

LEASE AGREEMENT

This **LEASE** is made as of the 6 day of ~~October~~ ^{November}, 2012, by and between The Town of Branford, Connecticut, a Township located in the State of Connecticut, County of New Haven (hereinafter "**LANDLORD**"), and J&J Blasting Corporation, a Connecticut Corporation with an address of 141 Duck Hole Road, Madison, Connecticut 06443 (hereinafter "**TENANT**").

WITNESSETH:

WHEREAS, LANDLORD is the fee simple owner of certain real property located in the State of Connecticut, County of New Haven, Township of Branford, legally described in EXHIBIT "A" attached hereto and made a part hereof, together with all improvements located thereon and the appurtenances thereunto belonging (collectively the "Premises"); and

WHEREAS, LANDLORD has agreed to lease the Premises to **TENANT** and **TENANT** has agreed to lease the Premises from **LANDLORD** on the terms stated herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, **LANDLORD** and **TENANT** hereby covenant

and agree as follows:

1. **PREMISES:** **LANDLORD** leases the Premises to **TENANT**, and **TENANT** leases the Premises from **LANDLORD**. **TENANT** may use the Premises for the purpose of storing explosives as well as all vehicles, tools and materials associated with storing explosives on the Premises, and to conduct business therefrom for the term of this Agreement, unless sooner terminated or extended. All other use of Premises shall require the **LANDLORD'S** prior written consent, which shall not be unreasonably withheld.

2. **RENT:** The Tenant shall pay the Landlord, in advance, as rent for the Premises Seven Thousand Two Hundred Dollars (\$7,200.00) per year, in equal monthly installments of Six Hundred Dollars (\$600.00) on or before the first day of each month.

3. **TERM:**

3.1. **Term:** The Term of this Lease shall be three (3) years, commencing on July 1, 2012, and ending at midnight on June 30, 2015.

3.2. **Options:** At **LANDLORD'S** sole and exclusive discretion, **LANDLORD** may extend to **TENANT** an option to renew this Lease under terms and conditions satisfactory to **LANDLORD**.

4. **DELIVERY AND ACCEPTANCE OF PREMISES:** **TENANT**

has inspected and knows the condition of the Premises, and accepts the same in their present condition. **TENANT** acknowledges that **LANDLORD** has made no warranties or representations concerning the Premises.

5. **UTILITIES:** **TENANT** agrees to furnish all necessary utilities and pay all applicable charges for those used at the Premises.

6. **TAXES:** At or before the execution of the Lease, **TENANT** shall have paid to the Town of Branford all taxes due and owing to the Town of Branford, in any. **TENANT** shall pay or cause to be paid when due all personal property, sales, use and other taxes, now or hereafter imposed by any federal, state, or local government on the Premises or on the ownership, lease, sale, possession or use of the Premises. Upon reasonable demand, **TENANT** shall provide **LANDLORD** with proof of all payments.

7. **INSURANCE:** The following provisions shall apply:

7.1. **TENANT** shall, at **TENANT'S** expense, obtain or cause to be obtained and keep in force during the entire term of this Lease a Commercial General Liability policy which should include \$1,000,000 occurrence limit/ & \$2,000,000 aggregate from an insurer licensed in the State of Connecticut with an AM Best Rating of A- or better to the

LANDLORD. The **TENANT** shall also provide an Umbrella policy not less than \$4,000,000 per occurrence. **TENANT** shall name the **LANDLORD** and Stony Creek Quarry Corporation and such other person or entity as designated by Landlord as additional insured including a thirty (30) day notice of cancellation.

7.2. **TENANT** (unless **LANDLORD** elects as hereinafter stated) shall, at its expense, obtain or cause to be obtained and keep in force during the entire term of this Lease a policy of insurance covering loss or damage to all improvements, alterations, additions, utility installations, fixtures, equipment and similar property, other than the property to be insured pursuant to Paragraph 7.3. and any personal property of **TENANT**, in the amount of the full replacement value thereof, as the same may exist from time to time, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, sprinkler coverage and special extended perils ("all risk" as such term is used in the insurance industry). Said insurance shall name **LANDLORD** and Stony Creek Quarry Corporation and such other person or entities designated by Landlord as additional insured and shall provide for payment of loss thereunder to **LANDLORD** and **TENANT** as their interests may appear. If such insurance coverage has a deductible

clause, the deductible amount shall not exceed Ten Thousand Dollars (\$10,000) per occurrence.

