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COMMERCIAL LEASE

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

APPROVED BY BIRMINGHAM AREA BOARD OF REALTORS
7/27/88
(Previous forms obsolete)

STATE OF ALABAMA

JEFFERSON

County

This lease made this 23rd day of May 19 95 by and between Ann D. Phipps,
Executor of the Est. of Roy E. Phipps and Ann D. Phipps, Individual

hereinafter called "Lessor", by Paden Realty Company, Inc. as agent for the Lessor and by
CBC Drilling hereinafter called "Lessee";

WITNESSETH: That the Lessor does hereby demise and let unto the Lessee the following described premises in the City of
Bessemer, Alabama, to-wit:

1627 Carolina Avenue, Bessemer, Al 35020

- Subject to existing easements, if any, and the regulatory laws and ordinances of the political subdivision in which the property is situated, for use and occupation by the Lessee as
- Use** Office, Shop and Warehouse
- Term** and for no other or different use or purpose, for and during the term of ~~One~~ One ~~Year~~ Year beginning on 1st day of July, 1995 and ending on the 30th day of June, ~~2000~~ 1996
- Rent**
- In consideration whereof, the Lessee agrees to pay the Lessor's agent at office of said agent,
 - Paden Realty Company, Inc.
 - on the first day of each month of said term, in advance, as rent for said premises, the sum of
 - Five Hundred Fifty and no/00 DOLLARS (\$ 550.00) per month,
 - being at the rate of Six Thousand Six Hundred DOLLARS (\$ 6600.00) per annum.
 - Lessee agrees that a Service and Bookkeeping charge of \$55.00 shall become due and payable each
 - and every month that the rent has not been received in the office of Agent by the 10th of the month,
 - or if a check accepted as rent or other payment is returned unpaid to agent for any reason.
 - Should premises be completed and turned over to Lessee either prior to, or after N/A
 - then in that event rent for such fractional month shall be pro-rated, and this lease term shall commence on the first day of the
 - next calendar month.
- Deposit**
- Lessor and Lessee agree that Lessee will deposit with Lessor's agent the sum of \$ none on the date of
 - execution of this lease, to be held, without interest payable to Lessee, as a security for the payment of rent and any and
 - all other sums of money for which Lessee shall or may become liable to pay to Lessor under this lease, and for the faithful
 - performance by Lessee of all covenants and agreements under this lease, said deposit to be returned to Lessee after
 - the termination of this lease and any renewal hereof, provided Lessee shall have made all such payments and performed
 - all such covenants and agreements. Nothing in this paragraph shall be deemed to limit the amount of any claim, demand
 - or cause of action of Lessor against Lessee under the provision of this lease.
- Quiet Enjoyment**
- This lease is made upon the following terms, conditions, and covenants: The Lessor covenants to keep the Lessee in
 - possession of said premises during said term, but shall not be liable for the loss of use by eminent domain nor the failure or in-
 - ability of the Lessee to obtain possession thereof provided the Lessor shall exercise due diligence and effort to place the Lessee
