State of Alabama
Shelby County } This Agreement, made and entered into on this 6th day of May, 1918, by and between Harriet Kneeland, C.B. Riley, R.B. Riley, all of Essex, Connecticut, and John L. Watrous, of Middlefield, Connecticut, (hereinafter called the Lessors) parties of the first part, and J. Morton Smith, W.P. Yeatman, and D.B. Fone, (hereinafter called the Lessees), parties of the second part-

Witnesseth: That, in consideration of the terms, conditions and stipulations hereinafter set forth to be performed and observed by the Lessees, and of the rents or royalties reserved as hereinafter specified, the Lessors do hereby let and lease to the Lessees for the period of fifteen (15) years, beginning May 6th, 1918, and ending May 6th 1933, the sole and exclusive rights and privileges of mining and removing all coal in, upon or under the following described lands situated in Shelby County, Alabama, owned by the Lessors, except as hereinafter stated, to-wit:

An undivided one-half interest in SW¼ of Sec. 6, Township 22, Range 3, West; E½ of NW¼ of Sec. 6, Tp. 22, Range 3, West; NW¼ of NE¼ of Sec. 6, Tp. 22, Range 3, West; E½ of NE¼ of Sec. 6, Tp. 22, Range 3, West; E½ of SE¼ of Sec. 31, Tp. 21, Range 3, West; NW¼ of SW¼ of Sec. 32, Tp. 21, Range 3, West; NW¼ of Sec. 5, Tp. 22, Range 3, West; SW¼ of SE¼ of Sec. 31, Tp. 21, Range 3, West; all that part of the N½ of the SW¼ of Sec. 5, Tp. 22, Range 3, West that lies North of a line 25 feet South of and parallel with the center line of the tram railroad leading from the Southern Railroad to the mines formerly belonging to the Montevallo Coal & Railroad Company, which said tram road was constructed in the year 1899, and being the same tract of land conveyed by Annie Bishop and J. L. Bishop to Montevallo Coal & Railroad Company by a deed not of record, dated January 18, 1900, and all conveyed by Annie Bishop to J. L. Watrous on May 16, 1909, containing 20 acres, more or less; also a right of way over the N½ of the SE¼ of Sec. 5, Township 22, Range 3, West, described as

follows: A strip of land 50 feet wide being 25 feet on each side of the center line of the train or railroad formerly belonging to the Montevallo Railroad Company, as staked and laid off across the NW/4 of the SE/4 and the NE/4 of the SE/4 of Sec. 5, Township 22, Range 3, West, with the right to cut down trees so near said right of way as to fall upon the track of said railroad, excepting Coal, iron and other Minerals and the right to mine, dig out and have away the same, being the same property described in the Conveyance of Bessemer Savings Bank to Montevallo Coal Company, dated May 11, 1899, and recorded in Vol. 25, page 205 of Records, Shelby County, Alabama, and being a part of the 315 acres mentioned as the Cary lands in the Bill of Complaint, and decreed in the Case of J. L. Watsons vs. Albert N. Butler, et als. No. 327, in the Chancery Court of Shelby County, at Columbiana, Alabama, all of said property herein described containing 635 acres, more or less.

Also all machinery, equipment, houses, tracks, mine openings and workings, buildings and other improvements now on any of said property; also the right and privilege of using so much of the surface of the above described land, and the stone, sand and water thereon which is owned by the Lessors, including sufficient of said surface for the erection of tipples, coke ovens and other structures mine openings, shafts, slopes, drifts or other workings which may be necessary in connection with the mining of coal from said lands and the manufacture of coke therefrom by the Lessees, pursuant to the terms of this lease; also the right to build and use railroads and other roads and ways across any of said lands as may be necessary in connection with the mining and shipping of coal from said lands and the manufacture and shipping of coke therefrom by the Lessees, pursuant to the terms of this lease; also the right to use the surface of said lands for the construction and use of any buildings, including houses for employes, stores and office and other

buildings, as may be necessary in or incidental to the mining of coal from said mines; and the right and privilege of cutting and using in connection with the mining of coal from said lands and the manufacture of coke therefrom, of any and all timber thereon; but the Lessees shall not have the right to use timber on said lands in connection with the mining of coal on any other lands, or for any other purpose than is herein stipulated, and the Lessors reserve the right at any time after five (5) years from the date hereof to sell to other parties all the timber then standing on said lands which at the time measured as much as ten (10) inches in diameter at a distance of fourteen (14) inches above the ground.

