

Mail tax notice to:

Southern Energy, L.L.C.
4672 Caldwell Mill Road
Birmingham, Alabama 35243

This instrument was prepared by:

Norman M. Orr, Esq.
Spain & Gillon, L.L.C.
2117 Second Avenue North
Birmingham, Alabama 35203

SPECIAL WARRANTY DEED

STATE OF ALABAMA)
COUNTY OF SHELBY)

45,000.00
KNOW ALL MEN BY THESE PRESENTS that, for and in consideration of One Hundred Dollars (\$100) and other good and valuable considerations paid to **TACOA MINERALS, L.L.C.**, an Alabama limited liability company (hereinafter referred to as "Grantor"), by **SOUTHERN ENERGY, L.L.C.**, an Alabama limited liability company (hereinafter referred to as "Grantee"), the receipt and sufficiency of which is acknowledged, Grantor does hereby grant, bargain, sell, and convey unto Grantee five (5) tracts of land, **MINERALS AND MINING RIGHTS EXCEPTED**, together with all improvements situated thereon, said land being situated in the Southwest quarter of the Southeast quarter and in the Northwest quarter of the Southeast quarter of Section 21; in the Northeast quarter and in the East half of the Northwest quarter of Section 22; in the Northwest quarter of the Southwest quarter and the Northeast quarter of the Southwest quarter of Section 28; in the Southeast quarter of the Northwest quarter of Section 28; and in the Southeast quarter of the Southeast quarter of Section 20 and in the West half of the Southwest quarter of Section 21; all in Township 21 South, Range 4 West of the Huntsville Principal Meridian, Shelby County, Alabama, which tracts are identified as "Tracts 1 through 5" and more particularly described on "**EXHIBITS A-1 through A-5**" and shown on maps labeled "**EXHIBITS B-1 through B-5**" attached hereto and made a part hereof, together with a non-exclusive easement forty (40) feet in width for ingress, egress, utilities, and drainage on, over, and across other lands as shown on "**EXHIBIT B-6**" attached hereto and made a part hereof (hereinafter collectively called the "Property").

RESERVING AND EXCEPTING unto Grantor, its successors and assigns, a non-exclusive easement of varying widths for ingress, egress, utilities, and drainage on, over, and across the Property as shown on **EXHIBITS B-1, B-2, B-3, and B-5**.

This conveyance is made upon the covenant and condition that no right of action for damages on account of injuries to the Property herein conveyed or to any buildings, improvements, structures, pipelines, or other sources of water supply now or hereafter located upon the Property, or to any owners or occupants or other persons in or upon the Property, resulting from sinkholes or other defects of the surface or subsurface of any nature affecting the Property or resulting from past mining and/or gas or oil producing operations of Grantor, or any predecessor in interest, or any of either of their

assigns, licensees, lessees, or contractors, or resulting from past blasting, dewatering, or the past removal of coal, iron ore, gas, oil, methane, hydrocarbons, occluded natural gas, coal bed methane gas, gob gas, limestone and all other minerals and non-mineral substances, including water associated with the production of coal bed methane gas, or coal seam or other roof supports by Grantor, any predecessor in interest of the Grantor, or any of either of their assigns, licensees, lessees, or contractors, whether said past mining and/or gas or oil producing operations be in the Property or other lands, shall ever accrue to or be asserted by Grantee or by Grantee's successors in title, this conveyance being made expressly subject to all such injuries, either past or future, and this condition shall constitute a covenant running with the land as against Grantee and all successors in title.

By acceptance of this deed and as a condition of the conveyance hereunder, Grantee acknowledges and agrees that the physical and environmental condition of the Property conveyed hereunder has been inspected by Grantee or its duly authorized agent and that the Property is purchased by Grantee as a result of such inspection and not upon any agreement, representation, or warranty made by Grantor. Furthermore, Grantee, and on behalf of its successors and assigns, agrees to accept the Property in its "**AS IS, WHERE IS, WITH ALL FAULTS**" condition, including any physical and environmental conditions; to release Grantor from any and all liabilities under CERCLA, RCRA, or the HMTA, or any other local, state, or federal laws, rules, regulations, or ordinances; and to **indemnify, defend, and hold Grantor harmless from and against** any cost, fine, penalty, or other liability relating to the physical and environmental condition of the Property. It is the express intention of the parties that this assumption, release, and indemnity run with the land and shall be binding upon Grantee, its successors and assigns and all successors in title. (For the purpose of this provision, "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 "HMTA" shall mean and refer to the Hazardous Materials Transportation Act, 49 U.S.C. § 5102, *et seq.*, as amended.)