7.3. **TENANT** shall, at **TENANT'S** expense, obtain or cause to be obtained and keep in force during the Term a policy or policies of insurance covering loss or damage to the improvements upon the Premises, including but not limited to walls (interior and exterior), foundations, ceilings, roofs (interior and exterior), floors, windows, door, plate glass and skylights located within the Premises, if any, in the amount of the full replacement value thereof against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, and special extended perils ("all risk" as such term is used in the insurance industry). Said insurance shall name **LANDLORD** and Stony Creek Quarry Corporation and such other person or entity as designated by Landlord as an additional insured and shall provide for payment of loss thereunder to **LANDLORD**, and Stony Creek Quarry Corporation and such other person or entity as designated by Landlord and **TENANT** as their interests may appear. If such insurance coverage has a deductible clause, the deductible amount shall not exceed Ten Thousand Dollars (\$10,000) per occurrence. **TENANT** shall be responsible for payments of any deductible. In the event that

LANDLORD elects to procure the coverage required pursuant to this subparagraph or subparagraph 7.2 above, **TENANT** shall reimburse **LANDLORD** for the cost of said coverage as additional rental due hereunder.

7.4. No such policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to **LANDLORD**. **TENANT** shall not do or permit to be done anything which shall invalidate the insurance policies referred to in this Lease. If **TENANT** does or permits to be done anything which shall increase the cost of the insurance policies, then **TENANT** shall forthwith upon demand reimburse **LANDLORD** for any additional premiums attributable to any act or omission or operation of **TENANT** causing such increase in the cost of insurance.

8. **LIENS AND ENCUMBRANCES**: This Lease shall be subject and subordinate to any present or future mortgages, deeds of trust, and other liens or encumbrances executed or consented to by **LANDLORD**, which do not materially adversely affect **TENANT'S** use of the Premises. The holder of any such mortgage, deed of trust, lien or encumbrance may notify in writing of its interest, and in such event **TENANT** shall send copies of all notices or communications regarding this Lease to the holder

of the mortgage, deed of trust, lien or encumbrance. Such holder shall be entitled to take any action or exercise any rights reserved under this Lease. **TENANT** shall, within ten (10) days after receipt of a request therefor, execute and deliver to **LANDLORD** and the holder of such a mortgage, deed of trust, lien or other encumbrance, an estoppel certificate and/or agreement evidencing the subordination of this Lease as described above, which estoppel certificate and/or agreement shall be in form satisfactory to **LANDLORD** and such holder.

8.1. **TENANT** shall not encumber or permit the encumbrance of the Premises or this leasehold estate by any mortgage, deed of trust, assignment, security interest, lien or other charge, without **LANDLORD'S** prior written consent, which consent shall not be unreasonably withheld.

8.2. This Lease does not require **TENANT** to improve the Premises or construct any improvements or additions on the Premises. Any improvements or additions to the Premises which **TENANT** might make or permit are for the sole use of **TENANT**. **TENANT** is not, and shall not be deemed to be, the agent of **LANDLORD** in contracting or arranging for any improvements to the Premises or any construction on the Premises. Additional provisions relating to alterations and

improvements are contained in Section 11 of this Lease.

8.3. **TENANT** shall promptly pay all bills for labor done or material or equipment supplied for any construction or repair work done on the Premises. **TENANT** shall defend and indemnify **LANDLORD** from all liability, damages or expense resulting from any mechanic's lien claims affecting the Premises.

9. **MAINTENANCE AND REPAIR:** **LANDLORD** shall maintain in the normal course the main Town Roads which provide access to the Premises.

