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**TIMBER PURCHASE AND CUTTING AGREEMENT**

**BETWEEN**

**UNITED STATES STEEL CORPORATION**

**AND**

**U.S. STEEL TIMBER COMPANY LLC**

**[30,385.75 Acres]**

**TIMBER PURCHASE AND CUTTING AGREEMENT** (hereinafter referred to as "Agreement") made as of the 29<sup>th</sup> day of September, 2003, between **UNITED STATES STEEL CORPORATION**, a Delaware corporation (hereinafter referred to as "Owner") and **U.S. STEEL TIMBER COMPANY LLC**, an Alabama limited liability company (hereinafter referred to as "Company").

- A. Owner is the owner of those certain pieces and parcels of land located in Bibb, Jefferson, Shelby, Tuscaloosa and Walker Counties in Alabama consisting of approximately 30,385.75 acres and more particularly described on **Exhibit A** attached hereto and made a part hereof (the "Land");
- B. Company desires to make a long-term investment in timber;
- C. Owner desires to grant and convey to Company and Company desires to accept from Owner the Timber, (as defined below) now or hereafter located, growing or to be grown on the Land together with the Timber Rights (as defined below) and other rights as set forth below.
- D. Owner retains all other rights relating to the Land, including but not limited to the Minerals and the Mineral Activities (as defined herein);
- E. Owner may convey all or any portion of the Minerals and Mineral Activities (as defined herein) and the rights associated therewith to third parties;
- F. This Agreement is intended, inter alia, to provide for compensation to the Company under Section 12 hereof for damage to the Timber and impairment of the Timber Rights caused by the exercise or undertaking of the Mineral Activities hereunder by Owner or any successor or assign of Owner. Company acknowledges that it cannot block or hinder the development of Minerals or the exercise or utilization of Mineral Activities by Owner, and that in lieu thereof Company will receive the compensation provided in Section 12 hereof;
- G. This Agreement is further intended, inter alia, to provide for compensation to the Company under Section 1.5 hereof for damage to the Timber and impairment of the Timber Rights caused by the exercise or undertaking of Real Estate Development (as defined herein) hereunder by Owner or any successor or assign of Owner. Company acknowledges that it cannot block or hinder Real Estate Development by Owner, and that in lieu thereof Company will receive the compensation provided in Section 1.5 hereof.

**NOW THEREFORE**, Owner and Company hereby agree as follows:

1. **Timber, Premises and Term.**

1.1 **Grant of Trees, Crops and Vegetation.** Owner hereby grants and conveys unto Company, subject to the current leases set forth on **Exhibit B** hereto (the "Current Leases") and the further terms, conditions and reservations hereof, with special warranty of title, all right, title and interest in and to timber, trees, wood, forest products, crops and all vegetation, of every size, kind, character and condition, together with any future growth thereof and all rights thereto,

including without limitation, so called carbon rights associated with the Timber, which may now or may hereafter, during the term of this Agreement, be standing, lying, growing or grown upon the Land (collectively, "the Timber"), whether now planted and growing or hereafter planted by natural seeding, mechanical or manual seeding or planting or by any means whatsoever, for the full term of this Agreement, subject to the further terms, conditions and reservations hereof. Further, Company shall have the right to enter upon the Land to plant, prune, thin, treat, manage, farm, harvest, cut or remove Timber from the Land, or from any part thereof, repeatedly, at such times as it may elect, during the term of this Agreement, and the removal of all or a part of said Timber from the Land or any portion thereof, one or more times, shall not terminate nor affect Company's rights at subsequent times to replant and remove Timber that may thereafter be on the Land, or that may grow or be grown thereon during the term of this Agreement, Company being hereby granted full authority to plant, manage, cut and remove any such Timber now on or which may hereafter grow or be grown on any of the Land, and utilize the Timber for commercial purposes or any other purposes desired by it, and no such planting cutting or use shall constitute waste.

1.2 Grant of Easements and Rights. Owner hereby grants and conveys unto Company, subject to the Current Leases and the further terms, conditions and reservations hereof, with special warranty of title, for the full term hereof (which is subject to termination and partial termination in accordance with Sections 1.5 and 12, respectively) the exclusive right and easement to use the Land for the purposes of planting, growing, managing and harvesting Timber, and of promoting the supply, stand and growth of any or all of same on the Land, and or removing and marketing the same, from time to time, and including all rights upon the Land reasonably necessary or convenient from time to time to the Company in the development, management and operation of the Land for the commercial planting, growing, managing and harvesting of Timber, such as reasonable logging privileges, elimination of commercially undesirable woods, removal and sale of stumps, grazing rights for cattle, game, fish, wildlife and recreation management and licensing; and also the non-exclusive right of reasonable ingress and egress for Company's agents, employees, invitees, licensees, customers and contractors with persons and equipment; the non-exclusive right to use any roads now or in the future existing on the Land and the non-exclusive right to build roads, gates, fences, bridges, ditches, canals, ponds, culverts and related improvements, and to maintain, improve and operate same upon the Land, all for the purpose of transporting Timber, supplies, equipment and employees over or across the Land; and to construct or install and maintain Timber related temporary structures. Company shall also have the limited right to use the clay, sand and gravel on the Land for incidental uses in connection with Company's Timber operations on the Land, such as roads for Timber operations, excavation and fill to build Timber related temporary structures and to build impoundments of water. Except for the exclusive rights granted and conveyed in the first clause of the first sentence of this Section 1.2, all other rights of Company relating to the Land shall be non-exclusive as between Owner and Company. All of the rights and privileges of Company hereunder, including Sections 1.1 and 1.2, are sometimes collectively referred to as the "Timber Rights".

1.3 Assignment of Agreements. Owner hereby grants, conveys and assigns to Company all right, title and interest of Owner in and to the following agreements:



(a) Public Hunting Area Agreement by and between USX Corporation (predecessor in interest of Owner) and the State of Alabama Department of Conservation and Natural Resources dated July 22, 1996, as amended March 31, 1997; and

(b) Cooperative Wildlife Management and Public Hunting Area Agreement by and between USX Corporation (predecessor in interest of Owner) and the State of Alabama Department of Conservation and Natural Resources dated May 8, 1996, as amended October 15, 1996;

(collectively, the "State Agreements"), together with all rights of Owner to modify, amend, renew, cancel and terminate same; provided, however, that Company agrees to require that any renewal of the State Agreements must provide for a right of Company to terminate any rights to hunt or discharge firearms within 1,320 feet of any subsequent Real Estate Development. Upon any Real Estate Development occurring within such distance of any Land to which a State Agreement applies and after receipt of notice from Owner with respect to such Real Estate Development and requesting such termination, Company shall terminate such rights in the appropriate areas within thirty (30) days after receipt by Company of the Hunting Rights Payment (as defined in Section 7.15). Owner agrees to assist Company, at no cost to Owner, in connection with said State Agreements. Company hereby assumes and agrees to be bound by said State Agreements from and after the date hereof. Each of Owner and Company acknowledges that its interests in the Land remain subject to the State Agreements. Upon any termination of this Agreement, Owner shall have all rights and obligations of Owner under the State Agreements.

1.4 Term of Agreement. The Land, rights and privileges granted unto Company, its permitted successors and assigns hereunder are upon and subject to all of the terms, covenants, conditions, conditional limitations and agreements herein contained for a term (the "Term") of ninety-nine (99) years commencing on October 1, 2003 (the "Commencement Date") and ending at 12:00 noon on September 30, 2102 (the "Maturity Date"), subject to termination in accordance with Section 1.5 below, or partial termination in accordance with Section 12 below, or until said Term is sooner terminated pursuant to any of the other conditional limitations or other provisions herein contained.

1.5 Owner's Termination Rights.

(a) Owner shall have two (2) separate rights to terminate this Agreement in whole, as follows: (i) the first such right to be effective on the fiftieth (50<sup>th</sup>) anniversary of the date hereof, and (ii) the second such right to be effective on the seventy-fifth (75<sup>th</sup>) anniversary of the date hereof, provided, in each case, that Owner shall give written notice to Company on or before the date that is one (1) year prior to such effective date accompanied by verification from a major title insurance company (or other independent third party in the business of holding escrow deposits) that Owner has deposited in escrow pending only said effective date the amount of the termination payment. The termination payment under clause (i) shall be one hundred fifteen percent (115%), and the termination payment under clause (ii) shall be one hundred seven percent (107%), in each case of the amount determined in accordance

with Section 12.5(a) below. Company may object to the amount of the termination payment as determined by Owner for the purpose of establishing the escrow above, in which case the appraisal procedure under Section 12.5 shall be applied and the amount of the termination payment in escrow shall be adjusted upon such final determination. Any such determination shall be as of the effective date.

- (b) Owner shall have the right to terminate this Agreement, at any time and from time to time, with respect to any portion of the Land in excess of five (5) acres for Real Estate Development, provided that Owner shall give written notice to Company at least ninety (90) days prior to the effective date of such termination.
- (c) Within forty-five (45) days after receipt of such notice from Owner, Company shall submit to Owner a statement showing the calculation of the amount of the termination payment required under Section 12.5(b), together with the calculations supporting the determination of such termination payment amount.
- (d) Within ten (10) days after receipt of the notice from Company under (c) above, Owner shall furnish to Company written verification from a major title insurance company (or other independent third party in the business of holding escrow deposits) that Owner has deposited in escrow pending only said effective date the amount of the termination payment as determined by Company.
- (e) Owner may object to the amount of the termination payment as determined by Company in which case the appraisal procedure under Section 12.3 shall be applied with respect to the amount determined under Section 12.5(b)(i) and Owner may audit at its expense the calculation of Company under Section 12.5(b)(ii), and the amount of the termination payment in escrow shall be adjusted upon such final determination. Any such determination shall be as of the effective date of such termination.
- (f) In the event that Owner objects to the amount of the termination payment pursuant to Section 1.5 (e), the termination of this Agreement shall be effective as of the date of such termination and not a later date following a final determination of the amount by the appraisal procedure provided in Section 1.5 (e).

For the purposes of this Agreement, "Real Estate Development" shall mean any use of the surface for any purpose other than: (i) uses contemplated under Sections 1.1 and 1.2, and (ii) development of the Minerals or the exercise or undertaking of Mineral Activities, and shall be deemed to include any zoning reclassification, changes, variances or other modification sought by Owner which would preclude the use of the Land by Company.



1.6 Owner's Retained Rights. Owner retains all other rights relating to the Land, including but not limited to the Minerals and the Mineral Activities (as defined herein).

2. Payments from Company.

Owner hereby acknowledges receipt from Company of ten dollars (\$10.00) and other good and valuable consideration, the sufficiency of which is hereby agreed, and which constitutes full payment by Company to Owner of all payments, benefits or amounts payable or due from Company to Owner for the grant and conveyance of the Timber, rights, privileges and benefits hereunder for the full Term of this Agreement.

3. Title to Timber. Title to all of the Timber shall pass from Owner to Company upon the Commencement Date of this Agreement.

4. Representation of Owner and Company

4.1 Owner Representations. Owner represents and warrants to Company as follows:

(a) That it has the power and authority to enter into this Agreement, and to grant and convey the Timber and the rights hereunder to Company on the terms set forth in this Agreement, and that the execution and delivery hereof and the performance by Owner of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which Owner is a party or by which it is bound.

(b) That all necessary actions and proceedings required to be taken by or on behalf of Owner to authorize it to make, deliver and perform the terms of this Agreement have been or will be duly and properly taken prior to the Commencement Date, and that this Agreement is a valid and binding obligation of Owner.

(c) Owner hereby warrants to Company that Owner holds good and marketable title to the Timber and the rights granted and conveyed hereunder against the lawful claims of all persons claiming by, through or under Owner, free and clear of all liens and encumbrances except the Current Leases, State Agreements and "Permitted Encumbrances" listed on Exhibit C attached hereto, but not otherwise, and to have and to hold same free of any claims made by, through or under Owner. Owner further warrants that the Land consists of approximately 30,385.75 acres.

4.2 Company Representation. Company represents and warrants to Owner as follows:

(a) That it has the power and authority to enter into this Agreement, and to accept the Timber and the rights granted and conveyed hereunder by Owner on the terms set forth in this Agreement, and that the execution and delivery hereof and the performance by Company of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which Company is a party or by which it is bound.

(b) That all necessary actions and proceedings required to be taken by or on behalf of Company to authorize it to make, deliver and perform the terms of this Agreement have been or will be duly and properly taken prior to the Commencement Date, and that this Agreement is a valid and binding obligation of Company.

5. **Taxes.**

5.1 **Payment of Impositions.** Company will, at Company's own cost and expense, reimburse to Owner, within thirty (30) days after notice from Owner including verification of all tax amounts paid by Owner and a calculation of the portion of the taxes owed by Company, all ad valorem and real estate taxes and assessments, including any and all dues and assessments levied by local fire districts from time to time, which during the Term are assessed or imposed upon or become due and payable and a lien upon (i) the Lands or (ii) any use of the Land by Company; or (iii) any timber severance tax incurred by or under Company; but only to the extent any such tax or assessment relates only to the rights and property of Company with respect to the Land, whether by assessment, designation or otherwise (all of which are hereinafter sometimes collectively referred to as "Impositions"). Company shall reimburse Owner for all interest and penalties imposed upon the late payment of any Impositions which Owner is obligated to pay hereunder due to the fault or neglect of Company.

5.2 **Separate Assessment.** Owner shall, if possible, cause the Company's rights and privileges with regard to the Land to be assessed and taxed separate and apart from all other rights or property. In this case Company shall pay such Impositions on or before the last day upon which the same may be paid without interest or penalty. If, however, any Imposition payable by Company as aforesaid, shall also be levied, charged, assessed or imposed upon, or grow or become due and payable out of or for, or become a lien on, or be based upon the value of, any other rights or property not constituting a part of the rights and privileges of Company in the Land, then the portion thereof which is allocable to such other rights or property shall be paid by Owner.

5.3 **Special Assessments.** If, by law, any Imposition is payable, or may at the option of taxpayer be paid in installments, Company may reimburse Owner the same in installments as the same respectively become due.

5.4 **Owner's Tax Obligations.** Owner shall file all tax returns required to be filed in any jurisdiction and shall pay (subject to reimbursement from Company as required herein) and discharge all taxes shown to be due and payable on such returns, and all other taxes, assessments, governmental charges, conveyance taxes or levies imposed upon the Land or its activities thereon, including, without limitation ad valorem and real estate taxes related to any use of the Land and personal property taxes for any property owned or used by Owner or any party claiming by, through or under Owner, coal or other mineral severance taxes, taxes on the value of any unmined or unextracted coal, oil, gas or other minerals, or any other taxes related to mining, drilling, extracting, producing, transporting, storing or handling coal, oil, gas or other minerals, and all excise, privilege or license taxes that may be levied or assessed by any governmental authority against or upon the coal, oil, gas or other minerals located in, on or under the Land, or the coal, oil, gas or other minerals produced therefrom, or the privilege of producing coal, oil, gas or other minerals therefrom, and including any ad valorem taxes assessed on such



coal, oil, gas and other minerals, any coal, oil, gas or mineral production license taxes or the business and occupation taxes charged against the value of any royalty interest in coal, oil, gas or other minerals produced and any taxes in lieu thereof and any other taxes that may be assessed against any part of the Land and proceeds, income or franchises therefrom, now or hereafter levied or assessed or imposed against the Land or any part thereof to the extent such taxes and assessments have become due and payable and before they have become delinquent.

5.5 Personal Property Taxes. Each party shall pay any taxes assessed on its equipment, tools and machinery on the Land which is considered personal property.

5.6 Income Taxes. Each party shall pay any income taxes on any income received from or with respect to the Land.

5.7 Timber Severance Taxes. If separately determined and not a deduction from Impositions, Company shall pay any timber severance tax levied upon any Timber cut from the Land by or for the benefit of Company.

5.8 Failure to Pay Impositions. If Company shall fail, for ten (10) days after notice and demand given to Company, to pay any Imposition on or before the last day upon which the same may be paid without the imposition of interest or penalties for the late payment thereof, then Owner may pay the same with all interest and penalties lawfully imposed upon the late payment thereof and the amounts so paid by Owner shall thereupon be and become immediately due and payable by Company to Owner hereunder.

5.9 Right to Contest Taxes. Upon written notice to Owner, Company at Company's own cost and expense may, if it shall in good faith so desire, contest the validity or amount of any Imposition, in which event Company may defer the payment thereof for such period as such contest shall be actively prosecuted and shall be pending undetermined, upon the conditions, however, that no provision of this Agreement shall be construed so as to allow Company to permit any such items so contested to remain unpaid for such length of time as shall permit the Land, or the lien thereon created by such item to be contested, to be sold by federal, state, county or municipal authority for the nonpayment thereof. Owner shall cooperate with and assist Company, at no cost to Owner, in connection with any such contest.

5.10 Verification of Imposition and Payment. An official certificate or statement issued or given by a sovereign or municipal authority, or any agency thereof, showing the existence of any Imposition, or interest or penalties thereon, the payment of which is the obligation of Company as herein provided, shall be prima facie evidence for all purposes of this Agreement of the existence, amount and validity of such Imposition.

5.11 Refunds or Rebates. The Company shall be entitled to all refunds or rebates of taxes or assessments which were paid or are payable by Company hereunder.

5.12 Conveyance Tax. Company shall pay any conveyance or transfer tax due with respect to or arising from the delivery of this Agreement by Owner to Company. Owner shall pay any such conveyance or transfer tax due with respect to or arising from any termination of this Agreement.



5.13 Preparation of Declarations, Statements and Reports. Owner shall at all times, at Owner's cost and expense, prepare and file any declaration, statement or report required in connection with any taxes or Imposition due, to become due or claimed to be due, and supply Company with a copy of any such declaration, statement or report, and official receipts or other reasonably satisfactory verification that all taxes and Impositions have been paid.

## 6. Compliance

6.1 Company's Compliance with Laws. Company shall at all times during the Term, at its own cost and expense, perform and comply with all laws, rules, orders, ordinances, codes, regulations permits, licenses, approvals and any other requirements, including environmental laws (collectively, the "Governmental Requirements") now or hereafter enacted, promulgated or issued by any federal, state, municipal or other government, court, department, commission, board, officer, or any agent or agency thereof (collectively, the "Governmental Authorities") that apply to the Timber or the exercise of the Company's rights hereunder, whether or not Governmental Requirements so involved shall necessitate interference with use and enjoyment of the Land, extraordinary as well as ordinary, whether or not the conditions to which such Governmental Requirements apply arose before or after the Commencement Date hereunder, and whether or not such Governmental Requirements shall now exist or shall hereafter be enacted or promulgated, and whether or not such Governmental Requirements can be said to be within the present contemplation of the parties hereto.

6.2 Owner's Compliance with Laws. Except for the obligations of Company under Section 6.1 above, Owner shall at all times during the Term, at its own cost and expense, perform and comply with all Governmental Requirements now or hereafter enacted, promulgated or issued by any Governmental Authorities that apply to the Land, or any operation now or hereafter located thereon or thereon or thereunder, or the facilities or equipment therein, whether or not Governmental Requirements so involved shall necessitate interference with use and enjoyment of the Land, extraordinary as well as ordinary, whether or not the conditions to which such Governmental Requirements apply arose before or after the Commencement Date hereunder, and whether or not such Governmental Requirements shall now exist or shall hereafter be enacted or promulgated, and whether or not such Governmental Requirements can be said to be within the present contemplation of the parties hereto.

### 6.3 Environmental Compliance.

(a) Owner shall retain and assume all liability for all Hazardous Materials (as that term is defined below) existing or identified on, beneath, or originating from the Land on the date hereof, at any time during the Term, or thereafter, except for those relating to a Company Event (as defined below).

(b) Company shall dispose of all Hazardous Materials used or generated by it in the exercise of its rights hereunder in accordance with applicable federal, state, and local laws, regulations, codes and permits. Should the discharge, leakage, spillage, injection, or emission of any Hazardous Materials occur upon the Land as a result of Company's actions or inactions during the Term (herein, a "Company Event"), Company, at its sole cost and expense, shall remediate the surface, subsurface and groundwater of the Land as required to bring the Land into

material compliance with the Environmental Laws. Owner and Company shall use reasonable efforts to agree on the standard of material compliance with the Environmental Laws as applied to the portion of the Land in question. If a Company Event should occur involving the release of reportable quantities of Hazardous Materials during the Term, the Company shall promptly inform the Owner of such occurrence, and shall promptly commence the notification and cleanup actions required to bring the Land into material compliance with Environmental Laws. Nothing in this section shall prohibit Company's use or emission of Hazardous Materials in accord and in compliance with applicable laws, regulations and permit(s), but without effect on Company's responsibilities hereunder.