 - in possession. Nothing herein contained shall be construed as a warranty that said premises are in good condition or are fit or suit-
 - able for the use or purpose for which they are let. The Lessor or Lessor's agent have made no representations or promises with
 - respect to said building or the demised premises except as herein expressly set forth. The Lessee has examined the leased premises
 - and accepts the same in the physical condition in which the same now exists (except as otherwise expressly provided herein.)
- Condition of Premises**
- Hazardous Substances**
- Lessee and Lessor expressly acknowledge that the Broker(s) have not made an independent investigation or determination
 - with respect to the existence or non-existence of asbestos, PCB transformers, or other toxic, hazardous or contaminated sub-
 - stances or gases, in, on, or about the property, or for the presence of underground storage tanks. Any such investigation or deter-
 - mination shall be the responsibility of Lessor and/or Lessee, and Broker(s) shall not be held responsible therefor.
- Roof**
- Should the roof of the building leak at any time during said term, due to no fault on the part of the Lessee, the Lessor will
 - repair the same within a reasonable time after being requested in writing by the Lessee so to do, but in no event shall the Lessor
 - be liable for damages or injuries arising from such defect or the failure to make said repairs after being so notified, except to the
 - extent of the reasonable cost of repairing said roof; nor shall the Lessor be liable for damages or injuries arising from defective
 - workmanship or materials, the Lessee hereby expressly waiving the same. Lessor and its agents, shall not be liable for any deaths,
 - injury, loss or damage resulting from any repair or improvement and undertaken, voluntarily or involuntarily, by or on behalf
 - of the Lessor, other than willfully wrongful acts of Lessor.
- Air Conditioning and Signs**
- In the event heating, ventilating and air conditioning equipment or a part of any air conditioning equipment is installed by
 - Lessee on the roof of any building hereby leased, or in the event that the Lessee installs a sign on the roof, then Lessee shall be re-
 - sponsible for repairing any roof leaks, attributable to such installation, during the term of this lease at Lessee's sole cost and
 - expense, but no such air conditioning equipment or sign may be installed until the consent in writing of the Lessor is first had
 - and obtained thereto.
- Roof and Drains, etc., Debris On**
- The Lessee will keep the roof and the leased grounds free of all cans, bottles, fragments, debris and trash, and the Lessee
 - will keep the downspouts, gutters and drains clean, open and free of obstruction, and in good working order.
- Repairs**
- Lessor shall not be obligated or required to make any other repairs or do any other work on or about said premises or any
 - part thereof, or the elevators therein, if any, or on or about any premises connected therewith, but not hereby leased, unless
 - and only to the extent herein agreed. All other portions of any building hereby leased shall be kept in good repair by Lessee and
 - at the end of the term hereof, the Lessee shall deliver the demised premises to Lessor in good repair and condition, reasonable
 - wear and tear excepted.