9.1. **TENANT** shall have the obligation of maintaining all portions of the Premises which **LANDLORD** is not specifically obligated to maintain under the above section or its agreements with **OTHER TENANTS**. **TENANT** shall maintain and keep in good working order all equipment, fixtures, and systems on the Premises, and shall perform routine repair and maintenance on the same.

10. **USE OF PREMISES:** **TENANT** may use the Premises for any purpose set forth in Section 1 of this Lease. **TENANT** shall not, however, commit or allow any waste, nuisance, or other such act or omission to occur on the Premises. Any cessation of operations at the Premises which does not last for more than twelve (12) months shall not be

considered waste or abandonment.

10.1. **TENANT** shall fully comply with all federal, state and local laws and regulations. **TENANT** shall notify **LANDLORD** of any allegation that **TENANT'S** operations are in violation of any federal, state and local requirements. **TENANT** will make all reasonable efforts necessary to resolve said violation in an effort to bring **TENANT** into compliance within said requirement within a reasonable timeframe.

10.2. **TENANT** shall indemnify and hold harmless **LANDLORD** from and against any and all damage, expense, claim, liability or loss, for any non-compliance or nonconformance of this Lease or the Leased Premises except for any and all damage, expense, claim, liability or loss, for any non-compliance or non-conformance of **LANDLORD'S OTHER TENANTS** or to the extent caused by the gross negligence or will full misconduct of the **LANDLORD**.

11. **ALTERATIONS**: At its sole expense, **TENANT** may, but is not required to, make improvements, alterations or additions to the Premises. Any alterations shall be of good workmanship and materials which shall be used for and in the **TENANT'S** ordinary course of business.

12. **ASSIGNMENT OR SUBLEASE**: **TENANT** shall not assign

this Lease without **LANDLORD'S** prior written consent, which consent shall not unreasonably be withheld.

13. **INSPECTION:** **LANDLORD** and its agents may enter the Premises at reasonable hours to examine the same and do anything required of **LANDLORD** by this Lease.

14. **EMINENT DOMAIN:** If any part of the Premises affecting **TENANT'S** operations is taken under the power of eminent domain, conveyed in lieu of condemnation, or acquired for any public or quasi-public use, this Lease may be terminated by either party. The parties shall make their individual claims for the award, which shall be distributed according to law.

15. **DEFAULT BY LANDLORD:** **TENANT** shall give **LANDLORD** written notice of any default by **LANDLORD**. If (a) the default is not cured within thirty (30) days after **LANDLORD** receives the written notice, or (b) **LANDLORD** does not within that thirty (30) day time period take actions which, if continued with reasonable diligence, will cure the default, then **TENANT** at its election may declare this Lease terminated after an additional period of thirty (30) days. If this Lease is rightfully terminated in accordance with this section, rent shall be paid only to the end of the second thirty (30) day period.

10. ~~TENANT BY THE TENANT.~~ The following provisions shall govern default by the **TENANT**.

16.1. **TENANT** will be in default under this Lease upon the happening of any one or more of the following events:

16.1.1. Failure of **TENANT** to make any payment required to be made as and when due and such failure shall continue for a period of thirty (30) days after written notice by **LANDLORD** to **TENANT** that such payment was due.

16.1.2. Failure of **TENANT** to comply with any term, provision or covenant of this Lease other than a default pursuant to 16.1.1 and such failure shall continue for a period of thirty (30) days after written notice by **LANDLORD** to **TENANT**, provided that if more than thirty (30) days is reasonably required to cure, **TENANT** shall not be in default if the curing is prosecuted to completion with due diligence.

16.1.3. **TENANT** abandons the Premises, or **TENANT'S** leasehold interest in the Premises is attached or taken under any court order or writ of execution.

16.2. If **TENANT** defaults, **LANDLORD** may enforce its rights by an action for rent and possession, unlawful detainer, or other legal remedy. **TENANT** agrees to remain liable for and shall pay **LANDLORD**

rent to the end of the then-applicable term of this Lease or up until the point in time that the Premises has been relet to a new tenant.