(c) Owner shall dispose of all Hazardous Materials used or generated by it in accordance with applicable federal, state, and local laws, regulations, codes and permits. Should the discharge, leakage, spillage, injection, or emission of any Hazardous Materials occur upon the Land as a result of Owner's actions or inactions at any time prior to the Maturity Date (including any discharge, leakage, spillage, injection, or emission that occurred prior to the Commencement Date, for which the Owner has retained and assumed all liability hereunder) (herein, an "Owner Event"), Owner, at its sole cost and expense, shall remediate the surface, subsurface and groundwater of the Land as required to bring the Land into material compliance with the Environmental Laws. Owner and Company shall use reasonable efforts to agree on the standard of material compliance with the Environmental Laws as applied to the portion of the Land in question. If an Owner Event should occur involving the release of reportable quantities during the Term, the Owner shall promptly inform the Company of such occurrence, and shall promptly commence the notification and cleanup actions required to bring the Land into material compliance with Environmental Laws. Nothing in this section shall prohibit Owner's use, injection or emission of Hazardous Materials in accord and in compliance with applicable laws, regulations and permit(s), but without effect on Owner's responsibilities hereunder. If, at the conclusion of any remediation the Land shall be left in a condition which renders the Land materially less capable of supporting the commercially economic planting, growing or harvesting of Timber, as compared to adjacent Land which is similar except that it was not contaminated, such remediation shall be deemed to constitute a temporary or permanent termination, as the case may be, under Section 12 below.

(d) Owner or Company may make written demand on the other party for remediation of the required Land under subsection (b) or (c) above, respectively, and if such responsible party does not undertake to comply with that demand within thirty (30) days, then such demanding party shall have the right to remediate the subsurface, surface and ground water of the Land, to bring the Land into material compliance with Environmental Laws, and such demanding party's costs shall all be chargeable to the responsible party, provided that such demanding party's exercise or failure to exercise such right shall not be a waiver of any other rights it might have under this Section or at law or equity.

(e) As used in this Agreement:

(i) the term "Hazardous Material" shall mean any substance or material which has been determined to be capable of posing a risk of injury or damage to health, person, safety, or property under any federal, state, and local laws, codes, ordinances, rules, decrees, order, judgments, implementing regulations, and applicable regulatory permits relating to pollution or



protection of the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Superfund Amendments and Reauthorization Act of 1986, and all other laws and regulations relating to hazardous and toxic substances, emissions, releases, and discharges of pollutants, wastes, and other substances into ambient air, surface water, ground water, or land, whether such requirements exist on the date hereof or are adopted in the future.

(ii) the term "Environmental Laws" shall mean any federal, state, or local statute, law (including common law), ordinance, rule, regulation, policy, permit, consent, approval, license, judgment, order, administrative order or decision, decree or injunction or other legal requirement, as the same may be amended from time to time during the Term of this Agreement, relating to: (a) releases or threatened releases of hazardous materials, substances or wastes into the environment, (b) the generation, treatment, storage, recycling, presence, disposal, use, handling, manufacturing, transportation or shipment of hazardous materials, substances or wastes, (c) protection of natural resources, or (d) protection of human health or the environment, including those pertaining to providing safe and healthful working conditions and reducing occupational safety and health hazards, and including, without limitation, CERCLA, RCRA, the Clean Water Act, as amended ("CWA"), and the Surface Mining Control and Reclamation Act of 1977, as amended ("SMCRA").

(f) Each party hereto shall notify the other in writing of the receipt of any notice, order, or citation alleging the violation of any Environmental Law, and shall provide such other party with copies of any permits or licenses issued by governmental authorities required by any Environmental Law, copies of all materials filed by such party with governmental authorities relating to Hazardous Materials, copies of any environmental reports or assessments relating to the interests in the Land held by such other party.

7. **Use of Land.** Except for the Timber and related rights granted herein, Owner shall remain the owner of the Land, with all rights and privileges associated therewith, including without limitation the right to develop Minerals and to exercise and undertake the Mineral Activities, as those terms are defined herein, subject to the limitations contained in this Section 7 and to the requirements of Section 12. The parties agree that the use of the Land for development of Minerals and the exercise and undertaking of Mineral Activities will from time to time interfere with Company's use of the of the Lands for Timber and Timber Rights, for which interference Company shall receive as its sole and exclusive right hereunder the compensation provided in Section 12 hereof in lieu of any rights under this Section 7 or any other provision of this Agreement by which the Company could block or hinder the development of Minerals or the exercise or undertaking of Mineral Activities. Owner has previously entered into the Current Leases listed on **Exhibit B**, which contain surface use provisions separate and apart from this Agreement. To the extent that the Current Leases remain in effect and presently impose obligations and covenants relating to surface use by the Lessee under such Current Leases (the "Lease Restrictions") that are more stringent than contained in this Section 7, Company shall limit its exercise of the Lease Restrictions to the standards set forth in this Section 7, except that if the Current Leases would call for a payment due to the Company for Timber damages which is greater than the payment for termination pursuant to Section 12, the amount due under the Current Lease shall be due. To the extent that the Lease Restrictions are

less stringent than the standards set forth in this Section 7 or Section 12, or the payment due Company for termination pursuant to Section 12 is greater than the payment for Timber damage due under the Current Leases, the provisions of the Current Leases shall control. The use by a Lessee pursuant to a Current Lease shall not give rise to an obligation to cause a Temporary Termination or a Permanent Termination pursuant to Section 12.

#### 7.1 Notices of Activities.

(a) Owner, in connection with the exercise of rights reserved by Owner hereunder, shall give Company written notice of the location of any (i) facilities proposed to be located on the surface of the Land which are permitted hereunder or (ii) operations which will alter the surface of the Land, including seismic operations, at least thirty (30) days prior to the commencement thereof, except that Owner shall give at least sixty (60) days notice prior to commencement of operations and activities for coal mining or quarrying (such notice period shall be defined herein as the "Notice Period"). Such notice shall include plans showing the surface area of the Land that is reasonably expected to be affected and such area shall be plainly visible and identifiable in the field. As used herein, the term "facility" shall be broadly defined, to include a well, mine, road or other use of the surface which involves changing the then-current character of the surface, and to include the type of facilities known at the date of this Agreement, together with those developed in the future, it being recognized that this Agreement is designed to govern the relationship of Company and Owner for many years, and that technology will change during the term of this Agreement.

(b) Company shall give Owner written notice of the location of any (i) facilities proposed to be located on the surface of the Land which are permitted hereunder or (ii) major operations at least thirty (30) days prior to the commencement thereof, (such notice period shall be defined herein as the "Company Notice Period"). Such notice shall include plans showing the surface area of the Land that is reasonably expected to be affected and such area shall be plainly visible and identifiable in the field under Company's standard operating procedures. As used herein, the term "facility" shall be broadly defined, to include a road or other use of the surface permitted hereunder by Company, and to include the type of facilities known at the date of this Agreement, together with those developed in the future, it being recognized that this Agreement is designed to govern the relationship of Company and Owner for many years, and that technology will change during the term of this Agreement.

7.2 Coordination of Activities. Company, in conducting its operations hereunder shall coordinate its activities with Owner to avoid the disturbance or destruction of the Minerals located under the Land and shall not unreasonably interfere with the rights of Owner, its agents, lessees, and contractors in their use thereof. Company and Owner shall each conduct their operations and activities in such manner as to avoid unnecessary or unreasonable interference with or damage to the rights of the other in the Land and the operations of the other, or their contractors, agents, licensees or lessees who may be conducting operations on the Land; provided that the exercise of Owner's right to develop Minerals and exercise or undertake Mineral Activities is not limited by this Section 7.2, as long as Owner fulfils its compensation obligations under Section 12 hereof.. In responding to requests for the granting of easements for



roads, utilities and the like to third parties covering the surface of the Land, Owner shall give written notice to Company in order that Company may (within twenty (20) days, beyond which it shall be deemed that Company has no comment) comment on the potential impact of such proposed easement upon Company's timber operations, and Owner shall take Company's comments into account when negotiating the easement.

7.3 Roads. In the use of private roads, including bridges, culverts, ditches, drainage structures, guardrails and the like related thereto (collectively, "Roads") located on the Land, Owner shall, at all times, at its own expense, arrange for the proper maintenance of the Roads so used by Owner so as to prevent or repair damage thereto by Owner and its contractors, but shall have no other obligation for regular maintenance of or repair of any Roads on the Land. Company shall, at all times, at its expense, arrange for the proper maintenance of the Roads so used by Company so as to prevent or repair damage thereto by Company and its contractors, but shall have no other obligation for regular maintenance of or repair of any Roads on the Land. If Owner shall install and maintain at its expense any gates, berms or other barricades on the Roads, Owner shall furnish keys for any such gates to Company so that such gates do not hamper or impede access by Company over such Roads. Company may, with the consent of Owner which shall not be unreasonably withheld, install and maintain at its expense any and all gates, berms or other barricades on the Roads used by Company as may reasonably be required by Company to prevent access to Company's operations by unauthorized persons. Company shall furnish keys for any such gates to Owner so that such gates do not hamper or impede access by Owner over such Roads. Notwithstanding anything to the contrary set forth above in this subsection, in the event of any damage to any Road caused by storm, flood, landslide or other act of God, either party may, at its election, repair such damage and the cost shall be allocated between the parties based on their projected continuing usage, unless the party not making the repair shall give up any future use of said Road, in which case no contribution shall be required from such party until and unless such party shall use said Road. Company shall build or use only such roads on the Land as are reasonably necessary to conduct operations in respect of the Timber Rights. All Roads constructed by Company shall become the property of Owner. Company and its employees, agents, licensees, lessors and contractors shall have the right in common with Owner to use any roads constructed by Owner on the Land.

7.4 Cooperation. Company and Owner shall cooperate with one another, providing, upon request, periodic maps and descriptions of planned activities. During such times as Owner or Company is actively conducting operations on the Land, the party conducting activity shall furnish to the other a map showing the approximate geographic areas of activities or operations planned for the coming year. From time to time, either party may request that the other furnish such a map, even if the other party does not contemplate activities at the time of the request. The parties shall determine appropriate frequencies.

7.5 Pipelines. Owner shall bury or require to be buried all pipelines installed from and after the date of this Agreement below the surface of the ground. Such pipelines shall be buried at least thirty (30) inches below the surface of the ground, or a greater depth as may reasonably be required by Company or its contractors, agents, or lessees, to accommodate the specific use of the surface permitted hereunder by Company, its contractors, agents, or lessees.

7.6 Owner's Operations. Owner shall have all rights to develop Minerals and exercise or undertake Mineral Activities on and under the Land in accordance with the terms of this Section 7 and with Section 12 and shall have the use of the Land for all other purposes not inconsistent with Company's rights hereunder, except that nothing herein shall be deemed to prevent, or delay Owner from developing Minerals or exercising or undertaking Mineral Activities, it being understood and agreed that Company's sole and exclusive right with respect to development of Minerals and the exercise or undertaking of any such Mineral Activities is to receive compensation as set forth in Section 12. Owner shall maintain its operations in an orderly and workmanlike manner and shall, upon completion of its operations and activities on any parts of the Land, remove all of its machinery, fixtures, equipment, supplies, buildings, and other structures and materials from the Land, and shall have the right to draw and remove tubing, piping, and casing and shall not permit accumulation of any of the following arising from Owner's operations: scrap machinery, fixtures, equipment or supplies. All such machinery, fixtures, equipment, supplies, buildings, structures, casing, etc. remaining on the Land after the expiration of one (1) year following the completion of Owner's operations and activities on any portion of the Land, may to the extent it adversely affects Company's operations and after thirty (30) days written notice to Owner, be removed by Company at Owner's expense.

7.7 Company's Operations. Company shall maintain its operations in accordance with Best Management Practices and the State of Alabama forestry laws and in an orderly and workmanlike manner and shall not permit accumulation of any of the following arising from Company's operations: scrap machinery, fixtures, equipment or supplies. Upon termination of this Agreement, Company shall remove all of its machinery, fixtures, equipment, supplies, temporary buildings and materials from the Land. All such machinery, equipment, supplies, or temporary buildings remaining on the Land after the expiration of one (1) year following completion of its operations and activities on any parts of the Land, may to the extent it adversely affects Owner's operations and after thirty (30) days written notice to Company, be removed by Owner at Company's expense. "Best Management Practices" shall mean the activities and practices as generally followed by large industrial landowners in Alabama.

7.8 Restoration by Owner. Owner shall, upon the completion of Owner's operations and activities on any portion of the Land, or upon the abandonment of any facility or operation constructed, installed or located by Owner on the Land, promptly restore the surface of the Land to as near the same condition as it was prior to the installation of said facility as is practicable. Such surface restoration shall include, without limitation, reforestation, the cleaning and leveling of all locations, the filling and leveling of all slush pits or other excavations, including roads, the remediation of any soil or structures visibly stained or contaminated with any petroleum products and the removal of all drilling mud and drilling fluids from such pits and other excavations prior to the filling and leveling thereof; provided, however, that if the State Oil and Gas Board of Alabama (the "OGB") or any other agency having jurisdiction, does not require removal of drilling mud and drilling fluids from such pits and other excavations, Owner can leave same in place in accordance with applicable law, rules, codes and permits, so long as such drilling mud and/or drilling fluids do not materially adversely affect the planting, growing and harvesting of trees on such areas. Such restoration shall also be performed by Owner as required, if applicable, by the State Oil and Gas Board of Alabama, the Alabama Surface Mining Commission, or such other agency having jurisdiction over the installation or operation of the facilities, and performed in compliance with all environmental and mining laws, regulations and



codes. Owner shall, after consulting with Company as to the species and number of trees and ground cover plants to be planted and seeded on the areas to be restored hereunder, and the manner in which such restoration shall be accomplished, replant and restore in accordance with customary standards and applicable Best Management Practices.

7.9 Restoration by Company. Company shall upon completion of Company's operations and activities on any portion of the Land or upon the abandonment of any facility or operation constructed, installed or located by the Company on the Land, remove any buildings and remediate any soil or structures visibly stained or contaminated with any petroleum or Hazardous Materials. Company and Owner acknowledge that, due to the length of this Agreement, it is not practicable to predict whether continued timber operations will be desirable at the end of the term of this Agreement and the parties shall consult in good faith about the condition of the Land at the expiration of this Agreement. Unless Company and Owner agree to an alternative condition prior to the commencement of the seventy fifth (75<sup>th</sup>) year of this Agreement, Company shall be obligated to leave the Land in a forested condition, provided, however that any reforestation involving trees which will not be harvested during the term of this Agreement and any maintenance thereof shall be as directed by, and at the expense of Owner, and Owner shall provide for payment thereof in a manner reasonably acceptable to Company.

7.10 Damage by Owner. In addition to any other obligations set forth herein, Owner shall promptly repair all damage to fences and other improvements constructed or installed by Company located on the Land and shall pay for all physical damages caused by Owner's operations and activities on the Land to growing crops, Roads, grass, water places, livestock, canals, laterals, water boxes, and other similar installations, provided, however, that Owner shall not be required to repair or pay for damage resulting from the condition commonly known as subsidence in connection with underground mining. In the event any of Owner's operations and activities under this Agreement result in (i) any break in any lake, pond, canal, lateral, or levee that results or could result in a loss of water therefrom, (ii) any contamination of surface or subsurface water, or (iii) any wear or tear, on Roads, culverts, cattle guards, and gates, Owner shall be liable for and shall pay for all loss, cost, remediation and damage, including reasonable legal and consultants fees, regardless of whether Owner acted negligently.

7.11 Damage by Company. In addition to any other obligations set forth herein, Company shall promptly repair all damage to fences and other improvements constructed or installed by Owner located on the Land and shall pay for all physical damages caused by Company's operations and activities on the Land to Roads, livestock, canals, laterals, water boxes, and other similar installations. In the event any of Company's operations and activities under this Agreement result in (i) any break in any lake, pond, canal, lateral, or levee constructed by Owner that results or could result in a loss of water therefrom or (ii) any contamination of surface or subsurface water, Company shall be liable for and shall pay for all loss, cost, remediation and damage, including reasonable legal and consultant's fees, regardless of whether Company acted negligently.

7.12 Change in Law or Restriction. Neither Owner nor Company shall initiate, join in, acquiesce in or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, the result of which would be to unreasonably limit or impair the use

of the Land by the other party for any use presently permitted under this Agreement, including, without limitation, Company's Timber Rights and Owner's right to develop Minerals and exercise Mining Rights. The exercise of Owner's right to develop Minerals and exercise or utilize Mineral Activities is not an unreasonable limitation or impairment of Company's Timber Rights so long as Owner acknowledges that in connection with any change in law or restriction it will exercise its Temporary Termination or Permanent Termination rights in accordance with Section 12, except that in the case of a Mineral Activity undertaken by a Lessee pursuant to a Current Lease, the Owner shall comply with the compensation provisions of the Current Lease. Each party agrees to assist and cooperate, at no expense to such party, with the other party in obtaining any zoning reclassification, changes, variances or other modifications necessary for either party to exercise its rights hereunder, including, without limitation, changes necessary to permit operations to be conducted by Owner on those portions of the Lands which, from time to time, Owner intends to be subject to Temporary Termination or Permanent Termination pursuant to Section 12.

7.13 Maintenance by Owner. Owner shall at all times during the term of this Agreement, at Owner's own cost and expense, keep the Land in reasonably clean condition free of litter and filth and in such condition as may be required by any Governmental Requirements or any applicable Mining Laws and by the terms of the insurance policies to be furnished hereunder.

7.14 Maintenance by Company. Company shall at all times during the term of this Agreement at Company's own cost and expense, keep the Land in reasonably clean condition free of litter and filth arising from its operations on the Land and in such condition as may be required by any Governmental Requirements or any applicable laws and by the terms of the insurance policies to be furnished hereunder, as may be applicable to its operations on the Land.

7.15 Hunting and Recreation. Company shall have the right to license, lease, sublicense or sublease, hunting, fishing and recreation rights on the Land ("Recreational Rights") during the term of this Agreement, provided that such use shall not include permanent structures or residences, and further provided that the such licensee or sublicensee shall (i) be required to carry liability insurance consistent with then current industry practices, but with limits of not less than \$500,000 and (ii) covenant to use reasonable care to not interfere with Owner's use of the Land permitted hereunder, including a restriction on discharge of firearms within a safe distance from any operations of Owner. However, subsection (i) of this Section 7.15 shall not apply to the State of Alabama as such licensee, lessee, sublicensee or sublessee. All payments, receipts and benefits therefrom shall belong to Company. Owner shall, at no cost to Owner, assist and cooperate with Company in regard to such activity. In any license, lease, sublicense or sublease for Recreational Rights entered into by Company after the date hereof, Company agrees to require a right of Company to terminate any rights to hunt or discharge firearms within 1,320 feet of any subsequent Real Estate Development. Upon any Real Estate Development occurring within such distance of any Land to which any such license, lease, sublease or sublicense applies and after receipt of a notice from Owner with respect to such Real Estate Development and requesting such termination pursuant to Section 1.5, Company shall terminate such rights or not grant such rights in the future in the appropriate areas within thirty (30) days after the later of: receipt by Company of the Hunting Rights Payment, as defined below, or termination of any deer hunting season then in effect. The "Hunting Rights Payment" is intended to compensate Company for the loss of opportunity to collect charges for hunting rights for the remaining term



of this Agreement and shall be determined as follows: acres on which hunting rights may not be granted multiplied times the then current annual per acre charge for such rights divided by .08. Upon any termination of this Agreement, any such license, lease, sublicense or sublease for Recreational Rights shall terminate, unless Owner has specifically agreed otherwise.

7.16 Prohibited Actions. Neither Owner nor Company shall, with respect to the Land:

- (a) create, cause, maintain or permit any nuisance, either public or private, in, on or about the Land; or
- (b) commit or suffer to be committed any waste in, on or about the Land; or
- (c) cause or permit the Land to be used for any unlawful purpose, or for any purpose which violates the terms of any recorded instrument affecting the Land; or
- (d) violate or permit a violation of any law, ordinance or regulation applicable to the Land or the use thereof.

7.17 Notices of Unauthorized Activities. If either party should become aware of unauthorized activities upon the Land which may affect the other party hereto, they shall use reasonable efforts to give notice thereof to the other party.

