DOCUMENTS IN SUPPORT OF
LITTEROCK SAND AND GRAVEL, INC. AND FRANK & YVONNE LANE FAMILY TRUST’S JOINT RESPONSES TO COURT ORDERED DISCOVERY FOR PHASE 4 TRIAL REGARDING REAL PROPERTY LEASED TO HOLLIDAY ROCK CO., INC.

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LEASE

This lease and agreement, executed and delivered the 17th day of January, 1986, between the parties hereinafter named and referred to respectively as Lessor and Lessee is as follows:


RECIPIALS:

WHEREAS, Lessor is the owner of certain unimproved real property and is willing to lease the same to Lessee which wishes to rent it;

NOW, THEREFORE, it is agreed as follows:

ONE: DESCRIPTION OF PREMISES

Lessor hereby leases to Lessee and Lessee hereby rents and hires from Lessor, and agrees to pay the hereinafter reserved rent for approximately 99.2 acres of unimproved real property in the County of Los Angeles, State of California, between Avenue T on the south, railroad tracks on the north, land of A. V. Aggregates, Inc. on the west, and Little Rock Creek on the east, which said property is more specifically described in Exhibit A attached hereto and incorporated by reference herein.

TWO: TERM OF LEASE

The term of this lease shall be for a period of twenty (20) years, commencing on date of signing this lease and terminating 20 years after that date; provided, however, Lessee shall have the right to terminate this lease one year after receipt by Lessor of written notice of termination, provided that during said year all obligations of Lessee hereunder (including but not limited to payment of rent) are fully and completely met.
THREE: NEW LEASE

At least sixty (60) days before the termination of this lease, Lessee will notify Lessor of its desire to rent the premises for an additional five (5) year term. Lessor will then submit in writing, an offer to Lessee, offering to lease to Lessee, the premises herein described for a term of five (5) years commencing from and after the termination of this lease. Said offer will contain the terms and conditions upon which Lessor will be willing to lease said premises to Lessee and it is expressly agreed that Lessee shall, within thirty (30) days prior to the expiration of this lease, have the right to first refusal of said offer, and that during the period between the making of the offer by Lessor and its acceptance or rejection by Lessee, that Lessor will not lease the aforesaid property to any other person, firm or corporation upon terms different, more beneficial or other than those contained in the offer to Lessee. It is expressly agreed that Lessee shall have the right to accept the aforesaid offer provided it is not in default under any of the terms and conditions of this lease.

FOUR: TAXES, ASSESSMENTS, ACREAGE CHARGES AND/OR FEES

Lessee shall pay all taxes assessed upon any personal property, improvements, alterations or modifications attached to the aforesaid premises.

Lessee shall also pay as additional rental, upon demand, an amount that is equal to any taxes, assessments, acreage charges and/or fees payable or assessed (including any improvement bonds) upon the real property included in the above defined leased premises. It is further understood and agreed that if there is not a separate tax or assessment or acreage charge and/or fee bill for the leased premises and therefore the taxes and/or assessments and/or acreage charges and/or fees for the leased premises are
covered in a tax bill or statement which also covers other adjoining parcels, then the taxes and/or assessments and/or acreage charges and/or fees to be paid hereunder by Lessee as additional rent shall be computed as an amount equal to that proportion of said taxes and/or assessments and/or acreage charges and/or fees as the area of the leased premises bears to the total area covered by said tax and/or assessment and/or acreage charge and/or fee bill.

FIVE: RESERVED RENT

Lessor hereby reserves as rental for the demised premises and the right to quarry rock, sand and gravel therefrom, an amount
equal to $\_\_\_\_\_\_\_\_ per ton for each ton of rock, sand and gravel extracted and removed from said property, with a guaranteed minimum rental of $\_\_\_\_\_\_\_\_ per month, which said sum Lessor expressly reserves as a minimum rental.

A. The minimum reserved rental shall be paid as follows:

1. $\_\_\_\_\_\_\_\_ upon the execution of this agreement as and for the first and last twelve months' rent under this lease.

2. $\_\_\_\_\_\_\_\_ per month, payable on the first day of each month during the lease term.

3. The minimum guarantee of $\_\_\_\_\_\_\_\_ per month shall become effective upon the signing of this lease.

4. All prepaid rental payments shall be adjusted to the second month so that from and after the execution of this lease, all rental payments will become due as of the first of each month.

5. The said $\_\_\_\_\_\_\_\_ per ton rental herein reserved shall be paid not later than the 20th day of the month following the month during which rock, sand and gravel is extracted and removed.

6. The said $\_\_\_\_\_\_\_\_ per ton basic rental herein reserved applies to all the rock, sand and gravel extracted and removed from the premises. All rock, sand and gravel for asphaltic mixtures is to be weighed in trucks by certified public or private weigh masters before delivery to asphaltic mixtures plant. The tonnage of all rock, sand and gravel used for ready-mix concrete is to be based on the certified public or private weigh master's weight certificates as issued at the ready-mix concrete batching plant.

\[\text{Signature}\]
Following thirty days written notice to Lessor, Lessee may elect to use the following alternative formula as to asphal tic mixtures and ready-mix concrete.

(a) The tonnage of rock, sand and gravel in asphal tic mixtures processed on and/or shipped from the premises shall be considered equal to the tonnage of such asphal tic mixtures.

(b) The tonnage of rock, sand and gravel in ready-mix concrete processed on and/or shipped from the premises shall be computed on the basis of tons of rock, sand and gravel to a cubic yard of ready-mix concrete.

7. The sum of per month reserved as a minimum rental shall be allowed as a credit against the $.40 per ton.

8. After quarrying has started on Lessor's property, all material extracted and removed from Lessor's property, or sold or shipped from Lessee's Antelope Valley plant, or waste, reject or stock piles, from that day on shall be deemed and paid for as coming from Lessor's property.

If Lessee is denied the use of any portion of the leased premises in its rock, sand and gravel operation by virtue of zoning, any act of a duly constituted authority, or failure to obtain an appropriate exception from the proper authorities, that portion may be dropped from the lease and the minimum guaranteed rental in such case is to be reduced in proportion (at the rate of per acre per month as adjusted to Consumer Price Index as set forth in subparagraph 9, below).

9. The rental of per ton and the guaranteed minimum rental of per month shall be adjusted upwards percentagewise on January 1 of each year, beginning on the first day of the calendar year following that during which the lease term commenced if the Consumer Price Index for All Urban Consumers
for Los Angeles-Long Beach-Anaheim, California, as published by the United States Department of Labor's Bureau of Labor Statistics, has increased over the Base Period Index. The Base Period Index shall be the Index for the first full calendar month in which rentals commence. The Base Period Index shall be compared with the Index for the particular January 1 involved (herein referred to as the Extension Index). If the Extension Index is higher than the Base Period Index, then the lease rental per ton and the guaranteed minimum monthly rental for the year commencing on said January 1 shall be increased by the identical percentage. In no event shall either the lease rental per ton or the guaranteed minimum monthly rental be less than that provided for initially in this lease.

If the United States Department of Labor's Bureau of Labor Statistics discontinues publication of the above Index, or publishes such Index less frequently, or alters such Index in some other manner, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

To the extent that the guaranteed minimum monthly rental has been adjusted upwards on the last January 1 occurring during the lease term, the monthly increase in excess of the monthly rental initially provided for in this lease for each of those months of this lease for which rent was prepaid (and which fall after said last January 1 occurring during the lease term) shall be payable within 15 days after said last January 1.

10. All rental payments shall be made to Lessor at its address at 44909 North Tenth Street West, Lancaster, California, or at such other address as Lessor shall hereafter designate in a written notice to Lessee.
11. Any sum payable to Lessor under the terms of this lease shall bear interest from the date due until paid at the maximum rate an individual is permitted by law to charge.

