

STATE OF ALABAMA,

JEFFERSON COUNTY

1906

AGREEMENT OF LEASE between CROW LAND COMPANY, INC.,
A Corporation, whose address is 2012 Sixth Avenue, North, Birmingham,
Alabama 35203 (herein referred to as the "Lessor"), and CHARLES H.
RAINES AND THOMAS E. COGGIN, whose address is P. O. Drawer 3988,
Birmingham, Alabama 35208 (herein referred to as the "Lessee"),
WITNESSETH:

For the consideration hereinafter named the Lessor,
insofar as it has the power and authority so to do, does hereby
demise and let to the Lessee and the Lessee does hereby lease
from the Lessor the right and privilege of mining and removing
by the stripping and/or augering process all seams of coal con-
tained in the following described lands located in Shelby County,
Alabama, to wit:

West 1/2 of SW 1/4, Section 17, Township 20, Range 3 West. North
1/2 of Section 20; an undivided 1/2 interest in NW 1/4 of SW 1/4;
SW 1/4 of SW 1/4; East 1/2 of SW 1/4; NW 1/4 of SE 1/4 except mineral
and mining rights in NE 1/4 of NE 1/4 and except that part of West
1/2 of NW 1/4 that has been conveyed to W. W. Kent and wife Betty
P. Kent, as per deed recorded Vol. 235, Page 547, all situated in
Section 20, Township 20, Range 3 West. South 1/2 of SE 1/4 east of
river and the NE 1/4 of SE 1/4 and all that part of the SE 1/4 of
NE 1/4 lying south of the Bessemer - Helena paved road, Section 19,
Township 20, Range 3 West, North 1/2 of NE 1/4, SW 1/4 of NE 1/4,
South 1/2 of NW 1/4, NW 1/4 of NW 1/4 and all that part of the NE
1/4 of NW 1/4 lying east of river, NW 1/4 of SE 1/4 and all that
part of SW 1/4 lying north and east of river, Section 30, Township
20, Range 3 West. NE 1/4 of SE 1/4 and SE 1/4 of NE 1/4, Section 25,
Township 20, Range 4 West.

for and during the term of 2 years beginning
on the 1 day of January, 1975, and ending on the
31 day of December, 1976, inclusive. This agreement
is made subject to the following terms, conditions and covenants to
which the parties hereto hereby agree:

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1. The Lessee shall begin the mining and removal of coal hereunder within 5 months from the date of execution of this lease and shall continue such mining with promptness and diligence during the term covered hereby, and the Lessee agrees to mine and remove all coal in all seams in, on and under said lands which can be economically recovered by generally accepted methods of strip mining and augering, subject to the following conditions:

(a) Lessee shall mine said coal in accordance with the best practice so that there will be no needless loss or waste and to the satisfaction of Lessor;

(b) In general, Lessee shall mine all minable coal that a prudent owner would mine if he were conducting his own operation.

2. The Lessee shall have the privilege of building and maintaining during the term of this lease the necessary haul roads and access roads.

3. This agreement is made subject to all leases, easements and other rights now existing for railroads, public roads, private roads, transmission lines, telephone lines, gas or other pipe lines, cemeteries or for other purposes affecting the said lands.

4. Lessor reserves to itself all of the merchantable timber located on the leased property and Lessee covenants to properly inform the Lessor of its operating plans so as to give Lessor ample time to have the timber removed, and in no event shall the advance notice to the Lessor by the Lessee be less than sixty (60) days.

5. The Lessee shall pay to the Lessor a royalty of One and 50/100 Dollars (\$1.50) per ton or twelve percentum (12%) of the selling price f. o. b. mine, ~~truck, barge or railroad car~~, whichever is greater, for each ton of two thousand pounds

W. C. H.
CHH



of coal removed from said lands. Lessees further agree to with the execution of this lease, remit to Lessor \$1,000.00 as a minimum royalty fee. Said \$1,000.00 royalty fee to be due and payable each month thereafter for eleven (11) consecutive months. If Lessees fail to commence mining operations by May 15, 1975, Lessor may, at its option, terminate this Lease and in such event Lessees shall immediately remit to Lessor as Liquidated damages \$7,000.00, said sum representing the balance of the minimum royalty fee herein described.