No private right of action shall accrue with respect to the physical or environmental condition of the Property to any subsequent purchaser of the Property, whether by foreclosure or otherwise, due solely to the taking of title to the Property and, by taking such title, any such purchaser does thereby waive any and all right or claim against Grantor, Grantee, or their successors and assigns or any of them, for any costs, loss, damage, or liability such purchaser or its successors and assigns may incur as a result of the physical or environmental condition of the Property or the need or desirability to do any removal, corrective, or remediation work including, but not limited to, in connection with hazardous materials or waste pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Resources Conservation and Recovery Act, as amended, and all regulations thereunder or any similar laws or regulations enacted by the United States of America or the State of Alabama, or any agency or instrumentality of either.

Grantor does hereby covenant that the Grantor is lawfully seized and possessed of the Property and has the right and lawful authority to sell and convey the Property. The Grantor does hereby warrant the title to the Property, and will defend the same against the lawful claims of all persons claiming by, through, or under Grantor and that the Property is free and clear of all encumbrances except for the Permitted Encumbrances set forth in "**EXHIBIT C**" attached hereto and by this reference made a part hereof, against which Grantor shall not defend.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in its name and behalf and its seal to be hereunto affixed and attested by its officers or representatives thereunto duly authorized this, the 6 day of December, 2004.