49. However, Lessor reserves the right to enter upon said premises and to make such repairs and to do, such work on or about
50. said premises as Lessor may deem necessary or proper, or that Lessor may be lawfully required to make. Lessor reserves the right
51. to visit and inspect said premises at all reasonable times and the right to show said premises to prospective tenants and purchasers,
52. and the right to display "For Sale" and "For Rent" signs on said premises.
- Inspection and Showing**
53. Should the Lessee fail to make repairs agreed to by him under this lease, the Lessor may enter the premises and make such
54. repairs and collect the cost thereof from the Lessee as additional rent. Except as herein specifically provided, the Lessee will not
55. make or permit to be made any alterations, additions, improvements or changes in the premises, nor will the Lessee paint the out-
56. side of the building or permit the same to be painted without the written consent of the Lessor before work is contracted or let.
57. No signs of any character shall be erected on the roof until the consent thereof in writing is first had and obtained from the Lessor.
58. The consent to a particular alteration, addition, improvement or change shall not be deemed a consent to, nor a waiver of, a re-
59. striction against alterations, additions, improvements or changes for the future.
- Failure of Lessee to Repair**
- Signs**
- Alterations and Improvements by Lessee**
60. Lessee will replace all plate and other glass, if and when broken, and failing so to do the Lessor may replace the same and the
61. Lessee will pay the Lessor the cost and expense thereof upon demand. Lessee will replace all keys lost or broken, and will pay all
62. bills for utilities and services used on said premises. Lessee will keep all elevators, heating, ventilating and air-conditioning (HVAC)
63. equipment, electric wiring, water pipes, water closets, drains sewer lines and other plumbing on said premises in such good order
64. and repair and will do all repairs, modifications and replacements which may be required by the applicable laws or ordinances.
65. Lessor shall not be liable for any damages caused by, or growing out of, any breakage, leakage, getting out of order or defective
66. conditions of said elevators, heating, ventilating and air-conditioning (HVAC) equipment, electric wiring, pipes, water closets,
67. drains, and sewer lines or plumbing, or any of them. Lessee will comply, at all times and in all respects with all the applicable laws
68. and ordinances relating to nuisance, insofar as the building and premises hereby let, and the streets and highways bounding
69. the same, are concerned, and the Lessee will not by any act, or omission render the Lessor liable for any violation thereof. Lessee
70. will not commit any waste of property, or permit the same to be done, and will take good care of said building and said premises
71. at all times.
- Upkeep**
- Compliance With Law**
72. The Lessee agrees to pay all sewer rentals or other charges becoming due, levied under the authority of the Act No. 619
73. of the Alabama Legislature of 1949, approved September 19, 1949, or any other act, law or regulation. Failure to pay said rental
74. shall constitute a default under the terms of this lease.
75. Lessee shall during the entire term of this Lease, at Lessee's own expense keep in force by advance payment of premiums,
76. public liability insurance in an amount of not less than \$1,000,000.00 for injury to or death of one person or as a result of one
77. occurrence and not less than \$300,000.00 for injury to or death of more than one person as a result of one occurrence and for
78. damage to property in the amount of \$100,000.00, or single limit of \$, Insuring Lessee, Lessor, and
79. Lessor's Agents, Servants, and employees (as an additional assured) against any liability that may accrue against them or either
80. of them on account of any occurrences in or about the demised premises during the term or in consequence of Lessee's
81. occupancy thereof and resulting in personal injury or death or property damage. Lessee shall on request furnish to Lessor certifi-
82. cates of all insurance required under this paragraph.
- Public Liability Insurance And Indemnity**
83. Lessor shall not be liable for any injury or damage caused by, or growing out of, any defect in said building, or its
84. equipment, drains, plumbing, wiring, electric equipment or appurtenances, or in said premises, or caused by, or growing out of
85. fire, rain, wind, leaks, seepage or other cause.
- Defects in Premises**
86. If the leased premises, or any part thereof, consist of first floor space, adjacent upon the street, or ground adjacent to the
87. street, the Lessee will keep the sidewalk, curb and gutter in front thereof or adjacent thereto clean and free from snow, ice,
88. debris and obstructions and will hold the Lessor harmless from all damages or claims arising out of the Lessee's failure to so do.
- Snow, Ice, Trash**
89. Upon the happening of any one or more of the events as expressed in this paragraph, the Lessor shall have the right, at the
90. option of the Lessor, to either annul and terminate this lease upon two days written notice to Lessee and thereupon re-enter and
91. take possession of the premises; or the right upon two days written notice to the Lessee to re-enter and re-let said premises, from
92. time to time, as agents of the Lessee, and such re-entry or re-letting or both, shall not discharge the Lessee from any liability or