6. All payments of royalty herein provided for shall be made at the office of the Lessor in the City of Birmingham, Alabama, in monthly installments on or before the 15th day of each month for all royalties due for coal so removed during the preceding calendar month or for minimum royalty and, unless otherwise provided in this contract, shall be based on railroad shipping weights of all coal shipped by railroad, barge shipping weights of all coal shipped by barge and on mine shipping weights on all coal shipped by truck, as evidenced by statements furnished by Lessee on or before the 15th day of each month; such statements shall show the exact amount of coal removed during the preceding month and the selling prices received for coal sold and each such statement shall be certified to be correct by Lessee. It is agreed that Lessee shall furnish Lessor a statement each and every month whether coal is or is not removed under this contract.

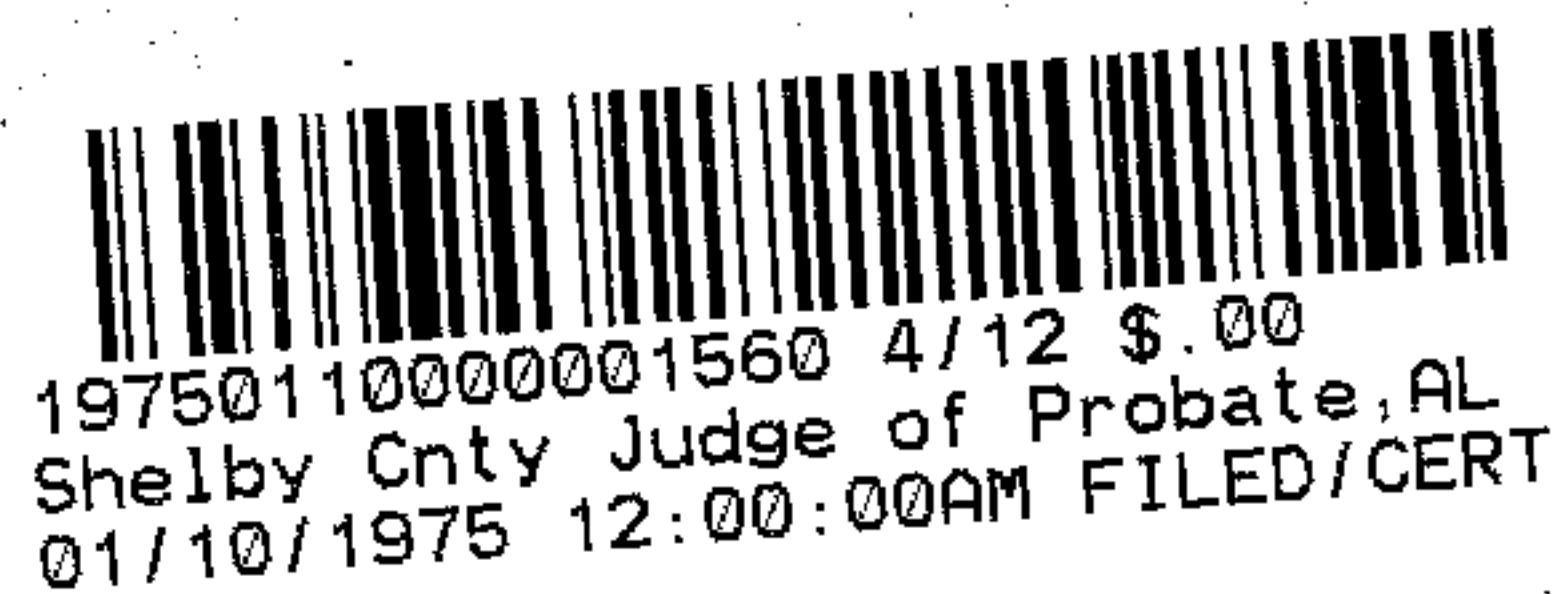
7. In the conduct of strip mining operations hereunder, Lessee shall handle spoil disposal in a manner satisfactory to Lessor including but not limited to the sufficient covering of

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01/10/1975 12:00:00AM FILED/CERT

washer refuse and other potential acid forming material which will leave the spoil area in a condition suitable for manual planting of trees thereon and later harvesting of same. It is intended that spoil will be so placed or worked, as Lessee may see fit, as to avoid leaving spoil banks with steep slopes and sharp peaks, and the consequent deep valleys between same. The sectional drawing, identified as "14-808 LD" attached hereto as Exhibit A and made a part hereof, shows graphically the general method of overburden removal, the undesirable spoil disposal method, and a general indication of final spoil area profile to be accomplished.

