

STATE OF TENNESSEE



I, Mark H McGaha, Register of Deeds of Cocke County Tennessee, in the State aforesaid, do hereby certify that the attached is a true and correct copy of a(n):

MEMORANDUM executed by:

VULCAN MATERIALS COMPANY ET AL

to:

VULCAN MATERIALS COMPANY ET AL

as same appears of record in RECORD Book 1661, Page 292, Instrument Number 25000359 in said Register of Deeds office.

Witness my hand and official seal of office this 29th day of January, 2025.

Mark H McGaha, Register of Deeds

By: Mark H McGaha

MMcGaha



THIS INSTRUMENT PREPARED BY:

Thomas M. Hale, Esq.
Kramer Rayson LLP
P.O. Box 629
Knoxville, TN 37901-0629
(865) 525-5134

Mark H McGaha, Register
Cocke County Tennessee
Rec #: 100142 Instrument #: 25000359
Rec'd: 30.00 Recorded
State: 0.00 1/22/2025 at 2:21 PM
Clerk: 0.00 in RECORD
Other: 2.00 1661
Total: 32.00 PGS 292-297

MEMORANDUM OF LEASE

This Memorandum of Lease ("**Memorandum**") is made and executed this 17th day of January, 2025, by VULCAN MATERIALS COMPANY (which is one and the same as Vulcan Materials Company, Midsouth Division) ("**Vulcan**").

WITNESSETH:

WHEREAS, on or about September 1, 1992, Vulcan entered into an Agreement (the "**Agreement**") with Smoky Mountain Country Club, Inc. ("**SMCC**"), which owned a parcel of land in Cocke County, Tennessee, consisting of 29.29 acres designated as Tax Map 065, Parcel 028.04 and described as set out on **Exhibit A** attached hereto and incorporated herein by reference (herein the "**Subject Property**"); and

WHEREAS, the Agreement contained (i) the grant by SMCC to Vulcan of an Option to Lease the Subject Property (the "**Option**"), and, if said Option were exercised, (ii) the terms and conditions governing the lease of the Subject Property (the "**Lease**"); and

WHEREAS, SMCC through a series of written agreements between it and Vulcan extended the Option granting Vulcan the right to lease the Subject Property until August 31, 2001; and

WHEREAS, on June 22, 2001 during the existence of the Option, and while SMCC still owned the Subject Property, Vulcan gave SMCC notice of exercise of the Option to lease the Subject Property by way of the letter from Stan Bass, Vice President of the East Region of Vulcan, to Ron Munn, President of SMCC, a true and exact copy of which is attached here to as **Exhibit B**; and

WHEREAS, on July 3, 2001, Vulcan caused the Agreement to be placed of record in the Office of the Register of Deeds for Cocke County, Tennessee where it was recorded in Book No. 1069, pages 415-429, thereby giving notice that the Subject Property, the fee simple interest of which was still held by SMCC, was encumbered by the Lease, the terms and conditions of which were and are contained in the portion of the Agreement entitled "II Lease Agreement" (the "**Lease Terms**"); and

WHEREAS, one of the Lease Terms fixes the length or Term of the Lease that only Vulcan, the Second Party, would have the right to terminate at any time prior to June 2031 which provision is more specifically set forth below:



Subject to the other terms and provisions herein contained, the term of this lease shall be for a period of three (3) years beginning on the date the Option is exercised. Provided, however, that Second Party shall have the right to renew this lease on the same terms and conditions for nine (9) additional periods of three (3) years each with said renewals to occur automatically unless Second Party gives to First Party written notice, not less than sixty (60) days prior to the expiration of the term in effect, that Second Party will not renew the lease for an additional term.

(the "**Term**"). (See II Lease Agreement, subsection 2, p. 5); and

WHEREAS, from the date of the exercise of the Option until SMCC sold the fee simple interest in the Subject Property, Vulcan performed its obligations under the Lease Terms, including among other things, payment of the required rental to SMCC and payment of the annual ad valorem real property taxes levied on the Subject Property; and

WHEREAS, on or about August 17, 2005, subsequent to the recording of the Lease, SMCC conveyed the Subject Property to Cecil C. Gilland and John E. Gilland via Warranty Deed, which was recorded in the office of the Register of Deeds for Cocke County, Tennessee in Book No. 1207, pages 402-407; and

WHEREAS, on or about May 27, 2017, John E. Gilland and Cecil C. Gilland conveyed their interest in the Subject Property to Cecil C. Gilland and Donna C. Gilland (the Gillands") via "Partition Deed," which was recorded in the office of the Register of Deeds for Cocke County, Tennessee in Book No. 1467, pages 360-364; and

WHEREAS, from August 17, 2005 through April 18, 2023, the period that members of the Gilland family owned the fee simple interest in the Subject Property, Vulcan performed its obligations under the Lease Terms, including among other things, payment to the Gillands the required rental and payment of the annual ad valorem real property taxes levied on the Subject Property; and

WHEREAS, on or about April 18, 2023, the Gillands conveyed the Subject Property to Smokey Mountain Blue Lagoon, LLC ("SMBL") via Warranty Deed, which was recorded in the office of the Register of Deeds for Cocke County, Tennessee in Book No. 1616, pages 895-897; and

