Monterallo Hard Coal Company,
To
Monterallo Dagwood Mining Company.

Lease of Coal Lands.

This agreement, made on the 14th day of February, 1919, by and between Monterallo Hard Coal Company, a Corporation, hereinafter called the Lessor, and Monterallo Dagwood Mining Company, a Corporation, hereinafter called the Lessee,

Witnesseth:

That the lessor, for a consideration hereinafter named, has demised and let, and by these presents does demise and let, to the said Lessee, its successors and assigns, the right and privilege of mining coal on the lands owned by the Lessor, Monterallo Hard Coal Company, as follows, to-wit:

Item 1. The following lands in fee simple: The S½ of S.E¼ and S.E¼ of S.W¼ of Section 29; the E½ of Section 32; the S½ of N.W¼, the E½ of S.W¼, and S.W¼ of S.E¼ of Section 32, Township 21, Range 2, West, also the N½ of S.E¼, 44 acres 17 acres sold to Sallie Ryan, 10 acres to Frank Cunningham, 5 acres to W. H.

Harrison, and 2 acres to J. Cohn and P. Lang.
Item 2, The Mineral right and title also in and to the following lands: The W½ of N.E¼, the W½ of N.E¼ of N.E¼, S.W¼ of S.E¼: also that part of the S.E¼ of S.E¼ lying West of the B.B.B. Railroad known as the Mobile & Birmingham Railroad. Also 13 10/100 acres, more or less, described as follows: Beginning at the center of the Southern boundary line of Section 5, Township 22 Range 3 West, thence run North West 15½ degrees West 7.87 chains; thence South 87 degrees West 1 chain; thence North 83 degrees West 2.01 chains; thence North 77 degrees West 2.50 chains; thence North 71.5 degrees West 1.72 chs; thence North 74 degrees West 1.45 chains; thence South 75.5 degrees West 2.16 chains; thence South 33.5 degrees West 5.12 chains; thence South 57.5 degrees West 25 links; thence South 19.5 degrees East 1.49 chains; thence South 20.5 degrees West 1.70 chains; thence South 65 degrees West 1.95 chains; thence South 11¼ degrees East 2.37 chains; thence North 87 degrees East 17.90 chains to the point of beginning. All of said lands situated in Section 5, Township 22, Range 3 West; also the NE¼ of N.E¼ and N½ of S.E¼ of N.E¼ of Section 7, Township 22, Range 3 West. Also the W½ of NW¼ and the N½ of S½ of NW¼ of Section 8, Township 22, Range 3 West, all in Shelby County, Alabama.
Also all property, real and personal, owned by Mineralla Ward Coal Company, in Shelby County, Alabama, whether the same is particularly described herein or not.
To Have and to Hold to the said Lessee, its successors and assigns, for a term of twenty years from the 1st day of March, 1919, with the right of removal for an additional term of two years, if no provision of the original contract has been violated, upon the terms and conditions hereinafter set forth, to-wit:
1. The Lessee shall have the right to open or sink such shafts, slopes or drifts as may be necessary or proper for mining coal, and shall have the right to build roads over said lands for the convenient transportation of coal from said lands, and the carrying and transportation to

and fro from said lands of all materials, instruments and implements that may be of use in mining said Coal, or preparing the same for market, and shall have the right to use the surface of said lands for the erection of Coke ovens, tipples, houses for employees, and such stores and office buildings as may be used in the prosecution of the lessee's business of mining Coal from lands therein leased, and for no other purpose whatsoever.

2. The Lessee shall be authorized, as hereinafter limited, to take possession of the lands embraced in this lease, upon the execution and delivery of the same.

3. The lessee shall pay the lessor a royalty or rent of Ten Cents per ton of two thousand (2.000) pounds on all Coal mined from said lands of every quality and description.