93. obligation hereunder, except that rents (That is, gross rents less the expense of collecting and handling, and less commission)
94. collected as a result of such re-letting shall be credited on the Lessee's liability up to the amount due under the terms of this lease
95. and the balance, if any, credited to the Lessor. Nothing herein, however, shall be construed to require the Lessor to re-enter
96. and re-let, nor shall anything herein be construed to postpone the right of the Lessor to sue for rents, whether matured by ac-
97. celeration or otherwise, but on the contrary, the Lessor is hereby given the right to sue therefor at any time after default. The
98. events or default referred to herein are: failure of the Lessee to pay any one or more of the installments of rent, or any other
99. sum, provided for in this lease as and when the same become due, the removal, attempt to remove or permitting to be removed
100. from said premises, except in the usual course of trade, the goods, furniture, effects or other property of the Lessee or any
101. assignee, or sub-tenant of the Lessee; the levy of an execution or other legal process upon the goods, furniture, effects or other
102. property of the Lessee brought on the leased premises or upon the interest of the Lessee in this lease; the filing of a Petition in Bank-
103. ruptcy, a Petition for an Arrangement or reorganization by or against the Lessee; the appointment of a receiver or trustee, or other
104. court officer, for the assets of the Lessee; the execution of an assignment for the benefit of creditors of the Lessee; the vacation
105. or abandonment by the Lessee of the leased premises or the use thereof for any purpose other than the purpose for which the
106. same are hereby let or (if the rental herein is based in whole or in part on the percentage of Lessee's sales) failure of the Lessee to
107. exercise diligent effort to produce the maximum volume of sales; the assignment by Lessee of this lease or the re-letting or sub-
108. letting by the Lessee of the leased premises or any part thereof without the written consent of the Lessor first had and obtained;
109. the violation by the Lessee of any other of the terms, conditions or covenants not set out in this paragraph on the part of the
110. Lessee herein contained and failure of the Lessee to remedy such violation within ten (10) days after written notice thereof is
111. given by the Lessor to the Lessee.
- Events of Default**
112. The Lessee shall not remove any of the goods, wares or merchandise of the Lessee from said premises other than in the
113. regular course of Lessee's trade or business without having first paid all rent due or to become due under the terms of this lease.
- Removal of Goods**
114. Upon termination or breach of this lease or re-entry upon said premises for any one or more of the causes set forth above,
115. or upon termination of this lease or re-entry of said premises, the rents provided for in this lease for the balance of the original
116. rental term, or any renewal term or other extended term, and all other indebtedness to the Lessor owed by the Lessee, shall be
117. and become immediately due and payable at the option of the Lessor and without regard to whether or not possession of the
118. premises shall have been surrendered to or taken by the Lessor. The Lessee agrees to pay Lessor, or on Lessor's behalf, a reason-
119. able attorney's fee in the event Lessor employs an attorney to collect any rents due hereunder by Lessee, or to protect the interest
120. of Lessor in the event the Lessee is adjudged a bankrupt, or legal process is levied upon the goods, furniture, effects or personal
121. property of the Lessee upon the said premises, or upon the interest of the Lessee in this lease or in said premises, or in the event
122. the Lessee violates any of the terms, conditions, or covenants on the part of the Lessee herein contained. In order to further se-
123. cure the prompt payments of said rents, as and when the same mature, and the faithful performance by the Lessee of all and singu-
124. lar the terms, conditions and covenants on the part of the Lessee herein contained, and all damages, and costs that the Lessor may
125. sustain by reason of the violation of said terms, conditions and covenants, or any of them, the Lessee hereby waives any and all
126. rights to claim personal property as exempt from levy and sale, under the laws of any State or the United States.
- Waiver of Exemptions**
127. In the event the Lessee abandons the leased premises before the expiration of the term, whether voluntarily or involuntarily,
128. or violates any of the terms, conditions, or covenants hereof, the Lessor shall have the privilege at Lessor's option of re-entering
129. and taking possession of said premises and leasing all or any portion of said premises for such term and for such use deemed as satis-
130. factory to the Lessor, applying each month the net proceeds obtained from said leasing to the credit of the Lessee herein, up to
131. the amount due under the terms of this lease and the balance to the Lessor and, said leasing shall not release the Lessee from
132. liability hereunder for the rents reserved for the residue of the term hereof, but Lessee shall be responsible each month for the
133. difference, if any, between the net rents obtained from such leasing and the monthly rent reserved hereunder, and said difference
134. shall be payable to the Lessor on the first day of each month for the residue of the term hereof.
- Abandonment**
- Re-Letting**

