

OPTION AGREEMENT

AGREEMENT made as of the 24th day of June, 1949, between REYNOLDS METALS COMPANY, a Delaware corporation (herein called "Reynolds"), SOUTHERN STATES IRON ROOFING COMPANY, a Georgia corporation (herein called "Southern States"), and F. O. WAHLSTROM, J. W. MCINTIRE and W. J. MAHANY (herein collectively called the "Majority Stockholders"):

W I T N E S S E T H:

1. Reynolds constitutes Southern States one of its roofing fabricating distributors. It is understood, however, that such distributorship shall not be exclusive, and that Reynolds shall be free to sell aluminum roofing material in the same territory in competition with Southern States.

2. For the period ending December 31, 1949, Reynolds will supply the requirements of Southern States of aluminum coil suitable for processing into aluminum roofing. However, Southern States is not hereby obligated to purchase its requirements from Reynolds.

3. Southern States agrees that as soon as practicable it will put on and maintain a vigorous advertising and sales campaign to promote the sale of aluminum roofing. In connection therewith Southern States will as soon as practicable open distributing locations at Richmond, Virginia, and Louisville, Kentucky, and at such other locations as Southern States shall select, will, as soon as practicable, employ not less than ten additional salesmen for the purpose of promoting such sales during the aforesaid period, and will place and maintain stocks of aluminum roofing with dealers on a consignment basis.

4. Reynolds shall sell said aluminum coil to Southern States on Reynolds' usual credit terms.

5. In consideration of the aforesaid expansion, the undertaking and prosecution of said advertising and sales campaign by Southern States, and the placing of such stocks with dealers on a consignment basis, Reynolds shall pay to Southern States a commission of 5% of the sales price of all coil purchased by Southern States from Reynolds after June 24, 1949, and through December 31, 1949, for fabrication into roofing material and sale to others. Said commission

shall be based upon net sales, after deductions for returns, allowances, credits and adjustments, and after all freight allowances made by Reynolds, and shall be paid, or applied as credits, not later than the 15th day of each month, based upon such purchases during the preceding calendar month.

6. The Majority Stockholders hereby give Reynolds an option, exercisable at any time up to and including January 1, 1950, to acquire 51% of the outstanding common stock of Southern States. Reynolds agrees to pay to the Majority Stockholders for themselves and all other stockholders who deposit their stock in escrow hereunder, the sum of \$150,000 for said option, said amount to be paid within ten days after the effective date of this agreement.

7. The Majority Stockholders will deposit with Savannah Bank & Trust Company of Savannah, Georgia, as escrow agent, within five days after the effective date of this agreement at least 51% of the outstanding common stock of Southern States in form transferable by delivery, to insure that such stock shall be available to Reynolds. The Majority Stockholders further agree not to sell any of their present stock of Southern States between the date of this agreement and January 1, 1950.

8. If during the period between the date of this agreement and January 1, 1950, Southern States has purchased from Reynolds at least 10,000,000 pounds of aluminum coil, and does not have in its inventories on January 1, 1950, more than 4,000,000 pounds of aluminum coil for roofing and formed aluminum roofing materials, including all such materials then on consignment by Southern States to dealers and others, then Reynolds shall be obligated to purchase 51% of the outstanding common stock of Southern States. In such event, unless Southern States has during said period purchased at least 15,000,000 pounds of such aluminum coil from Reynolds and does not on January 1, 1950 have in its inventories more than 4,000,000 pounds of aluminum coil for roofing and formed aluminum roofing materials, including all

such materials then on consignment by Southern States to dealers and others, then the \$150,000 paid by Reynolds for said option shall be applied against the 20% initial installment to be paid by Reynolds on account of the purchase price of said 51% of the stock of Southern States. If during said period Southern States has purchased from Reynolds at least 15,000,000 pounds of said aluminum coil and does not have in its inventories on January 1, 1950, more than 4,000,000 pounds of such coil so purchased from Reynolds, then said \$150,000 paid for said option shall be added to the price to be paid by Reynolds for said stock of Southern States. If Southern States does not meet either of the above requirements, and Reynolds nevertheless exercises its option to purchase said 51% of the common stock of Southern States, then the \$150,000 paid by Reynolds for said option shall be applied against said 20% initial installment to be paid by Reynolds on account of the purchase price of said stock.

9. In the event that Reynolds exercises its option to purchase said 51% of the stock of Southern States, or in the event that Reynolds becomes obligated to purchase said stock under the provisions of paragraph 8 hereof, then said stock shall be purchased by Reynolds, and the delivery thereof guaranteed by the Majority Stockholders substantially in accordance with the terms of the draft of the proposed agreement between Reynolds and the Majority Stockholders, copies of which are attached hereto, and in such event Reynolds shall cause Southern States to enter into a management agreement with the Majority Stockholders conforming substantially to the draft of the proposed management agreement, a copy of which is attached hereto.

10. It is understood that the provisions of this agreement are subject to (a) the prior consent of Reconstruction Finance Corporation, and (b) a review of this agreement by counsel for Southern States and counsel for Reynolds, and the rendition of an opinion by both such counsel that the provisions of this agreement do not conflict with any existing applicable laws. Upon the obtaining of such consent and the receipt of such opinion of counsel, Reynolds

shall notify F. O. Wahlstrom on behalf of Southern States and the Majority Stockholders, and a date five days from the mailing of such notice by Reynolds shall be considered the effective date of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of June 24, 1949.

REYNOLDS METALS COMPANY

By /s/ Walter L. Rice
Vice President

SOUTHERN STATES IRON ROOFING COMPANY

By /s/ F. O. Wahlstrom
F. O. Wahlstrom
President

/s/ F. O. Wahlstrom (SEAL)
F. O. Wahlstrom

/s/ James W. McIntire (SEAL)
J. W. McIntire

/s/ W. J. Mahany (SEAL)
W. J. Mahany