To Have And To Hold unto the said Lessees, for said term commencing May 6th, 1918, and expiring May 6th 1933, subject, however, to the exceptions and reservations in this lease contained, and subject to and upon the terms and conditions, covenants and limitations hereof hereinbefore and hereinafter set forth, as follows:

First: The Lessees covenant and agree to pay the Lessors, until the termination of this lease, as rental hereunder, a royalty of twenty five cents (25¢) per ton for each and every ton of two-thousand (2,000) pounds of coal mined from said lands by the Lessees, Provided, However, that no royalty shall be due hereunder for slack coal used by the Lessees for necessary fuel for the boilers used for the mining operations under this lease.

Second: The Lessees covenant and agree to begin mining coal on said lands on or before July 1, 1918, or as soon thereafter as the coal can be reached through the slope or opening now existing, or by such other slope or opening as the Lessee may determine to drive for mining operations hereunder, with promptness or diligence.

Third: The Lessees further covenant and agree to pay said rent or royalty above specified to the

Lessors monthly at such place and to such person as the Lessors may designate in writing the payments of said rent or royalty to be made on or before the 25th day of each month for all coal mined from said lands by the Lessees during the preceding month, Provided, However, that the Lessees shall pay to the Lessors a minimum rent or royalty of Five Hundred ($500.00) Dollars per month for the first three months of the term hereof, Three Hundred ($300.00) Dollars per month for the next three months of the term hereof, and Five Hundred ($500.00) Dollars per month thereafter, such minimum rent or royalty to be or become due on the 25th day of each month succeeding each calendar month during the term hereof, when the royalty of 25¢ per ton on coal mined and shipped in any one month exceeds the minimum for such month, the total royalty on such coal shall be paid to the Lessors, but in such case any excess of royalty over said minimum for such month shall be credited to and applied toward the satisfaction or payment of minimum royalty for any preceding or succeeding month during the term of the lease, Computations for any instalment of royalty shall be made in each month on or before the 25th day thereof.

Fourth: The said Lessor shall have the right to terminate this lease after thirty days' written notice to the Lessees, if a royalty or rent be not paid for two consecutive instalments thereof when due, or if the said Lessees shall fail to work the said mines with reasonable diligence and according to approved methods of mining coal, or if any of the terms of this contract be violated by the Lessees. The failure by the Lessors to forfeit this lease on account of any breach of the Lessees 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 Lessors to forfeit this lease on any other or future breach of covenant by the Lessees, or other or like grounds of forfeit.

Fifth: There shall not be any subletting or underletting or assignment of this lease, or change of the parties Lessees hereto, without the written consent and concurrence of the Lessors, except that the Lessees shall have the right to assign this lease without such consent to a corporation having not less than Twenty Five Thousand ($25,000.00) Dollars, paid in capital stock.

Sixth: The Lessees agree 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 of the same for the future purposes of the Lessors in case of reversion to them.

Seventh: All machinery, coke ovens, railroads and tram tracks placed in, under or upon said lands, except as are now upon said property, shall remain the property of the party placing the same thereupon and therein; Nevertheless, it is agreed that the Lessors shall have a lien on all such machinery, fixtures and other property of every kind wholsoever, for anything due or to become due to the Lessors under this contract, and the Lessors 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 other cause, and if the parties hereto shall not be able to agree upon the value thereof, or shall fail to agree upon any other question or 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 Lessors decline to nominate a referee, they must pay the value put upon said machinery by the Lessees, in case they have determined to exercise the right to purchase, and if the Lessees, after the appointment of the referee by the Lessors, refuse or fail to appoint a referee, they must

pay the value put upon said machinery or other property, by the Lessors. At the expiration of this lease, whether by forfeiture, or otherwise, if the Lessors shall not purchase or become the owners of such machinery, or other property named, put upon such lands by said Lessees, then the Lessees within two months after notice in writing must remove all such property from said premises, not including the buildings, or failing therein, shall forfeit to the said Lessors all such property of every kind, and be liable to the Lessors for such other damage as they may sustain by reason of such failure to remove such property. But it is agreed that all buildings upon said land shall become the property of said Lessors upon the termination of this lease.