## 8. Mechanics' Liens.

8.1 Owner Not Liable. Notice is hereby given, and the parties hereby agree, that Owner shall not be liable for any work performed or to be performed on the Land or any improvement thereon, for Company or any party claiming by, through or under Company, or for any materials furnished or to be furnished at the Land or any improvement thereon for Company or any party claiming by, through or under Company, and that no mechanic's or other lien for such work or materials shall attach to any interest of Owner. Nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of Owner, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialmen for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to any improvements on the Land or any part thereof.

8.2 Company Not Liable. Notice is hereby given, and the parties hereby agree, that Company shall not be liable for any work performed or to be performed on the Land or any improvement thereon, for Owner or any party claiming by, through or under Owner, or for any materials furnished or to be furnished at the Land or any improvement thereon for Owner or any party claiming by, through or under Owner, and that no mechanic's or other lien for such work or materials shall attach to any interest of Company. Nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of Company, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialmen for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to any improvements on the Land or any part thereof.

8.3 Discharge. If, in connection with any work being performed by one party hereto or any party claiming by, through or under such party or in connection with any materials being

furnished thereto, any mechanic's lien or other lien or charge shall be filed or made against the Land or any improvement thereon or any part hereof, or if any such lien or charge shall be filed or made against Owner or Company for work for which the other is responsible, then the responsible party, at its cost and expense, within ninety (90) days after such lien or charge shall have been filed or made, shall cause the same to be cancelled and discharged of record by payment thereof or filing a bond or provide security to the other party for such lien reasonably satisfactory to the other party, and shall also defend any action, suit or proceeding which may be brought for the enforcement of such lien or charge, and shall pay any damages, costs and expenses, including attorneys' fees, suffered or incurred therein by the other party, and shall satisfy and discharge any judgment entered therein within sixty (60) days from the entering of such judgment by payment thereof or filing of a bond, or otherwise. In any event, such lien or charge shall be discharged prior to any foreclosure thereof. In the event of the failure of the responsible party to discharge within the above mentioned periods any lien, charge or judgment herein required to be paid or discharged, the other party may pay such items or discharge such liability by payment or bond, and the responsible party shall repay, upon demand, any and all amounts paid thereby, or by reason of any liability on any such bond, and also any and all incidental expenses, including attorneys' fees, incurred in connection therewith.

9. **Liability Insurance.**

9.1 **Policies of Liability Insurance.** At all times during the term of this Agreement, each of Owner and Company shall, at their respective own cost and expense, provide and keep in force, or cause to be provided and kept in force, for the benefit of the other the insurance set forth on Exhibit D attached hereto. Such policies to be written in a company or companies approved by Owner, with such insurable limits and other terms and conditions as set forth on Exhibit D as the same may be amended from time to time by the mutual agreement of Owner and Company. Such insurance coverage may be effected pursuant to blanket coverage insurance policies which cover losses in addition to those required to be insured against hereunder, provided that the amount of coverage for the losses required to be insured against hereunder shall be separately stated, either in such blanket coverage policies or in a separate certificate issued by the insurer, and provided further that such insurance gives to the other party, no less protection than that which would be afforded by separate policies, and provided further that each party shall deliver to the other party reasonably satisfactory certificates evidencing such insurance coverage. At least every five (5) years the parties shall negotiate in good faith to update limits and coverage requirements to reflect current economic and legal conditions and industry practices. Notwithstanding the requirements of this Section 9.1, Owner and Company may elect to "self-insure" in accordance with its self-insurance program as in effect from time to time, but such rights shall apply only to the Owner and company named herein, and to UCF, and to no other successor or assign of any party, without the prior written consent of the other party.

9.2 **Failure to Provide Liability Insurance.** If at any time or times any party hereto shall default in its obligation to provide and keep in force general liability policies as aforesaid, or shall fail or refuse so to deliver to and leave with the other party a duplicate original of any of such policies of insurance, as required by the provisions of this Agreement, such other party may, after five (5) days written notice to the other, effect such insurance as the agent of such defaulting party, by taking out a policy or policies in a company or companies satisfactory to such other party, running for a period not exceeding three years under any one policy; and the



amount of the premium or premiums paid for such insurance by such other party shall be paid by the defaulting party to such other party upon demand; and the other party shall also be entitled to recover as damages for such breach, the uninsured amount of any loss, liability, damage, claims, costs and expenses of suit, judgment and interest, suffered or incurred by the other party.

9.3 Employees. Each party, in all of its operations and activities hereunder, shall be exclusively liable for the payment of all sums due to all persons legally entitled thereto who are properly engaged in such party's operations and activities, including amounts due its employees under the Alabama Worker's Compensation Law or any other law, and such party shall defend, indemnify, and hold harmless the other party against any and all payments due to the claims for payments made by persons engaged by the other party in any work on or with respect to the Land.

## 10. Indemnity.

10.1 Indemnification by Company. Company agrees to indemnify, defend and save harmless Owner and its directors, officers, employees and agents ("Owner Protected Parties") from and against any and all liability, loss, damages, expenses, costs, causes of action, suits, interest, fines, penalties, claims and judgments, including reasonable attorneys fees, consultants fees and other legal costs (collectively, "Liabilities") (to the extent that the same are not paid out of the proceeds of any policy of insurance furnished by Company to Owner hereunder) arising from injury, or claim of injury, during the term of this Agreement to persons or property of any and every nature, and from any matter or thing, growing out of the exercise of Company's rights hereunder or arising out of Company's failure to perform or comply with its obligations as set forth herein, except for matters caused by the gross negligence or willful misconduct of the Owner Protected Parties. Company at Company's own cost and expense will defend by counsel selected or approved by Owner, any and all suits that may be brought, and claims which may be made, against Owner Protected Parties, or in which Owner Protected Parties may be impleaded with others, whether Owner Protected Parties shall be liable or not, upon any such Liabilities and shall satisfy, pay and discharge any and all judgments that may be recovered against Owner Protected Parties in any such action or actions in which Owner may be a party defendant, or that may be filed against the Land, and in the event of the failure of Company to pay the sum or sums for which Company shall become liable as aforesaid, then Owner may pay such sum or sums, with all interest and charges which may have accrued thereon, and the amount so paid by Owner shall be payable by Company to Owner upon demand.

10.2 Indemnification by Owner. Owner agrees to indemnify, defend and save harmless Company and its directors, officers, employees and agents ("Company Protected Parties") from and against any and all Liabilities (to the extent that the same are not paid out of the proceeds of any policy of insurance furnished by Owner to Company hereunder) arising from injury, or claim of injury, during the term of this Agreement to persons or property of any and every nature, and from any matter or thing, growing out of the exercise of Owner's rights hereunder on the Land, or arising out of Owner's failure to perform or comply with its obligations as set forth herein, except for matters caused by the gross negligence or willful misconduct of the Company Protected Parties. Owner at Owner's own cost and expense will defend by counsel selected or approved by Company, any and all suits that may be brought, and claims which may be made, against Company Protected Parties, or in which Company Protected

Parties may be impleaded with others, whether Company Protected Parties shall be liable or not, upon any such above mentioned Liabilities and shall satisfy, pay and discharge any and all judgments that may be recovered against Company Protected Parties in any such action or actions in which Company Protected Parties may be a party defendant, or that may be filed against the Land, and in the event of the failure of Owner to pay the sum or sums for which Owner shall become liable as aforesaid, then Company may pay such sum or sums, with all interest and charges which may have accrued thereon, and the amount so paid by Company shall be payable by Owner to Company upon demand.

### 10.3 Environmental Indemnification.

10.3.1 By Owner. Owner shall defend, indemnify, and hold the Company Protected Parties harmless from and against any and all Liabilities in any manner caused by, arising from or growing out of any operations and activities with respect to the Land by, through or under Owner, including, without limitation, the exercise or undertaking of any Mineral Activities, or any cost, fine, penalty, including without limitation liability under CERCLA, RCRA, or the HMTA, or any other local, state, or federal laws, rules, regulations, or ordinances related to the physical and environmental condition of the Land, except for matters caused by the gross negligence or willful misconduct of the Company Protected Parties. (For the purpose of this Section, "CERCLA shall mean and refer to the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., as amended; "RCRA" shall mean and refer to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., as amended; and "HTMA" shall mean and refer to the Hazardous Materials Transportation Act, 49 U.S.C. § 5102, et seq., as amended). It is the intent of Owner to indemnify the Company Protected Parties regardless of any defense that Owner might have, except for matters caused by the gross negligence or willful misconduct of the Company Protected Parties. Owner (in a claim hereunder by the Company Protected Parties) expressly and without reservation waives any defense it may have under the Worker's Compensation Laws of Alabama, or any statute or judicial decision. Furthermore, Owner consents to a cause of action for indemnity by the Company Protected Parties.

10.3.2 By Company. Company shall defend, indemnify, and hold the Owner Protected Parties harmless from and against any and all Liabilities or any cost, fine, penalty, including without limitation liability under CERCLA, RCRA, or the HMTA, or any other local, state, or federal laws, rules, regulations, or ordinances related to the physical and environmental condition of the Land, in any manner caused by, arising from or growing out of any operations and activities with respect to the Land by, through or under Company, except for matters caused by the gross negligence or willful misconduct of the Owner Protected Parties. It is the intent of Company to indemnify the Owner Protected Parties regardless of any defense that Company might have, except for matters caused by the gross negligence or willful misconduct of the Owner Protected Parties. Company (in a claim hereunder by the Owner Protected Parties) expressly and without reservation waives any defense it may have under the Worker's Compensation Laws of Alabama, or any statute or judicial decision. Furthermore, Company consents to a cause of action for indemnity by the Owner Protected Parties.

10.4 Survival. This Section 10 shall survive the expiration or termination of this Agreement.



11. **Fire and Other Casualty.**

In the event of damage by fire or other causes to the trees or timber, or any improvements on said lands constructed or maintained by Company during the term of this Agreement under circumstances which permit a right of recovery against a third person or persons, any action against such person or persons may be brought in the name of either Owner or Company at Company's expense, and any recovery shall belong to Company.

12. **Partial Termination Rights of Owner.** In exercising its rights and privileges with respect to the Land, including without limitation developing Minerals and exercising or undertaking Mineral Activities, Owner shall compensate Company for loss of Timber and impairment of Company's rights hereunder as required by this Section 12, including without limitation partially terminating this Agreement with respect to a portion of the Lands and paying to Company the amounts required by this Section 12. The provisions of this Section 12 provide the sole and exclusive right of Company with respect to the development of Minerals and the exercise or undertaking of Mineral Activities by Owner.

12.1 **Notice to Company.** Owner shall provide Company with a notice under Section 7.1 hereof with respect to any termination under this Section 12.

12.2 **Temporary Termination.** There shall be a temporary termination of this Agreement with respect to those portions of the surface of Land used in Owner's operations for any of the following uses: (i) well sites for oil, or gas or salt water disposal wells, (ii) roads, (iii) pipelines, (iv) power lines, (v) telephone lines, (vi) power substations, (vii) non commercial tower sites, (viii) dehydration facilities, (ix) tank batteries, (x) transfer and pumping stations, (xi) conveyors, (xii) equipment yards, (xiii) field offices, (xiv) water disposal ponds, (xv) compressor sites, (xvi) temporary sales stockpiles and temporary treatment or washing facilities which are to be remediated or restored to pre-use condition in the normal course of Owner's operations; together with (xvii) such other operations, currently in use or developed in the future, which meet all of the following criteria: (a) have a duration of fifteen (15) years or less, and (b) do not pose a material risk of contaminating soil, air or water thereon in a way which will not be remediated in the normal course of Owner's operations, and (c) upon completion of Owner's activities, be substantially restored to pre-use condition or not constitute a nuisance (collectively, a "Temporary Termination"). In the event of a Temporary Termination, Owner shall pay to Company the amounts required by Section 12.3. Company shall not have the right to use any such portion of the Land affected by a Temporary Termination for timber purposes during the period of the temporary termination. The list of operations in (i) through (xvi) of this Section 12.2 is not intended to be exhaustive provided that any other operation meets the requirements of clause (xvii).

Other than a use effected pursuant to the terms of a Current Lease, Owner can only exercise Temporary Termination under this Section 12.2 with respect to a cumulative twenty-five hundred (2500) acres (the "Maximum Temporary Use"). Surface acreage (i) used by lessees under Current Leases, (ii) used for Roads or (iii) used for surface or strip mining activities will not be included in the determination of Maximum Temporary Use. In the event of any use of Land not a use effected pursuant to Current Leases beyond the Maximum Temporary

Use, which use would otherwise require a Temporary Termination, Owner shall instead cause there to be a Permanent Termination under Section 12.4.

12.2.1 Any surface or strip mining activities which will be finished and reclaimed under applicable law within fifteen (15) years after notice to Company of such activity in accordance herewith may be, at the option of Owner, treated as either a Permanent Termination or Temporary Termination and, if treated as a Temporary Termination, in addition to the amounts due under Section 12.3, Owner shall also pay to Company the Rental Amount of such portion of the Land affected by such mining during the period from the date of notice to Company to completion of all reclamation.

12.2.2 The "Rental Amount" is to be paid annually in advance during a Temporary Termination for surface or strip mining activities under Section 12.2.1 and shall mean an amount equal to a fair market rental calculated as an annual payment of the Company's rights in that portion of the Land which is subject to Temporary Termination for surface or strip mining making the following assumptions: (i) the portion of the Land which had Merchantable Timber (as determined under Section 12.3 of this Agreement) will be replanted on the date of the Temporary Termination for surface or strip mining activities, (ii) the portion of the acreage which had Pre-merchantable Timber (as determined under Section 12.3 of this Agreement) will be replanted in the year that it was expected to have been harvested in the appraisal obtained pursuant to Section 12.3 ("Expected Harvest Date"), and (iii) the intent of the parties is to fairly compensate the Company for the economic loss arising from the loss of Timber and loss of the right to grow Timber on the Land for the period of the Temporary Termination due to surface or strip mining activities without duplicating payment for compensation of Timber made pursuant to Section 12.3. No Rental Amount shall be due under this Section 12.2.2 with respect to that portion of the Land that had Pre-merchantable Timber until the year in which the expected Harvest Date occurs. If Owner and Company are unable to agree on the fair market rental of Company's rights in the Land which is subject to any such termination, the fair market rental thereof shall be determined by appraisal, which shall be made by an Alabama State General Real Property Appraiser and a Registered Forester, or a single person holding both of such designations, who shall determine, in accord with normal and customary appraisal practices, the fair market rental of said portion of the Land making the assumptions set forth above and without considering the impact of the use proposed by Owner, and without considering the impact upon any surrounding Land subject to this Agreement. In no event shall the sum of (i) the present value of the Rental Amount to be paid over the expected term of the Temporary Termination and (ii) the amounts paid to Company for Timber under Section 12.3 exceed: the fair market value of the Land with the Timber that is then on the Land (considering the highest and best use to be timber land) or the economic benefit the Company would have received from the Timber Rights over the expected period of the Temporary Termination if there had not been a termination. The appraisal shall be conducted at the joint expense of Company and Owner by an independent appraiser agreed upon by Owner and Company. If Owner and Company are unable to agree upon an appraiser, Owner and Company shall each appoint and pay for an independent appraiser. Each appraiser shall deliver an appraisal to Owner and Company within fourteen (14) days of appointment. If the difference in appraised values is five percent (5%) or less, the value shall be the average of the two appraised values. If the difference in appraised values set forth in the two appraisals is more than five percent (5%), each of Owner and Company shall instruct the appraisers previously selected to select a third independent appraiser to deliver an appraisal of



such parcels within fourteen (14) days, which appraisal shall be binding and conclusive on the Owner and Company. In the event Owner and Company do not agree on an appraiser, each party shall bear the cost of the appraisal furnished by its chosen appraiser. If a third appraisal is required, each party shall bear one-half of the cost for such appraisal.

12.2.3 Any Temporary Termination shall not be considered to have ended unless and until the provisions of Section 7.8 have been complied with.

12.3 Timber Valuation. During the Notice Period Company's foresters shall cruise the area to be affected and shall consult with Owner to suggest modifications of surface locations which would minimize damage to Merchantable Timber. All tree values shall be based on current market prices as determined for the local area. Company will attempt to contract for removal and marketing of the Merchantable Timber during the Notice Period; and, if Company fails to do so during the Notice Period, Owner may thereafter attempt to contract (for the account of the Company) for removal and marketing of the Merchantable Timber after the Notice Period on commercially and economically reasonable terms; provided, however, that Company shall not be required to remove and market the Merchantable Timber if it can not do so on commercially and economically reasonable terms. If Company (or Owner, for the account of the Company) is able to remove and market the Merchantable Timber on commercially and economically reasonable terms during or after the Notice Period or an extended period approved in writing by Owner, no payment shall be due Company for Merchantable Timber damage, and Company shall be entitled to the net proceeds of the sale of such Merchantable Timber. Should Owner, at Owner's election decide to proceed with clearance of such surface area on the Land before the Notice Period elapses or if commercially and economically reasonable sale of the Merchantable Timber is not available during the Notice Period or an extended period approved by Owner, then a payment for the fair market value of the Merchantable Timber shall become due to Company by Owner within thirty (30) days after the value of same is established as provided herein. It is hereby acknowledged by Owner that this Agreement and all timber on the Land may be subject to various timber sale agreements between Company and third parties, who shall be bound by the provisions hereof. The term "**Merchantable Timber**" shall include all timber having an age of at least fifteen (15) years and having commercial value at the time such timber is harvested. Fair market value of Merchantable Timber shall be agreed upon or if agreement is not reached, determined by the Appraisal Procedure as set forth below. As used herein, "**Pre-Merchantable Timber**" shall mean all timber which is not Merchantable Timber. With respect to any Pre-Merchantable Timber which will be damaged by Owner's operations, Owner shall purchase all such Pre-Merchantable Timber at an estimate agreed by Owner and Company of its present value, based on the pre-tax value the timber is expected to have at the time it most likely would be harvested in the ordinary course of Company's timber management program.

If Owner and Company are unable to agree on a value for the Merchantable Timber and/or the Pre-Merchantable Timber, the value of such timber shall be determined utilizing the Appraisal Procedure. After paying for the Merchantable Timber and/or the Pre-Merchantable Timber, Owner may destroy or salvage it, with Owner to retain the proceeds of any salvage, but must do so with reasonable care to avoid damage to adjoining timber stands not being purchased. For purposes hereof, the "Appraisal Procedure" shall consist of the following: all appraisals shall be made by an Alabama State General Real Property Appraiser and a Registered Forester, or a single person holding both of such designations, and shall determine, in accord with normal and

customary appraisal practices, the fair market value of the Merchantable Timber thereon and the fair market value of the Pre-Merchantable Timber thereon, based on the present value of the pre-tax value at the time the Pre-Merchantable Timber would have been harvested in the ordinary course of business, using a discount rate, price and growth rate which is, in the opinion of the appraiser, reasonable at the time of such appraisal. The appraisal shall be conducted at the joint expense of Company and Owner by an independent forester agreed upon by Owner and Company. If Owner and Company are unable to agree upon an appraiser, Owner and Company shall each appoint and pay for an independent appraiser. Each appraiser shall deliver an appraisal to Owner and Company within fourteen (14) days of appointment. If the difference in appraised values is five percent (5%) or less, the value shall be the average of the two appraised values. If the difference in appraised values set forth in the two appraisals is more than five percent (5%), each of Owner and Company shall instruct the appraisers previously selected to select a third independent appraiser to deliver an appraisal of such parcels within fourteen (14) days, which appraisal shall be binding and conclusive on the Owner and Company. In the event Owner and Company do not agree on an appraiser, each party shall bear the cost of the appraisal furnished by its chosen appraiser. If a third appraisal is required, each party shall bear one-half of the cost for such appraisal.