BOOK 290 PAGE 337
8. All machinery, tram tracks, buildings, structures and improvements placed by the Lessee on or under said lands shall remain the property of the Lessee; provided, however, that the Lessor shall have and is hereby granted a lien on all such machinery, fixtures and other property of every kind whatsoever belonging to the Lessee for any amount due or to become due to the Lessor under this agreement. In the event the Lessee shall have complied with all of the terms of this agreement and shall have paid to the Lessor before the expiration or termination hereof all amounts then owing by it to the Lessor, then and in such event the Lessee shall have and is hereby granted the right and privilege of entering upon and removing from said lands, within sixty (60) days following such expiration or termination, all machinery, fixtures and other property of every kind whatsoever, theretofore placed thereon or therein by the Lessee, Upon the failure of Lessee to remove any such property within said sixty (60) day period the same shall at the sole election of Lessor (a) become the property of Lessor or (b) be removed from the premises by Lessor at the sole cost and expense of Lessee.

9. Lessee agrees to prepare and furnish Lessor every six months during the term of this lease a survey and map showing



in plat the extent and progress of all stripping operations and the thickness of coal at reasonable intervals, said survey and map to be prepared and certified by a registered engineer.

10. The Lessee agrees to pay all taxes and charges in the nature of taxes of any kind whatsoever upon all machinery, tram tracks, structures and improvements placed on or under said lands and further agrees to pay all taxes in the nature of severance taxes upon all coal so mined and removed by Lessee. Lessor obligates itself solely to pay the advalorem taxes on the lands herein leased.

11. Lessee agrees to indemnify Lessor from and against any and all liabilities, claims, debts, demands, expenses, and causes of action relating to injuries to or death of persons and damage to or destruction of property, real, personal and mixed, asserted, claimed or alleged by any person, firm, corporation or other form of business organization; any officer, employee, workman, servant or agent of Lessee, any contractor or subcontractor of Lessee or any officer, employee, workman, servant or agent of any such contractor or subcontractor, any officer, employee, workman, servant, agent, contractor or subcontractor of Lessor arising from, connected with or related to, or alleged to arise from or be connected with or be related to Lessee's operations and activities under this lease including the use of any part of the surface land in connection with Lessee's mining and removal of coal hereunder and whether the same results from, is caused by, or is alleged to have resulted from or have been caused by, directly, or indirectly, any act of omission or commission, negligent or otherwise of Lessee, its employees, workmen, servants, agents, contractors, subcontractors, or Lessor or Lessor's employees, workmen, servants or agents.

12. Lessee, in all of its operations hereunder, shall comply with all of the laws of the United States of America and the State of Alabama as well as all County, Municipal and local laws relative thereto including all rules and regulations promulgated



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by any Federal, State, County, Municipal or local governmental agency having jurisdiction over the matter. Without intending to qualify the generality of the foregoing, Lessee shall comply with and abide by all laws and provisions of the State of Alabama relating to (a) real estate property lines, as they affect Lessor and adjacent owners; (b) strip mining of coal and (c) backfilling or levelling requirements and land reclamation. Lessee shall comply with all applicable laws, ordinances, regulations, present or future, pertaining to reclamation, air and water pollution, and mining, and shall indemnify and hold Lessor harmless from any

loss, expense or damage resulting from any failure to comply therewith, during the life of the lease.

13. Lessee shall carry during the term of this agreement Workmen's Compensation Insurance, comprehensive and general public liability and property damage insurance, including automobile coverage in amounts of not less than \$100,000/\$300,000 bodily injury and \$100,000 property damage. The general public liability policy shall be endorsed to include the contractual liability assumed by Lessee under Paragraph 12 of this lease. Certificates evidencing such coverage shall be delivered to Lessor prior to the commencement of any operations or work by Lessee hereunder.