4. The lessee must pay to the lessor the said royalty in monthly instalments, the first payment to be made on the 1st day of July, 1919, and the lessee shall pay at that time royalty at Ten Cents per ton on all Coal mined to that date, which payment shall not be less than a minimum of one Hundred and Fifty ($150.00) Dollars, and subsequent payments must be made on the first day of each succeeding month after that date for all Coal mined during the preceding month, and for the months of July and August, 1919, shall not be less than a minimum of One Hundred and Fifty ($150.00) Dollars each, and on and after said 1st day of September, 1919, the lessee must pay the lessor not less than the sum of Two Hundred and Fifty ($250.00) Dollars on the 15th day of each month, beginning on the 15th day of October, 1919, as penalty or minimum royalty for the preceding Calendar month, irrespective of the quantity of Coal mined from said lands, and when the royalty amounts to more than said minimum in any other month the royalty must be paid at that rate per ton as above provided; but, should the amount of royalty paid during any month of any Calendar year on this basis exceed

the said minimum, and should lessee, during any month or months of said Calendar Year, fail to mine sufficient Coal to amount to said minimum at said rate per ton, then such excess royalty above said minimum paid during any month or months of said Calendar Year shall be applied to the satisfaction of said minimum for any such month or months during said Calendar Year in which lessee fails to mine sufficient Coal to amount to said minimum; it being expressly understood that on the 31st day of each December full and final Computation and settlement shall be had for the purpose of determining whether or not more than the minimum royalty is then due for the Calendar Year then closing. In no event however shall less royalty be paid than a sufficient amount to cover the minimum royalty for each and every month in which this lease has been in force during the Calendar Year closing on said 31st day of December, nor shall lessee be allowed any credit during the succeeding year for any excess minimum royalty paid during the Calendar Year then closing, nor shall lessee be required on any such computation and settlement, or at any other time, to refund any royalty previously paid to it by lessee. Statements, verified by affidavit from the lessee, shall accompany such remittance, stating and showing the amount of Coal mined during the preceding month or months, and payments herein provided for, are to be made to lessor, or its assigns.

5. The said lessor shall have the right to determine this lease after thirty days' written notice to the lessee, if royalty or rent be not paid for two consecutive installments thereof, when due, or, if in any way the Covenants of this Contract be violated, or any injury or damage be inflicted upon the property or interests of the lessor other than is unavoidable and incident to the provisions herein contained, or for the purpose herein proposed. And failure by the lessor to forfeit this lease on account of any breach by the lessee or assigns of any

of the Covenants of this lease, or for any other grounds of forfeiture permitted by this lease, shall not constitute a waiver on the part of the lessor to forfeit this lease or any other or future breach of Covenant by the lessee or its assigns, or other or like grounds of forfeiture.

6. The lessee agrees to mine the Coal taken from the said lands in a proper and workmanlike manner in all respects, and in such a way as at no time to obstruct the advantageous working of the property or to impair the availability or value of the same, for the future purpose of the lessor, in case of resorting to it.

7. All machinery, Coke-ovens, railroads and tram tracks placed in, under or upon said lands, shall remain the property of the party placing the same thereupon, and therein, nevertheless, it is agreed that the lessor shall have a lien on all such machinery, fixtures and other property of every kind whatsoever, for anything due or to become due to the lessor under this Contract, and the lessor shall have the right and option of purchasing any or all of said improvements, fixtures, machinery or other property, at the termination of this lease, either by forfeiture, expiration or from any other cause, and, if the parties hereto shall not be able to agree upon the value or price thereof, or should fail to agree upon any other question at any other time arising out of this contract, such price or question shall be determined by arbitration, as provided by the statutes of Alabama then in force. If the lessor declines to nominate a referee if must pay the value put upon said machinery, fixtures, or other property by the lessee, in case it has determined to exercise the right to purchase, and, if the lessee, after the appointment of a referee by the lessor, refuses or fail to appoint a referee, lessee shall forfeit all claim to compensation for such improvements, fixtures and property. And at the expiration of this lease, whether by forfeiture or otherwise, if the lessor should not purchase or become the owner of such machinery, fixtures or other property named, put upon said lands by said lessee, then the lessee, within two months after

notice in writing, must remove all such property from said premises, not including the buildings, or failing thereto, shall forfeit to said lessor all such property of every kind, and be liable to lessor for such other damages as it may sustain by reason of such failure to remove said property. But it is agreed that all buildings upon said lands shall become the property of the lessor upon the termination of this lease.

8. The lessor shall have the right by agent, agents, or attorneys, at any and all times, to enter upon, and examine and survey said mines and lands, and to inspect, examine and verify all books, accounts, statements, sales, maps, plans, diagrams, etc. of said lessee so far as pertains to ascertaining the amount of coal taken from said lands.

