

State of Alabama
 Tuscaloosa County } This Agreement, made on the
 4th day of May, 1920, by and between Montevalley
 Wood Mining Company, a corporation, hereinafter called
 the lessor, and the Little Gen Coal Company, a
 Corporation, hereinafter called the lessee, Witnesseth,
 That the lessor, for a Consideration hereinafter

Named, has devised and let and by these presents do give, demise and let to the said lessee, its successors and assigns, the right and privilege of mining coal on the lands described hereinbelow which are held by the lessor under lease from the Mattewalls Hard Coal Company, dated February 14th, 1919, from that certain seam of coal on said lands and only from said seam which is believed to be and is commonly called the Mattewalls seam of coal and which is, for the purpose of this paper, accurately identified as the same seam of coal from which the lessee is now mining coal at Dogwood, Alabama, the said lands being described as follows, to-wit:

Parcel 1; The west half of the Northeast quarter ($W\frac{1}{2}$ of $NE\frac{1}{4}$) and the West half of the Northeast quarter of the Northeast quarter ($W\frac{1}{2}$ of $NE\frac{1}{4}$ of $NE\frac{1}{4}$) of Section five (5), Township twenty-two (22), Range three (3) West, in Shelby County, Alabama. The lessor owns a lease on the mineral rights only in the above described land and no privilege or right for use of timber are here in granted to the lessee on the same.

Parcel 2; The Southeast quarter ($SE\frac{1}{4}$) and the East half of the Southwest quarter ($E\frac{1}{2}$ of $SW\frac{1}{4}$) and the Southwest quarter of the Southwest quarter ($SW\frac{1}{4}$ of $SW\frac{1}{4}$) and the South half of the Northwest quarter ($S\frac{1}{2}$ of $NW\frac{1}{4}$) and the South half of the Northeast quarter ($S\frac{1}{2}$ of $NE\frac{1}{4}$) and the Northwest quarter of the Northeast quarter ($NW\frac{1}{4}$ of $NE\frac{1}{4}$) and the East half of the Northeast quarter of the Northeast quarter ($E\frac{1}{2}$ of $NE\frac{1}{4}$ of $NE\frac{1}{4}$) of Section thirty-two (32); and the Southeast quarter of the Southwest quarter ($SE\frac{1}{4}$ of $SW\frac{1}{4}$) of Section twenty-nine (29) and the South-west quarter of the Southeast quarter ($SW\frac{1}{4}$ of $SE\frac{1}{4}$) of Section twenty-nine (29), and the Southeast quarter of the Southeast quarter ($SE\frac{1}{4}$ of $SE\frac{1}{4}$) of Section twenty-nine (29), less and except eight (8) acres, more or less in the Southwest corner thereof, all in Township twenty-one (21) Range three (3) West, all lying and being in Shelby County, State of Alabama, Also $7\frac{1}{2}$ of $SE\frac{1}{4}$ Sec 5, T₂₂, R₃ except 10 acres sold to Cunningham, and 50 acres to H. W. Harrison & 2 acres Colin Lowry and 7 acres to Sallie Ryan.

To Have and To Hold to the said lessee, its successors and assigns, for a term of twenty (20) years from the first day of March, 1919, with the right of renewal for an additional term of ten (10) 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 from the said seam of 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 used in mining said coal or preparing said coal 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 lessee's business of mining coal from said seam of coal herein leased and for no other purpose whatsoever; provided, however, that the said rights and privileges herein granted shall not be exercised in such manner as to interfere with the lessor in the operation of mines on said lands in mining from the other seams of coal imbedded in said lands which are not herein leased to the lessee, but are expressly reserved unto the lessor.

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, but only to the extent as may be necessary or convenient for the mining of the coal from the said seam of coal herein leased. For all other purposes, the possession of said lands is retained by the lessor.

3. The lessee shall pay the lessor a royalty or rent of fifteen (15) cents per ton of two thousand (2000) pounds on all coal mined from said seam of coal of every quality and description.

4. The lessee is to pay to the lessor the said

royalty in monthly installments, the first payment to be made on the 15th day of May, 1920, and the lessee shall pay at that time royalty at fifteen (15) cents per ton on all coal mined to that date, which payment shall not be less than a minimum of Two Hundred Fifty (\$250.00) Dollars, and subsequent payments must be made on the 15th day of each succeeding month after date for all coal mined during the preceding month and for the payments due June 15th, July 15th, August 15th, September 15th, October 15th, November 15th, and December 15th, 1920, and January 15th, 1921, shall not be less than a minimum of Two Hundred Fifty (\$250.00) Dollars each, and for the payments due on and after February 15th, 1921, to and including January 15th, 1922, the lessee shall pay not less than a minimum of Three Hundred (\$300.00) Dollars each, and for the payments due on and after February 15th, 1922, to and including January 15th, 1923, the lessee shall pay not less than a minimum of Three Hundred Fifty (\$350.00) Dollars each, and for the payments on and after February 15th, 1923, the lessee shall pay not less than a minimum of Four Hundred (\$400.00) Dollars each, and said minimum payments shall be made irrespective of the quantity of coal mined from said seam of coal and when the royalty amounts to more than said minimum in any one month, the royalty must be paid at the rate of fifteen (15) cents per ton as above provided, but should the amount of the royalty paid during any month of any calendar year on this basis exceed the said minimum and should the 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 failed 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 settle-
 ment 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 the 31st day of December; nor
 shall lessee be allowed any credit during the suc-
 ceeding year for any excess minimum royalty paid
 during the calendar year then closing nor shall les-
 sor be required on any such computation and settle-
 ment or at any other time to repay any royalty
 previously paid to it by lessee. Statements verified
 by affidavit from the lessee shall accompany each
 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, and, whereas, the lessor,
 under its contract with the Monteville Hard
 Coal Company, or will be due royalty on said
 coal at the rate of ten (10) cents per ton of two
 thousand (2000) pounds, payable at the same times
 and in the same manner as hereinabove spe-
 cified for the payment of royalties under this lease,
 the lessor does hereby authorize, empower and
 direct that the lessee pay to the Monteville Hard Coal
 Company on the 15th day of each month ten (10)
 cents per ton of the royalty provided for in this
 lease, said monthly payments to be not less
 than a minimum of Two Hundred Fifty (\$250.00)
 Dollars each, and all royalties due under this
 lease contract in excess of the amount due
 by the lessor to the said Monteville Hard Coal
 Company, are to be paid to lessor or its assigns.

