey marker marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 281 degrees 57 minutes 12 seconds along a wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 317.52 feet to a survey marker marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 278 degrees 41 minutes 17 seconds along a wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 450.40 feet to a survey marker marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 279 degrees 59

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minutes 10 seconds along a wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 570.13 feet to a survey marker marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 306 degrees 56 minutes 09 seconds along a wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 157.72 feet to a point marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 271 degrees 50 minutes 35 seconds along a wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 122.53 feet to a point marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 286 degrees 47 minutes 17 seconds along a wire fence marking the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 231.19 feet to a point marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 296 degrees 41 minutes 54 seconds along the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 211.77 feet to a point marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 316 degrees 49 minutes 40 seconds along the Northeasterly side line of former lands of Jessie

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Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 93.88 feet to a survey marker marking a kink in the Southwesterly side line of the herein described lands.

THENCE in a Northwesterly direction on a grid azimuth 291 degrees 10 minutes 22 seconds along the Northeasterly side line of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington a distance of 774.79 feet to a point on the ordinary high water mark of the Southeasterly shoreline of the Bay of Fundy said point located 20 feet Northwest of a cross on a rock on top of the embankment said point marking the Northeasterly corner of former lands of Jessie Addington subsequently lands of Reginald Trask subsequently lands of Curtis Addington and marking the Southwesterly corner of the herein described lands.

THENCE in a generally Northeasterly direction along the various courses of the ordinary high water mark of the Southeasterly shoreline of the Bay of Fundy a distance of approximately 4300 feet more or less to a cross on a rock located in Whites Cove or Carty's Cove to the Southwest of the old slipway.

THENCE in a Northerly and thence Northeasterly direction along the various courses of the ordinary high water mark of the Southeasterly shoreline of the Bay of Fundy as shown on the above mentioned plan of survey a distance of 5600 feet more or less to a cross on a rock located opposite a small pond known as the Rockweed Hole and located 72.50 feet Northwest of a survey marker on top of the embankment, said point marking the Northwesterly corner of former lands of Samuel Hersey subsequently lands of Samuel Gidney subsequently lands of Frank C. Mashuda and Maria A. Mashuda now lands of Bilcon of Delaware Inc. and marking the Northwesterly corner of the herein described lands.

THENCE in a Southeasterly direction on a grid azimuth 144 degrees 00 minutes

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38 seconds along the Southwesterly side line of former lands of Samuel Hersey subsequently lands of Samuel Gidney subsequently lands of Frank C. Mashuda and Maria A. Mashuda now lands of Bilcon of Delaware Inc. a distance of 416.51 feet to a survey marker marking the Northwesterly corner of former lands of Harris Carty subsequently lands of Stewart Carty now lands of Bilcon of Delaware Inc. said survey marker marking the Northeasterly corner of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 192 degrees 36 minutes 40 seconds along the Northwesterly side line of former lands of Harris Carty subsequently lands of Stewart Carty now lands of Bilcon of Delaware Inc. and continuing in the same direction along the Northwesterly side line of former lands of William Addington subsequently lands of Randolph Theriault subsequently lands of Christa Kieschnick now lands of Bilcon of Delaware Inc. a total distance of 4297.92 feet to a survey marker marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 190 degrees 08 minutes 36 seconds along the Northwesterly side line of former lands of William Addington subsequently lands of Randolph Theriault subsequently lands of Christa Kieschnick. subsequently lands of Bilcon of Delaware Inc. a distance of 298.42 feet to a survey marker marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 192 degrees 37 minutes 41 seconds along the Northwesterly side line of former lands of William Addington subsequently lands of Randolph Theriault subsequently lands of Christa Kieschnick subsequently lands of Bilcon of Delaware Inc. a distance of 394.75 feet to a point marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 191 degrees 43