WHEREAS, the Warranty Deed from the Gillands to SMBL states, among other things, that the conveyance is "SUBJECT TO a Lease Agreement with Vulcan Materials Company, Midsouth Division, of record in Record Book 1068, page 415, in the Register's Office for Cocke County, Tennessee"; and

WHEREAS, after SMBL purchased the property, Vulcan has sent lease payments to SMBL, but the rent checks have not been cashed; and



WHEREAS, by virtue of the foregoing SMBL and all other third parties are on notice of the continued legal viability of the Lease and that the Subject Property is encumbered by the Lease; and

WHEREAS, to reaffirm the status of the Lease, full notice of which is already of record, Vulcan does hereby file this Memorandum including an explanation of the facts with respect to the Agreement/Lease and the Subject Property.

NOW, THEREFORE, for the reasons set forth herein, and, in the interest of clarification and for avoidance of doubt, Vulcan affirms the following:

1. **Leased Property.** The Subject Property, consisting of 29.29 acres, described on **Exhibit A** hereto, became subject to the Lease Terms upon exercise by Vulcan of the Option on June 22, 2001.

2. **Term of Lease.** The provision of the Lease setting forth its Term provides for an initial period of three (3) years from the date of exercise of the Option (i.e. June 22, 2001), and expressly provides Vulcan has the right to renew for nine (9) additional three (3) year renewal terms, "said renewals to occur automatically unless" Vulcan gives notice of a desire not to renew. Thus, absence Vulcan giving such notice, the Term will not expire until June 21, 2031. To date, no such notice has been given.

3. **Recitals.** The recitals set forth hereinabove are specifically incorporated herein by reference and made a part of this Memorandum as if copied herein verbatim.

4. **Rental and Other Provisions.** The rental to be paid by Vulcan and all other terms, conditions, restrictions and limitations all as more fully set forth in the Lease are hereby ratified and adopted and made a part hereof by reference to the same extent as if all the provisions thereof were copied herein verbatim.

IN WITNESS WHEREOF, Vulcan has caused this instrument to be signed and recorded by its authorized agent on the day and year first above written.

(SIGNATURE ON THE FOLLOWING PAGE)



VULCAN:

VULCAN MATERIALS COMPANY

By: _____

Its: Assistant Corporate Secretary

STATE OF Alabama
COUNTY OF Jefferson

Before me, the undersigned authority, a Notary Public in and for said County and State, personally appeared Jennifer L. Commanter, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself/herself to be the Asst. Corp. Secretary of VULCAN, the within named bargainer, and that he/she is authorized to do so, executed the foregoing instrument for the purpose therein contained, by signing the name of VULCAN.

Witness my hand and seal at office this 17th day of January, 2025.

Jamie R. Nelson
Notary Public
My Commission Expires _____

JAMIE R. NELSON
NOTARY PUBLIC
ALABAMA STATE AT LARGE
COMM. EXP. 03/19/27



Situated in District No. SIX (6) of Cooke County, Tennessee, being Tracts Nos. Two (2) and Three (3) of the Allene Smith Subdivision, Section Three, as shown by Plat of Gerald G. Wilde, RLS, dated April 12, 1979, to-wit:

Beginning at an iron pin in the northern margin of Rebecca Drive, corner to Tract No. 1; thence with Tract No. 1, north 5 deg. 50 min. east 650.0 feet to an iron pin; thence north 28 deg. 36 min. east 179.8 feet to an iron pin; thence north 43 deg. 12 min. east 189.7 feet to an iron pin; thence north 70 deg. 00 min. east 166.0 feet to an iron pin; thence 19 deg. 42 min. east 823.0 feet to an iron pin; thence leaving the line of Tract No. 1, south 43 deg. 00 min. east 762.00 feet to an iron pin, corner to Tract No. 5; thence with Tract No. 4, south 22 deg. 30 min. west 1,450.0 feet to an iron pin in the northern margin of Rebecca Drive; thence north 89 deg. 12 min. west 219.50 feet to an iron pin; thence south 83 deg. 09 min. west 105.82 feet to an iron pin; thence with a curve to the right with a radius 290.0 feet an arc distance of 170.66 feet to an iron pin; thence north 63 deg. 08 min. west 210.83 feet to the beginning, containing 29.29 acres, more or less.

EXHIBIT A





June 22, 2001

Mr. Ron Munn, President
Smoky Mountain Country Club
P.O. Box 575
Newport, TN 37821

CERTIFIED MAIL

Dear Mr. Munn:

Pursuant to Paragraph 6 of the Agreement dated September 1, 1992 between Smoky Mountain Country Club and Vulcan Materials Company, and which Agreement was extended by a document dated July 3, 1998 ("Extension of Option to Lease Agreement" which extended the Option until August 31, 2001), we are hereby exercising the Option to Lease.

I have enclosed a check in the amount of Five Hundred Dollars (\$500.00) which is the initial monthly lease payment.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Bass".

Stan Bass
VP, East Region

Enclosure

EXHIBIT B

MIDSOUTH DIVISION, VULCAN CONSTRUCTION MATERIALS, LP

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