Contract.

This Agreement, made and entered into at South Norwalk Conn., this 21st day of December, 1906, by and between "The Norwalk Iron Works Company" of South Norwalk, aforesaid Lessor, and Southern Coal & Coke Company, of Ishe Carbon Alabama Lessee, Witnesseth, that the Lessor this day agrees to loan to the Lessee Machinery of the description and agreed value, as follows:- One 18"-10½"-16"×16" Norwalk Compound Air Compressor, complete with change speed governor and unloading device, sight feed lubricators, oil cups and foundation bolts, at an agreed value of twenty-one hundred and sixty-eight and 25/100 dollars ($2168.25), with the privilege of using the same at the Lessees' own risks, for the term of twenty months, from the average date of the delivery thereof, at the expiration of which time the Lessee shall and will return the same to the Lessors, in the City of South Norwalk, Conn., in their present good order and condition, reasonable wear and tear alone excepted, and without excuse for non-delivery because of unavoidable accidents, unless purchased by the Lessee from the Lessor within the time and in the manner hereinafter specified. 1. It is agreed that, in case all, or any portion of said machinery shall after shipment and during the continuance of this lease, from any cause, unavoidable accidents not excepted, be destroyed or injured beyond repair, the Lessee shall and will, at their own cost, as soon as practicable, and as often as may be necessary, replace such machinery or parts of the same that may be so destroyed or injured by other machinery and parts of equal value and of like material, character and construction, but if such machinery or parts be so replaced for the Lessee by the Lessor, the cost of every replacement shall be paid by the Lessee as an additional charge or rental for the use of such machinery, to the same intent and effect hereunder as though it were a part of the rental originally agreed to herein and due at the date of such replacement. And if all or any portion of said machinery be in any way lost or destroyed or injured as aforesaid, prior to actual re-delivery

to the Lessor, and the same is not replaced as above provided, all the rent on such articles shall be due and payable at once as though the full term had expired, and shall be paid by the Lessee to the Lessor; and in case said Machinery shall be returned to or be reclaimed by the Lessor under the provisions of this Contract in a damaged Condition, the amount of any damage so done shall be paid by the Lessee to the Lessor; which said damage shall be paid Conclusively determined without right of appeal, by the written finding of all, or of a major-ity of three arbitrators, to be appointed, one by each of the parties hereto, and a third by the two first chosen, and if they do not agree within five days upon such third person, he shall be appointed by some Judge of the Superior Court of the State of Connecticut, upon application of the Lessor after notice to the Lessee. If, within five days after notice to the Lessee to name an arbitrator, one be not named by them, the Lessor may forthwith name the three, who shall act with like effect as if they had been mutually chosen; or if either party shall elect before arbitrators are appointed, the machinery may be sold at public auc-tion, after ten days advertisement, and at such sale the parties in interest may be bidders. Such sale shall be Conclusive as to the value of the machinery, and the damage shall be ascertained by deducting from its original agreed value the amount so obtained at auction, and the difference shall be the damage.

2nd. Deliveries are to be made of the said Machinery by the Lessor to the Lessee, as follows, to-wit: At Once but it is understood and agreed that the Lessor shall in no way be liable for any delay that may occur in the deliveries, but Lessee can annul this Contract as regards any part of the machinery by written or telegraphic notice after the delivery of said part is due and before delivery.

3rd. It is further agreed, that the Lessee will not use, nor allow the said machinery to be used, except as contemplated by the Lessor to guaranty, nor remove, nor allow the same to be removed, from the place where it is first erected, nor attempt to sell, assign, transfer or dispose of the same or of this

Contract, without the written consent of the Lessor first had and obtained, and that the Lessee shall and will, when requested during the continuance of the lease, render to the Lessor a full and accurate statement and account of said machinery and its condition.

4 It is further agreed, that the Lessee shall keep the machinery in proper and complete repair and working condition during the operation of this Contract, reasonable wear and tear alone excepted and such repairs and work done in order to keep the same in this good order and condition shall be made and maintained to the satisfaction of the Agent or Engineer of the Lessor; but if the Lessor shall at any time during the continuance of this Contract repair said machinery for the Lessee the charges of the Lessor for every such repairing shall be paid by the Lessee as an additional charge or rental for the use of such machinery to the same intent and effect hereunder as though it were a part of the rental originally agreed to herein and due at the date of such repairing.

