The State of Alabama,
Jefferson County } Know all Men By These Presents, That this contract and agreement made and entered into by and between William M. Spencer, party of the first part and the Eastern Cahaba Coal Company, of the City of Birmingham, Alabama, hereinafter called the party of the second part, on this the 25th day of April 1905 Witnesseth:

First. That for and in consideration of the sum of One Dollar in hand paid by the party of the second part to the party of the first part, the receipt of which is hereby acknowledged, and in further consideration of the payments, terms and stipulations hereinafter set forth, the party of the first part does hereby demise and lease unto the party of the second part, their successors and assigns, for the term of ten years from and after April 25th 1905 with the privilege of renewal for an additional fifteen years as hereinafter stated, the following described real estate and other property situated in Shelby County, Alabama, for the purpose of mining the coal or other minerals thereon, together with the right to use such timbers, stone and other material as may be necessary for the building of houses thereon, and for the mining, working, washing, rendering, converting and making merchantable the coal in, under and upon said land and shipment thereof to market, said land being described as follows:

The S.W 1/4 of the N.W 1/4; the S.W 1/4; the N 1/2 of the S.E 1/4; and the S.W 1/4 of the S.E 1/4, all the above lands being in Section 32, Township 20 Range 3 West and lying in Shelby County, State of Alabama, together with all the tenements, hereditaments and appurtenances thereunto belonging, including all improvements, fixtures, equipments and machinery now used in, or connected with the operation of the mine or mines now on said lands, and all houses and commissary store houses thereon. It is understood that said party of the second part shall have the exclusive control of both the mineral and surface rights in said lands during the term time of this lease. One hundred and sixty acres of this land subject to redemption.

Second. The term of this lease shall be for a period of ten years, beginning on the April 25th 1905 and for a

consideration aforesaid the party of the first part hereby contracts and agrees that the party of the second part, their successors, heirs and assigns, shall have the right at their option at or before the expiration of said ten years, to renew this lease for an additional term of fifteen years by written notice to said party of the first part at least sixty days before the end of said first lease of ten years.

Third. The said party of the second part shall have the right to open such shafts, slopes or drifts as may be necessary or desirable for mining of any description on, over or across said lands, ~~or other lands~~, ~~and the transportation~~ for the convenient transportation of the coal from said lands or other lands, and the transportation to and from said lands of all material and implements that may be of use in mining said coal or said lands or other lands or preparing the same for market, and also the right to use the surface of said lands and stone and timber thereon for the erection of coke ovens, houses for employees, miners and mining supplies and the like use in and about the mining of said coal and the preparation of same for market. The party of the second part shall have absolute use of the surface of said lands during the term of this lease.

Fourth. The party of the second part hereby agrees, in consideration of the lease aforesaid, to pay a royalty of seven cents (subject to stipulations in Section 4½ on next page) per ton of 2000 pounds on all coal mined from the seam of coal lying in or under said lands which is now being worked and commonly known as the "Underwood Seam". Said royalty to be paid in six payments each year, that is every sixty days, beginning October 1st 1905. If said party of the second part can pay said royalty monthly without any great inconvenience to him, then said party of the second part agrees to make said payments monthly on the 10th of each month, as aforesaid. It is further agreed that the party of the second part shall pay a minimum royalty of seven cents per ton on one hundred tons each working day, whether any coal is mined and paid for by said lease or not, but when the royalty on the coal actually mined and paid for by lease amounts to more than said minimum royalty on

any one quarter the only payments due for said quarter shall be the royalty on all the coal actually mined, and any such excess of coal mined during any one quarter shall be applied in satisfaction of minimum royalties due for any proceeding or succeeding quarter to the end of this lease. It is being understood that in adjusting the royalty under the lease computation shall be made on all coal mined and paid for by lessee as fully set forth in Section 4½, and the party of the second part shall furnish the party of the first part monthly statements thereof beginning October 1st, 1905, or as soon as mines are in operation, if before then, the first statement to include all coal mined and to be paid for by lease up to October 1st 1905. And the party of the second part shall at all times allow the party of the first part by their representative or agent to test or inspect the scales and to inspect and examine all the books, papers, accounts and maps of the party of the second part relating to weights of coal and cars, and the amounts of coal mined, used and sold, and verify the quantity of coal by surveys and estimates on excavation.