14. If an execution or other legal process is levied upon any improvements placed on or in the above described lands by the Lessee, or upon the interest of the Lessee, in this agreement, or if a petition in bankruptcy is filed by or against the Lessee, or an assignment for the benefit of creditors is made by the Lessee, or if a Receiver of the property of Lessee is appointed, or if the Lessee fails to pay as and when the same become due any of said installments of royalty herein agreed to be paid by Lessee, or in the event the Lessee violates any condition or agreement on its part herein contained, and such violation or failure to pay is continued for a period of thirty (30) days after written notice has been given by Lessor to Lessee, Lessor, at its option, may terminate this agreement and/or immediately re-enter and

take possession of said premises and thereafter it may relet the same, or any part thereof, for the balance of said term, or any part thereof upon such conditions as it may deem proper. Such re-entry and/or reletting shall not discharge the Lessee from any of the agreements on its part herein contained and the Lessee shall make good to the Lessor the difference, if any, between the royalties herein provided for and the royalties and rentals paid to the Lessor by any subsequent Lessee thereof. Failure by the Lessor to recognize or act on any breach by the Lessee of any of the conditions on the part of the Lessee herein contained shall not constitute a waiver of its right to later act thereon. The Lessee agrees to pay to the Lessor, upon demand therefor, a reasonable attorney's fee in the event of employment of any attorney by the Lessor to collect any royalties, damages or amounts that may become due by the Lessee under this agreement or in the event of the filing of suit against the Lessee for unlawfully withholding possession of said premises, or to protect the interest of the Lessor in the event the Lessee is adjudged a bankrupt or legal process is levied upon the goods and chattels of the Lessee, or upon the interest of Lessee in this agreement, or on account of the violation of any of the terms, conditions or covenants on the part of the Lessee herein contained, which has not been corrected within thirty (30) days after written notice to Lessee.

15. It is recognized by Lessor and Lessee that there are or may be in the vicinity of, or in, under or upon, some or all of the lands leased hereunder, abandoned mine working. Nothing contained herein, nor any information, oral, in writing or by diagram drawing or map furnished by Lessor shall be construed as a warranty or representation of any kind of the location or

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Shelby Cnty Judge of Probate, AL
01/10/1975 12:00:00AM FILED/CERT

condition of any such abandoned workings. Lessor expressly states that it does not know definitely the location or condition of any such abandoned workings. Lessee expressly assumes all risks of every kind whatever with respect to mining at or near any such abandoned working, and in addition to any other similar conditions contained herein, Lessee agrees to and does hereby indemnify and hold Lessor harmless from any and all claims of every kind in any way arising out of the presence of any such abandoned workings in the vicinity of, or in, under or upon any or all of the lands leased hereunder, or out of the condition of any such workings.

16. In the event of any difference in opinion or any controversy between the parties hereto as to the compliance of Lessee with the provision of this lease pertaining to minable coal, or as to any other matter of fact involved in the performance hereof such party agrees, upon notice in writing from the other requesting such action, to appoint a reputable mining engineer as an arbitrator, and if said arbitrators shall not agree said arbitrators shall appoint a third arbitrator, and the decision of the majority shall be final and binding on the parties hereto as to such matters as are determined by them. In the event either party fails to appoint such arbitrator after ten (10) days written request of the other party so to do, or in the event the said arbitrators shall within ten (10) days after they have failed to reach an agreement on any matters submitted to them fail to appoint a third arbitrator, then, and in either of said events the Chairman of the southeast section of the American Institute of Mining and Metallurgical Engineers, (or in the absence of such official, a Judge of the United States District Court of the Northern District of Alabama) shall have the right

BOOK 290 PAGE 341



19750110000001560 8/12 \$.00
Shelby Cnty Judge of Probate, AL
01/10/1975 12:00:00AM FILED/CERT

to select an arbitrator or arbitrators to make the determination, such arbitrators to be competent mining engineers. The expense of said arbitration shall be shared equally by the parties hereto.