12. Lessee acknowledges that late payment by Lessee to Lessor of any sum payable to Lessor under the terms of this lease will cause Lessor to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Lessor by the terms of any encumbrance and note secured by any encumbrance covering the premises. Therefore, if any sum payable to Lessor under the terms of this lease is not received by Lessor within 10 days of the due date, Lessee shall pay to Lessor an additional sum of 10% of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Lessor will incur by reason of late payment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor.

13. Each ton or fraction thereof, of rock, sand and gravel (and asphaltic mixture material and ready-mix concrete if the alternative formula set forth in subparagraph 6 above is adopted) shall be weighed on the premises before being shipped or removed and shall be evidenced by a weight certificate prepared and certified to as correct by a certified public or private weigh master.

14. Lessee shall keep full, complete and proper books and records showing all material extracted and removed from the leased ground which shall include, but not be limited to, all weight certificates and sales tax reports that Lessee may be required to furnish to any governmental agency. Said records
shall at all reasonable times be open to the inspection of Lessor, Lessor's auditor or authorized representative or agent at some location in Los Angeles County, California.

15. Within twenty (20) days after the end of each month from and after the commencement of this lease and continuing for the duration of this lease or any renewal or extension thereof, Lessee shall furnish Lessor with a statement to be certified as correct by Lessee or the employee of Lessee authorized to so certify, which shall set forth the gross tonnage of rock, sand and gravel (and asphalitic mixture material and cubic yards of ready-mix concrete if the alternative formula set forth in subparagraph 6 above is adopted) shipped or removed from the leased premises for the month just concluded and with each statement, Lessee shall pay to Lessor, the amount of additional rental which is payable to Lessor as shown thereby. Said statement will be certified by a certified public accountant annually in January for the previous calendar year. If Lessee shall at any time cause an audit of Lessee's business to be made by a certified public accountant, Lessee shall furnish Lessor with a copy of said audit without any cost or expense to Lessor. Lessor may at reasonable times cause an audit of the business of Lessee to be made by an accountant of Lessor's own selection and if the statements of gross tonnage previously made by Lessee to Lessor shall be found to be less than the amount of Lessee's gross tonnage shipped or removed, Lessee shall immediately pay the costs of said audit as well as the additional rental therein shown to be payable by Lessee to Lessor; otherwise the cost of such audit shall be paid by Lessor.

16. The acceptance by Lessor of any monies paid to Lessor by Lessee as additional rental for the demised premises as shown by Lessee shall not be an admission of the accuracy of said statement or of the sufficiency of the amount of said additional
rental payment but Lessor shall be entitled to at any time within four (4) years after the receipt of any such additional rental payments, to inquire into and question the sufficiency of the amount thereof and/or the accuracy of the statement or statements furnished by Lessee to justify the same; for the purpose of enabling Lessor to check the accuracy of such statement and the sufficiency of any additional rental payment to be made in accordance therewith, Lessee shall for a period of four (4) years after submission to Lessor of any such statement or statements, keep safe and intact all of Lessee's records, books, accounts and other data which in anywise bears upon or are required to establish in detail the gross tonnage as shown by any such statement or statements and shall upon request make the same available to Lessor, Lessor's accountant, representative or agent for examination at any time during the four (4) year period.

B. All activities conducted on the leased premises by the Lessee, its agents, employees, sub-tenants or assigns shall be carried out in strict conformity with all applicable state, county, local or other governmental agencies' rules, regulations, directives, ordinances and/or laws; similarly, all things required from time to time by any governmental agency, to be done in connection with the abandonment of any worked-out portions of the leased ground shall be promptly done by Lessee, its agents, employees, sub-tenants or assigns, as the case may be.

C. In the excavation of rock, sand and gravel Lessee shall do so to a depth below which the same cannot, in Lessee's judgment, be excavated in commercially paying quantities, and shall appropriate the same in a continuous manner so that one single pit is developed to such a depth and continuously enlarged as excavation progresses.

It is understood that because of the nature of the deposit on the leased premises Lessee contemplates that some
materials excavated may not be commercially usable and will be rejected by Lessee. As to such reject materials (including sand and other waste materials), Lessee shall refill the quarried portion of the leased premises to a smooth grade three feet above the presently existing grade. Such refilling and leveling is to be done each year to the extent that reject materials are available.

D. As Lessee excavates the rock, sand and gravel material to its full depth, the remaining pit and/or the refilled land refilled in accordance with the provisions of paragraph C immediately preceding shall, at the option of the Lessor, (but subject to right of Lessee to retain portion of pit or refilled land necessary to its operation), revert back to the Lessor, at such times and in such amounts as the Lessor may determine.

1. The exercise of this option by Lessor shall not be construed to relieve Lessee of its obligations in connection with abandonment.

2. Lessor shall be responsible for its proportionate share of the taxes as to any real property which is reverted back to the Lessor by reason of the exercise of the option set forth in this paragraph D.

3. The guaranteed minimum monthly rental shall be reduced at the rate of $\_

SIX: IMPROVEMENTS, ALTERATIONS AND MODIFICATIONS

Other than improvements by the Lessee's own forces, Lessee shall not install or attach to the real property, any improvements thereon, or make any improvements or modifications without first having obtained written consent from Lessor so to do (Lessor agreeing not to unreasonably withhold such consent) and shall,
after having received such consent, notify Lessor of the time that Lessee commences installing such alterations, modifications or improvements in order that Lessor may post said property with appropriate notices as specified by the Code of Civil Procedure of the State of California, declaring its non-responsibility to any material or supply house or anyone performing work, labor or furnishing power therefor, so as to protect the aforesaid property from any and all mechanic's liens.

If at any time during the term of this lease or any extension thereof, Lessee decides to sell any installation, plant and/or equipment on the leased premises, Lessor shall have the right of first refusal to purchase said items on the same terms and conditions as said items are being offered for sale to other parties.

Lessee agrees to maintain the existing pump and related equipment on the leased premises in good condition during the term of this lease, or any extension thereof.

SEVEN: USE OF PREMISES

It is recognized and understood by and between the parties hereto that Lessee intends to use the premises herein leased, as and for a rock, sand and gravel quarrying operation and the outside sale of same, and the production, sale and dispatching of ready-mixed concrete and asphaltic concrete, and for no other purpose, and it is with this understanding that Lessor is willing to lease the aforesaid property to Lessee. In the event that Lessee decides to change the nature of its business, Lessee will first obtain the written consent of the Lessor.

EIGHT: INDEMNITY BY LESSEE

Lessee agrees to protect and save Lessor harmless and protect its interest in the demised premises and keep the same free and clear from all encumbrances and further, to protect Lessor from any damage that Lessor may sustain by reason of Lessee's use of.
the aforesaid premises or the activity of Lessee's agents, servants or employees on, about or in connection with the aforesaid demised premises and will defend Lessor should Lessor be joined in any lawsuit or should judgment be recovered against Lessor by reason of any activity of Lessee, or its agents, servants or employees in, about or in connection with the demised premises, it being the intent of this particular provision to protect the Lessor from any liability whatsoever that may arise by reason of Lessee's use of the premises, either by Lessee or by Lessee's agents, servants or employees as well as sub-tenants, concessionaires, licensees, contractors, invitees or permittees either arising from or growing out of the use, maintenance, occupation or operation of the demised premises during and throughout the term of this lease.

Lessee further agrees that in the event Lessor incurs any legal costs or obligations in connection with any act by or on behalf of Lessee as specified herein, Lessee will pay to Lessor all reasonable attorneys' fees incurred by it.