TACOA MINERALS, L.L.C., an Alabama
limited liability company

By: Jerry C. Whitt
Jerry C. Whitt
Its Member

By: Daryn M. Bookout
Daryn M. Bookout
Its Member

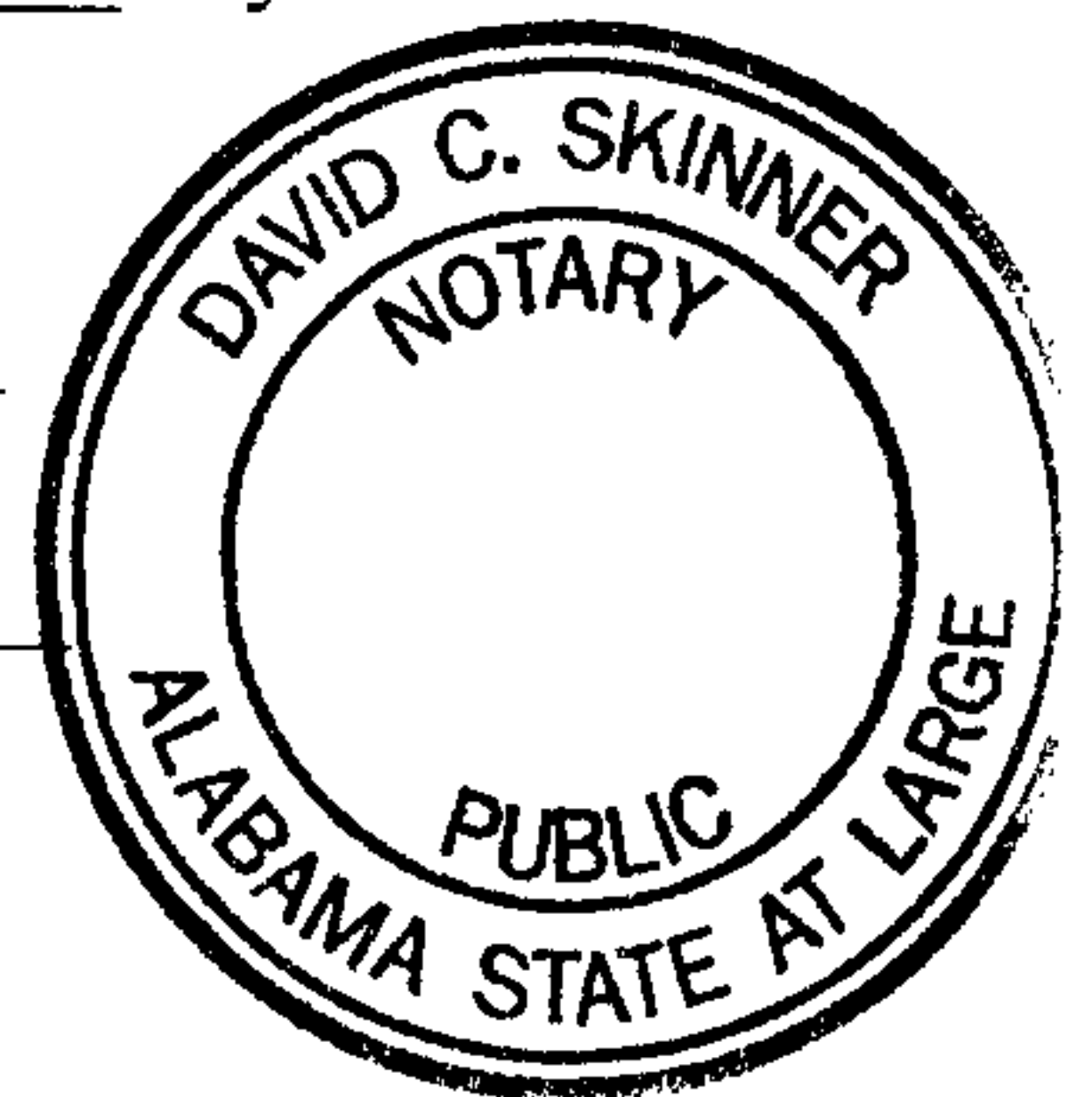
STATE OF Alabama
COUNTY OF Jefferson

I, David C. Skinner, a Notary Public in and for said County, in said State, hereby certify that Jerry C. Whitt, whose name as Member of TACOA MINERALS, L.L.C., an Alabama 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 6th day of December, 2004.

[SEAL]

David C. Skinner
Notary Public
My Commission Expires: 15 Nov 06



STATE OF Alabama
COUNTY OF Shelby

I, Renea C. Lamb, a Notary Public in and for said County, in said State, hereby certify that Daryn M. Bookout, whose name as Member of TACOA MINERALS, L.L.C., an Alabama 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 8th day of December, 2004.

[SEAL]

Renea C. Lamb
Notary Public
My Commission Expires: 12/19/2005

EXHIBIT A - 1

A tract of land, mineral and mining rights excepted, lying in the Southeast quarter of the Southeast quarter of Section 20 Township 21 South Range 4 West and also in the west half of the Southwest quarter of Section 21 Township 21 South Range 4 West more particularly described as follows:

Commence at the Southwest corner of the Southwest quarter of the Southwest quarter of Section 21 Township 21 South Range 4 West; thence run north along the west line of said Section 21 890.01 feet to the point of beginning; thence turn left 88 degrees 31 minutes 17 seconds and run westerly 103.06 to a point on the westerly right of way of Southern Railroad; thence turn right 107 degrees 37 minutes 39 seconds and run northeasterly along said right of way 708.44 feet; thence turn right 90 degrees and run southeasterly 184.26 feet; thence turn right 30 degrees 13 minutes 17 seconds and run southeasterly 226.97 feet; thence turn right 33 degrees 50 minutes 13 seconds and run southeasterly 144.96 feet; thence turn left 0 degrees 19 minutes 22 seconds and run southeasterly 192.25 feet; thence turn right 107 degrees 11 minutes 36 seconds and run northwesterly 96.36 feet; thence turn left 45 degrees 53 minutes 31 seconds and run southwesterly 217.55 feet; thence turn right 37 degrees 20 minutes 08 seconds and run westerly 220.97 feet to the point of beginning.

Containing 5.93 acres more or less.

EXHIBIT A - 2

A tract of land, mineral and mining rights excepted, situated in the Southwest quarter of the Southeast quarter and in the Northwest quarter of the Southeast quarter of Section 21 Township 21 South Range 4 West more particularly described as follows:

Commence at the Southeast corner of Section 21 Township 21 South Range 4 West; thence run westerly along the south line of said Section 21 1875.40 feet; thence turn right an angle of 90 degrees and run northerly and at right angles to said south line 978.69 feet to the point of beginning; thence turn left an angle of 86 degrees 42 minutes 02 seconds and run westerly 333.28 feet; thence turn right an angle of 76 degrees 00 minutes 24 seconds and run northwesterly 444.58 feet; thence turn right an angle of 76 degrees 53 minutes 05 seconds and run northeasterly 230.20 feet; thence turn left an angle of 26 degrees 45 minutes 26 seconds and run northeasterly 400.06 feet; thence turn right an angle of 31 degrees 49 minutes and run northeasterly 266.25 feet; thence turn right an angle of 52 degrees 51 minutes 13 seconds and run southeasterly 128.05 feet; thence turn right an angle of 64 degrees 49 minutes 30 seconds and run southwesterly 675.16 feet; thence turn left an angle of 21 degrees 27 minutes 52 seconds and run southeasterly 360.58 feet; thence turn right an angle of 123 degrees 39 minutes 23 seconds and run northwesterly 408.55 feet to the point of beginning.

Containing 12.83 acres more or less.