12.4 Permanent Termination. Should Owner's operations involve a use of the surface which does not qualify as a Temporary Termination under Section 12.2 or would qualify as a Temporary Termination but for the Maximum Temporary Use provision of Section 12.2, then Owner may terminate this Agreement with respect to the portion of the Land which is designated by Owner as being reasonably required for such use (the "Permanent Termination Acreage") and shall pay to Company the Termination Payment required under Section 12.5(a) with respect to said portion of the Land. In the event of a dispute as to the amount of a Termination Payment under Section 12.5(a) Owner shall tender the amount it deems due and shall pay the balance, if any, upon conclusion of the appraised process contemplated by Section 12.5(a). Examples of uses which require a permanent termination include (i) air shafts, (ii) mine entries, and (iii) refuse disposal areas from underground mining, stockpiles, treatment or washing facilities, refuse piles, and permanently affixed washing and treating facilities and surface or strip mines which do not qualify for Temporary Termination under Section 12.2. Temporary sales stockpiles and temporary treatment or washing facilities will be considered Temporary if they are remediated or restored to pre-use condition in the normal course of Owner's operations. If Company determines that a Permanent Termination leaves a contiguous portion of the Land in a condition which cannot be economically managed as a commercial tree farm, for any reason including contamination caused by Mineral Activity, along with the Land remaining subject to this Agreement (an "Uneconomic Remnant"), Company shall provide notice thereof during the Notice Period and Owner will cause a Permanent Termination of the Uneconomic Remnant, but shall not be obligated to cause a Permanent Termination of an Uneconomic Remnant greater in size than ten percent (10%) of the acreage of the Permanent Termination Acreage. Any such termination shall be evidenced by documentation reasonably satisfactory to Owner and Company in accordance with a boundary survey prepared at Owner's expense. Any termination under this Section shall be referred to as a "Permanent Termination". Any portion of the Land subject to a Permanent Termination shall no longer be subject to this Agreement, except as to Section 12.6 and any provision hereof which survives termination.



12.5 Termination Payment. ( a) In the event of any Permanent Termination of this Agreement with respect to any portion of the Land, Owner shall pay to Company the (i) fair market value of the Timber thereon determined in accordance with Section 12.3 above and (ii) the fair market value of the rights of Company under this Agreement with respect to such portion of the Land for the remaining term of this Agreement (after deducting the amount of compensation for Timber which is paid to Company under clause (i) above). If Owner and Company are unable to agree on the fair market value of said rights hereunder which is subject to any such termination under clause (ii) above, the fair market value shall be determined by appraisal, which shall be made by an Alabama State General Real Property Appraiser and a Registered Forester, or a single person holding both of such designations, who shall determine, in accord with normal and customary appraisal practices, the fair market value of the such rights hereunder without considering the impact of the use proposed by Owner, and without considering the impact upon any surrounding Land subject to this Agreement. In no event shall the sum of items (i) and (ii) of this Section 12.5 exceed the fair market value of the Land, considering the highest and best use to be timberland. The appraisal shall be conducted at the joint expense of Company and Owner by an independent appraiser agreed upon by Owner and Company. If Owner and Company are unable to agree upon an appraiser, Owner and Company shall each appoint and pay for an independent appraiser. Each appraiser shall deliver an appraisal to Owner and Company within fourteen (14) days of appointment. If the difference in appraised values is five percent (5%) or less, the value shall be the average of the two appraised values. If the difference in appraised values set forth in the two appraisals is more than five percent (5%), each of Owner and Company shall instruct the appraisers previously selected to select a third independent appraiser to deliver an appraisal of such parcels within fourteen (14) days, which appraisal shall be binding and conclusive on the Owner and Company. In the event Owner and Company do not agree on an appraiser, each party shall bear the cost of the appraisal furnished by its chosen appraiser. If a third appraisal is required, each party shall bear one-half of the cost for such appraisal.

(b) In the event of any termination of this Agreement with respect to all or any portion of the Land pursuant to Section 1.5 (b), Owner shall pay to Company the greater of (i) the fair market value of the Timber thereon determined in accordance with Section 12.3 above, using current timber prices or the average of timber prices for the five (5) preceding years, whichever is greater or (ii) the Investment Cost of the Timber thereon plus an amount equal to an investment return of eight (8%) real compounded annually from the later of the date of acquisition or the date such Timber was planted or established through the date of termination. The "Investment Cost" of the Timber shall mean the original acquisition cost or credit allocated to such Timber plus all reasonable and customary and reasonably verifiable expenses actually incurred with respect to or allocated to establishing, managing and owning such Timber, including expenses consistent with a large scale intensively managed timberland, less any net cash proceeds received by Company with respect to the Timber and Timber Rights. The party which is the holder of the Company's interest hereunder shall furnish to Owner upon request such party's original acquisition cost or credit allocated to such Timber.

12.6 Use and Access. In case of any Temporary or Permanent Termination of this Agreement, Owner shall furnish Company such easement rights as may be necessary to assure that Company has reasonable access to all remaining portions of the Land in as nearly the same

manner as before such termination as is possible; provided, however, that in case of any termination of this Agreement pursuant to Section 1.5(b), this Agreement must also be terminated by Owner with respect to any portion of the Land which Company determines cannot be economically managed as a commercial Timber tract with the Land remaining subject to this Agreement.

12.7 Termination Limitation. Owner shall not have the right to terminate this Agreement under Section 12.2 or 12.4 except for the exercise or undertaking of Mineral Activities on the surface of the Land. Except for a Permanent Termination to exercise or undertake Mineral Activities, any portion of the Land subject to a Temporary or Permanent Termination shall be thereafter restricted from use or operation which would utilize the Timber Rights or as a tree farm or for the growing of crops, timber or other vegetation in a manner acceptable to Company.

12.8 Mineral Activities. Mineral Activities shall mean all mining rights and rights for the development of Minerals, including without limitation: the right to use the use of the surface and the sub-surface of the Land, together with adjacent lands subject to a like Timber Agreement between Owner and Company, as reasonably necessary or convenient for the purposes of investigating, exploring, developing, prospecting, drilling for, producing, extracting, mining and storing, through all means known and utilized at the time of this Agreement (by any extraction or mining method, including, without limitation, in-situ mining methods), together with such means which may be developed from time to time in the future, the Minerals including the right to stockpile, treat, wash, remove, store and transport (either above or below the surface of the earth) the Minerals, together with any and all related activities appurtenant thereto, to make surveys on the Land, to establish and utilize facilities for the surface or subsurface disposal of produced water and formation water in accordance with appropriate local, state, federal and environmental law and regulations, to lay pipe lines, and to construct power, pumping, and compressor stations, power lines of all kinds for use in connection with the development of Minerals and Mineral Activities, processing facilities and washers, tipples, dehydration facilities, railroads, field offices with parking and staging areas for mining activities, roads, and any other facility reasonably necessary for the development, exploration, extraction or removal of the Minerals, to inject, store or dispose of substances in the subsurface strata including, without limitation injection and/or storage of waste water, solids and liquids, along with gases of all kinds, all in accordance with appropriate local, state, federal and environmental law and regulations, and the unrestricted undermining and the right of subsidence of the surface of the Land (and adjacent or surrounding lands subject to a like Timber Agreement between Owner and Company on the Commencement Date) during and following the mining process, and to do such other things and construct such other structures thereon necessary to investigate, produce, save, take care of, treat, and transport said Minerals and water. Owner may use the Land for the purposes set forth in this Section 12.8 with respect to Minerals found or located in, under and that may be produced from the Land and Minerals found or located in, under and that may be produced from other lands owned by Owner, or owned by others and leased to Owner or Owner's successors, within or immediately surrounding the Land. In addition to the foregoing rights, the rights provided under this Section 12.8 are intended to be the customary mining rights at law of a mineral owner to use the surface and subsurface to explore for, develop, extract, remove and transport the minerals owned by the mineral owner on the Land. Owner shall retain the free non-exclusive use of water from the



Land, except water from Company's water wells, for all operations for the development, exploration, extraction or removal of the Minerals pursuant to this Agreement. Owner shall further have the right to extract non-mineral substances incident to the development, exploration, extraction and removal of Minerals from the Land. Owner shall further have the right to excavate and use deposits of clay, sand and gravel for incidental uses such as roads, impoundments of water and other infrastructure needed in connection with Owner's development of Minerals and Mineral Activities. Owner shall also have (i) the exclusive right to utilize the void and/or pore spaces in the sub-surface strata of the Land for the storage of Minerals and non-mineral substances, together with the non-exclusive right to use the surface of the Land in connection with such activities, and (ii) the exclusive right to utilize the subsurface of the Land for recovery of Minerals on or off of the Land, including without limitation a well drilled directionally across the Land to recover Minerals on other lands.

12.9 Minerals. For the purposes of this Agreement, "Minerals" shall include, in addition to the substances normally recognized, at present or in the future, as minerals in the state in which the Land is located, all coal, lignite, uranium and other fissionable materials, geothermal energy (including hydrostatic pressure and thermal energy), base and precious metals, gem stones (both precious and semiprecious), iron ore, stone limestone, dolomite, sandstone, petroleum, hydrocarbons, gas (of all kinds including without limitation methane, helium, propane and butane), oil, sulphur (including without limitation elemental sulphur and sulphur in a gaseous state), coal seam gas, water associated with the production of coal seam gas, gob gas, evaporates (including but not limited to gypsum, salt and sylvite), substances dissolved in formation water, phosphates, hydrates and any and all other substances which may be extracted for use, whether solid, liquid or gaseous in nature and whether such substances are known now or which may come to be known in the future, together with sand, gravel and clay in economically mineable quantities.

13. Condemnation. If at any time during the term of this Agreement all or any portion of the Land and any Timber or improvements thereon shall be taken in the exercise of the power of eminent domain by any sovereign, municipality or other public or private authority, then this Agreement shall terminate, but only to the extent of such taking, on the date of vesting of title in such taking and there shall be paid to Company from any award the amount with respect to such portion of the Timber and other rights of Company hereunder so taken, which amount shall be determined in the same manner as set forth in Section 12.5(b) above.

14. Assignment.

14.1 Assignment. Subject only to the limitations of Section 14.2, the rights, interests and obligations of Company and Owner under this Agreement shall extend to Company, Owner and their respective successors and assigns. Subject to the limitations of Section 14.2, if Company or Owner elect to sell or assign any part or all of its rights and interests hereunder, Company or Owner and their respective successors and assignees shall remain liable and responsible to the other party hereunder, unless such assignment is approved in writing by the other party, which approval shall not be unreasonably withheld but may be conditioned on consideration of the technical and financial capability and integrity of the proposed successor or assignee. In the event Owner conveys or transfers Minerals and Mineral Activities to a third party, the conveyance and related documents may (i) convey whatever mining rights it deems

appropriate, (ii) contain a covenant running with the land that this Agreement may not be amended in any manner which affects the holder of the Minerals or the right to engage in Mineral Activities without the consent of such holder (iii) allocate the responsibilities hereunder which will be retained by Owner and the responsibilities hereunder which will be assumed by the assignee, and (iv) make such provision as Owner deems appropriate regarding delegation of responsibilities and obligations to lessees under the Current Leases. In the event Company or Owner approves any assignment conveyance or transfer by the other of its rights and obligations hereunder, liability for breach of any obligation hereunder from any event or circumstance first occurring thereafter shall rest exclusively with the approved successor or assignee.

14.2 Limitation of Rights. Upon any transfer of the rights of the Company (other than to an entity owned or controlled by, or under common ownership or control with the United States Steel and Carnegie Pension Fund, as Trustee (collectively, "UCF") and if there has been a conveyance of the Minerals, the provisions of Section 7.4, Section 9 and Section 10 of this Agreement shall no longer apply to the holder of the Minerals, and any notice required by Sections 7.1 and 7.2, as well as Section 12, shall only be given to the party owning or having rights in or over the respective portion of the Land affected by the matter giving rise to such notice.

## 15. Dispute Resolution.

15.1 Arbitration. On the request of any party hereto, whether made before or after the institution of any legal proceedings, any action, dispute, claim or controversy of any kind hereafter arising out of this Agreement or the performance thereof ("Dispute"), such dispute shall be resolved by binding arbitration in accordance with the terms hereof. Any arbitration shall be administered by the American Arbitration Association (the "AAA") in accordance with the terms of this Section 15 and the Commercial Arbitration Rules of the AAA. Judgment on any award rendered by a panel of arbitrators may be entered in any court having jurisdiction. Any arbitration shall be conducted before three (3) arbitrators, one chosen by each party, and the third chosen by the other two (2) arbitrators. The arbitrators shall be practicing attorneys licensed to practice in the State of Alabama who are knowledgeable in the subject matter of the Dispute selected by agreement between the parties hereto. If an arbitration panel is not selected within thirty (30) days of the initial request for an arbitration panel, then any party may request the AAA to select the necessary number of arbitrators needed to fill the panel. The arbitrators may engage engineers, accountants or other consultants that the arbitration panel deems necessary to render a conclusion in the arbitration proceeding.

15.2 Award. The arbitration panel shall base its award on applicable law and judicial precedent, provided, however, that the award shall not include punitive, exemplary, incidental or consequential damages, including lost profits. The award shall include the findings of fact and conclusions of law upon which the award is based and shall not grant any remedy or relief that a court could not grant under applicable law. Judgment on the award rendered by the arbitration panel may be entered in any court having jurisdiction thereof. The arbitration panel may engage engineers, accountants or other consultants that the panel deems necessary to render a conclusion in the arbitration proceeding.



15.3 Proceedings. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within ninety (90) days of the filing of the Dispute with the AAA. Arbitration proceedings shall be conducted in Birmingham, Alabama, or such other site as is selected by the arbitration panel and acceptable to Owner and Company. The arbitration panel shall be empowered to impose sanctions and to take such other actions as the panel deems necessary to the same extent a judge could impose sanctions or take such other actions pursuant to the Federal Rules of Civil Procedure and applicable law. The arbitration panel shall have the power to award recovery of all costs and fees, including without limitation attorneys fees, to the prevailing party. Each party agrees to keep all Disputes and arbitration proceedings strictly confidential except for disclosure of information required by applicable law.

15.4 Fees. All fees of the arbitration panel and any engineer, accountant or other consultant engaged by the panel shall be paid by Company and Owner equally, unless otherwise ordered by the arbitrator.

16. **Intentionally Deleted**

17. **Default of Company.**

17.1 Events of Default. Company shall be deemed to be in "default" under this Agreement if the Company shall make default in the performance or observance of any of the terms, covenants, conditions or agreements of this Agreement and such default shall continue for thirty (30) days after written notice thereof, or if such default shall be of such a nature that the same cannot practicably be cured within said thirty (30) day period and Company shall not within said thirty (30) day period commence with due diligence the curing and performance of such defaulted term, covenant, condition or agreement, or if Company shall within said thirty (30) day period commence to cure and perform such defaulted term, covenant, condition or agreement and shall thereafter fail or neglect to prosecute with due diligence the curing and performance of such defaulted term, covenant, condition or agreement to completion.

17.2 Remedies of Owner. In the event of a default by Company hereunder, Owner shall have and, may, upon thirty (30) days prior written notice to Company and Company's continued failure to cure or commence to cure within said period, exercise any one or more of the following rights or remedies:

(a) Owner may, in its discretion, take, on behalf of Company, whatever steps are reasonably necessary to cure such default and to charge Company for the costs and expenses attributable thereto. Company shall pay all costs and expenses promptly upon receipt of a statement thereof from Owner; or

(b) Owner may exercise its rights under Section 15; and

(c) Owner's remedies hereunder are exclusive and in no event shall Owner have the right to terminate this Agreement, even in the event of default by Company.

18. **Default of Owner.**

18.1 **Events of Default.** Owner shall be deemed to be in "default" under this Agreement if the Owner shall make default in the performance or observance of any of the terms, covenants, conditions or agreements of this Agreement and such default shall continue for thirty (30) days after written notice thereof, or if such default shall be of such a nature that the same cannot practicably be cured within said thirty (30) day period and Owner shall not within said thirty (30) day period commence with due diligence the curing and performance of such defaulted term, covenant, condition or agreement, or if Owner shall within said thirty (30) day period commence to cure and perform such defaulted term, covenant, condition or agreement and shall thereafter fail or neglect to prosecute with due diligence the curing and performance of such defaulted term, covenant, condition or agreement to completion.

18.2 **Remedies of Company.** In the event of a default by Owner hereunder, Company shall have and, may, upon thirty (30) days prior written notice to Owner and Owner's continued failure to cure or commence to cure within said period, exercise any one or more of the following rights or remedies:

(a) Company may, in its discretion, take, on behalf of Owner, whatever steps are reasonably necessary to cure such default and to charge Owner for the costs and expenses attributable thereto. Owner shall pay all costs and expenses promptly upon receipt of a statement thereof from Company; or

(b) Company may exercise its rights under Section 15; and

(c) Company's remedies hereunder are exclusive.

19. **Waiver of Trial by Jury.** To the extent permitted by law Owner and Company hereby waive trial by jury in any litigation brought by either of the parties hereto against the other on any matter arising out of or in any way connected with this Agreement or the Land and any improvements thereon.

20. **Delegation to Lessee** The rights and obligations of Owner hereunder may be delegated to a lessee upon written notice to Company, provided, however, that except with respect to the Current Leases, Owner shall remain responsible for its obligations hereunder. Company shall look to the Owner (but not the assignee of the Minerals) to enforce, at Company's expense, the obligations under the Current Leases which are the responsibility of the lessee. In the event of an assignment and assumption of the Current Leases from Owner to any assignee of Minerals, the assignment and assumption shall make such provision as Owner and the assignee of Minerals deem appropriate for the enforcement of the rights of the Mineral assignee thereunder.

21. **Quiet Enjoyment.** Owner covenants that at all times during the term of this Agreement, so long as Company is not in default hereunder, Company's quiet enjoyment of the property and rights granted to Company hereunder shall not be disturbed by any act of Owner, or of anyone acting by, through or under Owner, except as specifically provided hereunder, including without limitation the exercise of Mineral Activities.



22. **Messages.**

22.1 **How Given.** Any notice, demand, election or other communication (collectively referred to as "Messages") which Owner or Company shall desire or be required to give pursuant to the provisions of this Agreement shall be sent by United States Post Office registered or certified mail, nationally recognized courier service (such as Federal Express) which requires addressee receipts, personal service with a receipt, and or by facsimile with telephonic confirmation of receipt, such Message shall be deemed given upon receipt, refusal to accept or return due to impossibility of delivery on a business day during normal business hours. Any such message shall be prepaid, enclosed in a securely sealed envelope addressed to the person intended to be given such Message at the respective addresses set forth below or to such other address as such party may theretofore have designated by notice pursuant to this Section.

If to Owner:	President, USS Real Estate United States Steel Corporation 600 Grant Street – Room 2656 Pittsburgh, Pennsylvania 15219 Fax: (412) 433-5148
With a copy to:	Michael M. Partain, General Attorney United States Steel Corporation Law Department - Fairfield Office P.O. Box 599 – Suite 192 Fairfield, Alabama 35064 Fax: (205) 783-2036
If to Company:	U.S. Steel Timber Company LLC 600 Grant Street – Room 6100 Pittsburgh, Pennsylvania 15219 Attn: Robert M. Stanton, Esq.

Should Owner convey the Minerals and Mineral Activities to a third party, Owner may by notice to Company hereunder, provide for up to two (2) additional notices hereunder to such third party.

22.2 **Multiple Parties.** If at any time the interests of Owner or Company hereunder shall be owned by more than three persons, corporations or other entities (hereafter in this paragraph collectively referred to as said "Holders"), then within thirty (30) days after written demand by either Owner or Company, said Holders shall give to either Owner or Company, as the case may be, a written notice, executed and acknowledged by all of said Holders, in form proper for record, which shall designate one person, corporation or other entity to whom shall be given, as agent for all of said Holders, all Messages thereafter given to Owner or Company hereunder, as the case may be. Thereafter, until such designation is revoked by written notice to Owner or Company, as applicable, given by all of said Holders, any Message given to such agent shall be deemed to have been given to each and every one of said Holders at the same time that

such Message is given to such agent. If said Holders shall fail so to designate in writing one such agent to whom all Messages are to be given, or if such designation shall be revoked as aforesaid, then any Message may be given to any one of said Holders as agent for all of said Holders and such Message shall be deemed to have been given to each and every one of said Holders at the same time that such Message is given to any one of them.

23. **Estoppel Certificates.**

Each party hereto agrees that at any time and from time to time during the term of this Agreement, within thirty (30) days after written request by the other party hereto, it will execute, acknowledge and deliver to such other party or to any prospective purchaser or assignee designated by such other party, a certificate stating (a) that this Agreement is unmodified and in force and effect (or if there have been modification, that this Agreement is in force and effect as modified, and identifying the modification agreements); (b) any payment due by any party hereto; (c) whether or not there is any existing default by either party hereto with respect to which a notice of default has been served, and, if there is any such default, specifying the nature and extent thereof; (d) whether or not there are any setoffs, defenses or counterclaims against enforcement of the obligations to be performed hereunder existing in favor of the party executing such certificate; and (e) any other reasonable matters of fact regarding the status of this Agreement.