NINE: LIABILITY INSURANCE

Lessee hereby agrees to procure and maintain at its own cost and keep in force at all times during and throughout the term of this lease, a policy or policies of insurance commonly known and referred to as Public Liability and Property Damage Insurance, by an insurance company or companies approved by the Lessor, naming Lessor as an additional insured insofar as its interest may appear, providing primary and not excess coverage, covering all of the premises which are the subject of this lease, irrespective of the occupancy and use thereof, and insuring the Lessor against loss, damage or liability, with (1) a liability limit in an amount of not less than $1,000,000.00 for injury to or death of any one person, and in an amount of not less than $1,000,000.00 for injury and/or death to or of, more than one person arising out of any one
occurrence, and in an amount of not less than $1,000,000.00 for damage or injury to any real and/or personal property, or (2) a combined single personal injury and property damage limit of $1,000,000.00. Lessee does hereby agree to furnish Lessor with a certificate or certificates of insurance from time to time as the same is purchased, indicating the existence of the insurance, with the terms and provisions of this paragraph to be in full force and effect, and wherein the insurance carriers agree to give the Lessor not less than thirty (30) days notice of cancellation.

TEN: PUBLIC UTILITIES

All public utilities connections furnished to the premises herein demised to Lessee, shall be in the name of Lessee and Lessee hereby agrees to pay for said utilities as billed for the same from time to time.

ELEVEN: SURRENDER

At the expiration of said term or any extension thereof or any sooner termination of this lease, Lessee will quit and surrender the premises in as good order and condition as reasonable wear and tear will permit. Should Lessee hold over and continue in possession after the termination of this lease or any extension thereof, with the expressed or implied consent of Lessor such holding over shall be construed only as a tenancy from month to month and Lessee does hereby agree to pay as rent for such term, the same amount as is herein reserved.

TWELVE: BANKRUPTCY, RECEIVERSHIP, ETC.

This lease shall terminate at the option of the Lessor and Lessor shall have the right to immediately enter upon the demised premises and take possession thereof and remove all persons therefrom upon the occurrence of any of the following events:

A. The filing of any original or voluntary petition under any chapter or section of the National Bankruptcy Act of 1898 as amended or as the same may be amended in the future, by or
against said Lessee or any sub-lessee or assignee holding this lease, either by virtue of a sub-lease, assignment or as an assignee for the benefit of creditors or both.

B. The appointment in any state or federal court, or, voluntarily, by the Lessee of a receiver or trustee or a debtor in possession or other similar officer or an assignee for the benefit of creditors for the Lessee or any sub-lessee or assignee of Lessee holding under this lease.

C. The levy of a writ of attachment or execution on this lease. If a writ of attachment or execution is levied on this lease, Lessee shall have 10 days in which to cause the attachment or execution to be removed.

THIRTEEN: LESSOR'S RIGHT OF ENTRY

Lessor is hereby granted the right and privilege either in person or by a duly authorized agent or representative to enter upon said premises at all reasonable times to inspect the same and to make necessary repairs, to show the premises to prospective Lessees, purchasers, mortgagees, or beneficiaries under trust deeds, or to take possession thereof in the event that any of the conditions or covenants in this agreement are breached.

FOURTEEN: WAIVER OF ANY BREACH

The waiver by the Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent under this lease by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, condition or covenant herein contained other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.
FI F F I F T E E N: COVENANTS AND CONDITIONS

All promises and provisions herein made by Lessee shall be construed as covenants and conditions as though the words importing such covenants and conditions were used in each instance and that all such promises and provisions shall bind Lessee and inure to the benefit of Lessor and their respective heirs, legal representatives, successors, and assigns.

SIXTEEN: LESSOR'S RIGHTS IN EVENT OF DEFAULT

A. The occurrence of any of the following shall constitute a default by Lessee:

1. Failure to pay rent when due.

2. Failure to perform any other provision of this lease if the failure to perform is not cured within 30 days after notice has been given to Lessee. If the default cannot reasonably be cured within 30 days, Lessee shall not be in default of this lease if Lessee commences to cure the default within the 30 day period and diligently and in good faith continues to cure the default.

Notices given under this paragraph shall specify the alleged default and the applicable lease provisions, and shall demand that Lessee perform the provisions of this lease within the applicable period of time, or quit the premises. No such notice shall be deemed a forfeiture or a termination of this lease unless Lessor so elects in the notice.

B. Lessor shall have the following remedies if Lessee commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

1. Lessor can continue this lease in full force and effect, and the lease will continue in effect as long as Lessor does not terminate Lessee's right to possession, and Lessor shall have the right to collect rent when due. During the period

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Lessee is in default, Lessor can enter the premises and relet them, or any part of them, to third parties for Lessee's account. Lessee shall be liable immediately to Lessor for all costs Lessor incurs in reletting the premises, including, without limitation, brokers' commissions, expenses of remodeling the premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this lease. Lessee shall pay to Lessor the rent due under this lease on the dates the rent is due, less the rent Lessee receives from any reletting. No act by Lessor allowed by this paragraph shall terminate this lease unless Lessor notifies Lessee that Lessor elects to terminate this lease. After Lessee's default and for as long as Lessor does not terminate Lessee's right to possession of the premises, if Lessee obtains Lessor's consent Lessee shall have the right to assign or sublet its interest in this lease, but Lessee shall not be released from liability. Lessor's consent to a proposed assignment or subletting shall not be unreasonably withheld.

If Lessor elects to relet the premises as provided in this paragraph, rent that Lessor receives from reletting shall be applied to the payment of:

First, any indebtedness from Lessee to Lessor other than rent due from Lessee;

Second, all costs, including for maintenance, incurred by Lessor in reletting;

Third, rent due and unpaid under this lease. After deducting the payments referred to in this paragraph, any sum remaining from the rent Lessor receives from reletting shall be held by Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall Lessee be entitled to any excess rent received by Lessor. If, on the date rent is due under this lease, the rent received from the reletting is less than the rent due on that date, Lessee shall pay to

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Lessor, in addition to the remaining rent due, all costs, including for maintenance, Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

2. Lessor can terminate Lessee's right to possession of the premises at any time. No act by Lessor other than giving notice to Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, Lessor has the right to recover from Lessee:

a. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this lease;

b. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided;

c. The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided; and

d. Any other amount, and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.

"The worth, at the time of the award," as used in a. and b. of this paragraph, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in c. of this paragraph, is to be computed by discounting the amount.
at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

3. If Lessee is in default of this lease Lessor shall have the right to have a receiver appointed to collect rent and conduct Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

4. Lessor, at any time after Lessee commits a default, can cure the default at Lessee's cost. If Lessor at any time, by reason of Lessee's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Lessor, shall be due immediately from Lessee to Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Lessor until Lessor is reimbursed by Lessee. The sum, together with interest on it, shall be additional rent.

SEVENTEEN: ATTORNEY FEES

In the event that either party hereto shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any term, covenant, or condition of this lease by it to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover, in addition to its court costs, a reasonable attorney's fee to be fixed by the court, and such recovery shall include court costs and attorney's fee on appeal if any. As used herein, "the party prevailing" means the party in whose favor final judgment is rendered.

EIGHTEEN: ASSIGNMENTS - PROTECTION OF LESSOR

Lessee shall neither assign this lease nor sublet the leased premises without first obtaining the written consent of Lessor to do so, provided, however, that Lessor shall not arbitrarily or
unreasonably refuse to grant its consent to such assignment or subletting, and provided further that a consent to one assignment or subletting by Lessor shall not be deemed a consent to any subsequent assignment or subletting. Any assignment or subletting without the consent of Lessor shall be void and shall, at the option of Lessor, terminate this lease.

