AGREEMENT made August 22nd,1932, between SOUTHERN MINERAL LAND COMPANY, a corporation (herein called the "Company"), PEFRLESS CAHABA COAL COMPANY, a corporation (hereinafter called "Peerless"), THE FIRST NATIONAL BANK OF BIRMINGHAM, as Executor and Trustee under the last will and testament of James C. Patterson deceased (herein called the "Trustee(, and THE FIRST NATIONAL BANK OF BERMINGHAM, a banking corporation (herein called the "Bank"),

## WITNESSETH:

WHEREAS, on December 14,1926, the Company executed and delivered to Peerless a mining lease covering certain property of the Company located in Shelby County, Alabama, and under the same date the Company executed and delivered to Peerless, the Trustee and A. Sicard an agreement permitting said lease to be transferred to the holder of the then existing mortgage on the property of Peerless in the principal amount of \$80,000.00, which said mortgage is still outstanding and unpaid and is now past due, and is the only existing mortgage on said property held by Trustee and/or Bank; and

WHEREAS Peerless is in default in the payment of rentals and royalties due under said lease in the amount of \$3,805.75 plus unpaid interest on past due installments and Peerless, the Trustee and the Bank desire to secure an extension of time for the payment of said amount to the extent hereinafter provided for; and

WHEREAS the Company is only willing to grant said extension of time in consideration of the agreements of Peerless, the Trustee and the Bank herein contained:

NOW, THEREFORE, in consideration of the premises and the mutual promises of the parties herein contained, it is agreed as follows:

FIRST: The Company agrees, conditioned upon due and punctual payment of all future rentals or royalties to be payable under said lease as and when the same are due and payable according to the terms thereof, and conditioned upon the due and punctual observance and performance by Peerless of all the covenants, conditions and obligations on its part to be kept and performed under the terms of said lease, that the accrued interest upon said past due rentals and royalties will be waived by the Company and it will accept payment of the principal thereof in the amount of \$3,805.75 with interest from July 1st, 1932, thereon at the rate of 6% per annum as follows:

\$1,268.58, with interest at the rate of 6% per annum from July 1st, 1932, on January 1, 1933; \$1,268.58, with interest at the rate of 6% per annum from July 1, 1932, on April 1, 1933; \$1,268.59, with interest at the rate of 6% per annum from July 1,1932, on July 1, 1933.

or in any payments of future rents and royalties to become due under said lease or in the due observance and performance of any of the covenants, conditions or obligations of said lease, the entire unpaid balance of said amount shall forthwith become due and payable and thereafter bear interest at the rate of 8% per annum. In default of payment in full the Company shall have the same rights as are provided with respect to failure to pay rentals or royalties under said lease.

SECOND: Peerless, the Trustee and the Bank recognize with respect to said lease the right and priority over any of their respective interests of the lien with respect to both past due and future rents and royalties and other covenants reserved to the Company under said lease, and do hereby recognize that in the event by reason of foreclosure of said mortgage or otherwise any of them or the representative of any of them, becomes the operating owner of said property, such party as becomes such operating owner during the time it operates under said lease or retains possession thereunder, shall and does hereby agree to duly observe and perform all of the covenants, conditions and obligations of Peerless thereunder and duly and punctually pay all of the rentals and

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royalties therein reserved to the Company, and if such Operator thereafter makes transfer of said lease after obtaining onsent of the Company, as therein provided, such transfer shall be only so made as to similarly bind the transferee.
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THIRD: Peerless, the Trustee and the Bank hereby agree that subdivision (10) of Section V of said lease shall be, and it hereby is, amended to read as follows:

"(10) Lessee agrees to mine said coal (a) with reasonable diligence, (b) in accordance with the best mining practice so that there will be no needless loss or waste, (c) to the reasonable satisfaction of the lessor, (d) that it will at all times so conduct its said mining operations as not to obstruct the advantageous working of said Helena Seam of coal on lands or impair the availability or value of the same for the present and future purposes of the Lessor in case of reversion to it, and (e) Lessee shall conduct its operations with reasonable care and so as not to obstruct or impair the availability of any other seam or seams of coal on any of said lands."

FOURTH: The Company agrees that in the event Peerless makes any default in the payment of any rent or royalty reserved in said lease or in the payment of any amounts herein agreed to be paid or makes default in the due observance and performance of any of the comenants, conditions or obligations of Peerless under said lease, then and in those events the Company will give to The First National Bank of Birmingham ten days written notice by mail of the existence of said default before the Company exercises any right granted in said lease or herein to terminate or forfeit such lease for or on account of such default.

FIFTH. This agreement shall be binding upon and inure to the benefit of the parties hereto, the their respective successors and assigns, but said lease shall not be assigned by Peerless, Trustee or the Bank without the written consent of the Company first obtained.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed under seal by their duly authorized officers, in quadriplicate, the days and year first above written.

ATTEST:
A H Plumb,
Secretary.

SOUTHERN MINERAL LAND COMPANY, By Herman Pfaff, President.

PEERLESS CAHABA COAL COMPANY,

ATTEST: W C Scott, Secretary.
ATTEST: J W Burt
Asst. Trust Officer

By Amelia Sicard, President.

THE FIRST NATIONAL BANK OF BIRMINGHAM, as Executor and Trustee

under the Last will and testament of James C. Patterson, deceased,

THE FIRST NATIONAL BANK OF BIRMINGHAM, By K W Berry, Exec. Vice-President

By C.F. Zuloski, Jr., Vice-President

ATTEST:
W D Robertson,
Asst Cashier.

## STATE OF ALABAMA, JEFFERFON COUNTY)

I, J. B. Howard, a Notary Public inand for said County in said State, hereby certify that Herman Pfaff, whose name as President of SOUTHERN MINERAL LAND COMPANY, a corporation, is sighed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, 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 the 22nd day of August, 1932.

J. B. Howard, Notary Public.

STATE OF ALABAMA, JEFFERSON COUNTY)

I, Stella G. Hawkins, a Notary Public in and for said County, in said State, hereby certify that C. F. Zuloski, Jr., whose name as Vice President of THE FIRST NATIONAL BANK OF BIRNINGHAM, as Executor and Trustee under the last will and testament of Jemes C. Patterson, deceased, 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 said 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 the 17 day of August, 1932. Stella G. Hawkins, Notary Public :

STATE OF ALABAMA, JEFFERSON COUNTY)

I, J.B.Howard, a Notary Public in and for said County, in said State, hereby certify that Amelia Sicard, whose name as President of the PEERLESS CAHABA 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 said 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 the 22nd day of August 1932.

STATE OF ALABAMA, JEFFERSON COUNTY)

J. B. Howard, Notary Public.

I, William T. Cothran, a Notary Public in and for said County in said State, hereby certify that K W Berry, whose name as Exec. Vice-President of the FRRST NATIONAL BANK OF BIRMINGHAM 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 the 22nd day of August 1932.

William Cothran, Notary Public. Filed for record in this office January 13th 1934 at 1 d clock PM and duly recorded deed record 97, page 104 and examined. Cage Head, Judge of Probate