24. **Rights Cumulative.**

All the rights and remedies of Owner and Company under this Agreement or pursuant to present or future law shall be deemed to be separate, distinct and cumulative and no one or more of them, whether exercised or not, nor any mention of or reference to, any one or more of them in this Agreement, shall be deemed to be in exclusion of, or a waiver, of, any of the others, or of any of the rights or remedies which Owner and Company may have, whether by present or future law or pursuant to this Agreement and Owner and Company shall have, to the fullest extent permitted by law, the right to enforce any rights or remedies separately and to take any lawful action or proceedings to exercise or enforce any right or remedy without thereby waiving or being barred or estopped from exercising and enforcing any other rights and remedies by appropriate action or proceedings.

25. **Non-Waiver.**

No waiver by Owner or Company of any breach by the other of any term, covenant, condition or agreement herein and no failure by Owner or Company to exercise any right or remedy in respect of any breach hereunder by the other shall constitute a waiver or relinquishment for the future of any such term, covenant, condition or agreement or of any subsequent breach of any such term, covenant, condition or agreement, nor bar any right or remedy of Owner or Company in respect of any such subsequent breach.

26. **Recording.**

Either party shall upon the request of the other, join in the execution of copies in recordable form of this Agreement and any amendments thereof. Either party or their lawful successors and assigns may record the same.



27. **Brokers.**

Owner and Company warrant to each other that they have had no dealings with any broker, agent or finder in connection with this Agreement. The parties hereto agree to protect, indemnify and hold harmless the other from and against any and all expenses with respect to any compensation, commissions and charges claimed by any broker, agent or finder with respect to this Agreement or the negotiation thereof that is made by reason of any action or agreement by such party.

28. **No Partnership.**

Owner shall not be deemed, in any way or for any purpose, to have become, by the execution of this Agreement or any action taken under this Agreement, a partner of Company, in Company's business or otherwise, or a member of any joint enterprise with Company.

29. **No Oral Changes.**

This Agreement may not be changed or modified orally but only by an agreement in writing signed by the party against whom such change or modification is sought to be enforced.

30. **Severability**

If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the full extent permitted by law.

31. **Governing Law.**

This Agreement and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with the laws of the State of Alabama.

32. **Survival.**

Except as otherwise provided herein, all agreements, covenants and indemnifications contained herein or made in writing pursuant to the terms of this Agreement by or on behalf of Owner or Company shall be deemed material and shall survive expiration or sooner termination of this Agreement.

33. **No Third Party Beneficiaries.**

Nothing contained herein is intended or shall be deemed to create or confer any rights upon any third person not a party hereto, whether as a third-party beneficiary or otherwise, except as expressly provided herein.

34. **Construction.**

The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement. Owner and Company acknowledge that they have participated jointly in the negotiation and drafting of this Agreement and as such they agree that if an ambiguity or question of intent or interpretation arises hereunder, this Agreement shall not be construed more strictly against one party than another on the grounds of authorship.

35. **Force Majeure.**

Whenever during the Term it becomes impossible for Owner or Company to perform the obligations on either party's part to be performed as a result of war, civil riots, labor disputes or strikes, or inspection delays by governmental authorities (other than those caused by the willful act or omission of Owner or Company), or Acts of God or the elements, then Owner or Company shall be excused from such performance without penalty or other liability or a breach of or default under this Agreement to the other party for the period of time in which the event or events giving rise to the impossibility of performance shall exist.

36. **No Recourse Against Directors, Officers, Employees or Agents.**

It is expressly understood and agreed that the directors, officers, employees and agents of the Owner and Company are acting in a representative capacity and not for their own benefit and that there shall be no recourse or claim under this Agreement against any such person individually in any circumstances.

37. **Effect of Agreement.**

Since the Company does not have exclusive possession of the Land and for other reasons, the parties hereto believe and intend that this Agreement constitutes a grant and conveyance of ownership of the Timber, of a license coupled with an interest and of easements appurtenant to such ownership and license rights, but acknowledge that it may also be construed as a grant and conveyance of ownership of the Timber, of a lease of limited rights or interests in land and of easements appurtenant to such ownership and lease rights.

38. **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

39. **Entire Agreement.**

This Agreement constitutes the entire agreement between Owner and Company with respect to the subject matter hereof and all understandings, oral representations and agreements heretofore or simultaneously had among the parties are merged in, and are contained in, such documents and instruments.



40. **References.** In addition to the effect of any other provisions hereof, all references to Owner and Company herein shall also include and apply to their respective agents, lessees, licensors, invitees and contractors.

41. **Bind and Inure.**

The terms, covenants, conditions and agreements of this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, subject, however, to the provisions of Section 14.2.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**OWNER:**

**UNITED STATES STEEL CORPORATION**

By: Larry G. Schultz  
Name: LARRY G. SCHULTZ  
Title: VP + CONTROLLER



**COMPANY:**

**U.S. STEEL TIMBER COMPANY LLC**

By: Joseph A. Napoli  
Name: Joseph A. Napoli  
Title: Vice President



Commonwealth  
STATE OF Pennsylvania )  
COUNTY OF Allegheny )

I, Cheryl A. Collins, a Notary Public in and for said County, in said State, hereby certify that Joseph A. Napoli, whose name as Vice President of U. S. Steel Timber Company LLC, a ~~Delaware~~ <sup>Alabama</sup> limited liability company, 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, in such capacity and with full authority, executed the same voluntarily for and as the act of said limited liability company.

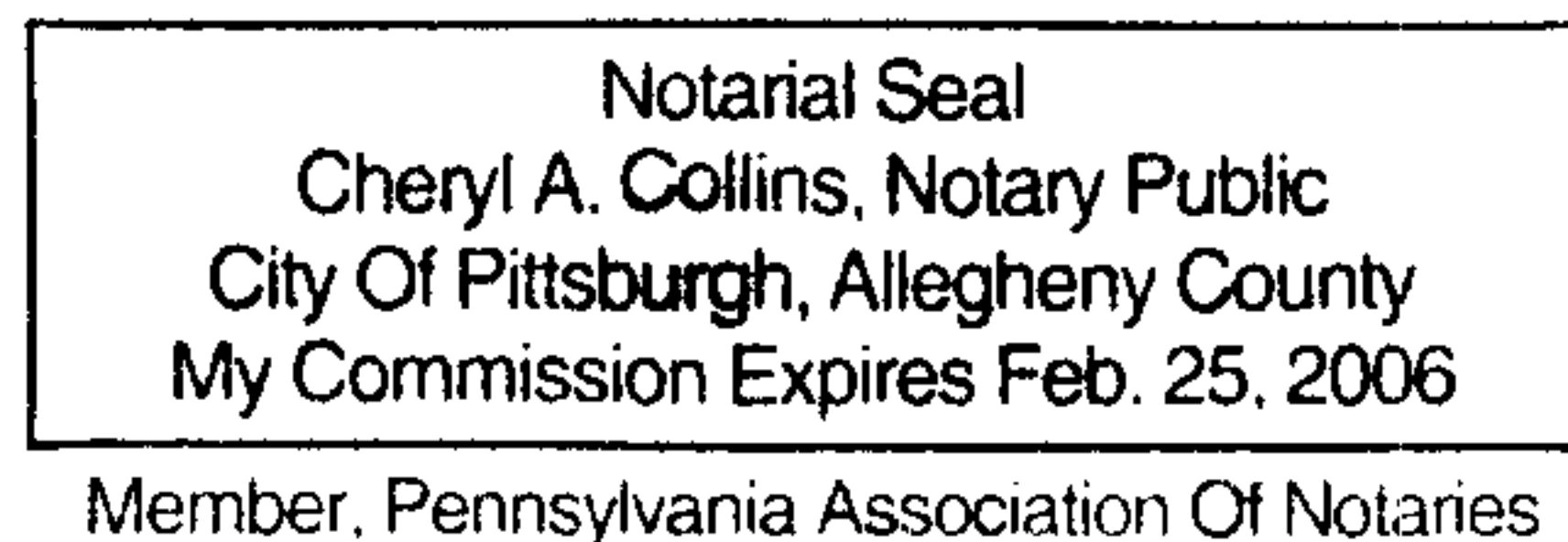
GIVEN UNDER MY HAND AND SEAL OF OFFICE this, the 1st day of October, 2003.

Cheryl A. Collins

Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]



Commonwealth  
STATE OF Pennsylvania )  
COUNTY OF Allegheny )

I, Cheryl A. Collins, a Notary Public in and for said County, in said State, hereby certify that Harry G. Schultz, whose name as Vice President and Controller of United States Steel Corporation, a Delaware 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, in such capacity and with full authority, executed the same voluntarily for and as the act of said corporation.

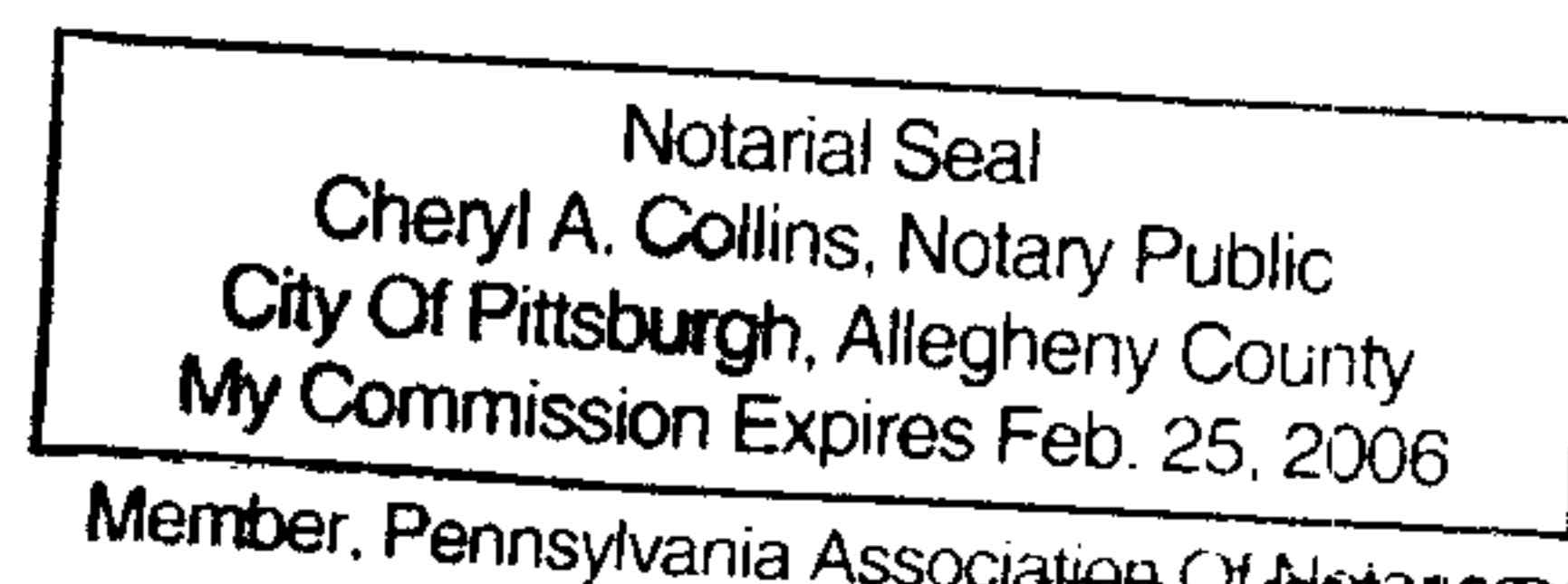
GIVEN UNDER MY HAND AND SEAL OF OFFICE this, the 1st day of October, 2003.

Cheryl A. Collins

Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]



**LIST OF SCHEDULES**

Exhibit A	Land
Exhibit B	Current Leases
Exhibit C	Permitted Encumbrances
Exhibit D	Insurance



**EXHIBIT A****LAND DESCRIPTION**

The following described lands are located in Bibb, Jefferson, Shelby, Tuscaloosa and Walker Counties, Alabama. Lands are located West of the Huntsville Principal Meridian or East of the St. Stephens Meridian.

**Bibb County****Township 21 South, Range 6 West**

Section		Acres
1	The Northwest diagonal half of the South-West quarter of the South-West quarter; except the following described triangle: begin at the Northeast corner of said 20 acre tract thence West 19.96 feet along the North boundary; thence South 19.96 feet to the diagonal line; thence northeast along the diagonal line 28.23 feet to the point of beginning.	19.99
2	The following described tract: begin at the Northeast corner of the South-East quarter of the South-East quarter; thence south along the East boundary of said quarter-quarter to the Southeast corner of the Section; thence turning an angle of 100 degrees 05 minutes 47 seconds right northwest 1,358.98 feet; thence turning an angle of 8 degrees 27 minutes 54 seconds left west 1,205.41 feet; thence turning an angle of 89 degrees 56 minutes right northerly and parallel to the West boundary of the South-East quarter to the intersection with the North line of the South half of the South-East quarter; thence east along the North line of said half-quarter to the point of beginning.	67.60
<b>Total ~ Township 21 South, Range 6 West</b>		<b>87.59</b>

**TOTAL ACRES BIBB COUNTY 87.59**

**Jefferson County****Township 16 South, Range 4 West**

Section		Acres
30	The East half of the North-East quarter; the North-West quarter of the North-East quarter; the North-West quarter; the North-West quarter of the South-West quarter; the South half of the South half; that part of the North-East quarter of the South-West quarter lying south of the St. Louis and San Francisco Railroad.	489.88
	<b>Total ~ Township 16 South, Range 4 West</b>	<b>489.88</b>

**Jefferson County**  
**Township 16 South, Range 5 West**

Section		Acres
25	The North-East quarter; the East half of the North-West quarter; the North-East quarter of the South-West quarter; the following described tract in the South-West quarter: begin at the Northeast corner of the West half of the South-West quarter; thence west along the North line of said half quarter 1186.91 feet; thence turning an angle of 117 degrees 13 minutes 30 seconds left southeast 596.96 feet; thence turning an angle of 13 degrees 39 minutes right southeast 2169.00 feet to the South line of the Section; thence turning an angle of 76 degrees 14 minutes left east 448.47 feet along the south line of said Section said point also being the Southeast corner of the West half of the South-West quarter; thence turning an angle of 91 degrees 07 minutes 54 seconds left north 1020.00 feet; thence turning an angle of 91 degrees 07 minutes 54 seconds right east 300.00 feet; thence turning an angle of 61 degrees 54 minutes right southeast 1156.30 feet to the intersection with the South line of the Section; thence turning an angle of 61 degrees 54 minutes left east 602.20 feet along the South line of the Section to the Southeast corner of the South-East quarter of the South-West quarter; thence north along the East line to the Northeast corner of said quarter-quarter; thence west along the North line to the Northwest corner of said quarter-quarter; thence north along the West line of the East half of the South-West quarter to the point of beginning; that part of the South-East quarter lying north of the center line of Village Creek and also north of the center line of Dry Branch.	467.25



	<b>Total ~ Township 16 South; Range 5 West</b>	<b>467.25</b>

**Jefferson County**  
**Township 17 South, Range 4 West**

Section		Acres
4	That part of the Section described as follows: begin at the Southwest corner of the Section; thence north along the West Section line to the intersection with the center line of Hazelwood/Midway Road; thence southeasterly along the center line of said public road to the intersection with the West line of the North-East quarter; thence south along the West line of said quarter to the Northwest corner of the South-East quarter; thence east along the North line of said quarter to the Northeast corner of the West half of the South-East quarter; thence south along the East line of said half-quarter to the intersection with the South line of the Section; thence west along said South line of Section to the point of beginning.	333.57
5	That part of the Section described as follows: begin at the Southwest corner of the Section; thence north along the West line of the Section to the Northwest corner of the South-West quarter of the North-West quarter; thence east along the North line of said quarter-quarter to the Southwest corner of the East half of the North-West quarter of the North-West quarter; thence north along the West line of said half quarter-quarter to the intersection of the center line of Union Grove Road; thence northeast and east along the center line of said public road to the intersection with the West line of the North-East quarter of the North-West quarter; thence south along said West line to the Southwest corner of said quarter-quarter; thence east along the South line of said quarter-quarter to the intersection with the center line of Dogwood Road; thence south and west along the center line of said public road 675.62 feet to a point; thence turning an angle of 90 degrees 22 minutes 59 seconds left southeast 448.29 feet; thence turning an angle of 48 degrees 41 minutes 11 seconds left east 771.07 feet to the intersection with the West line of the South half of the North-East quarter; thence north along said West line to the Northwest corner of the South half of the North-East	

	quarter; thence east along the North line of said half quarter to a point 648.97 feet west of the Northeast corner of said half quarter; thence turning an angle of 89 degrees 57 minutes left north to the intersection with the center line of Hazelwood/Midway Road; thence southeasterly along the center line of said public road to the intersection with the East line of Section; thence south along the East Section line to the Southeast corner of the Section; thence west along the South line of the Section to the point of beginning.	497.02
6	The South-East quarter of the North-West quarter except the following described tract: begin at the Northeast corner of said quarter-quarter; thence south along the East line of said quarter-quarter to the intersection of the center line of Union Grove Road; thence southwest and west along the center line of said public road 450.85 feet; thence turn an angle of 90 degrees 53 minutes right north 368.50 feet to the intersection with the North line of the South-East quarter of the North-West quarter; thence east along said North line to the point of beginning; the South-East quarter of the South-West quarter of the South-East quarter; the South-East quarter of the South-East quarter.	86.23
20	The South-East quarter of the South-East quarter.	40.00
21	That part of the Section lying south of the center line of Mulga Loop Road and above the existing water line of Bayview Lake except the following described tract: commence at the Southwest corner of Section 21, and run easterly along the South line of said Section 2403.53 feet; thence turn left a deflection angle of 94 degrees 41 minutes and run northerly 108.89 feet; thence turn left a deflection angle of 6 degrees 34 minutes 32 seconds and run northerly 269.18 feet; thence turn right a deflection angle of 29 degrees 32 minutes 32 seconds and run northerly 206.87 feet; thence turn left a deflection angle of 44 degrees 51 minutes 33 seconds and run northwesterly 75.37 feet to the point of beginning; thence turn right a deflection angle of 75 degrees 06 minutes 06 seconds and run northeasterly 632.45 feet; thence turn right a deflection angle of 99 degrees 24 minutes 51 seconds and run southeasterly 336.18 feet; thence turn right a deflection angle of 46 degrees 15 minutes 15 seconds and run southwesterly 462.16 feet; thence turn right a	



	deflection angle of 43 degrees 44 minutes 36 seconds and run southwesterly 297.15 feet; thence turn right a deflection angle of 22 degrees 50 minutes 50 seconds and run southwesterly 47.77 feet; thence turn right a deflection angle of 72 degrees 37 minutes 31 seconds and run northwesterly 536.20 feet to the point of beginning.	445.20
22	That part of the West half of the West half of the Section lying south and west of Mulga Loop Road except the following described tract: commence at a 3" iron pipe found at the Southwest corner of the South-West quarter of the South-West quarter of Section; thence proceed easterly along the South line of said South-West quarter of the South-West quarter for 384.50 feet to the center line of an existing power line easement; thence turn a deflection angle left 66 degrees 05 minutes 00 seconds and proceed northeasterly along said center line of existing power line easement for 1227.63 feet to a point; thence turn a deflection angle right of 90 degrees 00 minutes 00 seconds and proceed southeasterly for 15.00 feet to an iron pin set at the point of beginning; thence turn a deflection angle left 90 degrees 00 minutes 00 seconds and proceed northeasterly for 111.63 feet; thence turn a deflection angle right 79 degrees 40 minutes 35 seconds and proceed southeasterly for 209.10 feet to an iron pin set; thence turn a deflection angle right 90 degrees 00 minutes 00 seconds and proceed southwesterly for 249.11 feet to an iron pin set; thence turn a deflection angle right 90 degrees 00 minutes 00 seconds and proceed northwesterly for 150.00 feet to an iron pin set; thence turn a deflection angle right of 60 degrees 24 minutes 22 seconds and proceed northwesterly for 160.18 feet to the point of beginning.	66.20
27	The North-West quarter of the North-West quarter; that part of the South-West quarter of the North-West quarter described as follows: begin at the Northwest corner of said quarter-quarter thence east along the North line to the Northeast corner of said quarter-quarter; thence turning an angle of 115 degrees 50 minutes 36 seconds left southwesterly 359.50 feet to a point on the center line of Birmingham Road; thence north and west along the center line of said public road to the intersection of the West line of said quarter-quarter; thence north along said West line to the point of beginning.	45.00