Lessee immediately and irrevocably assigns to Lessor as security for Lessee's obligations under this lease, all rent from any subletting of all or a part of the premises as permitted by this lease, and Lessor, as assignee and as attorney-in-fact for Lessee, or a receiver for Lessee appointed on Lessor's application, may collect such rent and apply it toward Lessee's obligations under this lease; except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent.

If Lessee requests Lessor to consent to a proposed assignment or subletting, Lessee shall pay to Lessor, whether or not consent is ultimately given, Lessor's reasonable attorneys' fees incurred in connection with each such request.

NINETEEN: CONDEMNATION

If any part of the premises shall be taken or condemned for a public or quasi-public use, and a part thereof remains which is susceptible of occupation hereunder, this lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor, and the rent payable hereunder shall be adjusted so that the Lessee shall be required to pay for the remainder of the term only such portion of such rent as the area of the part remaining after the condemnation bears to the area of the entire premises at the date of condemnation. If all the leased premises, or such part thereof be taken or condemned so that there does not remain a portion susceptible to occupation hereunder, this lease shall terminate thereupon. It is further understood that any
condemnation award or any other proceeds whatsoever received from any such condemnation shall belong solely to Lessor and Lessee shall have no interest therein whatsoever; provided, however, that Lessee shall be entitled to receive any amount awarded as compensation for the taking of improvements, fixtures and equipment owned by Lessee or for the expense of removing or repairing the same, and any amount awarded as compensation attributable to goodwill of Lessee's customers and any other compensation attributable for its business, if any.

TWENTY: NOTICES

Any and all notices or demands by or from Lessor to Lessee, or Lessee to Lessor shall be in writing. They shall be served either personally or by registered or certified mail, return receipt requested. If served personally, service shall be conclusively deemed made at the time of service. If served by registered or certified mail, service shall be deemed made on the business day following deposit thereof in the United States mail, postage prepaid, addressed to the party to whom such notice or demand is to be given as hereinafter provided.

Any notice or demand to Lessor may be given to it at 44909 North Tenth Street West, Lancaster, California 93534.

Any notice or demand to Lessee may be given to Charles B. Siroonian at 13780 E. Imperial Highway, Santa Fe Springs, California 90670.

TWENTY-ONE: ENTIRE AGREEMENT

This lease contains the entire agreement between the parties relating thereto. All prior negotiations or stipulations concerning its matter which preceded or accompanied the execution hereof are conclusively deemed to be superseded hereby, provided, however, that this lease may in the future be altered by written agreement of the parties or by an executed oral agreement but not otherwise.
IN WITNESS WHEREOF, Lessor and Lessee have executed this lease the day and year in this instrument first above written and they specifically agree that they bind themselves, their heirs, executors, successors and assigns.

LESSOR: Little Rock Sand and Gravel, Inc., a California corporation

By: Frank A. Lane, President

By: Yvonne M. Lane, Secretary

LESSEE: PYRO RESOURCES, INC., a California corporation

By: Charles B. Sircoonian, President

By: Charles D. Pratt, AI, Secretary

ADDENDUM

TWENTY-TWO: LICENSES, PERMITS, ETC.

Lessor and Lessee agree that this Lease is expressly contingent upon Lessee obtaining the necessary licenses and permits as may be required for the operation of the business described herein from the appropriate governmental agencies. In the event that Lessee is unable to obtain said necessary licenses and permits, all deposits paid hereunder for security and/or prepaid rent to Lessor shall be immediately paid and returned to Lessee.

Little Rock Sand and Gravel, Inc., a California corporation

By: Frank A. Lane, President

By: Yvonne M. Lane, Secretary

Pyro Resources, Inc., a California corporation

By: Charles B. Sircoonian, President

By: Charles D. Pratt, AI, Secretary
FIRST AMENDMENT TO REAL PROPERTY LEASE

This first amendment is made and entered into by and between
Little Rock Sand and Gravel, Inc., a California corporation,
hereinafter referred to as "Lessor", and State Sand & Gravel Co.,
Inc., a California corporation (formerly known as Pyro Resources,
Inc.), hereinafter referred to as "Lessee".

Whereas on or about January 17, 1986, Lessor and Lessee
entered into a real property lease for certain real property
located in the County of Los Angeles, State of California; and

Whereas Lessee desires to add to the leased premises
approximately 100.6 acres adjoining the leased premises, with an
agreed upon adjustment in the rentals payable under the terms of
the lease; and

Whereas Lessor and Lessee have agreed to the terms and
conditions of adding the additional acreage and the payment of
rental therefor, and they desire to set forth herein certain
amendatory provisions to the lease to effectuate the transaction;

Now, therefore, in consideration of the foregoing premises
and the covenants and conditions hereinafter set forth, the
parties agree as follows:

1. Paragraph ONE: DESCRIPTION OF PREMISES is hereby amended
by the addition of the following described real property:

Parcel A:
That portion of the north half of the southwest quarter
of Section 1, Township 5 North, Range 11 West, San
Bernardino Meridian, in the County of Los Angeles, State
of California, lying north of the northerly line of the
Southern Pacific Company right-of-way in the southwest
quarter of said Section 1.
Reserving therefrom a 50-foot easement for road and
utility purposes along and immediately adjacent to the
northerly line of the Southern Pacific Company right-of-way, along and immediately adjacent to the east property line of said property from the northerly line of the Southern Pacific Company right-of-way to 50 feet north of the southwest corner of the northwest quarter of the northwest quarter of the southeast quarter of said Section 1, along and immediately adjacent to the west property line of said property, along and immediately adjacent to the north property line of said property from the west property line of said property to 50 feet east of the southwest corner of the southeast quarter of the northwest quarter of said Section 1.

PARCEL B:
Northwest quarter of the northwest quarter of the southeast quarter of Section 1, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.
Reserving therefrom a 50-foot easement for road and utility purposes along and immediately adjacent to the south and east property lines thereof.

PARCEL C:
Southeast quarter of the northwest quarter of Section 1, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.
Reserving therefrom a 50-foot easement for road and utility purposes along and immediately adjacent to the west and north property lines thereof.

PARCEL D:
West half of the southwest quarter of the northeast quarter of Section 1, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.
Reserving therefrom a 50-foot easement for road and utility purposes along and immediately adjacent to the east and north property lines thereof.

2. Paragraph TWO: TERM OF LEASE is hereby amended by (a) changing the date of termination of the initial term of the lease to December 31, 2019, and (b) after last word "met", period is changed to comma, and the following language is added ", and provided further that if such right to terminate is exercised, Lessee shall comply in full with all terms of the development agreement dated December 8, 1987 and the conditions of approval of Site Plan Review Case No. 5-86-8 of the City of Palmdale within said year.

3. Paragraph THREE: NEW LEASE is hereby deleted in its entirety.

4. Paragraph FIVE: RESERVED RENT is hereby amended by the addition of the following provisions:

Lessor hereby reserves as rental for the additional premises being added by this first amendment to real property lease a guaranteed minimum rental of $ per month, which said sum Lessor expressly reserves as a minimum rental for said additional acreage.

Said additional minimum reserved rental for the additional acreage shall be paid as follows:

(a) upon the execution of this first amendment to real property lease as and for the first month's additional rent for the additional acreage under this lease.

(b) on or before June 30, 1988 as and for the last twelve months' additional rent for the additional acreage under this lease.

(c) $ per month, payable on the first day of each month during the lease term.
(d) The additional minimum rental of $____ per month shall become effective upon the signing of this first amendment to real property lease.