5. It is further agreed, that the Lessee shall at the request of the Lessor, have the said machinery insured for the benefit of the Lessor, to such an amount, not greater than the above valuation, as may be required by the Lessor, and shall pay the premiums therefor and keep the said machinery so insured for and during the continuance of this lease and contract, and deposit the policies of insurance with the Lessor; but the said Lessor may, instead, at its option, cause insurance to be effected in such companies and in such manner as it may from time to time think best, and the said Lessee shall and will on demand pay the premiums for such insurance and such other expenses as may be incident thereto. Insurance money recovered after a loss is to be applied, first to the payment of expenses of its recovery; second to payment of outstanding rent obligations, and balance, if any, to Lessee.

6. It is further agreed, that on a convenient spot on such machinery there shall be placed "Leased of The Norwalk Iron Works Co., No. 379" for the purpose

of designating the same as the property of the Lessor and only held by the Lessee under this Contract; and that if said mark or sign becomes injured or destroyed, the Lessee will immediately restore the same, and all such other things, whether in the execution of instruments of writing or otherwise, shall be done, as by the Counsel of said Lessor shall be deemed necessary and expedient for the full and complete protection of the rights of said Lessor, as owner of said machinery.

7. It is further agreed, that the said machinery shall be delivered to the said Lessee or to the Railroad or other Transportation Company, as agent of the Lessee at South Norwalk, Conn., and the receipt of the Lessee or of the said Agent shall be final and Conclusive evidence of the satisfactory delivery to the Lessee of each item of the machinery aforesaid.

8. The Lessee agrees to pay to the Lessor, on the days hereinafter set out, with exchange on New York, the following sums as rent for said machinery,

Cash on delivery $103.25

and thereafter in 1 month 103.25 – 2 months 103.25 – 3 months 103.25 – 4 months 103.25 – $413.00

5 months $103.25 – 6 " $103.25 – 7 " $103.25 – 8 " $103.25 – $413.00

9 " $103.25 – 10 " $103.25 – 11 " $103.25 – 12 " $103.25 – $413.00

13 " $103.25 – 14 " $103.25 – 15 " $103.25 – 16 " $103.25 – $413.00

17 " $103.25 – 18 " $103.25 – 19 " $103.25 – 20 " $103.25 – $413.00

making for all the payments the sum of Twenty-one hundred, sixty-eight & 25/100 dollars $2168.25,

and each of said payments subsequent to the first, shall be represented by the promissory note of the Lessee for that amount, bearing the date of the average delivery of said machinery, such date to be fixed by the Lessor from the receipts of the Lessee or agent, and to be indorsed hereon by the Secretary of the Lessor and maturing so that the day of payment shall be the day when such an amount of rent is payable, all of which notes shall be made, and delivered when the machinery for the rent of which they are given is delivered, and the Lessee further agrees to pay all taxes that may, at any time, be levied or assessed upon said

machinery, or upon the obligations for rent hereby entered into by the Lessee, and all premiums for insurance that may be paid by the Lessor under the provisions of this agreement. It is also agreed, that if the Lessee shall so desire, any or all of the above notes may be paid before maturity, and that a rebate at the rate of 6 per cent per annum shall be allowed for the unexpired time of the notes so paid.

9. It is further agreed, that time shall be the essence of this Contract, and shall not be relievable against in equity or at law.

10. It is further agreed, that if, at any time, the Lessee shall make any Default in performance of any of their agreements herein entered into, or shall fail to pay said Rent as it matures, or any additional rent payable for the replacement or repairing of said Machinery under the provision hereof, or said insurance premiums or taxes, or shall fail to keep and maintain the said Machinery in good order and condition, or, having paid said Rent, shall fail within the time limited to purchase and pay for said Machinery, then said Lessor, may, at its option, without demand first made, repossess themselves of said Machinery wherever or whosoever premises the same may be; and the said Lessor may for that purpose, without hindrance, enter said premises and remove the same, and hold the same discharged from any further liability hereunder, and from the Lessees' option to purchase, and shall be entitled to hold and retain all rent theretofore paid to them, and to recover forthwith from the Lessee rent at the rate aforesaid, up to the time of such repossession, together with the damages to be ascertained by Auction or arbitration as above provided in case of injury to said Machinery, and with damages in addition for breach of agreement, which last damages shall be ascertained and liquidated by charging the Lessee with rent as above from date of such repossession to the end of this term, as if the same was then actually due and payable,