28	<p>That part of the North half lying north of the center line of Birminghamport Road and above the existing water line of Bayview Lake; that part of the West half lying south and west of the center line of the Birmingham Southern Railroad except the following two (2) described tracts: (1) commence at the Southwest corner of Section 28; thence in a northerly direction along the West boundary of said Section 421.30 feet to intersection with the center line of right-of-way for Old Mulga Loop Road as conveyed by Tennessee Coal Iron and Railroad Company to Jefferson County, Alabama, by deed dated May 4, 1939; thence turning an angle of 80 degrees 03 minutes 30 seconds to the right in a northeasterly direction along the center line of said right of way for Old Mulga Loop Road 1129.15 feet; thence turning an angle of 90 degrees 00 minutes to the left in a northwesterly direction along a straight line 25.00 feet to intersection with the northwest boundary of said right-of-way, said intersection being the point of beginning of boundary of a tract of land herein described; thence continuing in a northwesterly direction along said straight line 40.00 feet; thence turning an angle of 90 degrees 00 minutes to the right in a northeasterly direction 50.00 feet; thence turning an angle of 90 degrees 00 minutes to the right in a southeasterly direction 40.00 feet to intersection with said northwest boundary of right-of-way for Old Mulga Loop Road; thence turning an angle of 90 degrees 00 minutes to the right in a southwesterly direction along the northwest boundary of said right-of-way 50.00 feet to the point of beginning; (2) that part of the following tract lying in Section 28: commence at an iron pin found purported to be the Southwest corner of Section 28; thence northerly along West line of said Section North 01 degrees 17 minutes 24 seconds West for 223.35 feet to a point on the northeast approximate prescriptive right-of-way margin of Pleasant Grove Road; thence along said approximate right-of-way margin North 29 degrees 51 minutes 15 seconds West for 11.16 feet to a point also known as the point of beginning herein described parcel; thence continue along said approximate prescriptive right-of-way margin of Pleasant Grove Road North 29 degrees 51 minutes 15 seconds West for 116.60 feet to a point at the intersection of the approximate northeast prescriptive right-of-way margin of Pleasant Grove Road</p>	



	and the south approximate prescriptive right-of-way margin of Old Mulga Loop Road; thence along said approximate south right-of-way margin of Old Mulga Loop Road North 79 degrees 41 minutes 04 seconds East for 205.55 feet to a point; thence leaving said approximate right-of-way margin South 10 degrees 18 minutes 56 seconds East for 150.00 feet to a point; thence South 77 degrees 00 minutes 32 seconds West for 150.00 feet to the point of beginning.	174.30
29	The North-East quarter except that part lying south of Birmingham Road and east of Birmingham Southern Railroad; the North-West quarter except that part lying north of Birmingham Road; the South half of the Section except the following two (2) described tracts: (1) begin at the Southeast corner of the West half of the South-East quarter of the South-East quarter; thence west along the South Section line to the Southwest corner of the East half of the South-East quarter of the South-West quarter; thence turning an angle of 134 degrees 26 minutes right northeast 1775.89 feet to the center line of Old Mulga Loop Road; thence south and east along the center line of Old Mulga Loop Road to the intersection with the West line of the South-East quarter of the South-East quarter; thence south along said West line to the Northwest corner of the South-West quarter of the South-East quarter of the South-East quarter; thence South-East along a straight line to the point of beginning; (2) that part of the following tract lying in Section 29: commence at an iron pin found purported to be the Southwest corner of Section 28 and the Southeast corner of Section 29; thence north along East line of said Section 29 North 01 degrees 17 minutes 24 seconds West for 223.35 feet to a point on the northeast approximate prescriptive right-of-way margin of Pleasant Grove Road; thence along said approximate right-of-way margin North 29 degrees 51 minutes 15 seconds West for 11.16 feet to a point also known as the point of beginning herein described parcel; thence continue along said approximate prescriptive right-of-way margin of Pleasant Grove Road North 29 degrees 51 minutes 15 seconds West for 166.60 feet to a point at the intersection of the approximate Northeast prescriptive right-of-way margin of Pleasant Grove Road and the south approximate prescriptive right-of-way margin of Old Mulga Loop Road; thence along said approximate south right-of-way margin of	

	Old Mulga Loop Road North 79 degrees 41 minutes 04 seconds East for 205.55 feet to a point; thence leaving said approximate right-of-way margin South 10 degrees 18 minutes 56 seconds East for 150.00 feet to a point; thence South 77 degrees 00 minutes 32 seconds West for 150.00 feet to the point of beginning.	570.20
30	That part of the Section lying south of the center line of Birmingham Road except part of the north 933.38 feet by east 933.38 feet of the North-East quarter of the North-East quarter.	376.67
31	The entire Section except the following two (2) tracts: (1) that part of the South-East quarter of the South-East quarter lying southeast of a line extending from a point in the North boundary 937.10 feet east of the Northwest corner to a point in the West boundary 402.29 feet south of the Northwest corner; (2) that part of the South-West quarter of the South-East quarter lying southeast of a line extending from the Southwest corner to a point in the East boundary 488.54 feet north of the Southeast corner.	597.00
33	That part of the Section described as follows: commence at the Northwest corner of the North-West quarter of the South-West quarter; thence south 159.42 feet along the West line of said quarter-quarter; thence turning an angle of 89 degrees 36 minutes 23 seconds left in an easterly direction 400.05 feet; thence turning an angle of 21 degrees 36 minutes 40 seconds left in a northeasterly direction 1141.54 feet to the intersection of the center line of Pleasant Grove Road; thence north and east along the center line of Pleasant Grove Road to the center line of the East Pleasant Grove Road; thence northeasterly along the center line of East Pleasant Grove Road to the intersection with New Mulga Loop Road; thence south and east along the center line of New Mulga Loop Road to the intersection with the center line of Birmingham Southern Railroad; thence north and west along the center line of said railroad to the intersection with the North line of the Section; thence west along the North Section line to the Northwest corner of the Section; thence south 1040.52 feet along the West line of the Section; thence turning an angle of 121 degrees 42 minutes 20 seconds left in a northeasterly direction 478.85 feet to the center line of North Pleasant	



	<p>Grove Road; thence south and east along the center line of said public road 592.05 feet; thence turning an angle of 91 degrees 28 minutes 19 seconds right southwest 237.55 feet; thence turning an angle of 90 degrees 01 minutes 02 seconds right in a northwesterly direction 289.98 feet; thence turning an angle of 90 degrees 02 minutes left in a southwesterly direction 428.15 feet to the intersection of the West Section line; thence south along the West line of Section to the point of beginning; except the following tract located in the before mentioned tract: commence at the Northwest corner of said North-West quarter; thence in an easterly direction along the North boundary of said quarter Section 100.05 feet; thence turning an angle of 60 degrees 16 minutes 35 seconds to the right in a southeasterly direction along a straight line 216.63 feet; thence turning an angle of 16 degrees 54 minutes 18 seconds to the right in a southeasterly direction along a straight line 469.11 feet; thence turning an angle of 18 degrees 05 minutes 10 seconds to the left in a southeasterly direction along a straight line 665.38 feet; thence turning an angle of 2 degrees 55 minutes 46 seconds to the left in a southeasterly direction along a straight line 167.32 feet to point of beginning of the arc of a curve, tangent to said straight line, said arc turning to the left having a radius of 1,637.02 feet and being subtended by a central angle of 9 degrees 35 minutes 48 seconds said point being in the center line of a road and also being the point of beginning of the tract of land herein described; thence in a southeasterly direction along center line of said road 274.19 feet; thence in a straight line along the center line of said road 175.61 feet to a curve turning to the right, having a radius of 1,809.34 feet, being subtended by a central angle of 7 degrees 55 minutes 23 seconds and having a chord of 250.00 feet in length; thence in a southeasterly direction along said arc which is the center line of said curve 250.20 feet; thence turning an angle of 86 degrees 02 minutes 18 seconds to the left from said chord in a northeasterly direction 550.00 feet; thence turning an angle of 94 degrees 37 minutes 20 seconds to the left in a northwesterly direction 700.00 feet; thence turning an angle of 85 degrees 28 minutes 26 seconds to the left in a southwesterly direction 550.00 feet to the point of beginning.</p>	130.50
	<b>Total ~ Township 17 South; Range 4 West</b>	<b>3,361.89</b>

**Jefferson County**  
**Township 17 South, Range 5 West**

Section		Acres
28	The Southwest diagonal half of the North-West quarter of the North-East quarter; the South-West quarter of the North-East quarter; the West half; the West half of the South-East quarter.	460.00
29	The North-East quarter except the Northwest diagonal half of the North-West quarter of the North-East quarter; the Southeast diagonal half of the South-East quarter of the North-West quarter; the East half of the South-West quarter; the South-East quarter.	400.00
33	The following described tract in the East half of the North-East quarter; begin at the Southwest corner of the North-East quarter of the North-East quarter; thence east along the South line of said quarter-quarter 252.24 feet; thence turning an angle of 32 degrees 26 minutes 30 seconds right southeast 915.29 feet; thence turning an angle of 94 degrees 22 minutes 48 seconds left northeast 536.41 feet; thence turning an angle of 89 degrees 26 minutes 00 seconds left northwest 1,468.94 feet to the intersection with the West line of the North-East quarter of the North-East quarter; thence south along the West line of said quarter-quarter to the point of beginning; the North-West quarter of the North-East quarter; the West half; the South half of the South-East quarter	453.57
34	That part of Section described as follows: begin at the Northwest corner of the South-West quarter of the North-West quarter; thence south along the West line of said quarter-quarter to the center line of Birmingham Road; thence south and east along the centerline of said public road 803.88 feet; thence turning an angle left 90 degrees left northeast 450.76 feet; thence turning an angle of 90 degrees right southeast 500.00 feet; thence turning an angle of 90 degrees right southwest 450.76 feet to the intersection with the centerline of Birmingham Road; thence south and east along the centerline of said public road 1,067.56 feet; thence east parallel with the South line of the North half a distance of 153.47 feet; thence turning an angle of 34 degrees 20 minutes 30 seconds left northeast 1,132.85 feet; thence	



	turning an angle of 70 degrees 57 minutes 15 seconds left northwest in a straight line to the Northeast corner of the North-West quarter; thence west along the North Section line to the Northwest corner of the North-East quarter of the North-West quarter; thence southwest in a straight line to the point of beginning.	110.13
36	A tract of land in the South-West quarter of the South-West quarter, being a 30 foot wide strip on each side of the following described center line: begin at a point on the South boundary of said quarter-quarter 265.00 feet east of the Southwest corner of said Section; thence turn 92 degrees 46 minutes to the left in a northerly direction parallel with the West boundary of said Section 715.42 feet to the southeast boundary of the right of way for the Birmingham Road ( Alabama State Highway # 269).	.99
	<b>Total ~ Township 17 South, Range 5 West</b>	<b>1,424.69</b>

**Jefferson County**  
**Township 17 South, Range 6 West**

Section		Acres
20	The South half of the South-East quarter lying west of the Warrior River and Gutters Branch.	74.60
28	The North-West quarter of the North-West quarter except the backwater of Gutters Branch.	38.10
29	The North half except the North-West quarter of the North-West quarter and the backwater of Gutters Branch in the North-East quarter of the North-East quarter; the South half of the Section except the South-East quarter of the South-East quarter.	559.40
32	The North-West quarter of the North-East quarter; the North-West quarter except the following described tract: begin at the Northwest corner of the Section; thence south along the West Section line 881.7 feet; thence turning an angle of 89 degrees 43 minutes left east 654.22 feet; thence turning an angle of 90 degrees 32 minutes 26 seconds left north 797.31 feet to the intersection with the center line of Shorttown Branch Road; thence along the center line of said	

	public road north and west to the intersection with the North Section line; thence west along said North line to the point of beginning.	186.97
	<b>Total ~ Township 17 South, Range 6 West</b>	<b>859.07</b>

**Jefferson County**  
**Township 17 South, Range 7 West**

Section		Acres
35	That part of the North-East quarter of the South-West quarter described as follows: begin at the Northeast corner of said quarter-quarter; thence south along the East boundary of said quarter-quarter 764.13 feet; thence turn an angle of 91 degrees 52 minutes to the right in a westerly direction 569.20 feet; thence northwesterly along a slough to the bank of the Warrior River; thence in a northeasterly direction along said bank to the North boundary of said quarter-quarter; thence East along North boundary to the point of beginning; the South-West quarter of the South-East quarter.	55.00
	<b>Total ~ Township 17 South, Range 7 West</b>	<b>55.00</b>

**Jefferson County**  
**Township 18 South, Range 4 West**

Section		Acres
6	The West half of the North-West quarter; the North-West quarter of the South-West quarter except the Southeast diagonal half of the East half of said quarter-quarter.	110.00
	<b>Total ~ Township 18 South, Range 4 West</b>	<b>110.00</b>

**Jefferson County**  
**Township 18 South, Range 5 West**

Section		Acres
1	The South half of the North-East quarter; the West half of Section; the South-East quarter.	560.00
2	The South-West quarter of the North-West quarter; the	



	north 663.58 feet of the west 478.37 feet of the South-East quarter of the North-West quarter; the South-West quarter of the South-East quarter of the North-West quarter; the North-West quarter of the North-East quarter of the South-West quarter; the West half of the South-West quarter; the South-East quarter of the South-West quarter.	186.84
3	The entire Section.	640.00
4	The North-East quarter; the North half of the South-East quarter; the South-East quarter of the South-East quarter.	280.00
10	The North-East quarter; that part of the South-East quarter of the North-West quarter lying east and north of Rock Creek; that part of the East half of the South-West quarter lying east and north of Rock Creek; that part of the South-East quarter lying north of Rock Creek.	278.60
11	The entire Section except that part lying west of Rock Creek Road and South of Rock Creek and also except a tract of land in the North-East quarter of the North-East quarter described as follows: begin at the Northeast corner; thence west along the North boundary 435.39 feet to the center line of Rock Creek Road; thence turn an angle of 92 degrees 42 minutes 30 seconds to the left along the center line of said road a distance of 72.16 feet; thence turn an angle of 87 degrees 17 minutes 30 seconds to the left in an easterly direction 432.07 feet to the East boundary of said quarter-quarter; thence turn to the left in a northerly direction along the East boundary 72.08 feet to the point of beginning.	522.10
12	The North half; the South-West quarter.	480.00
15	A tract of land in the North-West quarter of the South-West quarter described as follows: begin at the Southwest corner of said quarter-quarter; thence east along the South boundary 314.44 feet; thence turn an angle of 89 degrees 38 minutes 15 seconds to the left in a northerly direction 692.27 feet; thence turn an angle of 71 degrees 37 minutes to the right in a northeasterly direction 1069.68 feet to the East boundary of said quarter-quarter; thence turn an angle of 71 degrees 38 minutes 45 seconds to the left in a northerly	

	direction 100 feet, more or less, to the center line of a 46 KV transmission line; thence southwest along said center line to the West boundary of said quarter-quarter; thence south along the West boundary of said quarter-quarter to the point of beginning.	12.50
16	<p>The South half of the South-West quarter of the North-West quarter except the following two (2) tracts: (1) the north 208.71 feet of the West 417.42 feet; (2) the south 208.71 feet of the West 208.71 feet; the North half of the North half of the North-West quarter of the South-West quarter; the south 311.66 feet of the east 487.26 feet of the North-West quarter of the South-West quarter; the South half of the South-West quarter; the South half of the South-West quarter of the North-East quarter; that part of the South half of the South-East quarter of the North-East quarter lying west of the center line of the 15<sup>th</sup> Street Road; the North half of the North-West quarter of the South-East quarter; the North-East quarter of the South-East quarter except a tract of land in the North-East quarter of said quarter-quarter lying east of the 15<sup>th</sup> Street Road and North of the center line of a 46 KV transmission line; the South-East quarter of the South-East quarter except the east 420.00 feet of the south 1050.00 feet; and a tract of land in the South-East quarter of the North-West quarter described as follows: commence at the Southeast corner of said quarter-quarter; thence north along the East boundary 245.50 feet to the point of beginning of a tract herein described; said point being on the arc of a curve to the left having a radius of 2594.58 feet and subtended by a chord 894.46 feet said chord forming an angle of 105 degrees 59 minutes to the left; thence southwest along said arc 898.87 feet to a point on the South boundary of said quarter-quarter; thence west along the South boundary to the Southwest corner of said quarter-quarter; thence north along West boundary to the Northwest corner of the South half of the South half of said quarter-quarter; thence east and parallel to the South boundary to a point on the East boundary; thence south along the East boundary to the point of beginning; a 100.00 foot strip of land in the North-East quarter of the South-West quarter described as follows: commence at the Northwest corner of said quarter-quarter thence east along the North boundary 357.23 to the point of beginning and also the center line of the following tract; said</p>	



	point being on a curve to the southwest having a radius 2644.58 feet and being subtended by a chord of 422.66 feet said chord forming an angle of 147 degrees 33 minutes to the right; thence southwest along the arc 423.10 feet to a point on the West boundary of said quarter-quarter.	230.60
20	The East half of the East half; the West half of the South-East quarter.	240.00
21	The entire Section except the following three (3) tracts: (1) begin at the Northeast corner thence west along the North boundary of said Section 350.00 feet; thence turn an angle of 89 degrees 47 minutes 48 seconds to the left in a southerly direction 951.26 feet; thence turn an angle of 90 degrees 17 minutes 04 seconds to the left in an easterly direction 93.00 feet, more or less; thence turn an angle of 90 degrees to the right in a southerly direction 175.00 feet, more or less; thence turn an angle of 90 degrees to the right in an westerly direction 373.50 feet, more or less; thence turn an angle of 89 degrees 44 minutes to the left in a southerly direction 205.00 feet to a point on the South boundary of the North-East quarter of the North-East quarter; thence turn to the left and run easterly along said boundary to the Southeast corner of said quarter-quarter; thence north along the East boundary to the point of beginning; (2) the South-East quarter of the South-East quarter of the South-West quarter of the South-East quarter; (3) the South-West quarter of the South-West quarter of the South-East quarter of the South-East quarter.	617.30
22	That part of the South half of the South-West quarter lying west of the 15 <sup>th</sup> Street Road.	45.30
27	The Southwest diagonal half of the North-West quarter of the North-East quarter; the South-West quarter of the North-East quarter; the West half; the West half of the South-East quarter.	460.00
28	The entire Section except the following two (2) tracts: (1) the North-West quarter of the North-West quarter of the North-East quarter of the North-East quarter; (2) the North half of the North-East quarter of the North-West quarter of the North-East quarter.	632.50

29	The East half of the East half; the East half of the West half of the East half.	240.00
32	The East half of the North-East quarter; the East quarter of the West half of the North-East quarter; the East half of the South-West quarter; the South-East quarter.	340.00
33	The Northwest diagonal half of the North-East quarter; the North-West quarter; the North-West quarter of the South-West quarter; the Northwest diagonal half of the North-East quarter of the South-West quarter.	300.00
34	That part of the North-West quarter of the North-East quarter lying north of Lick Creek; that part of the North-East quarter of the North-West quarter lying north of Lick Creek and east of the 15 <sup>th</sup> Street Road.	26.60
	<b>Total ~ Township 18 South, Range 5 West</b>	<b>6,092.34</b>

**Jefferson County**  
**Township 18 South, Range 6 West**

Section		Acres
10	The West half of the South-East quarter; the East half of the South-West quarter.	160.00
15	The West half of the North-East quarter; the East half of the North-West quarter; the North-West quarter of the North-West quarter except the following described tract: commence at the Northwest corner of the North-West quarter of the Section; thence run in a southerly direction along the West line of said quarter Section for a distance of 888.38 feet to the point of beginning of the tract herein excepted; thence turn an angle of 90 degrees to the left and run in an easterly direction for a distance of 152.97 feet to a point on the westerly right of way line of Toadvine Road, said point being on a curve to the left, said curve to the left having a radius of 1185.92 feet and being subtended by a central angle of 21 degrees 36 minutes 37 seconds; thence turn an angle of 111 degrees 36 minutes 06 seconds to the right to the tangent of said curve to the left and run in a southerly direction along the arc of said curve for a distance of 447.29 feet; thence turn an angle of 90 degrees 21 minutes	