(e) Except as herein modified, all provisions of Paragraph 5: RESERVED RENT of the original lease are hereby incorporated and shall apply to the additional acreage added by this first amendment of real property lease, including but not limited to January 1, 1988 adjustments to the minimum reserved rental and the rental per ton in accordance with changes in the Consumer Price Index, it being the intent that the minimum reserved rental per acre and the rental per ton for both the original leased premises and the additional acreage are identical after January 1, 1988.

IN WITNESS WHEREOF, Lessor and Lessee have executed this first amendment to real property lease this __15__ day of December, 1987.

LESOR: Little Rock Sand and Gravel, Inc.
a California corporation

By [Signature]
Frank A. Lane, President

By [Signature]
Yvonne M. Lane, Secretary

LESSEE: State Sand & Gravel Co., Inc.
a California corporation

By [Signature]
Charles B. Simonian, President

By [Signature]
Gerald I. Stein, Secretary
This Assignment is made June 20, 1996, by and between STATE SAND & GRAVEL CO., INC., a California Corporation, (the "Assignor") and HOLLIDAY ROCK CO., INC., a California Corporation, (the "Assignee").

RECITALS

1. Little Rock Sand and Gravel Inc., a California Corporation, (the "Lessor") as Lessor and Assignor as Lessee, executed a lease dated January 17, 1986; a first amendment to said lease dated December 15, 1987; a second amendment to said lease dated April 1, 1989 and a third amendment to said lease dated January 25, 1993.

2. Lessor and Assignor as Lessee, also executed an easement agreement for a water well dated September 10, 1987.

3. Lessor executed an Agreement with Littlerock Aggregate Co., Inc., dated January 11, 1976, and recorded on February 24, 1976 in Book M5261, Page 468, as Instrument Number 476, regarding excavation up to the boundary line of adjoining properties.

4. Lessor and Assignor as Lessee, executed a Development Agreement with the City of Palmdale, dated December 15, 1987, Site Plan Review Case Number 5-86-8 regarding the subject property of the lease and the amendments thereto.


6. Charles B. Siroonian has signed a personal guarantee dated December 8, 1987 concerning the improvements to be undertaken by State Sand & Gravel Co., Inc., in connection with the above-referenced Development Agreement.

7. Assignor has submitted a Reclamation Plan to the City of Palmdale which is acting as the Lead Agency in accordance with the Surface Mining and Reclamation Act (SMARA) of the State of California, and in accordance therewith, has a letter of credit currently on file in the amount of $______.

(Rev. 6/19/96)
8. Assignor as Lessee has prepaid the last twelve months of rent under the lease and amendments referenced above as follows:

a. Lease dated 1/17/86 — the sum of $[redacted]
b. First amendment dated 12/15/87 — the sum of $[redacted]
c. Second amendment dated 4/1/89 — the sum of $[redacted]

9. Assignor as Lessee, in a letter addressed to Lessor dated April 30, 1996, exercised its right to terminate the lease pursuant to applicable provisions therein.

Assignor, with the consent of Lessor, desires to assign the lease and other agreements as referenced above to Assignee, and Assignee desires to accept the assignment of the above-referenced documents;

THEREFORE, for valuable consideration, receipt of which is hereby acknowledged by the parties hereto, Assignor and Assignee agree as follows:

A. Assignor assigns and transfers to Assignee all of Assignor's right, title and interest in and to the following leases and agreements and all prepaid rent under the lease, as amended, as referenced above:

(1) Lease dated 1/17/86 (Exhibit "A")

(2) First amendment to Lease dated 12/15/87 (Exhibit"B")

(3) Second amendment to Lease dated 4/1/89 (Exhibit "C")

(4) Third amendment to Lease dated 1/25/93 (Exhibit "D")

(5) Easement Agreement dated 9/10/87 (Exhibit "E")

(6) Development Agreement with the City of Palmdale dated 12/15/87 (Exhibit "F")

(7) Reclamation plan as on file with the City of Palmdale and as referenced in the letter dated 2/20/96 (Exhibit "G")

(8) Agreement dated 12/8/87 regarding allocation of cost for improvements as required by the development agreement (Exhibit "H")
B. Assignee agrees to and does accept the assignment of the above-referenced Leases and Agreements and Assignee expressly assumes and agrees to keep, perform, and fulfill all the terms, covenants, conditions, and obligations, required to be kept, performed, and fulfilled by Assignor as Lessee under the Lease and other agreements referenced above, including the making of all payments due to or payable on behalf of Lessor under the Lease, as amended, when due and payable.

C. Assignee assumes full responsibility for and agrees to provide any and all financial assurances as may be required by the City of Palmdale or other agencies in connection with the Reclamation Plan referenced above including the posting or deposit of such financial assurances in such amounts as requested.

D. Assignee agrees to indemnify, protect, defend and hold Assignor and Charles B. Siroonian, an individual, harmless from all improvements, costs, expenses, permits, fees and other work to be performed as required by the Development Agreement referenced above.

E. Assignor and Assignee each agree that the termination letter dated April 30, 1996 is hereby canceled effective upon the signing of this Assignment.

F. This Assignment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, however, all of which shall constitute but one and the same instrument.

Date: June 20, 1996

"Assignor"

State Sand & Gravel, Inc.,
A California Corporation

By: [Signature]
Charles B. Siroonian,
President

By: [Signature]
Charles D. Pratty, II
Secretary

(Rev. 6/19/96)
CONSENT OF LESSOR

Notwithstanding the termination letter dated April 30, 1996, from Assignor as Lessee to Lessor, Lessor hereby consents to the cancellation of the termination letter dated April 30, 1996, and consents to the assignment of the Lease, its amendments and other Agreements referenced above to Holliday Rock Co., Inc., as Assignee, waiving none of the Lessor's rights under the Lease and other Agreements as referenced above as to the Assignee and hereby expressly releases the Assignor as Lessee from any further liability or obligation under the terms of the Lease and other Agreements as referenced above, except that this shall not release Assignor as Lessee and Charles B. Siroonian as to their obligations under the Development Agreement dated December 15, 1987, the Agreement dated December 8, 1987 and the personal guarantee of Charles B. Siroonian dated December 8, 1987. This consent and release is contingent upon Holliday Rock Co., Inc., as Assignee, accepting this Assignment.

Date: June 20, 1996

"Assignee"

Holliday Rock Co., Inc.
A California Corporation

By: John F. Holliday,
Vice President

By: Frederick N. Holliday,
Secretary/Treasurer

Date: June 20, 1996

"Lessor"

Little Rock Sand & Gravel,
Inc., A California Corporation

By: Frank A. Lane,
President

By: Yvonne M. Lane,
Secretary

(Rev. 6/19/96)
CONSENT OF LESSOR

Notwithstanding the termination letter dated April 30, 1996, from Assignor as Lessee to Lessor, Lessor hereby consents to the cancellation of the termination letter dated April 30, 1996, and consents to the assignment of the Lease, its amendments and other Agreements referenced above to Holliday Rock Co., Inc., as Assignee, waiving none of the Lessor's rights under the Lease and other Agreements as referenced above as to the Assignee and hereby expressly releases the Assignor as Lessee from any further liability or obligation under the terms of the Lease and other Agreements as referenced above, except that this shall not release Assignor as Lessee and Charles B. Siroonian as to their obligations under the Development Agreement dated December 15, 1987, the Agreement dated December 8, 1987 and the personal guarantee of Charles B. Siroonian dated December 8, 1987. This consent and release is contingent upon Holliday Rock Co., Inc., as Assignee, accepting this Assignment.