EXHIBIT A - 3

A tract of land, mineral and mining rights excepted, situated in the Northeast quarter and also in the East half of the Northwest quarter of Section 22 Township 21 South Range 4 West more particularly described as follows:

Commence at the Northeast corner of Section 22 Township 21 South Range 4 West; thence run westerly along a straight line which is the north line of said Section 22 1457.97 feet; thence turn left 90 degrees 00 minutes 19 seconds and run southerly along a straight line 730.86 feet to the point of beginning; thence turn left 55 degrees 21 minutes 55 seconds and run southeasterly along a straight line 199.96 feet; thence turn right 9 degrees 05 minutes 07 seconds and run southeasterly along a straight line 190.73 feet to the centerline of a road; thence turn right 81 degrees 40 minutes 50 seconds and run southwesterly along a straight line and along the centerline of said road 336.14 feet to the beginning of the arc of a curve tangent to said straight line, said arc turning to the left, having a radius of 269.77 feet and being subtended by a central angle of 43 degrees 09 minutes 15 seconds; thence in a southwesterly direction along said arc which is the center line of said road 203.19 feet; thence in a southerly direction along said centerline and along a straight line tangent to said arc 94.79 feet to the beginning of the arc of a curve tangent to said straight line, said arc turning to the right, having a radius of 552.51 feet and being subtended by a central angle of 58 degrees 56 minutes 00 seconds; thence in a southwesterly direction along said arc which is the center line of said road 568.30 feet; thence in a southwesterly direction along said road and along a straight line tangent to said arc 160.32 feet; thence turn right 78 degrees 15 minutes 52 seconds and run northwesterly along a straight line 296.04 feet; thence turn left 62 degrees 53 minutes 50 seconds and run southwesterly along a straight line 440.45 feet; thence turn right 22 degrees 46 minutes 07 seconds and run westerly along a straight line 261.82 feet; thence turn right 46 degrees 40 minutes 01 seconds and run northwesterly along a straight line 184.45 feet; thence turn right 28 degrees 41 minutes 00 seconds and run northwesterly along a straight line 355.92 feet; thence turn right 0 degrees 49 minutes 02 seconds and run northwesterly along a straight line 333.68 feet; thence turn right 40 degrees 15 minutes 31 seconds and run northeasterly along a straight line 279.31 feet; thence turn right 14 degrees 59 minutes 29 seconds and run northeasterly along a straight line 134.55 feet; thence turn right 25 degrees 52 minutes 33 seconds and run northeasterly along a straight line 119.99 feet; thence turn right 12 degrees 47 minutes 52 seconds and run northeasterly along a straight line 225.96 feet; thence turn left 5 degrees 57 minutes 24 seconds and run northeasterly along a straight line 266.84 feet; thence turn right 60 degrees 56 minutes 19 seconds and run southeasterly along a straight line 201.82 feet; thence turn left 20 degrees 50 minutes 53 seconds and run southeasterly along a straight line 212.82 feet; thence turn left 67 degrees 55 minutes 36 seconds and run northeasterly along a straight line 442.38 feet to the point of beginning.

Containing 38.98 acres more or less.

EXHIBIT A - 4

A tract of land, mineral and mining rights excepted, situated in the Southeast quarter of the Northwest quarter of Section 28 Township 21 South Range 4 West more particularly described as follows:

Commence at the Southwest corner of Section 28 Township 21 South Range 4 West; thence run north along the west line of said Section 28 a distance of 3388.73 feet; thence turn right 90 degrees and run easterly a distance of 1942.04 to the point of beginning; thence turn left 48 degrees 49 minutes 55 seconds and run northeasterly a distance of 189.06 feet; thence turn right 72 degrees 12 minutes 18 seconds and run southeasterly a distance of 203.99 feet; thence turn right 90 degrees 42 minutes 46 seconds and run southwesterly a distance of 200.80 feet; thence turn right 93 degrees 52 minutes 03 seconds and run northwesterly a distance of 260.10 feet to the point of beginning.

Containing 1.02 acres more or less.