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

Ninth: The Lessors agree to pay all taxes or charges in the nature of taxes upon the lands described herein, except such additional taxes, or charges in the nature of taxes, as may be imposed, or may arise by reason of buildings and permanent improvements placed upon said lands by the Lessees, and upon the failure to pay same, when due, the Lessees may pay the same, and deduct the amount so paid from any royalty due the Lessors hereunder, and the Lessees agree to pay all taxes and charges, in the nature of taxes, upon all structures, machinery and improvements placed by the Lessees upon said property, including its pro rata part of the taxes or charges in the nature of taxes upon the lands imposed or that may arise by the building of houses and permanent improvements thereon, and upon their failure to pay the same, when due, the Lessors may pay the same, and the amount so paid shall become a part of the rent due to

the Lessors hereunder, and there be a lien upon all the property of the Lessees on said lands.

Tenth: At any time during the continuance of this contract, should it become necessary to suspend mining operations in said mine or mines, because of labor troubles, or strikes among the miners participated in, by or affecting the miners in the mine or mines which are opened or operated under this lease, and by reason of which labor troubles or strikes it becomes necessary to suspend said mine or mines to the extent of ceasing to mine coal therefrom, or reducing the output of coal therefrom, if such labor troubles or strikes are not superinduced or brought about by the act of the Lessees, their agents, or officers, or should from any labor troubles or strikes or any cause not produced, brought about or controlled by the Lessees, its agents or officers, it become impossible for said Lessees either to procure car or railroad facilities for the marketing of coal taken from said mines, or to sell the same at the mines, then, in said event, during the actual continuance of such preventive troubles, the Lessees shall not be bound, or required to pay a royalty beyond the number of tons of coal actually mined, and the right of the Lessors to forfeit this lease by reason of the failure to mine coal and 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 strike shall be considered as included in this provision of this clause hereof which is of shorter duration than fifteen working days.

Eleventh: In the event the seam or seams of coal opened or practical for opening or mining on said lands shall entirely fail or be worked out, this lease and the obligations of the Lessees hereunder shall thereupon terminate. In the event of the working out of the seam of coal now being mined on the said lands, or in the event in the mining operations of the Lessees on said seam a

Continued Squeeze is encountered which makes the operating on said seam impracticable, or in the event said seam of coal now being operated on said lands runs into a positive fault, the Lessees shall have a right to terminate this lease and all the other obligations hereunder, on fifteen days written notice of such termination, addressed and mailed, registered mail, postage prepaid, to C.B. Tilly, Essex Connecticut,

Twelfth: The filing of a petition for adjudication in bankruptcy, by or against the Lessees, shall in and of itself terminate this lease, but shall not affect the liability of the Lessees for, or on account of, any breach of this lease, or any indebtedness due at the date of said termination, and shall not affect the right of the Lessors' for the collection of such indebtedness.

Thirteenth: 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 questions of fact assignable 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.

Fourteenth: The Lessees shall not later than the 15th of each calendar month, furnish the Lessors with a written report, showing the actual amount of tons of coal mined from said lands during the preceding calendar month, said report and all remittances made hereunder, unless the Lessees are otherwise directed by the Lessors, to be mailed to C.B. Tilly, Essex, Connecticut. An accurate account shall be kept by the Lessees of each and every ton of coal mined from said lands, and railroad weights of so much thereof as may be shipped by rail, shall be conclusive upon the parties hereto, as to such part so shipped and the Lessors, or their duly authorized representatives may at any time, see the accounts, or

statements kept by the Lessees, showing accounts of the amount of the coal mined from said lands.

The Lessees hereby agree that the machinery material and all equipment now belonging to said Lessors an inventory of which shall be made at the time the Lessees shall take possession of said mine, said Lessees shall keep said machinery and other equipment in good repair and at the termination of this lease shall immediately deliver the possession of said machinery and material to the Lessors in as good condition as it now is, ordinary wear and tear excepted, and it is further agreed that the Lessees shall on demand deliver all such property as it now has belonging to the estate of E. A. Hussey of the Montevallo Rosewood Coal Company.