Section 4½. The party of the second part is to pay on all coal mined from the beginning of this lease to January 1st 1906, a royalty of three cents per ton of 2,000 pounds; from January 1st 1906 to July 1st, 1906, said second party is to pay a royalty of five cents per ton on all coal mined between said dates; from July 1st, 1906 to January 1st, 1907, if said party of the second part shall mine 30,000 tons or more between said last two dates (six months), then the royalty paid shall be five cents per ton. If said party of the second part shall fail to mine said amount of 30,000 tons or more, of 2,000 pounds per ton from July 1st 1906 to January 1st 1907, then the said second party shall pay a royalty of seven cents per ton between the said dates on the coal mined as per this lease. The above is a modification as to rebates of the royalty named in this lease of seven cents per ton on all coal mined from said time. In computing the amount of coal mined on which a royalty is to be paid by said party of the second part, the slack or fine coal left in the mine shall not be included unless the same is taken out of the mines by the party of the second part

and used or sold by said second party. If it is taken out and dumped on the slate or dirt pile and not used or sold, then no royalty is to be paid on same.

The mines shall be worked in a skillful and proper manner for its best, and future maintenance for work and development. Proper and sufficient coal shall be left for pillars, ribs and supports for the roof of the mine and the same shall be removed as is the custom in a well and skillful worked mine.

All disputes between the parties hereto are to be settled by arbitration and their decision shall be final. Each of the parties hereto to select one arbitrator each, and these two to select a third arbitrator.

If the said M. R. Ramsey should resign or let the control of said mines pass to any other party or parties either by sale of his stock or otherwise, then he binds himself to require said Company or the party to whom he has sold his stock or who has control of said Company to give a good bond to said party of the first part to pay for all damage that may be done to said mines.

Fifth. If the party of the second part, their successor and assigns, deem it desirable to work any other seam or seams of coal in or under said lands that the "Underwood" Seam, they may do so by paying a royalty of seven cents per ton on all coal actually mined from the seam known as the "Helena" Seam, and seven cents per ton on all coal from any other seam opened up and mined and paid for by lease as above. Such royalty shall be due and payable as provided in Paragraph Four shall not be due or payable in the event of strikes or lock-outs, or other causes beyond the control of the party of the second part, nor in the event the market is such that purchasers cannot be found for the coal, nor in the event that labor troubles or strikes or any other cause arise by which it becomes impossible to secure railroad facilities for marketing said coal, nor in the event that workable coal usually worked in like mines in this District is exhausted from said mines. It being understood and agreed that during the event of any of the foregoing, no minimum royalty shall be charged, but only the royalty accruing from the coal actually mined.

Seventh. The party of the first part shall have the right

to terminate this lease by written notice to the party of the second part if the royalty is not paid for three successive installments thereof when due, or, if the party of the second part shall fail to work said mines with reasonable diligence and for their proper developement, or if any of the covenants of this contract are violated, or if the mines are damaged. In case of forfeiture of this lease, the party of the second part agrees to deliver peaceable possession of said property to said party of the first part.

Eighth. It is further agreed by the party of the second part to mine said coal in proper and workmanlike manner according to approved mining principles, and in such manner as will be to the best interests of said property for continued mining purposes and proper developement of the property.