17. Any notice provided for or permitted herein to be given by either party to the other party shall be deemed to have been given upon deposit thereof in the U. S. Certified Mail, Return Receipt Requested, Postage Prepaid, and addressed to the parties as follows:

(a) If by Lessor to Lessee:

Charles H. Raines and Thomas E. Coggin
P. O. Drawer 3988
Birmingham, Alabama 35208

or at any changed address of which Lessee shall give Lessor written notices;

(b) If by Lessee to Lessor:

Crow Land Company, Inc., A Corp.
2012 Sixth Avenue, North
Birmingham, Alabama 35203

or at any changed address of which Lessor shall give Lessee written notice.

18. This agreement shall inure to the benefit of and shall be binding upon the respective successors, assigns and personal representative of the parties hereto, provided, however, that the Lessee shall not transfer or assign this agreement or sublet any of the rights or privileges herein granted to it without the written consent of the Lessor, and any such assignment or subletting shall be void unless the Lessor shall have assented thereto in writing. Lessee does hereby waive all rights of exemption of property from levy and sale granted under the constitution and laws of the State of Alabama, or any other state.

19. Lessee, if not in default hereunder, shall have two (2) one year options to renew this lease under the same terms

BOOK 290 PAGE 342

and conditions upon thirty (30) days written notice to Lessor of such intention.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed under seal, in duplicate, this 6 day of January, 1975.

LESSOR:

CROW LAND COMPANY, INC., A Corp.

WITNESS:

By: James B. [Signature]
President

[Signature]

LESSEES:

By: Charles H. Raines
Charles H. Raines

WITNESS:

Mary Lou Williams

Thomas E. Coggin
Thomas E. Coggin

WITNESS:

Mary Lou Williams



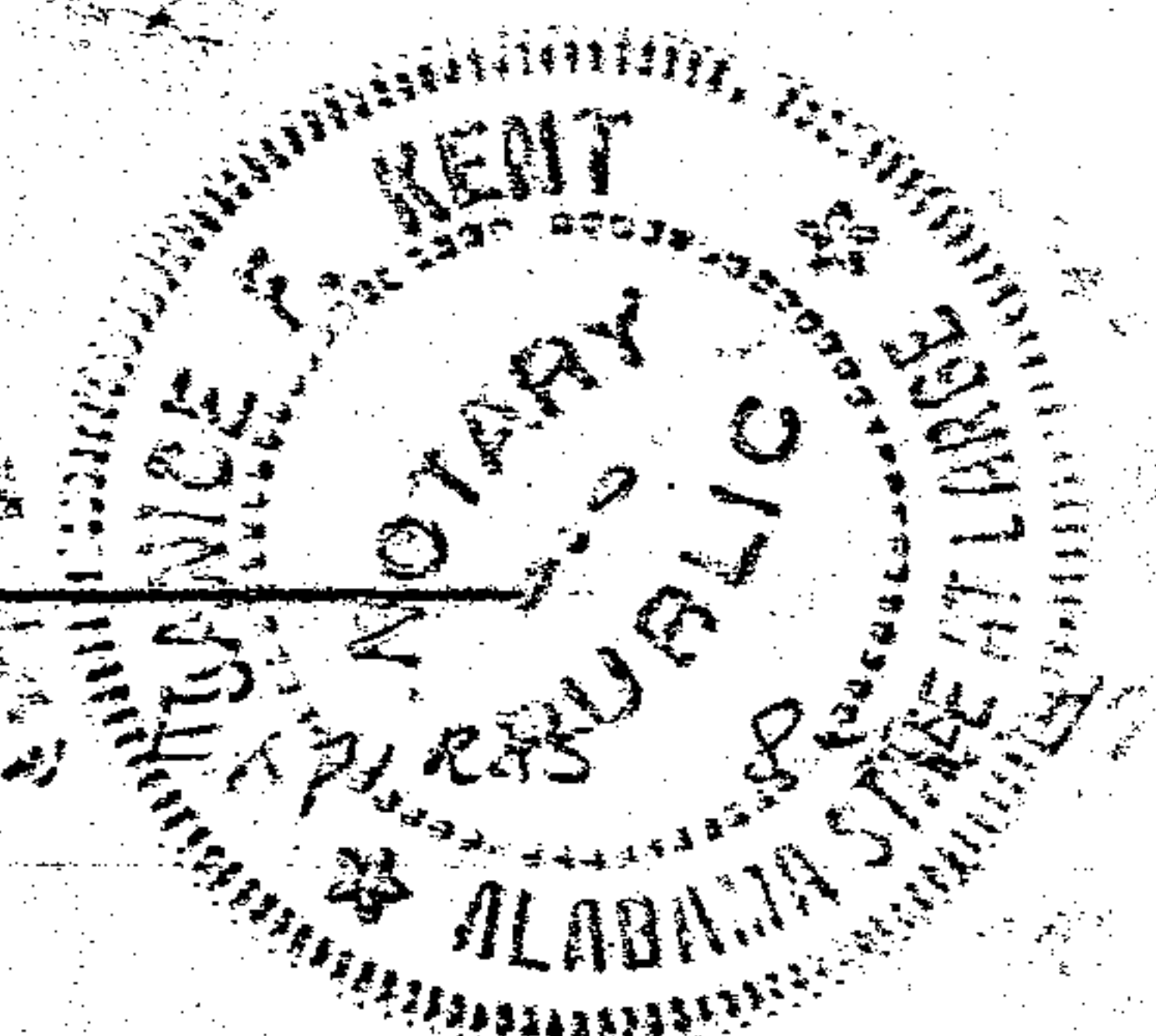
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STATE OF ALABAMA,
JEFFERSON COUNTY