Date: June 20, 1996

"Lessor"

Little Rock Sand & Gravel, Inc., A California Corporation

By: Frank A. Lane, President

By: Yvonne M. Lane, Secretary

(Rev. 6/19/96)
SECOND AMENDMENT TO REAL PROPERTY LEASE

This second amendment is made and entered into by and between Little Rock Sand and Gravel, Inc., a California corporation, hereinafter referred to as "Lessor", and State Sand & Gravel Co., Inc., a California corporation (formerly known as Pyro Resources, Inc.), hereinafter referred to as "Lessee".

Whereas on or about January 17, 1986, Lessor and Lessee entered into a real property lease for certain real property located in the County of Los Angeles, State of California; and

Whereas on or about December 15, 1987, Lessor and Lessee executed the First Amendment to this lease, adding to the leased premises approximately 100.6 acres adjoining the original leased premises, with an agreed upon adjustment in the rentals payable under the terms of the lease; and

Whereas Lessee now desires to add to the leased premises a 1/2.74 acres (approximately) adjoining the leased premises, with a further agreed upon adjustment in the rentals payable under the terms of the lease; and

Whereas Lessor and Lessee have agreed to the terms and conditions of adding the further additional acreage and the payment of rental therefor, and they desire to set forth herein certain amendatory provisions to the lease to effectuate the transaction;

Now, therefore, in consideration of the foregoing premises and the covenants and conditions hereinafter set forth, the parties agree as follows:

1. Paragraph ONE: DESCRIPTION OF PREMISES is hereby amended by the addition of the real property described in Exhibit A attached and incorporated by reference.

2. Paragraph FIVE: RESERVED RENT is hereby amended by the addition of the following provisions:
Lessor hereby reserves as rental for the further additional premises being added by this second amendment to real property lease a guaranteed minimum rental of $\_\_\_\_ per month, which said sum Lessor expressly reserves as a minimum rental for said further additional acreage.

Said additional minimum reserved rental for the further additional acreage shall be paid as follows:

(a) $\_\_\_\_ upon the execution of this second amendment to real property lease as and for the first month's (April, 1989) additional rent for the further additional acreage under this lease.

(b) $\_\_\_\_ upon the execution of this second amendment to real property lease as and for the last twelve months' additional rent for the further additional acreage under this lease.

(c) $\_\_\_\_ per month, payable on the first day of each month during the lease term.

(d) The additional minimum rental of $\_\_\_\_ per month shall become effective upon the signing of this second amendment to real property lease.

(e) Except as herein modified, all provisions of Paragraph 5: RESERVED RENT of the original lease are hereby incorporated and shall apply to the additional acreage added by this first amendment of real property lease, including but not limited to January 1, 1990 adjustments to the minimum reserved rental and the rental per ton in accordance with changes in the Consumer Price Index, it being the intent that the minimum reserved rental per acre and the rental per ton for both the original leased premises and the further additional acreage are identical after January 1, 1990.
IN WITNESS WHEREOF, Lessor and Lessee have executed this first amendment to real property lease this first day of April, 1989.

**LESSOR:**
Little Rock Sand and Gravel, Inc.
a California corporation

By [Signature]
Frank A. Lane, President

By [Signature]
Yvonne H. Lane, Secretary

**LESSEE:**
State Sand & Gravel Co., Inc.
a California corporation

By [Signature]
Charles E. Siroonian, President

By [Signature]
Gerald J. Stein, Secretary
EXHIBIT A

Parcel E:
Northeast quarter of the northwest quarter of Section 1, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.

Parcel F:
Northwest quarter of the northeast quarter of Section 1, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.

Parcel G:
South half of Lot 1 in the southwest quarter of Section 31, Township 6 North, Range 10 West, San Bernardino Meridian, in the County of Los Angeles, State of California.
Subject to pipeline easement of Southern California Gas Company in south 250 feet thereof. [Signature]
SECOND AMENDMENT TO REAL PROPERTY LEASE

This second amendment is made and entered into by and between Little Rock Sand and Gravel, Inc., a California corporation, hereinafter referred to as "Lessor", and State Sand & Gravel Co., Inc., a California corporation (formerly known as Pyro Resources, Inc.), hereinafter referred to as "Lessee".

Whereas on or about January 17, 1986, Lessor and Lessee entered into a real property lease for certain real property located in the County of Los Angeles, State of California; and

Whereas on or about December 15, 1987, Lessor and Lessee executed the First Amendment to this lease, adding to the leased premises approximately 100.6 acres adjoining the original leased premises, with an agreed upon adjustment in the rentals payable under the terms of the lease; and

Whereas Lessee now desires to add to the leased premises a further 112.47 acres (approximately) adjoining the leased premises, with a further agreed upon adjustment in the rentals payable under the terms of the lease; and

Whereas Lessor and Lessee have agreed to the terms and conditions of adding the further additional acreage and the payment of rental therefor, and they desire to set forth herein certain amendatory provisions to the lease to effectuate the transaction;

Now, therefore, in consideration of the foregoing premises and the covenants and conditions hereinafter set forth, the parties agree as follows:

1. Paragraph ONE: DESCRIPTION OF PREMISES is hereby amended by the addition of the real property described in Exhibit A attached and incorporated by reference.

2. Paragraph FIVE: RESERVED RENT is hereby amended by the addition of the following provisions:
Lessor hereby reserves as rental for the further additional premises being added by this second amendment to real property lease a guaranteed minimum rental of $____ per month, which said sum Lessor expressly reserves as a minimum rental for said further additional acreage.

Said additional minimum reserved rental for the further additional acreage shall be paid as follows:

(a) $____ upon the execution of this second amendment to real property lease as and for the first month's (April, 1989) additional rent for the further additional acreage under this lease.

(b) $____ upon the execution of this second amendment to real property lease as and for the last twelve months' additional rent for the further additional acreage under this lease.

(c) $____ per month, payable on the first day of each month during the lease term.

(d) The additional minimum rental of $____ per month shall become effective upon the signing of this second amendment to real property lease.

(e) Except as herein modified, all provisions of Paragraph 5: RESERVED RENT of the original lease are hereby incorporated and shall apply to the additional acreage added by this first amendment of real property lease, including but not limited to January 1, 1990 adjustments to the minimum reserved rental and the rental per ton in accordance with changes in the Consumer Price Index, it being the intent that the minimum reserved rental per acre and the rental per ton for both the original leased premises and the further additional acreage are identical after January 1, 1990.
IN WITNESS WHEREOF, Lessor and Lessee have executed this first amendment to real property lease this first day of April, 1989.

LESSOR: Little Rock Sand and Gravel, Inc.
a California corporation

By \underline{Frank A. Lane}  
Frank A. Lane, President

By \underline{Yvonne M. Lane}  
Yvonne M. Lane, Secretary

LESSEE: State Sand & Gravel Co., Inc.
a California corporation

By \underline{Charles B. Sirchoian}  
Charles B. Sirchoian, President

By \underline{Gerald I. Stein}  
Gerald I. Stein, Secretary
EXHIBIT A

Parcel E:
Northeast quarter of the northwest quarter of Section 1, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.

Parcel F:
Northwest quarter of the northeast quarter of Section 1, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.

Parcel G:
South half of Lot 1 in the southwest quarter of Section 31, Township 6 North, Range 10 West, San Bernardino Meridian, in the County of Los Angeles, State of California.

Subject to pipeline easement of Southern California Gas Company in south 250 feet thereof.
THIRD AMENDMENT TO REAL PROPERTY LEASE

THIS THIRD AMENDMENT TO REAL PROPERTY LEASE ("Amendment") is dated for reference and is effective this 25 day of January, 1993, by and between LITTLE ROCK SAND AND GRAVEL, INC., a California corporation ("Lessor"), and STATE SAND & GRAVEL CO., INC., a California corporation ("Lessee").