LANDLORD, upon **TENANT'S** default, shall have the right, without terminating this Lease, to make alterations and repairs for the purpose of reletting the Premises. **LANDLORD** may relet or attempt to relet the Premises or any part of the Premises for the remainder of the then-applicable Lease term or for any longer or shorter period as opportunity may offer, to such persons and at such rent as may be obtained. Nothing in this Lease shall require **LANDLORD** to relet or make any attempt to relet the Premises; and any reletting shall be done by **LANDLORD** as agent for **TENANT**. In the event the Premises is relet to a new tenant, **TENANT** shall be released from all further liabilities and obligations required under the terms of this Agreement.

16.3. At **LANDLORD'S** election, **LANDLORD** may cure any default of **TENANT** by expending funds or by any other actions. If **LANDLORD** takes any such actions, **TENANT** will promptly, upon demand, reimburse **LANDLORD** for all of **LANDLORD'S** expenses.

16.4. **LANDLORD** shall be entitled to recover from **TENANT** all of **LANDLORD'S** expenses in exercising any of its rights under this Lease, including without limitation **LANDLORD'S** reasonable attorney's

fccs.

17. **WAIVERS**: Any waiver, consent or approval on the part of **LANDLORD** or **TENANT** must be in writing, and shall be effective only to the extent specifically set forth in the writing. No delay or omission by **LANDLORD** or **TENANT** in the exercise of any right or remedy with respect to any one occasion shall impair **LANDLORD'S** and/or **TENANT'S** ability to exercise the right or remedy in the same or on another occasion.

18. **NOTICES**: All notices or other communications shall be in writing signed by the sender, and shall either be (a) personally delivered or (b) mailed by certified mail, at or to the following addresses:

LANDLORD: The Town of Branford, CT
Town Hall, Attention First Selectman
1019 Main Street
Branford, Connecticut 06405

TENANT: J&J Blasting Corporation Attention
141 Duck Hole Road
Madison, Connecticut 06443

18.1. Either party may change the address by written notice to the other. Notices shall be effective when received (if personally delivered) or when deposited in the United States Mail (if mailed by certified mail).

19. **QUIET ENJOYMENT:** Neither **LANDLORD** nor **LANDLORD'S** successors or assigns will disturb **TENANT** in its quiet enjoyment of the Premises. **TENANT** shall not disturb **OTHER TENANTS** in their quiet enjoyment of the Premises.

20. **INDEMNITY:** **TENANT** shall indemnify and hold harmless **LANDLORD** from and against any and all damage, expense, claim, liability or loss, for any non-compliance or nonconformance of this Lease or the Leased Premises except for any and all damage, expense, claim, liability or loss, for any non-compliance or non-conformance of **OTHER TENANTS** or to the extent caused by the gross negligence or will full misconduct of the **LANDLORD**.

21. **ATTORNMENT:** **TENANT** agrees to and does attorn to any successor to **LANDLORD'S** interest in all or any part of the Premises, including without limitation any purchaser at any foreclosure sale of all

or any part of the Premises.

22. **SUCCESSORS AND ASSIGNS**: This Lease shall inure to the benefit of and be binding upon the heirs, estates, executors, administrators, receivers, custodians, successors and (in the case of **TENANT**, permitted) assigns of the respective parties.

23. **AMENDMENTS**: This Lease represents the entire understanding of the parties hereto concerning the subject of the Lease. All prior statements, representations, and agreements made between or by the parties with respect to the subject matter of this Lease are superseded hereby and no modifications of any provisions of this Lease shall be effective unless in writing and signed by each party.

24. **WAIVER OF JURY TRIAL**: **TENANT** hereby waives trial by jury in any action or proceeding brought in connection with this Lease or relating to any obligation, duty and/or indebtedness under this Lease or collateral referred to in this Lease.