I, Janice L. Kent, a Notary Public
in and for said County in said State, hereby certify that Warren
B. Crow, III, whose name as President of CROW LAND COMPANY, INC.,
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 official seal, this the 6TH day
of January, 1975.

Janice L. Kent
NOTARY PUBLIC
My Commission

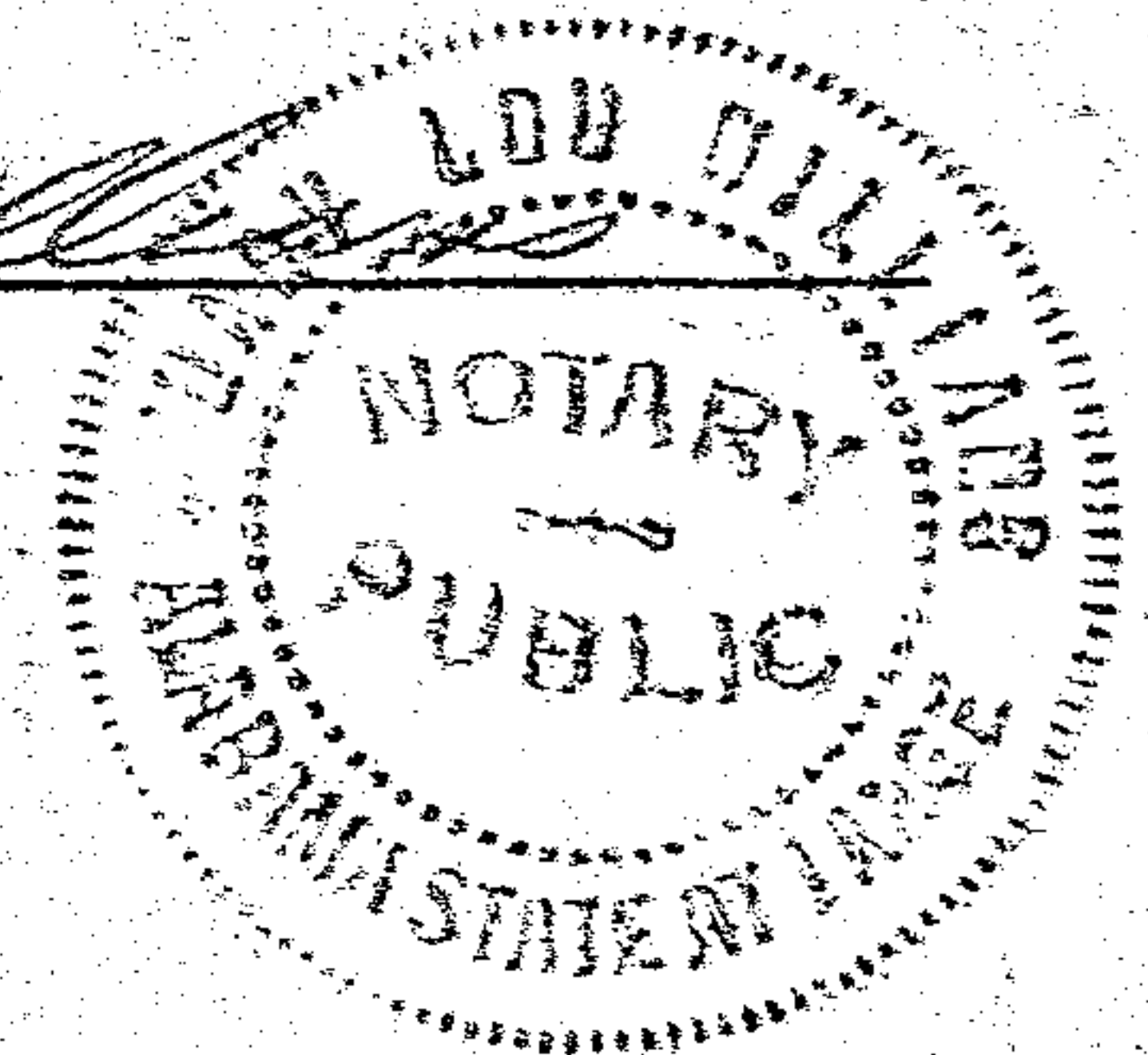


STATE OF ALABAMA,
JEFFERSON COUNTY

I, Mary Lou Williams, a Notary Public
in and for said County in said State, hereby certify that CHARLES H.
RAINES AND THOMAS E. COGGIN who are known to me, acknowledged before
me on this day that, being informed of the contents of the instrument,
have executed the same voluntarily.

Given under my hand and official seal, this the 6th day
of January, 1975.