Fifteenth. It is understood as a part of this lease that the title of the Lessors as to the Northeast quarter of the Southwest quarter of Section 31, Township 21, Range 3, West, and of the Northwest quarter of the Southwest quarter of Section 32, Township 21, Range 3, West, is disputed by the Tennessee Coal, Iron & Railroad Company, and that the title of the Southwest quarter of the Southeast quarter of Section 31, Township 21, Range 3, West, is in said Tennessee Coal, Iron & Railroad Company, and that an agreement regarding said disputed title has been made whereby all the right, title, interest and claim of the Tennessee Coal, Iron & Railroad Company in and to said 120 acres shall be vested in J. L. Watkins, or the Lessors herein, and the Lessees herein agree that their right hereby granted as to said 120 acres shall be subject to any right, title, interest and claim that the said Tennessee Coal, Iron & Railroad Company, has therein.

Sixteenth: Unless otherwise directed in writing by the Lessors, to the Lessees, any and all notices, payments or other matters from the Lessees to the Lessors shall be made to Chas. B. Riley, Essex, Connecticut.

Seventeenth: This agreement shall be binding upon

and enure to the benefit of the parties hereto, their respective heirs, executors, administrators and assigns.
In Witness Whereof, the parties hereto have hereunto set their hands and seals, the day and year first above written -

Harriet Rutland
Chas. B. Tilley Attorney (L.S.)
Chas. B. Tilley (L.S.)
R. B. Tilley, (L.S.)
John L. Watrous L.S.
Lessors -
J. Malton Smith (L.S.)
W. P. Yeatman (L.S.)
D. B. Gore L.S.
Lessees -

State of Connecticut
County of Middlesex } I, Charles R. Morris, a Notary Public in and for said County and in said State, hereby certify that Harriet Rutland, C.B. Tilley, R. B. Tilley and John L. Watrous, 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 instrument, they executed the same voluntarily on the day the same bears date. Given under my hand and seal of office, this 6th day of May, A.D. 1918.

Seal

Charles R. Morris Notary Public,
My commission expires Feby 1st 1919.

Birmingham, Ala., May 14, 1918.
I hereby transfer & assign all of my interest in the above lease to the Little Jean Coal Co. who shall have all benefits and assume all obligations of same.

Witness,
J. R. Robinson,
H. B. White,

J. Malton Smith,
W. P. Yeatman,
D. B. Gore -

This supplementary agreement made and entered into on this 1st day of July 1919, by and between Harriet Rutland, C.B. Tilley, R.B. Tilley, all of Essex Connecticut, and John L. Watrous, of Middlefield, Connecticut, parties of the first part, and J. Malton Smith,

W. P. Yeatman, and D. B. Gore, parties of the second part, to attach to and become a part of the foregoing lease made on May 6, 1918.

First; The parties of the second part agree to pay the taxes on the lease property for the year 1918.

Second; The parties of the second part agree to pay the expenses of J. L. Watring to Birmingham and return in Jan. 1919.

Third, The parties of the second part agree to spend approximately twenty thousand dollars in improvements and developing the property on or before July 1, 1919.

Fourth, The parties of the first part agree in consideration of the above to reduce the minimum royalty to three hundred dollars per month for six months beginning Jan. 1, 1919, the said three hundred dollars to be paid monthly in advance.

Fifth, The royalty on lump coal hereafter to be twenty cents per ton and on slack coal ten cents a ton, this not to exceed fifteen per cent of the entire output.

Sixth, That when the aforesaid twenty thousand dollars has been expended on the property all royalties due to Jan. 1, 1919 are to be canceled and second parties relieved of same.

Seventh, The parties of the first part agree that the parties of the second part may use the openings now made or hereafter to be made on their lands to have coal from any adjacent lands by the payment of two cents per ton.

In Witness Whereof, the parties hereto have hereunto set their hands and seals, the day and year first above written.

J. L. Watring (L. S.)
R. B. Tilly (L. S.)
Harriet Mellard (L. S.)
By Chas. B. Tilly attorney (L. S.)
Chas. B. Tilly (L. S.)
Lessors

J. Mottau Smith (L. S.)
W. P. Yeatman (L. S.)
D. B. Gore L. S.
Lessees

State of Alabama
Shelby County } I, G. W. Williams, Judge of Probate, hereby
Certify that the within Lease was filed in this office
for record 12 day of Aug. 1920, at 9 o'clock, A. M. and
recorded in Deed record 67 pages 474-85 and examined.

G. W. Williams, Judge of Probate