and by allowing a credit, less expenses, of two-thirds of the actual value of the machinery thus repossessed, to be estimated as of the date of such repossession. If, however, when a note for rent falls due the Lessor shall accept a renewal of the whole or a part of said note, or shall accept a note for any additional rental payable hereunder for the replacement or repairing of said machinery, all the provisions of this Contract shall attach to such note as though it were a note for the original rent, and by taking such note the Lessor shall be deemed to have waived nothing whatever.

11. The Lessor shall have the right at all reasonable times, by its agents or servants, to examine and inspect the said machinery, for the purpose of ascertaining whether the Lessee is complying with the terms of this Contract.

12. When the Lessee shall have faithfully performed all the stipulations of this Contract, in manner and form as herein provided, without default, and shall have reimbursed all outlays and claims of the Lessor as aforesaid for replacements, repairs or insurance, and shall have paid all of the rent hereunder, then it is agreed that the Lessee may, at their option, at any time within one month thereafter, purchase said machinery at the price of one dollar, and upon the payment of said sum to the Lessor, the Lessor shall thereupon, by bill of sale, convey said machinery to said Lessee.

13. Nothing herein contained, and no action hereunder, shall divest the title of the Lessor to said machinery until the rents above enumerated, and the purchase money with the insurance premiums above named, and the charges of the Lessor for all replacements and repairing of said machinery by it above provided for shall have been fully paid by said Lessee, and until a bill of sale therefor shall have been delivered. Until after such payment and delivery, the said machinery shall remain the property of

the Lessor, and no right whatever thereto shall pass to the Lessee excepting that of using the same in strict compliance with the terms of this Contract.

14. In case the Lessor shall at any time assign the machinery and this Contract or lease, then it shall be and become a Contract between the assignees and the Lessee, and the assignees shall have and possess all the property, rights, powers and remedies which were held, owned, possessed, or which belonged to the Lessor, and with the same effect as though this Contract had been originally made by and between the assignees and the Lessee.

15. It is finally agreed that neither the existence of any defect or deficiency in the machinery above referred to, nor any damage caused thereby, shall constitute an excuse for the non-payment of rent or of any of the rent notes above provided for, or for non-compliance with any other of the terms of this Contract, and shall in no case be made or pleaded as a ground of set-off or counter-claim to an action for such rent, or upon any of such notes, in whosesoever hands they may be, except as hereinafter specified, but any and all claims on account of such defects or deficiencies or damage, shall first be presented to the Lessor herein, and if not satisfactorily arranged by it, shall then be enforced, if at all, by set-off against the last one of said rent notes only, or by separate action against it on its guaranty, and in no other manner whatsoever; and it is understood and agreed that the Lessee receives the machinery above specified, upon the express condition and covenant that no claim for or growing out of any defect or deficiency therein, or damage caused by such defect or deficiency shall be or can be pleaded, set up, or sought to be enforced or recouped, unless the Lessor, after due notice, shall have neglected to remedy or satisfy the same and then only in the manner above specified.

In witness whereof, the said parties have executed

and sealed this instrument on the 21st day of December 1906.

Signed, sealed and delivered in the presence of L. C. Downs

The Norwalk Iron Works Company (L.S.)
By E. Hill. Genl Mngr.
Southern Coal & Coke Company (L.S.)
By G. F. Peter. President.

State of Connecticut } South Norwalk. Dec. 21st 1906.
County of Fairfield. } ss.

Personally appeared E. Hill, General Manager of the Norwalk Iron Works Company, and acknowledged the within and foregoing to be his free act and deed, before me.

Ebenezer Hill Jr.
Notary Public.

My Commission expires February, 1906.

Seal

Filed for record April 10th 1907, recorded.
A. G. Longshore
Judge of Probate.