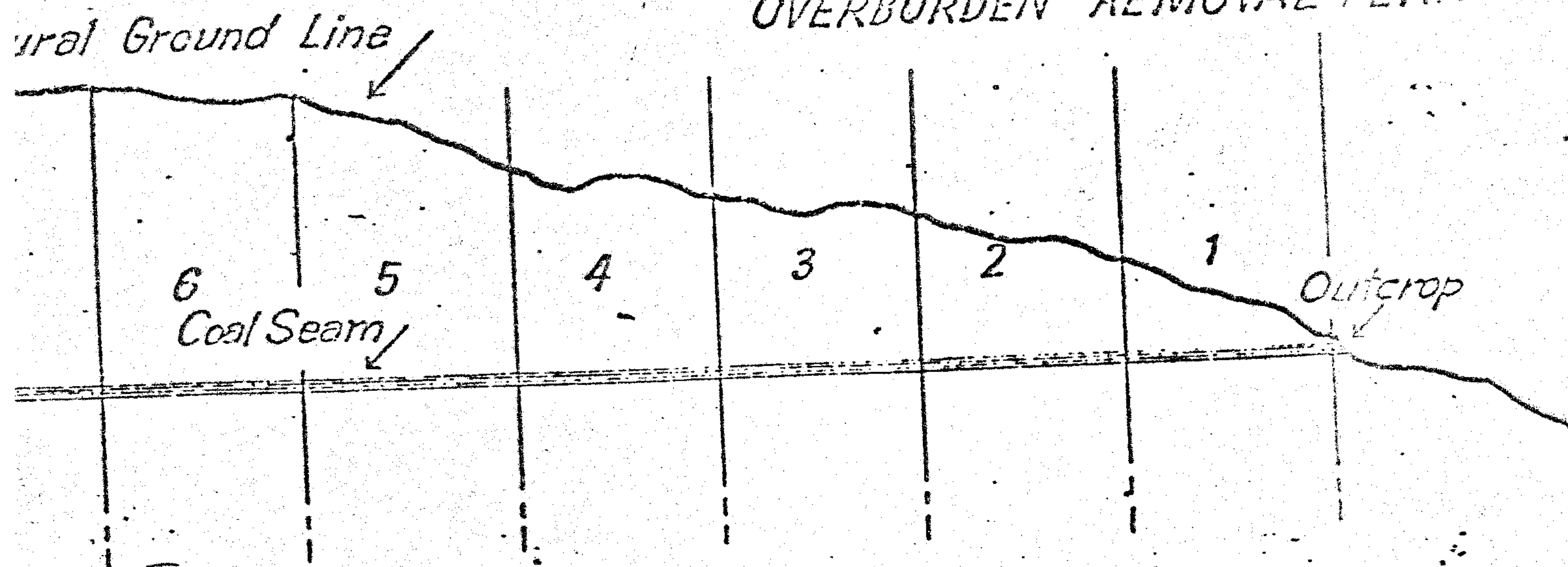
Mary Lou Williams
NOTARY PUBLIC



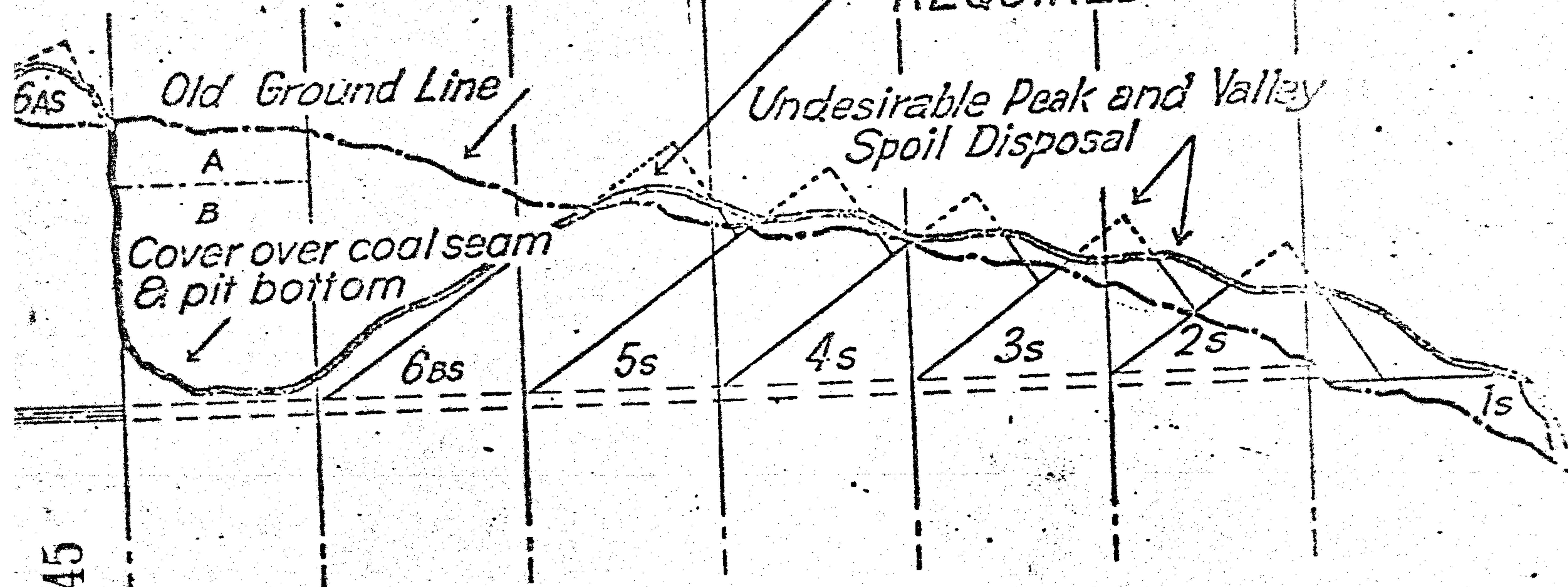
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01/10/1975 12:00:00AM FILED/CERT

BOOK 290 PAGE 344

TYPICAL SECTION SHOWING OVERBURDEN REMOVAL PLAN



TYPE OF FINAL PROFILE REQUIRED.



TYPICAL SECTION Indicating Customary Spoil Disposal and Type Of Final Profile Necessary To Leave Spoil Banks In A Condition Suitable For Forestry Operations.

BOOK 290 PAGE 345

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01/10/1975 12:00:00AM FILED/CERT

EXHIBIT A

REC

U.C.C. FILE NUMBER OR
BK. & PAGE AS SHOWN ABOVE

Consolidated

JUDGE OF PROBATE

STATE OF ALABAMA
I HEREBY CERTIFY THIS
INSTRUMENT WAS FILED
1975 JAN 10 AM 11:33
W. J. [Signature]