State of Alabama } Know all Men by these Presents,
Jefferson County } that this Contract and Agreement made and entered into by and between William M. Spencer and Bertha G. Spencer, his wife, hereinafter called the party of the first part, and the Cahaba Coal Company, a corporation, of the City of Birmingham, Alabama, hereinafter called the party of the second part, on this the 21st of April, 1910, Witnesses;—

First;— That for and in consideration of the sum of one Dollar ($1.00) in hand paid by the party of the second part to the party of the first part, the receipt whereof 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 twenty (20) years, from and after April—1910, the following described real estate and other property, situated in Shelby County, Alabama, for the purpose of mining coal and other minerals thereon, together with the right to use such timber, 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 SW¼ of the NW¼; The SW¼; the N½ of the SE¼; and the SW¼ of the SE¼; also the SE¼ of NW¼; and South ½ of SE¼ of NE¼; and South ½ of SW¼ of NE¼ — all lying in Section 32, Township 20, Range 3 West, in Shelby County, State of Alabama, together with all the tenements, hereditaments and appurtenances thereunto belonging, including all

improvements, fixtures, equipments and machinery and all houses and commissary houses thereon belonging to the said party of the first part. 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.

Second: 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 for the convenient transportation of the coal from said lands and the transportation to and from said land of all materials and implements that may be of use in mining said coal on said 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 land during the term of this lease, with the exception of the right of way to the Birmingham Mineral Railway.

Third: The party of the second part hereby agrees, in consideration of the lease aforesaid to pay a royalty of seven (7) cents per ton of 2000 pounds on all coal mined from all of said land. Said royalty shall be due and payable on the twentieth day of each month succeeding the month in which said coal is mined; that is, for the coal mined in April the royalty shall be paid on the 20th day of May following and so on with each succeeding month. If for any cause beyond the

control of the party of the first part it shall be unable to make collections sufficient to pay said royalty from the sale of said coal, then the said party of the second part shall have Sixty (60) days from the date when said royalty fell due, within which to pay said royalty. It is further agreed that the party of the second part shall pay a minimum royalty of seven cents (7c) per ton on one Hundred (100) tons, each working day, whether any coal is mined or not and paid for, but when the royalty on the coal actually mined and paid for by lessee amounts to more than said minimum royalty, such excess of coal mined during said month shall be applied in satisfaction of the minimum royalty due for any preceding or succeeding month, to the end of this Lease. The party of the second part shall furnish monthly statements of all coal mined on said lands on or before the tenth (10) day of each month, beginning with this lease. The party of the second part shall at all times allow the party of the first part, their representatives or agents to test or inspect the scales at said mine, to inspect and Examine all books, papers, accounts and maps of the party of the second part, relating to weights of coal and cars and amounts of coal mined, used and sold and verify the quantity of coal by surveys, weights and otherwise.

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 mines and the refuse from the washer shall not be included, unless the same is taken out of the mines by the party of the second part or the refuse washings are used or sold by said party of the second part.

Fourth: The royalty to be paid, as provided above, shall not be due and 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 that the coal can not be sold, nor in the event of labor troubles or strikes or any other cause arises by which it becomes impossible to secure Railroad facilities for marketing said Coal, nor in the event of faults or squeezes in the Coal which shall cause an abandonment of the mines, or that workable coal usually worked in like mines in said districts is exhausted from said mine. In these contingencies no minimum royalty shall be charged but only the royalty accruing from the coal actually mined.

Fifth — The mines shall be worked continually in a skilful and proper manner for its best and future maintainance 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 skilfully worked mine. All disputes between parties hereto are to be settled by arbitration, and their decision shall be final. Each of the parties hereto shall select one ~~one~~ arbitrator each, and these two to select the third arbitrator.

If the two arbitrators so selected shall fail to select a third arbitrator then the Probate Judge of Shelby County, Ala, shall name said arbitrator. If either party refuses to name an arbitrator, then the arbitrator selected by the other party, and the one named by said Probate Judge, shall act in the matter of settling all disputes and their action shall be final.