5. The said lessor shall have the right to determine
 this lease after thirty (30) 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 purposes herein proposed, and failure by the lessor to forfeit this lease on account of any breach by the lessee or assignor of any of the Covenants of this lease or for any other grounds of forfeiture committed by this lease, shall not constitute a waiver on the part of the lessor to forfeit this lease on any other or future breach of Covenant by the lessee or its assignor or other or like grounds of forfeiture.

6. The lessor agrees to mine the coal from the said seam of coal 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 reversion to it.

7. All machinery, coke ovens, runs 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 and all 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 Statute of Alabama then in force. If the lessor declines to nominate a referee, it 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 an appointment of a referee by the lessor, refuses or fails to appoint a referee, the 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 the said lands by said lessee, then the lessee, within two months after notice in writing, must remove all of such property from said premises, not including the buildings, or failing therein 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 attorney's, at any and all times, to enter upon and examine and survey said mines or said seam of coal in said lands and to inspect, examine and verify all books, accounts, statements, sales, maps, plans, diggings, etc., of said lessee so far as pertaining to ascertaining the amount of coal taken from said seam of coal on said lands. 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 timber from said lands, except on lands in Parcel no. 1, measuring eight (8) inches in diameter twelve (12) inches above the ground to the extent that it may be needed in the mining of coal from said seam of coal in said lands, but this right and privilege shall not be

exclusively, the same right and privilege being reserved by
 the lessor to use such timber, from said lands as may be
 needed in mining the other seams of coal embedded in said
 lands. 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 con-
 tract should it become necessary to suspend mining
 operations in said mine or mines on said seam of coal
 in said lands caused by labor troubles or striking 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 fact of the lessee
 or lessee's agents or officers, or should, from any labor
 trouble or strikes not produced or brought about by
 the lessee, the lessee's agents or officers, it becomes
 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 unpreventive 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 dur-
 ing the time that the mining or the shipment of
 coal is impossible by reason of the cause above
 stated, but it is understood that no strike shall be
 considered as included in this provision which is of
 shorter duration than fifteen (15) working days.

12. In the event that the seam of coal herein leased
 upon said lands shall entirely fail to be worked out,
 this contract shall cease and determine and in
 case of a continued squeeze out of said seam, or
 should said seam of coal run into a positive fault,
 the minimum royalty shall not be claimed or re-
 quired to be paid to the lessor during such reasonable
 time as may be necessary to drive through such

of force 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 required by mining engineers appointed as provided in clause 13 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 a majority shall be final.

14. Whereas, the lessee is now operating a coal mine on lands adjoining the above described tract of land on the seam of coal herein leased in which said mine the main slope is now being driven toward the property line of the lands herein described, the lessee does hereby covenant and agree that it will diligently and continuously drive said slope until the lands hereinabove described are reached and that it will thereafter continuously and diligently mine coal from said seam of coal in the lands herein described under the terms and conditions of this lease to the end that the said coal may be mined as rapidly as is practicable.

15. There is excepted from this lease of the said seam of coal hereinbefore described the right to mine that portion of said seam of coal which is thrown up into a vertical or nearly a vertical position by the east boundary fault of the Cahoon coal field which the lessee is now mining, but the lessee shall not mine the same to a greater depth than two hundred (200) feet vertical or should the seam cease to be vertical and dip, it shall not go beyond the point at which the coal dips at a lesser degree than thirty (30) degrees without the permission in writing of the lessor, the purpose, intention and effect of this reservation being to permit the lessee to continue its mine in the vertical case, but not to

extend the same beyond the point where the case dips at a lesser degree than thirty (30) degrees, In testimony whereof, the said lesser and the said lessee have hereunto set their hands and affixed their seals in duplicate this 4th day of May, 1920.

Mottwalle - Dogwood Mining Company,
By Fleetwood Rice, (P. S.) Its President,
Little Gem Coal Company,
By J. Malton Smith (P. S.), Its President.

State of Alabama
Jefferson County I, K. B. Macy, a Notary Public in and for said County in said State, hereby certify that Fleetwood Rice, whose name as President of the Mottwalle - Dogwood Mining Company, a Corporation, 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 the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation. Given under my hand and seal of office, this 19th day of May, 1920.

K. B. Macy, 

State of Alabama
Jefferson County I, K. B. Macy, a Notary Public in and for said County in said State, hereby certify that J. Malton Smith whose name as President of the Little Gem Coal Company, a Corporation, 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 the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation. Given under my hand and seal of office, this 19th day of May, 1920.

K. B. Macy, Notary Public, 

State of Alabama
Shelby County I, G. G. Weaver, Judge of Probate, hereby certify that the within lease was filed in this office for record 17 day of Aug, 1920, at 9 o'clock a. m. and recorded in Deed Record 67 Pages 464-73 and examined.

G. G. Weaver,
Judge of Probate