9. The lessee agrees to pay all taxes or charges in the nature of taxes upon the improvements placed on said lands by it, and upon the failure to pay the same when due, the lessor may pay the same, and the amount shall become a part of the rent due the lessor hereunder, and shall be a lien on all the property of the lessee on said lands.

10. The lessee shall have the right to use the timber on said land to the extent that it may be needed in the mining of coal on said lands, and in building houses thereon for employees. And it is distinctly understood that the said timber is not to be used by the said lessee in mining coal on any other land, nor for any other purpose whatsoever.

11. At any time during the continuance of this contract, should it become necessary to suspend mining operations in said mine or mines, caused by labor troubles or strikes among the miners, and by reason of which labor troubles or strikes it becomes necessary to suspend operating said mine or mines to the extent of a ceasing to mine coal therefrom, if such labor troubles or strikes are not superinduced or brought about by the act of the lessee or lessee's agents or officers, or should from any labor troubles or strikes, not produced or brought about by the lessee, lessee's agents or officers, it become

impossible for said lessee, either to procure cars or railroad facilities for the marketing of the Coal taken from said mines, or sell the same at the mines, then in said event, during the actual continuance of such preventive troubles, the said lessee shall not be bound or required to pay a royalty beyond the number of tons of Coal actually mined, and the right of the lessor to forfeit this lease by reason of the failure to pay royalty, shall be suspended during the time that the mining or the shipment of Coal is impossible by reason of the causes above stated, but it is understood that no strikes shall be considered as included in this provision which is of shorter duration than fifteen working days.

12. In the event that the seam of Coal opened upon said lands shall entirely fail, or be worked out, the contract shall cease and terminate: and in case of a continued squeeze out of such seam, or should such seam of Coal run into a positive fault, the minimum royalty shall not be claimed or required to be paid to the lessor during such reasonable time as may be necessary to drive through such squeeze or fault, provided the question as to whether such fault is of so serious a nature as to prevent the working of coal, shall be a subject of arbitration, if the lessor so requires, by mining engineers appointed as provided in clause Thirteen of this Contract and Lease.

13. Should there be any difference of opinion or controversy between the parties hereto, as to whether said mining is conducted on mining principles, or regarding any other matter in this lease, each party shall appoint a mining engineer or other qualified person, who shall arbitrate said matter of difference, and, if the two shall not be able to agree, then they shall name and call a third, and the decision of the majority shall be final.

14. In consideration of this lease, lessor hereby sells to lessor, or its assigns, the right or option to purchase all of said property including this lease, for the sum of Thirty-five Thousand ($35,000.00) Dollars,

at any time within five years from March 1, 1919, and upon lessee or its assigns indicating its desire to exercise this option, lessor agrees to convey said property with full warranty to lessee upon the payment of said sum of Thirty-five Thousand ($35,000.00) Dollars.

In testimony whereof, the said lessor and the said lessee have hereunto set their hands and affixed their seals in duplicate, this the 14 day of February 1919.

Montevallo Wood-Coal Company (L.S.)
By T. L. Hendrix
its President.

Seal

Approved:
John Lewis
Secretary.

Montevallo Dogwood Mining Company (L.S.)
By Fleetwood Rice
its President.

Approved
H. E. Barkley
Secretary.

The State of Florida }
County of Polk. } I, C. M. Claydon, a Notary Public in and for said County and State, hereby certify that T. L. Hendrix, whose name, as President of Montevallo Wood-Coal Company, a Corporation, is signed to the foregoing agreement, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

Given under my hand, this 12th day of March, 1919.

Seal

C. M. Claydon, Notary Public
State of Florida, at Large.
My Commission expires July 11th 1920

The State of Alabama }
Tuscaloosa County. } I, Annie Belle Hilton, a Notary Public in and for said County and State, hereby certify that Fleetwood Rice, whose name, as President of Montevallo Dogwood Mining Company, a Corporation, is signed to the foregoing agreement, and who is known to me, acknowledged before me on this day, that, being informed of the contents of

the agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

Given under my hand this 14th day of February, 1919.

Seal

Annie Belle Whitson
Notary Public.

The State of Alabama }
Shelby County. } I hereby certify that the within Contract was filed in this office for record 19 day of March, 1919 at 9 o'clock a. M. and recorded in Deed Record 68 - Pages 73-81 and examined.

G. W. Weaver
Judge of Probate.