Sixth: This lease shall not be sold, transferred or assigned to any Corporation or party without the written consent of the party of the first part.

Seventh: It is further agreed by the party of the second part to mine said coal in a proper and workman-like 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 development of the property.

Eighth: It is further agreed that the party of the second part shall pay all taxes on said land and improvements thereon during the term of this Lease.

Ninth:- The parties 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 as herein above stated, or, if the party of the second part shall fail to work said mine, with reasonable diligence and for their proper development, as stated above, or, if any of the covenants or agreements in this contract or lease are violated by the party of the second part. 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. It is also agreed that the party of the first part shall have a lien upon all of the machinery and improvements of the party of the second part for all royalty due or to become due or damage to said property by said party of the second part, and the party of the first part shall have the right and authority to enforce the lien as stated above by posting notices of the sale of said property at the mines or on said property, and it shall have the same effect as provided in foreclosure of mortgages. Notice of said sale shall be given for twenty days by posting notices at said mine or on said property. At said sale the said property

of the party of the second part shall be sold to the highest and best bidder for Cash, and said party of the first part is hereby authorized to make good and legal transfers and conveyances to said property. The lien so described shall be on all the property now owned or owned at the time of the foreclosure sale.

Tenth: It is agreed that whenever this contract or lease is terminated, by forfeiture or otherwise, the party of the second part, their successors or assigns, shall have the right in a reasonable time to remove all of the machinery of every kind and description and improvements placed by it upon said lands, provided, all royalties and other claims due the parties of the first part, have been paid and settled in full.

It is further agreed that the parties of the first part shall have the option, if they so desire, to purchase said machinery and improvements and if the parties hereto can not agree upon a price, to be paid for same, then, they shall submit, the valuation to be fixed on said property to three disinterested parties, who shall fix the value to be paid for said property.

Eleventh: The buildings now on said property, and which were on said property on April 25th, 1905, and which were owned by the party of the first part, shall be kept in good, tenantable condition natural wear and tear excepted and if burned or destroyed, shall be replaced, but the said second party shall not pay any rent to said first party for the use of the same.

Twelth: It is further agreed and understood that the party of the second part is in no manner a contractor or sub-contractor or agent of the party of the first part, and that the party of the first part has no control or authority in the hiring of any

employees of the party of the second part, and that the party of the first part shall not be held liable for any contracts of or any damages that may result to any of the employees of the party of the second part for any claims or demands of whatsoever nature that may arise against the party of the second party.

Thirtieth:- After the said party of the second part shall have mined all the coal from the lands of the party of the first part, then, party of the second part shall have the right to use all drifts, slopes or shafts on said property for mining coal on adjacent property, which said second party may hereafter acquire: but the said party of the second part shall pay to the party of the first part a reasonable compensation for the use of the property of the party of the first part, to be agreed upon by the parties hereto.

In Witness Whereof, the party of the first part has hereunto set their signatures and seals, and the party of the second part has hereunto set its signature and affixed its seal by R.C. Middleton its President, who is duly authorized thereunto, all in duplicate, on the 21st day of April, 1910.

Wm. M. Spencer (Seal)
Bertha G. Spencer (Seal)
(Seal) Cahaba Coal Company (Seal)
By R. C. Middleton, Pres.

The State of Alabama
Jefferson County } I, J. E. Stockton, a Notary Public in and for said County in said state, hereby certify that R.C. Middleton, President of the Cahaba Coal Company, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, and being duly

authorized as such officer to execute said instrument for said Company, that he executed the same voluntarily on the day the same bears date.

Given under my hand and seal, this 8th day of June 1910.

J. E. Stockton Notary Public.

State of Alabama
Marengo County } I, Wm S. Prout, a Notary Public in and for said County in said State, hereby certify that Wilson M. Spencer and Bertha S. Spencer, his wife, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day, that being informed of the contents of the conveyance, they executed the same voluntarily, on the day the same bears date.

Given under my hand and seal, this 27th day of April, 1910.

Wm S. Prout, Notary Public, Marengo County, Ala

Filed & Recorded June 14th 1910.

H. P. Langshaw, Judge of Probate