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- Lessee Will Hold Harmless**
 - 218. Lessee will indemnify and hold Lessor and Lessor's agent free and harmless from all demands, claims and suits or expenses caused by any default committed hereunder on the part of the Lessee. Lessee will further indemnify and save harmless Lessor and Lessor's agent from any loss, cost, damage and/or expenses caused by injuries to persons or property while in, on or about the demised premises, not attributable to the willfully wrongful act of the Lessor or Lessor's agent. Any property stored in the demised premises shall be at the sole risk of Lessee.
- Waiver of Subrogation Rights**
 - 223. Neither Lessor nor Lessee shall be liable to the other for any loss or damage from risks ordinarily insured against under fire insurance policies with extended-coverage endorsements, irrespective of whether such loss or damage results from their negligence or that of any of their agents, servants, employees, licensees or contractors to the extent that such losses are covered by valid and collectable insurance on the property at the time of the loss.
- Holdover**
 - 227. Should the Lessee continue to occupy the premises after the expiration of the said term or after a forfeiture incurred, whether with or against the consent of the Lessor, such tenancy shall be a tenancy at sufferance and in event a tenancy from month to month, or from year to year.
- Non-Waiver**
 - 230. The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the covenants of this lease, or to exercise any option herein contained, shall not be construed as a waiver, or a relinquishment for the future, of such covenant or option, but the same shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless expressed in writing, and signed by the Lessor.
- Non-Waiver Eminent Domain and Condemnation**
 - 235. If all or any part of the demised premises is taken by eminent domain ("eminent domain" shall include the exercise of any similar power of taking, and any purchase or acquisition in lieu of condemnation), or in the event the improvements are condemned and ordered torn down or removed by lawful authority, then the term of this lease shall cease as of the date possession shall be taken by the condemning authority, or as of the date improvements are ordered torn down or removed, whichever may be applicable, with the rent to be apportioned as of the date of such taking or of such order, as the case may be; provided, however, if as a result of a partial taking of the demised premises by eminent domain, the ground floor area of the building forming a part of the demised premises is reduced by not more than twenty-five percent (25%), the Lessor may elect to continue the term of this lease and to restore, at Lessor's expense, the remaining premises to a complete architectural unit with storefront, signs and interior of equal appearance and utility as they had previous to the taking, but there will be prorata reduction of the rent payable each month. The Lessor shall be deemed to have exercised its said option to restore the premises unless, within 30 days after the date of taking, the Lessor shall notify the Lessee in writing of its election to terminate this lease. The Lessor shall be entitled to receive all of the proceeds of any total or partial taking of the demised premises by eminent domain, including any part of such award as may be attributable to the unexpired leasehold interest or other rights of the Lessee in the premises, and the Lessee hereby assigns, and transfers to the Lessor all of the Lessee's right to receive any part of such proceeds.
- Subordination/Attornment**
 - 249. At the option of Lessor this Lease may be subordinated to the lien of any mortgage or mortgages, or the lien resulting from any other method of financing or refinancing, now or hereafter in force against the land and/or Building of which the Premises are a part and to all advances heretofore made or hereafter to be made upon the security thereof. The Lessee agrees to execute and deliver to the Lessor from time to time within ten (10) days after written request by the Lessor all instruments which might be required by the Lessor to confirm such subordination.
- Clean Premises Upon Termination, etc.**
 - 254. The Lessee hereby agrees that upon the expiration or prior termination of this lease, the Lessee will promptly remove from the leased premises all signs, trash, debris and property of the Lessee, and the Lessee will leave the floors, stairs, passageways, elevators and shafts as clean as it is possible to clean them by means of the use of broom and shovel.
- Taxes and Insurance**
 - 257. In the event that during the term of this Lease or any renewal period thereof, the total real estate taxes, special assessments, or insurance cost levied or assessed on the subject property owned by Lessor should be increased over and above the Real Estate taxes (after a full assessment), special assessments or insurance costs in effect at the commencement date of this Lease, then Lessee shall pay to Lessor as additional rent a prorata share of such increased taxes, special assessments, or insurance costs which shall be in the proportion which the total area of the Leased premises bears to the total building area owned by the Lessor of which these premises are a part.
- Addendum Clause**
 - 263. This lease consists of 4 pages together with an Addendum of 0 Pages which is attached hereto, initialed by the parties and incorporated in this lease by reference. In case of conflict between the printed portion of this lease and the Addendum, the terms of the Addendum shall prevail.
- 266. It is understood and agreed by the parties hereto that this lease shall be binding upon the Lessee, its executor, administrator, heirs, assigns or successor.

FURTHER TERMS AND CONDITIONS MADE A PART HEREOF

IN WITNESS WHEREOF, the Lessor and the Lessee have respectively executed these presents this

day of _____, 19____

Paden Realty Company, Inc.

Agent: Shirley W. [Signature] (Lessor)
Ann D. Phipps, Executor & Individual

Witness for Lessor: [Signature] CBC DRILLING

Witness for Lessee: [Signature] (L.S.)
By: Clark Hirschi, Vice President

[Signature] (L.S.)
Lessee