36 seconds to the right and run in a westerly direction for a distance of 69.68 feet to the Southwest corner of the North-West quarter of the North-West quarter; thence turning an angle of 90 degrees 21 minutes 04 seconds right and run in a northerly direction along the West line of said quarter-quarter to the point of beginning; the North-East quarter of the South-West quarter except that part described as follows: begin at the Southwest corner of said quarter-quarter; thence north along the West boundary of said quarter-quarter a distance of 330.0 feet; thence turn an angle of 90 degrees 54 minutes 48 seconds to the right in an easterly direction a distance of 927.85 feet; thence turn an angle of 89 degrees 58 minutes 44 seconds to the right in a southerly direction a distance of 330.0 feet, more or less, to the South boundary of said quarter-quarter; thence west along the South boundary of said quarter-quarter to point of beginning; that part lying in the South-West quarter of the South-West quarter described as follows: commence at the Southwest corner of Section 15; thence east along the South boundary of said quarter-quarter Section a distance of 119.42 feet to a point on the westerly right-of-way of Toad Vine Road, said point being the point of beginning and being on a curve to the right having a radius of 2,375.0 feet and central angle of 0 degrees 48 minutes 24 seconds; thence turn 84 degrees 57 minutes 18 seconds to the left (angle measured to tangent) in a northeasterly direction along the western right-of-way of said Toad Vine Road and along the arc of said curve a distance of 33.44 feet to the point of tangent of said curve, thence in the tangent to said curve in a northeasterly direction along the westerly right of way line of said Toad Vine Road a distance of 278.80 feet; thence 85 degrees 47 minutes 31 seconds to the right in an easterly direction along the South boundary of a tract of land conveyed to the Board of Education of Jefferson County (School Tract) by document dated October 8th 1998, from US Steel Mining LLC, as recorded in Book 9862 Page 7340 in the Probate Court of Jefferson County, a distance of 695.91 feet; thence 60 degrees 46 minutes 21 seconds to the right in a southeasterly direction along the South boundary of said School Tract to an intersection on the South boundary of said quarter-quarter Section; thence turn to the right and run westerly along the South boundary of said quarter-quarter Section to the point of beginning; that part of the South-East

	quarter of the South-West quarter described as follows: begin at the Southeast corner of said quarter-quarter; thence north along East boundary of said quarter-quarter to the Northeast corner of said quarter-quarter; thence west along North boundary of said quarter-quarter to a point of intersection with the East boundary of said School Tract; thence south along East boundary of school tract a distance of 785 feet, more or less; thence turn an angle of 90 degrees in a westerly direction a distance of 370.00 feet; thence turn an angle of 90 degrees in a southerly direction along boundary of said school tract to a point of intersection with the South boundary of said quarter-quarter; thence east along said South boundary to the point of beginning; the West half of the South-East quarter.	334.23
16	The East half of the North-East quarter except the following described tract: begin at the Northeast corner of the South-East quarter of the North-East quarter; thence in a southerly direction along the East line of said half quarter a distance of 395.96 feet to the northeasterly right of way of Fields Road, said point being on a curve to the right, said curve to the right having a radius of 947.41 feet and being subtended by a central angle of 11 degrees 39 minutes 10 seconds; thence turn an angle of 149 degrees 08 minutes 05 seconds to the right to the tangent of said curve for a distance of 192.35 feet to the end of said curve; thence at the tangent to said curve run in a northwesterly direction for a distance of 397.00 feet to the beginning of a curve to the right having a radius of 849.58 feet and being subtended by a central angle of 19 degrees 27 minutes 24 seconds; thence run in a northerly direction along the arc of said curve for a distance of 288.50 feet; thence turn an angle to the right 89 degrees 46 minutes 23 seconds from tangent of said curve and run in an easterly direction for a distance of 259.55 feet to the intersection with the East line of the North-East quarter of the North-East quarter; thence south along said East line of said quarter-quarter to the point of beginning.	76.97
21	The East half of the South-East quarter.	80.00
22	The West half of the North-East quarter; that part of the North-West quarter described as follows: begin at the Southeast corner of the North-West quarter; thence west	



	<p>along South boundary of North-West quarter to a point of intersection with the east right of way of Jefferson County Road # 54; thence northwesterly along said right of way 1058 feet to a point on said right of way; thence turn 64 degrees 49 minutes 15 seconds right in an easterly direction 626.50 feet; thence turn an angle of 103 degrees 04 minutes to the left in a northwesterly direction a distance of 417.20 feet to a point of intersection with the West boundary of the East half of the North-West quarter of the North-West quarter; thence north along said West boundary to a point of intersection with the North boundary of the North-West quarter of the North-West quarter; thence easterly along said North boundary a distance of 335.00 feet, more or less, to a point of intersection of a tract conveyed to the Board of Education of Jefferson County, Alabama (School Tract) by document dated October 8, 1998 by U.S. Steel Mining Company, LLC; thence turn southwesterly along said boundary of school tract a distance of 187.00 feet, more or less; thence turn an angle of 62 degrees 17 minutes 51 seconds to the left, east along South boundary of said school tract a distance of 779.81 feet; thence turn an angle of 89 degrees 39 minutes 35 seconds to the left in a northerly direction to a point of intersection with the North boundary of the North-West quarter; thence east along the North boundary to the Northeast corner of said quarter Section; thence south along East boundary of said quarter Section to the point of beginning; the South-West quarter of the South-West quarter except that part lying to the southeast of the center line of Jefferson County Road #54; the North-West quarter of the South-East quarter except the tract described as follows: begin at the Southwest corner of said quarter-quarter; thence north along West boundary of said quarter-quarter a distance of 697.00 feet; thence turn an angle of 90 degrees 59 minutes to the right in an easterly direction 290.40 feet; thence turn an angle of 89 degrees 01 minutes to the right in a southerly direction 697.00 feet; thence turn an angle of 90 degrees 59 minutes to the right 290.40 feet to the point of beginning.</p>	282.80
24	That part of the North-East quarter lying southwest of Valley Creek; that part lying south and southeast of said creek in the North-West quarter; that part lying northwest of said creek in the South-West quarter except for the West half	

	of the South-West quarter of the South-West quarter; that part in the South-East quarter lying to the northwest of Valley Creek.	271.50
27	That part of the North-West quarter of the North-West quarter lying northwest of the Lock 17 Road.	6.30
28	That part of the North half of the North-East quarter lying north of the Lock 17 Road except the north 525.00 feet of the east 429.00 feet.	53.60
	<b>Total ~ Township 18 South, Range 6 West</b>	<b>1,265.40</b>

**Jefferson County**  
**Township 18 South, Range 7 West**

Section		Acres
2	The North half of the North-East quarter; the South-West quarter of the North-East quarter except Hurricane Creek; the South half of the North-West quarter except Hurricane Creek; the North half of the South-West quarter except the South-West quarter of the South-West quarter of the North-West quarter of the South-West quarter; the South-West quarter of the South-West quarter except the West half of the North-West quarter of the South-West quarter of the South-West quarter; the South-East quarter of the Section.	446.10
3	The North-East quarter to the existing bank of the Warrior River; the North-East quarter of the South-East quarter except the South quarter of said quarter-quarter; the South-West quarter of the South-East quarter lying east of Little Shoal Creek; the South half of the South-East quarter of the South-East quarter.	208.08
10	That part of the North half of the North-East quarter lying to right of the descending bank of Little Shoal Creek.	37.24
11	The Northwest diagonal half of Section except that part lying above Little Shoal Creek.	319.00
	<b>Total ~ Township 18 South, Range 7 West</b>	<b>1,010.42</b>

**Jefferson County**



**Township 19 South, Range 5 West**

Section		Acres
14	The North half of the North-East quarter except that part of the North-East quarter of the North-East quarter lying north of the center line of the John's Road; the South-West quarter of the North-East quarter; the South-East quarter of the North-West quarter.	157.93
26	The South-West quarter of the North-East quarter; the South half of the North-West quarter; the South-West quarter; the South half of the North half of the South-East quarter.	320.00
27	The entire Section.	640.00
32	The North half of the North-East quarter; that part of the North-East quarter of the North-West quarter lying east of Blue Creek Road; that part of the South half of the North-East quarter of the South-West quarter lying east of Blue Creek Road; that part of the West half of the South-West quarter lying east of Blue Creek Road; the South-East quarter of the South-West quarter; the South half of the South-East quarter; the North-East quarter of the South-East quarter.	298.27
33	The North-East quarter; the East half of the West half; the North-East quarter of the South-East quarter; the South half of the South-East quarter.	440.00
34	The East half; the South-West quarter except the south 311.10 feet of the west 700.00 feet.	475.00
35	That part of the North-West quarter lying north of the Rock Mountain Lake Road; the North-West quarter of the South-West quarter.	194.60
<b>Total ~ Township 19 South, Range 5 West</b>		<b>2,525.80</b>

**Jefferson County  
Township 20 South, Range 5 West**

Section		Acres
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7	The North-West quarter of the North-East quarter; the West half.	360.00
18	The North-West quarter of the North-West quarter.	40.00
	<b>Total ~ Township 20 South, Range 5 West</b>	<b>400.00</b>

TOTAL ACRES JEFFERSON COUNTY 18,061.74

**Shelby County**  
**Township 20 South, Range 4 West**

Section		Acres
25	The South half of the South-West quarter of the Section.	80.00
26	The South half of the South-East quarter of the Section.	80.00
33	The North half of Section 33 except the North-West quarter of the North-West quarter; the South-West quarter; the South-East quarter of the South-East quarter except the following two (2) tracts: (1) begin at the Southwest corner of said quarter-quarter; thence north along the West boundary of said quarter-quarter Section 900.00 feet; thence turning an angle of 90 degrees 19 minutes to the right east 99.40 feet to intersection with the arc of a curve turning to the left southwest, south, and southeast and having a radius of 869.02 feet, said arc of said curve also being the West boundary of right of way of Southern Railway, said arc being subtended by a chord 336.60 feet in length, said chord forming an angle of 98 degrees 31 minutes to the right from the course above having a length 99.40 feet; thence southwest, south and southeast along said arc 338.74 feet to point of beginning of a straight line tangent to said arc, said straight line 310.13 feet to point of beginning of the arc of a curve turning to the right southwest and having a radius of 666.78 feet, said arc being subtended by a chord 260.22 feet in length, said arc also being the West boundary of said right of way; thence southwest along said arc 261.88 feet to	



	intersection with the South boundary of said quarter-quarter Section, said South boundary forming an angle of 81 degrees 24 minutes to the right from said chord; thence west along said South boundary 19.70 feet to point of beginning; (2) commence at the Southwest corner of said quarter-quarter Section; thence east along the South boundary of said quarter-quarter Section 125.50 feet to intersection with the arc of a curve turning to the left northeast and north, this being the point of beginning of said excepted tract; also being a point in the east right of way boundary of Southern Railway, said arc having a radius of 766.78 feet, said arc being subtended by a chord 264.10 feet in length, said chord forming an angle of 82 degrees 44 minutes to the left from said South boundary; thence northeast and north along said arc and also along said East boundary of right of way 265.43 feet to intersection with a straight line radial to said arc, said radial line forming an angle of 80 degrees 05 minutes to the right from said chord; thence east along said radial line 80.00 feet to intersection with the arc of a curve turning to the right south and southwest, said arc having a radius of 846.70 feet and being subtended by a chord 267.36 feet in length, said chord forming an angle of 99 degrees 05 minutes to the right from said radial line; thence south and southwest along said arc 268.49 feet to intersection with the South boundary of said quarter-quarter Section; thence west along said South boundary 83.37 feet to the point of beginning; the North half of the South-East quarter; the South-West quarter of the South-East quarter except the east 800.00 feet of the south 900.00 feet.	581.80
34	The West half of the North-East quarter; the West half of the Section except the North-East quarter of the North-West quarter; the West half of the South-East quarter; the South-East quarter of the South-East quarter.	480.00
35	The east half of the Section; the South half of the South-West quarter.	400.00
36	The entire Section except the North half of the North-East quarter.	560.00
	<b>Total ~ Township 20 South, Range 4 West</b>	<b>2,181.80</b>

**Shelby County**  
**Township 21 South, Range 3 West**

Section		Acres
5	The North-West quarter; the West half of the South-West quarter.	240.00
6	The entire Section.	640.00
7	The entire Section.	640.00
8	The West half of the North-West quarter; the North-West quarter of the South-West quarter; the South-West quarter of the South-West quarter except that part of the following described tract lying in said quarter-quarter Section: commence at the Southwest corner; thence north along West boundary 601.30 feet to center line of main track of Southern Railway Company; thence east and southeast along said center line 1,170.00 feet; thence southwest at right angles to center line 50.00 feet to point of beginning of boundary of tract herein excepted; thence southeast parallel with said center line and 50.00 distant therefrom 700.00 feet to the East boundary of said quarter-quarter; thence south at right angles to center line 100.00 feet; thence northwest parallel with 150.00 distant from center line 768.40 feet; thence northeast at right angles to center line 100.00 feet to point of beginning.	158.66
<b>Total ~ Township 21 South, Range 3 West</b>		<b>1,678.66</b>

**Shelby County**  
**Township 21 South, Range 4 West**

Section		Acres
1	The entire Section.	640.00
2	The entire Section.	640.00
3	The North-East quarter; the North-West quarter of the North-West quarter; the South half of the North-West.	280.00
4	The North half of the North-East quarter; the South-West quarter of the North-East quarter; the West half of the	



	Section.	440.00
5	The East half of the North-East quarter except the following described tract: begin at the Southeast corner of said half quarter; thence north along the East boundary of said half-quarter 184.09 feet; thence turning an angle of 93 degrees 49 minutes to the left in a westerly direction 470.00 feet; thence turning an angle of 15 degrees 06 minutes to the left in a southwesterly direction 442.69 feet to intersection with the South boundary of said half-quarter Section; thence east along said South boundary 887.89 feet to point of beginning; the North half of the North-West quarter; the South-West quarter of the North-West quarter; the North half of the South-West quarter; the South-West quarter of the South-West quarter; the West half of the South-East quarter.	397.50
6	The North-East quarter of the South-West quarter.	40.00
7	The West half of the South-West quarter; that part of the South-East quarter of the South-West quarter lying south of the center line of Shelby County Road #13; that part of the West half of the South-East quarter lying South and East of the center line of Shelby County Road #13; the South-East quarter of the South-East quarter.	175.92
8	The West half of the Section except the North-East quarter of the North-West quarter.	280.00
9	The entire Section except the two (2) following described tracts: (1) commence at the Northeast corner of the North-East quarter of the North-West quarter; thence west along the North boundary of said quarter-quarter Section 211.45 feet; thence turning an angle of 94 degrees 23 minutes to the left southeast along the center line of right of way of Southern Railway Company as now located 696.00 feet; thence turning an angle of 90 degrees to the left northeast 50.00 feet to intersection with east boundary of said right of way of Southern Railway Company, this being point of beginning of tract of land herein excepted; thence south along said east boundary of right of way 372.75 feet to the point of beginning of a curve turning to the left southeast and having a radius of 1,392.69 feet, said arc being subtended by a chord 198.72 feet in length; thence southeast	

along said arc and also along said east boundary of right of way 198.89 feet to intersection with a straight line radial to said arc, said radial line forming an angle of 94 degrees 07 minutes to the left from said chord; thence northeast along said radial line 50.00 feet to intersection with the arc of a curve turning to the right northwest and having a radius of 1,332.69 feet, said arc being subtended by a chord 191.54 feet in length; said chord forming an angle of 85 degrees 53 minutes to the left from said radial line; thence northwest along said arc 191.70 feet to point of beginning of a straight line tangent to said arc; thence northwest along said straight line 372.75 feet; thence turning an angle of 90 degrees to the left southwest 50.00 feet to point of beginning; (2) commence at the Northeast corner of the North-East quarter of the North-West quarter; thence west along the North boundary of said quarter-quarter Section 211.45 feet; thence turning an angle of 94 degrees 23 minutes to the left southeast along the center line of right of way of Southern Railway Company as now located 696.00 feet; thence turning an angle of 90 degrees 00 minutes to the right southwest along a straight line 50.00 feet to intersection with the west boundary of said right of way of Southern Railway Company, this being point of beginning of boundary of tract of land herein excepted; thence continuing southwest along said straight line 200.00 feet; thence turning an angle of 90 degrees 00 minutes to the left southeast 372.75 feet to point of beginning of the arc of a curve turning to the left and having a radius of 1,682.69 feet, said arc being subtended by a chord 241.82 feet in length; thence southeast along said arc 242.05 feet to intersection with a straight line radial to said arc, said radial line forming an angle of 94 degrees 07 minutes to the left from said chord; thence northeast along said radial line 200.00 feet to intersection with the west boundary of said right of way of Southern Railway Company, said intersection being in the arc of a curve turning to the right and having a radius of 1,482.69 feet, said arc being subtended by a chord 213.10 feet in length, said chord forming an angle of 85 degrees 53 minutes to the left from said radial line; thence northwest along said arc and also along said west boundary of right of way, 213.28 feet to the point of beginning of a straight line tangent to said arc; thence northwest along said straight line and also along said west boundary of right of way 372.75 feet to point of beginning.

636.59



10	The entire Section.	640.00
11	The entire Section.	640.00
12	The entire Section.	640.00
	<b>Total ~ Township 21 South, Range 4 West</b>	<b>5,450.01</b>

Shelby County

Township 21 South, Range 5 West

<b>Section</b>		
<b>12</b>	<b>The East half of the South-East quarter.</b>	<b>80.00</b>
	Total ~ Township 21 South, Range 5 West	80.00

TOTAL ACRES SHELBY COUNTY 9,390.47

Tuscaloosa County

Township 18 South, Range 8 West

Section		Acres
33	That part of the South half of the Section described as follows: begin at the Northeast corner of said half Section; thence west along the North boundary of said half Section to a point 373.47 feet west of the Northwest corner of the North-East quarter of the South-East quarter; thence turning an angle of 55 degrees 41 minutes left southwest 539.90 feet; thence turning an angle of 55 degrees 06 minutes 30 seconds right west to the intersection of the Warrior River; thence south and west along the Warrior River to the South boundary of the Section; thence east along said South boundary to the Southeast Section corner; thence north along the East boundary to the point of beginning.	184.10
	<b>Total ~ Township 18 South, Range 8 West</b>	<b>184.10</b>

**Tuscaloosa County**  
**Township 19 South, Range 8 West**

Section		Acres
4	That part of the Section lying east of the Warrior River and north of Davis Creek.	592.80
5	That part of the Section lying east of the Warrior River.	8.00
8	That part of the Section lying east of the Warrior River and north of Davis Creek.	20.50
9	That part of the North half of the Section lying north of Davis Creek.	305.60
	<b>Total ~ Township 19 South, Range 8 West</b>	<b>926.90</b>

**Tuscaloosa County**  
**Township 20 South, Range 6 West**

Section		Acres
25	The South half of the Section lying west of Interstate I-59/I-20 except a strip 25.00 feet wide, adjacent and parallel to the half Section line and the western right boundary of way of Interstate I-59/I20.	275.45
36	That part of the North half of the Section lying west of Interstate I-59/I-20 except a strip 25.00 feet wide, adjacent and parallel to the western right of way boundary of I-59/I20; that part of the South-East quarter lying south of Gamble Road.	211.31
	<b>Total ~ Township 20 South, Range 6 West</b>	<b>486.76</b>

**Tuscaloosa County**  
**Township 20 South, Range 5 West**

Section		Acres
30	That part of the Section lying northwest of Interstate I-59/I-20 except a strip 25.00 feet wide, adjacent and parallel to I-59/I20.	84.56