Ninth. It is agreed that whenever this contract of lease is terminated in any manner, the party of the second part, their assigns and successors, shall have the right in a reasonable time to remove all the machinery of every kind and description and improvements placed by them upon said lands. Nevertheless, it is agreed that the party of the first part shall have a lien upon all such machinery and improvements for royalties due or to become due to the party of the first part, or damage to said property, and the party of the first part shall have the right to purchase improvements and machinery, and if the parties hereto shall not be able to agree upon the price thereof, such price shall be fixed by arbitration. Should the party of the first part have to enforce the lien as stated above, then said lien can be foreclosed on said property as is provided in mortgages after giving twenty days notice by posting notice of said mines and sell said property at said mines to the highest and best bidder for cash. This lien is declared on all the property of the party of the second part.

Tenth. It is hereby agreed that during the term of this lease the party of the second part shall pay all taxes on said land and on the improvements on the same.

Eleventh. It is hereby agreed that the party of the second part, their successors and assigns, shall have the right to use all drift, slopes or shafts for mining any coal on adjacent properties that they may now have leased, or may hereafter lease or own during the term of this contract, the compensation for said use

to be paid to said party of the first part to be agreed upon later, or to be fixed by arbitration in the manner as above stated.

Fourteenth. It is further understood and agreed that the party of the second part, their successors and assigns, shall have the right to transfer, assign and convey this contract and lease.

Fifteenth. It is hereby agreed that if there should be any difference of opinion or controversy between the parties as to whether said mine is conducted on mining principles, then each party shall appoint a mining engineer, and said engineers shall arbitrate said matters of difference, and if they shall be unable to agree, they shall call in a third, the decision of the majority shall be final.

In Witness Whereof, the party of the first part has hereunto set his signature and affixed his seal, and the party of the second part has hereunto set its signature and affixed its seal by M. R. Ramsey, its President, who is duly authorized thereunto, all in duplicate, on the day and year first above written.

Executed in duplicate.

William M. Spencer (L.S.)
party of the First part

Eastern Cahaba Coal Co.
by M. R. Ramsey,
Party of the Second part.

At a meeting of the Stockholders of the Eastern Cahaba Coal Co., held this day at its office in Birmingham, Ala., a majority of the stock being represented & present, a resolution was adopted and passed ratifying & confirming the lease made by M. R. Ramsey, President of said Company, with William M. Spencer wherein is leased the Coal mine and lands and improvements of the said Spencer situated at Echols, Shelby County, Ala. Said lease is hereby ratified and confirmed & this resolution is hereby attached to said lease & made a part thereof.

Witness our hands this day of July 1905

Chas S. Ramsay
James G. Wilson
W. D. McGinnis — Stockholders of said Eastern Cahaba Coal Co.

The State of Alabama,
Hale County. } I, J. H. Redding, a Justice of the Peace

in and for said state and county hereby certify that William M. Spencer, whose name is signed to the foregoing lease and who is known to me acknowledged before me on this day that, being informed of the contents of said lease, he executed the same voluntarily on the day the same bears date.
Given under my hand, this the 30th day of June 1905.

J. W. Redding
Justice of the Peace for
Hale County, Alabama.

The State of Alabama,
Jefferson County. } I, E. E. Hill, a Notary Public in and for said State and County hereby certify that M. R. Ramsay, President of the Eastern Cahaba Coal Company, whose name is signed to the foregoing lease and who is known to me to be such President acknowledged to me on this day that being informed of the contents of said lease he, as such President, executed the same voluntarily on the day the same bears date.
Given under my hand, this the 8th day of July 1905.

E. E. Hill Notary Public.

The Ala. & Miss. Coal Co., hereby states that said property hereabove leased by Wm. M. Spencer to the Eastern Cahaba Coal Co., was foreclosed by the Ala. & Miss. Coal Co., in the month of 1905, under a power of sale in a mortgage executed by the Northern Coal Co., to the Ala. & Miss. Coal Co., and at said sale W. M. Spencer became the purchaser and is now the owner of said property and the Ala. & Miss. Coal Co., now owns no interest in said property.

Witness -
J. A. Montgomery.

Alabama & Mississippi Coal Co.
By T. H. Gunn Prest.

Filed for record July 10th 1905 and recorded
R. P. Youngblood, Judge of Probate.