1. RECITALS.

This Amendment is made with reference to the following statements of fact:

a. On or about January 17, 1986, Lessor and Lessee entered into a real property lease for certain real property located in the County of Los Angeles, State of California (the "Lease").

b. On or about December 15, 1987, Lessor and Lessee executed a First Amendment to Real Property Lease, amending the Lease to add to the leased premises approximately 100.6 acres adjoining the original leased premises, with an agreed upon adjustment in the rentals payable under the terms of the Lease.

c. On or about April 1, 1989, Lessor and Lessee executed a Second Amendment to Real Property Lease, amending the Lease to add to the leased premises approximately 112 acres adjoining the leased premises, with a further agreed upon adjustment in the rentals payable under the terms of the Lease.

d. Lessee desires to construct a rail spur ("Rail Spur") for the purpose of connecting Lessee's rock, sand and gravel extraction operations conducted by Lessee on the leased premises...
with the Southern Pacific railroad track which runs through or adjacent to the leased premises.

e. In connection with construction of the Rail Spur, it is contemplated that Southern Pacific Transportation Company ("Southern Pacific") will enter into a written agreement with Lessee (the "Southern Pacific Contract") pursuant to which Southern Pacific, on payment to Southern Pacific of the approximate sum of $\underline{\text{[redacted]}}$ will construct a railroad turnout from its main line and shall construct and lay approximately 135 feet of track from its point of switch to the leased premises (collectively "Track and Switch Work"). It is further contemplated that the Southern Pacific Contract shall provide for repayment by Southern Pacific to Lessee of the approximate sum of $\underline{\text{[redacted]}}$ on a formula basis tied to the amount of freight carried by Southern Pacific from the Rail Spur.

f. Further, in connection with construction of the Rail Spur, it is contemplated that Lessee will enter into a written agreement with Sharp & Fellows Inc. (the "Sharp & Fellows Contract") pursuant to which Sharp & Fellows Inc. shall, in consideration of payment of the approximate sums of $\underline{\text{[redacted]}}$ for completion of Phase 1, $\underline{\text{[redacted]}}$ for completion of Phase 2, and $\underline{\text{[redacted]}}$ for completion of Phase 3, construct and lay in three sequential phases approximately 1,800 feet of track and necessary appurtenances (the "Improvements") so as to connect Lessee's rock, sand and gravel extraction operations with the Track and Switch Work.

[Signature]
g. Lessor and Lessee desire to set forth herein their
   certain agreements pertaining to construction of the Rail Spur and
to the attendant modifications to the Lease occasioned thereby.

2. LESSOR APPROVAL OF CONTRACTS.

Lessees shall furnish Lessor with a true copy of the
Southern Pacific Contract and a true copy of the Sharp & Fellows
Contract. Before commencement of construction of the Improvements
and as a condition precedent to Lessor's obligation to pay any sums
under Paragraph 5 of this Amendment, Lessor shall be entitled to
review and approve the terms and provisions of each of said
contracts. In this regard it is contemplated that the Sharp &
Fellows Contract shall be comprised of a written proposal
(substantially in the form and upon the terms set forth in Exhibit
"A" attached hereto) and a purchase order based upon the written
proposal. Lessor may disapprove as to each contract by notice
given Lessee with ten (10) days following delivery of a copy of the
respective contract. The notice shall specify the ground for
disapproval. Lessor shall not unreasonably disapprove said
contracts and shall be considered to have approved in the absence
of notice of disapproval given within ten (10) days after Lessee
furnishes the respective contracts.

3. CONSENT TO IMPROVEMENTS.

Lessor hereby consents to construction of the
Improvements, provided, however, that Lessee notify Lessor of
Lessee's intention to commence construction of the Improvements at
least five (5) days before commencement of any such work or
delivery of any related materials. Lessor shall have the right to

\[\text{Signature} \]
post and maintain on the leased premises any notices of non-responsibility provided for under applicable law, and to inspect the leased premises in relation to the construction of the Improvements at all reasonable times.

4. OWNERSHIP OF IMPROVEMENTS.

Notwithstanding anything to the contrary set forth in the Lease, the Improvements shall be owned by Lessee until expiration of the term or sooner termination of the Lease. Lessee shall not, however, remove the Improvements or any part thereof from the leased premises nor waste, destroy, or modify the Improvements. The parties covenant for themselves and all persons claiming under them that the Improvements are real property.

The Improvements at expiration of the term or sooner termination of the Lease shall, at the option of Lessor, without compensation to Lessee, then become Lessor's property free and clear of all claims to or against them by Lessee or any third person, and Lessee shall defend and indemnify Lessor against all liability and loss arising from such claims or from Lessor's exercise of the rights conferred by this paragraph. Notwithstanding the foregoing, at the expiration of the term or sooner termination of the Lease, Lessor may require that Lessee remove any or all of the Improvements and restore the leased premises to their condition immediately prior to installation of the Improvements.

5. AGREEMENT TO PAY PORTION OF CONTRACT COSTS.

Lessee shall furnish to Lessor copies of all billing or other invoices for advances required or work done under the
Southern Pacific Contract and under the Sharp & Fellows Contract. Subject to Lessor’s approval of each of the contracts pursuant to Paragraph 2 of this Amendment, Lessor shall pay directly to Southern Pacific, at such time as reasonably required by Southern Pacific, one-half of the amount due to Southern Pacific under the Southern Pacific Contract up to a maximum payment by Lessor of $[redacted]. Further, and again subject to Lessor’s approval of each of the contracts pursuant to Paragraph 2 of this Agreement, Lessor shall pay directly to Sharp & Fellows, within thirty (30) days of presentation of a copy of the applicable billing invoice, one-half of all amounts billed, up to a maximum payment by Lessor under the Sharp & Fellows Contract of $[redacted] for construction of Phase 1, $[redacted] for construction of Phase 2, and $[redacted] for construction of Phase 3.

6. SOUTHERN PACIFIC REFUND.

As provided in Recital Paragraph 1e of this Amendment, it is contemplated by the parties hereto, that the Southern Pacific Contract shall obligate Southern Pacific to refund to or for the benefit of Lessee, the approximate sum of $[redacted], which refund shall be upon a formula basis tied to the amount of freight carried by Southern Pacific from the Rail Spur. It is hereby agreed by Lessor and Lessee that Lessor shall be entitled to receive, and Lessee shall cause Lessor to receive, one-half of all refunds paid from time to time by Southern Pacific to or for the account of Lessee under the Southern Pacific Contract. To effect such entitlement, Lessee shall, by written, irrevocable instruction to Southern Pacific, instruct Southern Pacific to pay to Lessor one-
half of any and all sums refunded from time to time by Southern Pacific to or for the account of Lessee. In the event that such refund to Lessee by Southern Pacific shall be by way of a freight reduction for freight carried by Southern Pacific from the Rail Spur on a monthly, quarterly, or other basis, Lessee shall so account to Lessor regarding the same with such accounting to be in a form and at such times as requested by Lessor. An amount equal to one-half of such freight reduction shall be paid by Lessee to Lessor immediately. Such written, irrevocable instruction shall be in a form and upon such terms reasonably acceptable to Lessor.

7. CONTROLLING AGREEMENT.

If there is any conflict between the terms and provisions of this Amendment and the terms and provisions of the Lease or any prior amendments thereto, the terms and provisions of this Amendment shall govern. Except as herein specifically set forth, all other provisions of the Lease and any prior amendments thereto shall remain in full force and effect and shall be binding upon the parties in accordance with their terms.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment effective the day and year first above written.