	<b>Total ~ Township 20 South, Range 5 West</b>	<b>84.56</b>

**Tuscaloosa County**  
**Township 21 South, Range 6 West**

Section		Acres
1	The North half of the North-East quarter except the following described tract: begin at the Southeast corner of said half quarter; thence north along the East boundary line 800.00 feet; thence turning an angle of 88 degrees 56 minutes 51 seconds left west 499.24 feet; thence turning an angle of 91 degrees 00 minutes left south 799.57 feet to the intersection of the South boundary of said half quarter; thence turning an angle of 88 degrees 56 minutes 51 seconds left east to the point of beginning; the North-West quarter except the following described tract: begin at the Southeast corner of said quarter; thence north along the East boundary of said quarter 963.32 feet; thence turning an angle of 88 degrees 44 minutes left west 1,350.03 feet; thence turning an angle of 91 degrees 22 minutes 30 seconds left south to the intersection with the South boundary of said quarter; thence east along said South boundary to the point of beginning; the North-West quarter of the South-West quarter except that part lying in the following described tract: begin at the Northeast corner of the South-West quarter; thence turning an angle of 45 degrees 42 minutes 03 seconds from the East boundary of said half quarter southwest 1,879.75 feet; thence turning an angle of 134 degrees 11 minutes 27 seconds right north to the intersection of the North boundary of said half quarter; thence east along said North boundary to the point of beginning.	240.30
2	The North-East quarter; the following described tract: begin at the Northeast corner of the South-East quarter of the North-West quarter; thence west along the North line of said quarter-quarter to the Northwest corner of the North-East quarter of the South-East quarter of the North-West quarter; thence turning an angle of 91 degrees 19 minutes 30 seconds left south 480.30 feet; thence turning an angle of 35 degrees 56 minutes 46 seconds left southeast 97.15 feet; thence turning an angle of 75 degrees 00 minutes 55 seconds right southwest along the center line of a paved road 189.66 feet	

	to the point of a curve to the left; said curve having a radius of 2,864.90 feet and being subtended by a central angle of 04 degrees 01 minutes 05 seconds; thence in a southwesterly direction along the arc of said curve and the center line of said paved road 200.91 feet to the end of said curve; thence in a southwesterly direction along straight line tangent to said curve but leaving the center line of said paved road 225.30 feet; thence turning an angle of 07 degrees 14 minutes 25 seconds left southwest 294.58 feet to a point on the center line of a public road; thence southeasterly and south along the center line of said public road a distance of 1,169.72 feet; thence turn and run east along a tract conveyed to Alabama Pigments Company from USX by document dated August 8, 1994 and parallel with the South line of the North-East quarter of the South-West quarter a distance of 1080.18 feet; thence turning an angle of 89 degrees 59 minutes 39 seconds right southerly to the intersection of the South boundary of the North half of the South-East quarter; thence east along said South boundary to the intersection of the East boundary of the Section, said point also being the Northeast corner of the South-East quarter of the South-East quarter; thence North along the East boundary of said Section to the North-East corner of the South-East quarter; thence west along the North line of said quarter to the Northwest corner of the South-East quarter; thence north along the east line of the West half of the Section to the point of beginning.	288.80
	<b>Total ~ Township 21 South, Range 6 West</b>	<b>529.10</b>

**TOTAL ACRES TUSCALOOSA COUNTY 2,211.42**

**Walker County**  
**Township 17 South, Range 7 West**

Section		Acres
26	That land lying south of Short Creek and west of the bank of the Warrior River except the three (3) following described tracts: (1) a tract of land located in the South-West quarter of the North-West quarter described as follows: commence at the Southwest corner of said quarter-quarter; thence east	



	<p>along the South boundary a distance of 569.20 feet to the point of beginning; thence turn an angle of 29 degrees 00 minutes to the left in a northwesterly direction 816.00 feet to the East boundary of said quarter-quarter; thence turn an angle of 62 degrees 40 minutes to the right in a southerly direction along the East boundary of said quarter-quarter a distance of 397.50 feet to the Southeast corner of said quarter-quarter; thence turn to the right and run west along the South boundary of said quarter-quarter a distance of 726.30 feet to the point of beginning; (2) a tract of land located in the South-West quarter of the North-West quarter; commence at the Southwest corner of said quarter-quarter; thence north along the West boundary of said quarter-quarter a distance of 418.81 feet to the center line of Franklin Ferry Road said point being the point of beginning of a tract herein described; thence turn an angle of 38 degrees 26 minutes 30 seconds to the right in a northeasterly direction 450.00 feet; thence turn an angle of 90 degrees 00 minutes to the right in a southeasterly direction 550.00 feet; thence turn an angle of 90 degrees 00 minutes to the right in a southwesterly direction 450.00 feet to the center line of Franklin Ferry Road; thence turn 90 degrees to the right along the center line of Franklin Ferry Road 550.00 feet to the point of beginning; (3) and land located in the South half of the South-West quarter described as follows: a tract 500.00 feet wide, adjacent and parallel to the existing bank of the Warrior River.</p>	220.23
27	<p>A tract of land lying northeast of the Warrior River and east of Shoal Creek except the following two (2) tracts: (1) the North-East quarter of the North-East quarter; (2) a tract of land 500.00 feet wide, adjacent and parallel to the bank of the Warrior River and the east bank of Shoal Creek beginning at a point 500.00 feet south of the North Section boundary to the South Section boundary.</p>	287.90
34	<p>That part lying north and east of the bank of the Warrior River except the two (2) following described tracts: (1) the east 825.00 feet of the east half of the South-East quarter; (2) a tract of land 500.00 feet wide, adjacent and parallel to the existing bank of the Warrior River.</p>	113.40
35	<p>The West half of the North-West quarter except a tract of</p>	

	land that is 500.00 feet wide, adjacent and parallel to the existing bank of the Warrior River.	13.00
	<b>Total ~ Township 17 South, Range 7 West</b>	<b>634.53</b>

TOTAL ACRES WALKER COUNTY 634.53

**1.1. GRAND TOTAL 30,385.75 ACRES**



**EXHIBIT B****CURRENT LEASES****I. LAND LEASES & LICENSES**

LANDLORD	DOCUMENT	LICENSEE/LESSEE	DATE	C&A/REFERENCE #
United States Steel Corporation	License	James Whatley	5/28/2003	23871
USX Corporation	License	John Sanford	1/11/1999	23495
USX Corporation	License	Barbara Petty	1/11/1999	23504
USX Corporation	License	Bill McDonald	7/18/2001	23757
United States Steel Corporation	License	Johnny Johnson	2/14/2003	23866
USX Corporation	License	Diane M. Shoemaker	3/8/2000	23623
USX Corporation	License	Howard Nalley	12/8/2000	23745
USX Corporation	License	Old Blue Creek Baptist Church	1/11/1999	23518
USX Corporation	License	Linda Smith Hosmer	3/8/2000	23669
United States Steel Corporation	License	Dayna & Michael Raymond	1/3/2002	23799
USX Corporation	License	Billy Wesson	3/8/2000	23694
USX Corporation	License	William Brian Mann	3/8/2000	23662
USX Corporation	License	Allison C. Searcy	3/8/2000	23597
USX Corporation	License	Jan C. Cotten	11/1/1999	23584
USX Corporation	License	Robert White	7/17/2001	23773
USX Corporation	License	Wayne & Dennis Wade	12/28/1999	23682
USX Corporation	License	Rebecca Green	3/8/2000	23701
USX Corporation	License	Medrith G. Veitch	3/8/2000	23652
USX Corporation	License	Joyce Holmes	5/3/2000	23721
USX Corporation	License	Johnny Cicero	3/8/2000	23626
USX Corporation	License	William & Elizabeth Vincent	1/11/1999	23537
USX Corporation	License	Dorothy Vaughn	3/8/2000	23653
USX Corporation	License	Robert & Ellen Lott	12/20/2000	23739
USX Corporation	License	James G. Little	9/26/2001	23752
USX Corporation	License	Sharron Anderton	7/18/2001	23774
USX Corporation	License	Steve Valentine	6/29/1999	23574
USX Corporation	License	Ned Speer	12/20/2000	23723
USX Corporation	License	Mark & Kendelea Smith	1/11/1999	23532
USX Corporation	License	Kenneth Dempsey	1/14/1999	23535
USX Corporation	License	Tim Uptain	3/8/2000	23612
USX Corporation	License	Quinn's Landing	1/2/2001	23787
USX Corporation	License	Jason R. Davis	7/18/2001	23762
USX Corporation	License	James R. Mitchell	1/18/2002	23810
United States Steel Corporation	License	The City of Adamsville	7/17/2002	23823
USX Corporation	License	Elmer Cleveland	1/11/1999	23511
United States Steel Corporation	License	The City of Adamsville	7/17/2002	23824

## II. MINERAL LEASES

LANDLORD	DOCUMENT	LICENSEE/LESSEE	DATE	C&A/REFERENCE #
United States Steel, LLC	Agreement	El Paso Production Company	11/2/2001	8003
United States Steel Corporation	Lease	A2M LLC	6/14/2002	8021
USX Corporation	Lease	Geomet, Inc.	12/21/1994	7821
		Amendment	12/21/1994	7821A
		Amendment	12/21/1994	7821B
		Amendment	3/23/1995	7821C
		Amendment	3/30/1995	7821D
		Amendment	3/23/1995	7821E
		Amendment	3/23/1995	7821F
		Amendment	1/14/2002	7821G
USX Corporation	Lease	Kukui, Inc.	6/21/2001	7998
		Amendment	6/21/2001	7998A
USX Corporation	Contract	The Whitt Group of West Virginia	4/24/2000	7966
		Amendment	6/13/2001	7966A
USX Corporation	Lease	Drummond Company, Inc.	5/29/1991	7737
		Amendment	5/23/1991	7737A
		Amendment	5/29/1991	7737B
		Amendment	5/5/1992	7737C
		Amendment	5/5/1992	7737D
		Amendment	5/5/1992	7737E
		Amendment	5/5/1992	7737F
		Amendment	5/25/1993	7737G
		Amendment	7/19/2000	7737H
		Amendment	5/19/2003	
United States Steel Corporation	Lease	Taurus Exploration, Inc.	1/1/1986	7613
		Amendment	4/30/1987	7613A
		Amendment	1/1/1986	7613B
		Amendment	5/15/1986	7613C
		Amendment	5/16/1986	7613D
		Amendment	1/1/1989	7613E
		Amendment	6/1/1990	7613F
		Amendment	12/11/1990	7613G
		Amendment	5/16/1990	7613I
		Amendment	1/1/1993	7613J
		Amendment	12/16/2002	7613K
		Amendment	3/1/2003	7613L



United States Steel Corporation	Lease	DE-GAS, Inc.	5/20/1983	7574
		Amendment	5/20/1983	7574A
		Amendment	4/14/1989	7574B
		Amendment	1/18/1990	7574C
		Amendment	5/20/1990	7574D
		Amendment	9/3/1991	7574E
		Amendment	1/27/2000	7574F
		Amendment	3/14/2003	
USX Corporation	Agreement	Drummond Company, Inc. & Kukui, Inc.	5/10/2000	7980
USX Corporation	Lease	Kukui, Inc.	4/28/1998	7932
		Amendment	5/27/1998	7932A
United States Steel, LLC	Lease	CDX Gas, LLC	12/20/2001	8008
United States Steel, LLC	Agreement	CDX Gas, LLC	12/20/2001	8007
		Amendment	2/21/2003	
		Amendment	5/12/2003	
United States Steel Corporation	Agreement	RGGS Lands & Minerals, LTD.,L.P.	4/24/2003	
United States Steel Corporation	Lease	Geomet, Inc.	4/9/2002	8009
		Amendment	3/24/2003	8009B
		Amendment	8/14/2003	8009C
United States Steel Corporation	Lease	Jim Walter Resources, Inc.	2/6/2003	8034
USX Corporation	Agreement	CDX Gas, LLC	4/14/2000	7962
		Amendment	10/25/2001	
		Amendment	1/30/2002	
		Amendment	3/5/2002	

Note: The "Landlord" under the Current Leases

listed herein is United States Steel Corporation, a Delaware corporation, successor (by conversion) to United States Steel LLC, a Delaware limited liability company, and remote successor to USX Corporation, a Delaware corporation.

## **EXHIBIT C**

### **PERMITTED ENCUMBRANCES**

All encumbrances of record in the Probate Offices of Bibb, Jefferson, Shelby, Tuscaloosa, and Walker Counties and/or unrecorded documents on file in the land records of United States Steel Corporation located in Fairfield, Alabama, that affect the Land.



**EXHIBIT D****INSURANCE**

Owner and Company shall procure and maintain, each at its own expense, and shall require their respective Contractor(s), if any, to procure and maintain for the duration hereunder the insurance coverage meeting or exceeding the requirements set forth below:

1. **Minimum Scope of Insurance** -- Coverage shall be at least as broad as the following:

A. **Commercial General Liability Insurance**: Shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage ) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). If a 1973 edition ISO form must be used by the insurer, the broad form comprehensive general liability (BFCGL) endorsement shall be included. Additionally, the policy shall not contain a sunset provision, commutation clause or any other provision which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. The policy of insurance shall contain or be endorsed to include the following:

- (i) Premises/Operations;
- (ii) Products/Completed Operations;
- (iii) Contractual;
- (iv) Independent Contractors;
- (v) Broad form property damage;
- (vi) Personal Injury;
- (vii) Cross liability/severability of interest;
- (viii) The policy shall be endorsed using ISO form CG 20 10 11 85 (or a substitute form providing equivalent coverage) so as to include the other party hereto and its affiliates, including all units, divisions and subsidiaries as Additional Insureds on a Primary and Non-contributory basis. The coverage shall contain no special limitations on the scope of protection afforded to said Additional Insured.
- (ix) Waiver of subrogation shall be provided to the benefit of all Additional Insureds, as aforesaid.
- (x) No XCU (explosion, collapse, underground) exclusion.

- (xi) For any claims related herein, the insurance carried hereunder by either party for its operations and/or their respective Contractor's shall be primary and non-contributory respecting the aforesaid Additional Insureds. Any insurance or self-insurance maintained by the other party for its operations shall be in excess of that carried by the other party and/or its Contractor's for its operations and shall not contribute with it.
- (xii) The policy shall not contain any provision, definition, or endorsement which would serve to eliminate third-party action over claims.
- (xiii) Self-funded, or other non-risk transfer insurance mechanism are not acceptable hereunder, except as set forth in Section 3 below. Full disclosure must be made to the other party by any party proposing such a program prior to any consideration being given.

**B. Automobile Liability Insurance:** As specified by ISO form number CA 0001, Symbol I (any auto), with an MCS 90 endorsement and a CA 99 48 endorsement attached if hazardous materials or waste are to be transported. This policy shall be endorsed to include each of Owner and Company and their respective affiliates including all units, divisions and subsidiaries as Additional Insureds, and to include waiver of subrogation to the benefit of all Additional Insureds, as aforesaid.

**C. Workers' Compensation Insurance:** As required by the State or Commonwealth in which work is being done, and in accordance with any applicable Federal laws, including Employer's Liability Insurance and/or Stop Gap Liability coverage as per below limits. Where not otherwise prohibited by law, this policy shall be endorsed to include waiver of subrogation to the benefit of each of Owner and Company and their respective affiliates, including all units, divisions and subsidiaries.

**D. Employer's Liability and/or Stop Gap Liability Coverage:** Coverages per accident, disease-policy limit, and disease each employee.

**E. Errors and Omissions Professional Liability Insurance (If required by Owner or Company):** Coverage should be for a professional error, act or omission arising out of the Contractor's performance of work hereunder. The policy form may not exclude coverage for Bodily Injury, Property Damage, claims arising out of laboratory analysis, pollution or the operations of a treatment facility, to the extent these items are applicable under the scope of work hereunder. This policy shall be endorsed to include waiver of subrogation to the benefit of each of Owner and Company and their respective affiliates, including all units, divisions and subsidiaries. If coverage is on a claims-made form, Contractor shall maintain continuous coverage or exercise an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

**F. Environmental Impairment Insurance (If applicable):** Covering damage to the environment, both sudden and non-sudden, caused by the emission, disposal, release, seepage, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants or pollutants, into or upon land, the atmosphere or any water course or body



of water; or the generation of odor, noises, vibrations, light, electricity, radiation, changes in temperature, or any other sensory phenomena. Such insurance shall contain or be endorsed to include:

- (i) Property damage, including loss of use, injury to or destruction of property;
- (ii) Cleanup costs which shall include operations designed to analyze, monitor, remove, remedy, neutralize, or clean up any released or escaped substance which has caused environmental impairment or could cause environmental impairment if not removed, neutralized or cleaned up.
- (iii) Personal injury, which shall include bodily injury, sickness, disease, mental anguish, shock or disability sustained by any person, including death resulting therefrom.
- (iv) The other party hereto and its affiliates, including all units, divisions and subsidiaries as Additional Insureds, on a primary and non-contributory basis.
- (v) Waiver of Subrogation in favor of the other party hereto and its affiliates including all units, divisions and subsidiaries.

If the Environmental Impairment Insurance is on a claims-made form, Owner, Company and their respective Contractor(s) shall maintain continuous coverage or exercise on an extended discovery period for a period of no less than five (5) years from the time that the work for which the insurance was obtained has been completed.

2. **Minimum Limits of Insurance** – Owner, Company and their respective Contractor(s) shall maintain limits *no less than*:

A. **Commercial General Liability**: Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 each occurrence for bodily injury and property damage; \$2,000,000 each occurrence and aggregate for products and completed operations; \$4,000,000 general aggregate. The limits and coverage requirements may be revised with the agreement of the parties hereto.

B. **Automobile Liability Insurance**: Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 per accident for bodily injury and property damage, \$5,000,000 if hazardous materials or substances are to be transported.

C. **Workers' Compensation**: As required by the State or Commonwealth in which the work will be performed, and as required by any applicable Federal laws.

D. **Employer's Liability and/or Stop Gap Liability Coverage:** \$1,000,000 per accident, \$1,000,000 disease-policy limit, and \$1,000,000 disease each employee. (May include Umbrella coverage.)

E. **Errors and Omissions Professional Liability Insurance:** (If applicable) \$2,000,000 per loss; \$4,000,000 annual aggregate limit.

F. **Environmental Impairment Insurance:** (If applicable) \$5,000,000 combined single limit per loss.

3. **United States Steel Corporation and Related Parties** -- Notwithstanding Sections 1A through 1F and 2A through 2F of this Exhibit or Section 9 of this Agreement, United States Steel Corporation (USS), any employee benefit plan sponsored by USS or its affiliates and their respective affiliates shall be deemed to satisfy the insurance requirements of this Agreement with their insurance programs, including deductibles and/or self-insured retentions, which are in effect from time to time.

4. **Deductibles and Self-Insured Retentions** -- All insurance coverage carried by Owner, Company and their respective Contractor(s) shall extend to and protect Owner and Company and their respective affiliates, including all units, divisions and subsidiaries to the full amount of such coverage. All deductibles and/or self-insured retentions proposed by any party hereto or their respective contractor(s), including those relating to defense costs, shall be subject to the approval of the other party hereto.

5. **Rating of Insurer** -- Contractor(s) will only use insurance companies acceptable Owner and Company and authorized to do business in Alabama and where evaluated by the most current A.M. Best rating guide. If the insurer has a rating less than an A-, Class VII, the Contractor must receive specific written approval from Owner and/or Company prior to proceeding.

6. **Other Insurance Provisions**

A. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to each party hereto.

B. These insurance provisions are intended to be a separate and distinct obligation on the part of the Owner and the Company. Therefore, these provisions shall be enforceable and Owner, Company and/or their respective Contractor(s) shall be bound thereby regardless of whether or not indemnity provisions are determined to be enforceable in the jurisdiction in which the work covered hereunder is performed.

C. The above-described insurance coverage to be provided by Owner, Company and/or their respective Contractor(s) hereunder will extend coverage to all work or services performed hereunder.



D. The obligation of the Owner, Company and their respective Contractor(s) to provide the insurance herein above specified shall not limit in any way the liability or obligations assumed by the Owner or the Company and their respective Contractor(s) hereunder.

E. In the event Owner, Company and their respective Contractor(s), or insurance carrier defaults on any obligations hereunder, Owner, Company and their respective Contractor(s) agree that they will be liable for all reasonable expenses and attorneys' fees incurred by the other party hereto to enforce the provisions hereunder.

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7. **Evidence of Coverage**

A. Owner and Company and their respective Contractor(s) shall furnish the other party with copies of the endorsements effecting the coverage required by this specification. Owner, Company and their respective Contractor(s) and all subcontractors, if any, shall furnish to Owner and Company, respectively, satisfactory Certificates of Insurance evidencing full compliance with the requirements herein. The Certificates of Insurance must show that the required insurance is in force, the amount of the carrier's liability thereunder, and must further provide that the certificate holder will be given thirty (30) days advance written notice of any cancellation of coverage or deletion of the certificate holder herein as an Additional Insured under the policies.

B. All Certificates of Insurance shall be in form and content acceptable to each party hereto and shall be submitted in a timely manner so as to confirm that Owner, Company and their respective Contractor(s) are in full compliance with the stated insurance requirements hereunder.

C. Any failure on the part of any party hereto to pursue or obtain the Certificates of Insurance required hereunder from the other party and its Contractor(s) and/or the failure of any party to point out any non-compliance of such Certificates of Insurance shall not constitute a waiver of any of the insurance requirements hereunder, nor relieve Owner, Company or their respective Contractor(s) of any of their obligations or liabilities hereunder. Moreover, acceptance by any party hereto of insurance submitted by Owner, Company or their respective Contractors does not relieve or decrease in any manner the liability of the Company and their respective Contractor(s) for performance hereunder.

8. **Subcontractors** -- Contractor(s) shall be responsible to obtain separate certificates from each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.