25. **COMMERCIAL TRANSACTION**: **TENANT** ACKNOWLEDGES THAT THIS LEASE EVIDENCES A COMMERCIAL TRANSACTION AS THAT TERM IS DEFINED IN CONNECTICUT GENERAL STATUTES SECTION 52-278a(a) AND PURSUANT TO CONNECTICUT GENERAL STATUTES SECTIONS 52-278b AND 52-278f, **TENANT** DOES HEREBY

WAIVE ITS RIGHTS TO NOTICE AND HEARING PRIOR TO THE
ISSUANCE BY THE **LANDLORD** OF ANY PREJUDGMENT REMEDY, AND
TENANT FURTHER WAIVES ANY RIGHTS AS MAY EXIST UNDER
FEDERAL LAWS TO ANY NOTICE AND/OR HEARING PRIOR TO
LANDLORD'S OBTAINING AND EXERCISING ANY PREJUDGMENT
REMEDY.

26. **MISCELLANEOUS:** The following provisions are additional
terms of this Lease:

26.1. The captions of the sections of this Lease are inserted
for convenience only and shall not be used in the interpretation or
construction of any provisions of this Lease.

26.2. If any provision of this Lease is held invalid or
unenforceable, the holding shall affect only the provision in question and
that provision in other circumstances, and all other provisions of this
Lease, shall remain in full force and effect.

26.3. The rule that the terms of an agreement are strictly
construed against the drafting party shall have no application to the
construction of interpretation of this Lease.

LANDLORD
The Town of Branford

BY: 
Anthony J. DeRos First Selectman 11/6/12

TENANT
J&J Blasting Corporation

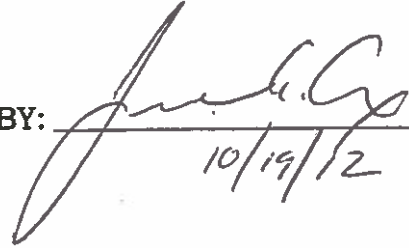
BY:  V.P. JJBC/CDBC
10/19/12

EXHIBIT A

All that certain piece or parcel of land located in the Town of Branford, County of New Haven, State of Connecticut, known as PARCEL A, having an area of 28,253± square feet as shown on a map entitled "Quarry Lease Lines, Scale 1" = 75", produced by Danuta Szostek, Town of Branford", dated June 15, 2011 (Note: This map is for ease of reference only) as more particularly described as follows:

Beginning at a point on the approximate Southwesterly Lease Line from a point $41^{\circ}17'3.87''\text{N}/72^{\circ}44'31.88''\text{W}$ Northeasterly to a point $41^{\circ}17'4.47''\text{N}/72^{\circ}44'31.52''\text{W}$; thence again Northeasterly to a point $41^{\circ}17'6.24''\text{N}/72^{\circ}44'33.72''\text{W}$; thence again Northeasterly to a point $41^{\circ}17'6.08''\text{N}/72^{\circ}44'34.16''\text{W}$; thence again Southwesterly to a point $41^{\circ}17'4.54''\text{N}/72^{\circ}44'34.66''\text{W}$; thence again Northwesterly to a point and place of beginning.

Said PARCEL A is a portion of all that certain piece or parcel of land located in the Town of Branford, County of New Haven, State of Connecticut, consisting of a portion of the land shown on a series of eight (8) maps entitled "Maps Showing Property to be Acquired by the Town of Branford from The Stony Creek Granite Corp., Branford, Connecticut, Scale 1" = 100', July, 1977", prepared by Arthur W. Sjogren, L.S. #5556, said portion being designated on said maps as "Main Quarry Hole Area" ("Stony Creek Quarry"). Said portion consists of approximately fifty (50) acres and is shown on sheets B1, C1 and D1 of said series of maps as referenced in a Quit claim Deed from Stony Creek Granite Corporation to the Town of Branford, dated December 28, 1977 and recorded January 4, 1978 in Volume 293 at Page 283.

The LANDLORD also grants to the TENANT, its successors and assigns in common with other Tenants of other portions of said "Stony Creek Quarry", the right of ingress and egress to said parcel of land on foot or with vehicles on the road leading thereto from Lectes Island Road, which road is designated on said maps as Quarry Road. This grant of ingress and egress includes the portion of said parcel of land reserved to the LANDLORD.