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minutes 37 seconds along a wire fence marking the Northwesterly side line of former lands of William Addington subsequently lands of Randolph Theriault subsequently lands of Christa Kieschnick subsequently lands of Bilcon of Delaware Inc. a distance of 507.38 feet to a point marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 193 degrees 37 minutes 37 seconds along a wire fence marking the Northwesterly side line of former lands of William Addington subsequently lands of Randolph Theriault subsequently lands of Christa Kieschnick subsequently lands of Bilcon of Delaware Inc. a distance of 363.85 feet to a point marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 189 degrees 12 minutes 19 seconds along a wire fence marking the Northwesterly side line of former lands of William Addington subsequently lands of Randolph Theriault subsequently lands of Christa Kieschnick subsequently lands of Bilcon of Delaware Inc. a distance of 531.85 feet to a survey marker marking a point on the Northeasterly side line of Which Cove Road No. 422 and marking the Southwesterly corner of former lands of William Addington subsequently lands of Randolph Theriault subsequently lands of Christa Kieschnick subsequently lands of Bilcon of Delaware Inc. and marking the Northwesterly corner of former lands of Spurgeon Trask subsequently lands of Richard B. Towle and Marcella M. Towle said survey marker marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 211 degrees 12 minutes 26 seconds crossing but not including the White Cove Road No. 422 a distance of 58.34 feet to a survey marker at or near the Northwesterly corner of former lands of Spurgeon Trask subsequently lands of Richard B. Towle and Marcella M.

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Towle said survey marker marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 189 degrees 49 minutes 06 seconds along a wire fence marking the Northwesterly side line of former lands of Spurgeon Trask subsequently lands of Richard B. Towle and Marcella M. Towle a distance of 200.30 feet to a point marking a kink in the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction on a grid azimuth 191 degrees 41 minutes 56 seconds along a wire fence marking the Northwesterly side line of former lands of Spurgeon Trask subsequently lands of Richard B. Towle and Marcella M. Towle a distance of 347.72 feet to a point marking the Northeasterly corner of former lands of Clarence Denton subsequently lands of Lareta G. Denton subsequently lands of Bilcon of Delaware Inc. said point marking a corner on the Southeasterly side line of the herein described lands.

THENCE in a Northwesterly direction along the Northeasterly side line of former lands of Clarence Denton subsequently lands of Lareta G. Denton subsequently lands of Bilcon of Delaware Inc. a distance of approximately 200 feet more or less to a point marking the Northwesterly corner of former lands of Clarence Denton subsequently lands of Lareta G. Denton subsequently lands of Bilcon of Delaware Inc. said point marking a corner on the Southeasterly side line of the herein described lands.

THENCE in a Southwesterly direction along the Northwesterly side line of former lands of Clarence Denton subsequently lands of Lareta G. Denton subsequently lands of Bilcon of Delaware Inc. a distance of approximately 650 feet more or less to a point marking the Southwesterly corner of former lands of Clarence Denton subsequently lands of Lareta G. Denton subsequently lands of Bilcon of Delaware Inc. said point marking the Southeasterly corner of the herein described lands and marking

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the *POINT OF BEGINNING*.

SAVING AND RESERVING THEREFROM the following:

- A) That portion of White Cove Road No. 442 that crosses the above described lands; and
- B) All of those lands formerly owned by Her Majesty the Queen and used as a Haul-up slip and now owned by Mary Scott and Carol Mahtab.

BEING AND INTENDED TO BE all those lands as conveyed by C. Allen Denton and Cheryl A. Denton to John Allen Johnson & Joan Leggett Johnson and Jason Rufus Lineberger and Lida Carolyn Lineberger by deed dated January 6, 2000 as recorded at the Registry of Deeds Office in Weymouth for the County of Digby and Province of Nova Scotia in Book 576 at Page 130 and being more particularly shown on the above mentioned plan of survey and being a parcel of land containing 370 acres more or less and not requiring subdivision approval under section 268 (2) (a) of the Municipal Government Act whereby - Subdivision approval is not required for a subdivision where all lots to be created, including the remainder lot, exceed ten hectares in area.

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Schedule B

(Sample Deed Restriction)

This conveyance is made upon the express covenant and condition that no improvements shall be constructed upon the premises unless and until the Grantee and any and all subsequent transferees of such Grantee shall first enter into an agreement with Bilcon of Nova Scotia ("Bilcon") its successors or assigns, consenting to quarry and blasting operations on any sites owned, leased or operated by Bilcon, its successors or assigns, notwithstanding any setback requirements contained in the Pit and Quarry Guidelines (May 1999) published by the Nova Scotia Department of the Environment, as revised or amended from time to time, or any other regulations, policies or guidelines that may in the future apply to such operations. Grantee and all subsequent transferees of Grantee shall execute and provide such further consents, assurances and documents as may be reasonably requested by Bilcon, its successors or assigns, to further evidence this consent and to ensure the ability to conduct quarry and blasting operations on any and all sites owned, leased or operated by Bilcon, its successors or assigns.

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