"LESSOR"

LITTLE ROCK SAND AND GRAVEL, INC., a California corporation

By /Signature/ FRANK A. LANE, President

By /Signature/ YVONNE M. LANE, Secretary

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"LESSEE" STATE SAND & GRAVEL CO., INC., a California corporation

By CHARLES B. SIROONIAN, President

By CHARLES B. PRATT; Secretary
FOURTH AMENDMENT TO REAL PROPERTY LEASE

This fourth amendment is made and entered into by and between Little Rock Sand and Gravel, Inc., a California corporation, hereinafter referred to as "Lessor", and Holliday Rock Co., Inc., a California corporation, hereinafter referred to as "Assignee", based upon a concurrently executed assignment dated June 20, 1996 to Assignee from State Sand & Gravel Co., Inc., a California corporation, hereinafter referred to as "Lessee".

Whereas on or about January 17, 1986, Lessor and Lessee entered into a real property lease for certain real property located in the County of Los Angeles, State of California; and

Whereas on or about December 15, 1987, Lessor and Lessee executed the First Amendment to this lease, adding to the leased premises approximately 100.6 acres adjoining the original leased premises, with an agreed upon adjustment in the rentals payable under the terms of the lease; and

Whereas on or about April 1, 1989, Lessor and Lessee executed a Second Amendment to Real Property Lease, amending the Lease to add to the leased premises approximately 112 acres adjoining the leased premises, with a further agreed upon adjustment in the rentals payable under the terms of the Lease; and

Whereas on or about January 25, 1993 Lessor and Lessee executed a Third Amendment to Real Property Lease, providing for the construction of a rail spur for the purpose of connecting Lessee's rock, sand and gravel extraction operations conducted by Lessee on the leased premises with the Southern Pacific railroad track which runs through or adjacent to the leased premises; and

Whereas Lessor and Assignee have agreed to certain changes in the terms of the subject real property lease, as previously amended by the above referred to three amendments, which changes are to be
effective concurrently with the assignment by the Lessee to Assignee of the Lessee's interest in the subject real property lease as heretofore amended;

Now, therefore, in consideration of the foregoing premises and the covenants and conditions hereinafter set forth, Lessor and Assignee agree as follows:

1. This amendment and the concurrently executed assignment by Lessee to Assignee (to be consented to in writing by Lessor) shall be effective June 20, 1996.

2. Because of the application of two months of prepaid rent by Lessee for May and June, 1996, it is understood and agreed that Assignee is only entitled to a credit for prepaid rent for the last ten months of the lease term. Lessor hereby agrees that the lease, and amendments thereto, are hereby amended to require payment of prepaid rent for the last ten months of the lease term, and this credit for prepaid rent for the last ten months of the lease term satisfies this requirement in full, subject to the Consumer Price Index adjustment provided in Paragraph FIVE, subparagraph 9, on pages 4 and 5 of the original lease dated January 17, 1986.

3. Paragraph FIVE: RESERVED RENT is hereby amended as follows:

   (a) Subparagraph A,7, is amended to read:

       7. The sum of $blank per month reserved as a minimum rental shall be allowed as a credit against $blank per ton; if the royalties payable by Lessee to Lessor for any calendar month, as adjusted on the basis of the U. S. Department of Labor Cost of Living Index (as it pertains to Los Angeles County) for the calendar year in which such month falls (see subparagraph 9 below), are less than the minimum rent paid by Lessee to Lessor for said month, then the amount by which the minimum rent paid for such month exceeds the
royalties earned for such month shall constitute a credit which may be applied by Lessee against royalties earned in excess of minimum rent payable for any calendar month during the next succeeding twelve (12) month period.

(b) The first five lines of Subparagraph A,8, are amended to read:

8. After quarrying has started on Lessor's property, all material extracted and removed from Lessor's property, or sold or shipped from Lessor's Antelope Valley plant, or waste, reject or stock piles, from that day on shall be deemed and paid for as coming from Lessor's property; provided, however, the foregoing restriction shall not apply to materials processed on or from other property leased by Little Rock Sand and Gravel, Inc., to Granite Construction or other property leased by A. V. Materials, Inc., to Calmat Co.

(c) The following provisions shall be added to said paragraph FIVE, as heretofore amended:

The minimum monthly reserved rental for the period beginning July 1, 1996 and ending June 30, 1998 shall be $__, payable on the first day of each month during said two year period.

The minimum monthly reserved rental for the period beginning July 1, 1998 and ending June 30, 1999 shall be $__, plus one-third of the difference between $__ and what the minimum monthly rental would have been on July 1, 1998 using the formula set forth in the subject real property lease as heretofore amended; said minimum monthly reserved rental shall be payable on the first day of each month during said 12 month period.

The minimum monthly reserved rental for the period beginning July 1, 1999 and ending June 30, 2000, shall be
$[redacted] plus two-thirds of the difference between $[redacted] and what the minimum monthly rental would have been on July 1, 1999 using the formula set forth in the subject real property lease as heretofore amended; said minimum monthly reserved rental shall be payable on the first day of each month during said 12 month period.

The minimum monthly rental for the period beginning July 1, 2000 shall be what the minimum monthly rental would be on July 1, 2000 using the formula set forth in the subject real property lease as heretofore amended.

IN WITNESS WHEREOF, Lessor and Assignee have executed this fourth amendment to real property lease this 20th day of June, 1996.

LESSOR: Little Rock Sand and Gravel, Inc., a California corporation

By [Signature]
Frank A. Lane, President

By [Signature]
Yvonne M. Lane, Secretary

ASSIGNEE: Holliday Rock Co., Inc., a California corporation

By [Signature]
John F. Holliday, Vice President

By [Signature]
Fredrick N. Holliday, Secretary
Sixth Amendment to Real Property Lease

This Sixth Amendment to Real Property Lease ("Amendment") is dated for reference and is effective this 15th day of November, 2004, by and between LITTLE ROCK SAND AND GRAVEL CO., a California Corporation ("Lessor") and HOLLIDAY ROCK CO., INC., a California Corporation ("Lessee/Assignee").

Whereas on or about January 17, 1986, Lessor and the original Lessee entered into a real property lease for certain real property located in the County of Los Angeles, State of California; and

Whereas on or about December 15, 1987, Lessor and original Lessee executed the First Amendment to this lease, adding to the leased premises approximately 100.6 acres adjoining the original leased premises, with an agreed upon adjustment in the rentals payable under the terms of the lease; and

Whereas on or about April 1, 1989, Lessor and original Lessee executed a Second Amendment to this lease, adding to the leased premises approximately 112 acres adjoining the original leased premises, with a further agreed upon adjustment in the rentals payable under the terms of the lease; and

Whereas on or about January 25, 1993 Lessor and original Lessee executed a Third Amendment to this lease, providing for the construction of a rail spur for the purpose of connecting Lessee’s rock, sand and gravel extraction operations conducted by Lessee on the leased premises with the Southern Pacific railroad track which runs through or adjacent to the leased premises; and

Whereas on or about June 20, 1996 Lessor and original Lessee executed a Fourth Amendment to this lease and a concurrently executed assignment between Holliday Rock Co., Inc. and State Sand and Gravel, providing for the assignment of State Sand and Gravel’s position of Lessee in the previously mentioned Lease and Amendments to Holliday Rock Co., Inc.; and

Whereas on or about November 15, 2004 Lessor and original Lessee executed a Fifth Amendment to this lease, providing for the import of coarse aggregate proportional to 5 percent of the asphalt produced monthly; and

Whereas Lessor and Lessee/Assignee have agreed to certain changes in the terms of the subject real property lease, as previously amended by the above referred to four amendments, which changes are to be part of the lease as heretofore amended;

NOW, therefore, in consideration of the foregoing premises and the covenants and conditions hereinafter set forth, Lessor and Lessee/Assignee agree as follows:

The current termination of the Real Property Lease and subsequent Amendments is December 31, 2019.