EXHIBIT A - 5

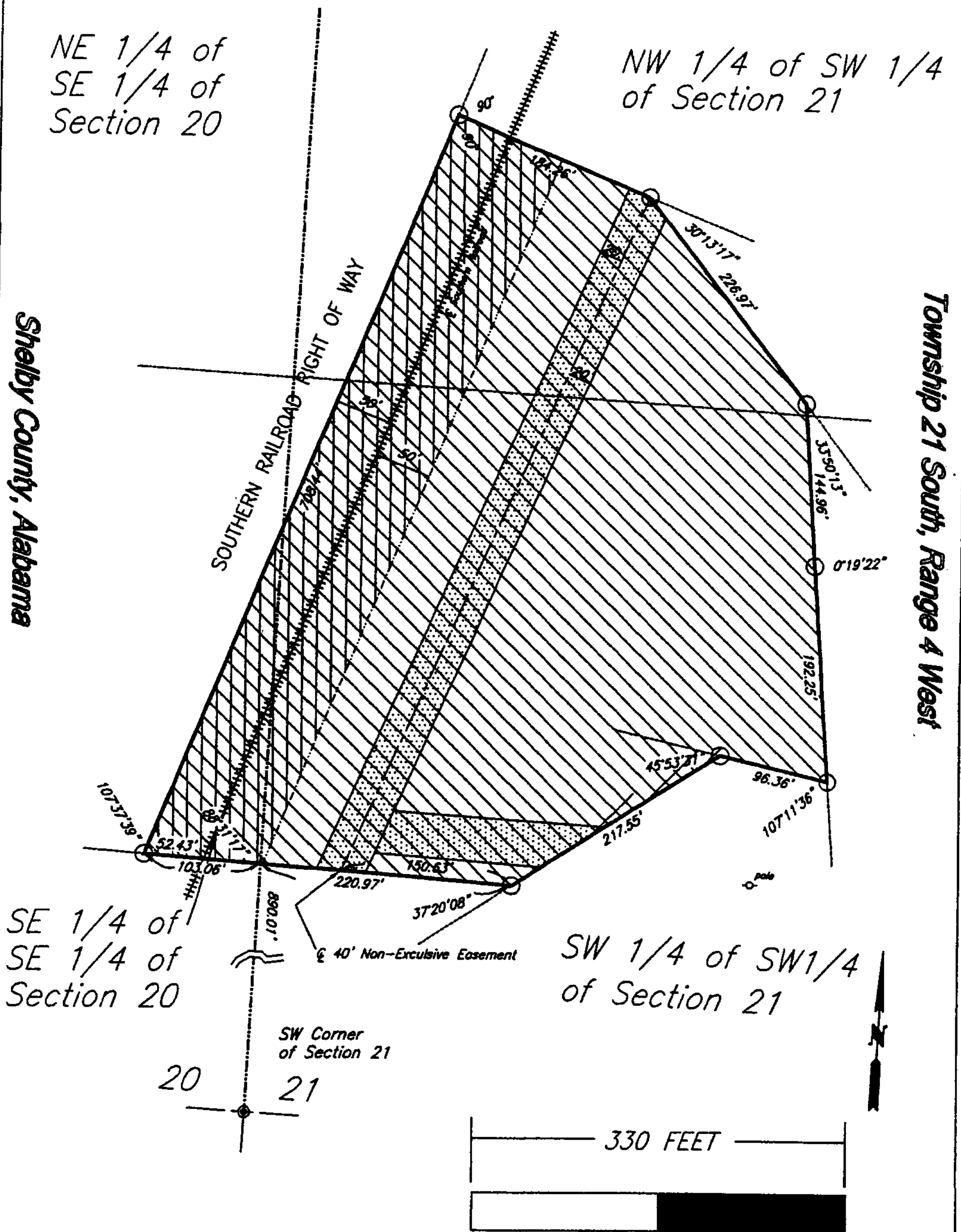
A tract of land, mineral and mining rights excepted, lying in the Northwest quarter of the Southwest quarter and the Northeast quarter of the Southwest quarter of Section 28 Township 21 South Range 4 West more particularly described as follows:

Commence at the Southwest corner of the Southwest quarter of the Southwest quarter of Section 28 Township 21 South Range 4 West; thence run north along the west line of said Section 21 a distance of 1760.98 feet;; thence turn right 90 degrees 0 minutes 0 seconds and run easterly 1274.44 feet to the point of beginning; thence turn left 78 degrees 39 minutes 30 seconds and run northeasterly 219.49 feet; thence turn right 89 degrees 59 minutes 56 seconds and run southeasterly 87.15 feet; thence turn right 90 degrees 00 minutes 00 seconds and run southwesterly 219.49 feet; thence turn right 90 degrees 00 minutes 19 seconds and run northwesterly 87.15 feet to the point of beginning.

Containing 0.44 acres more or less.

United States Steel Corporation
Scale 1"=125' MAY, 2004

EXHIBIT B-1
TRACT 1





-  Land (Mineral and Mining rights excepted) conveyed by US Steel Corporation to Taco Minerals, LLC, by deed here to attached.
-  Non-exclusive easements 40 feet in width, reserved by US Steel Corporation.

EXHIBIT B-2
TRACT 2



12.83 ACRES

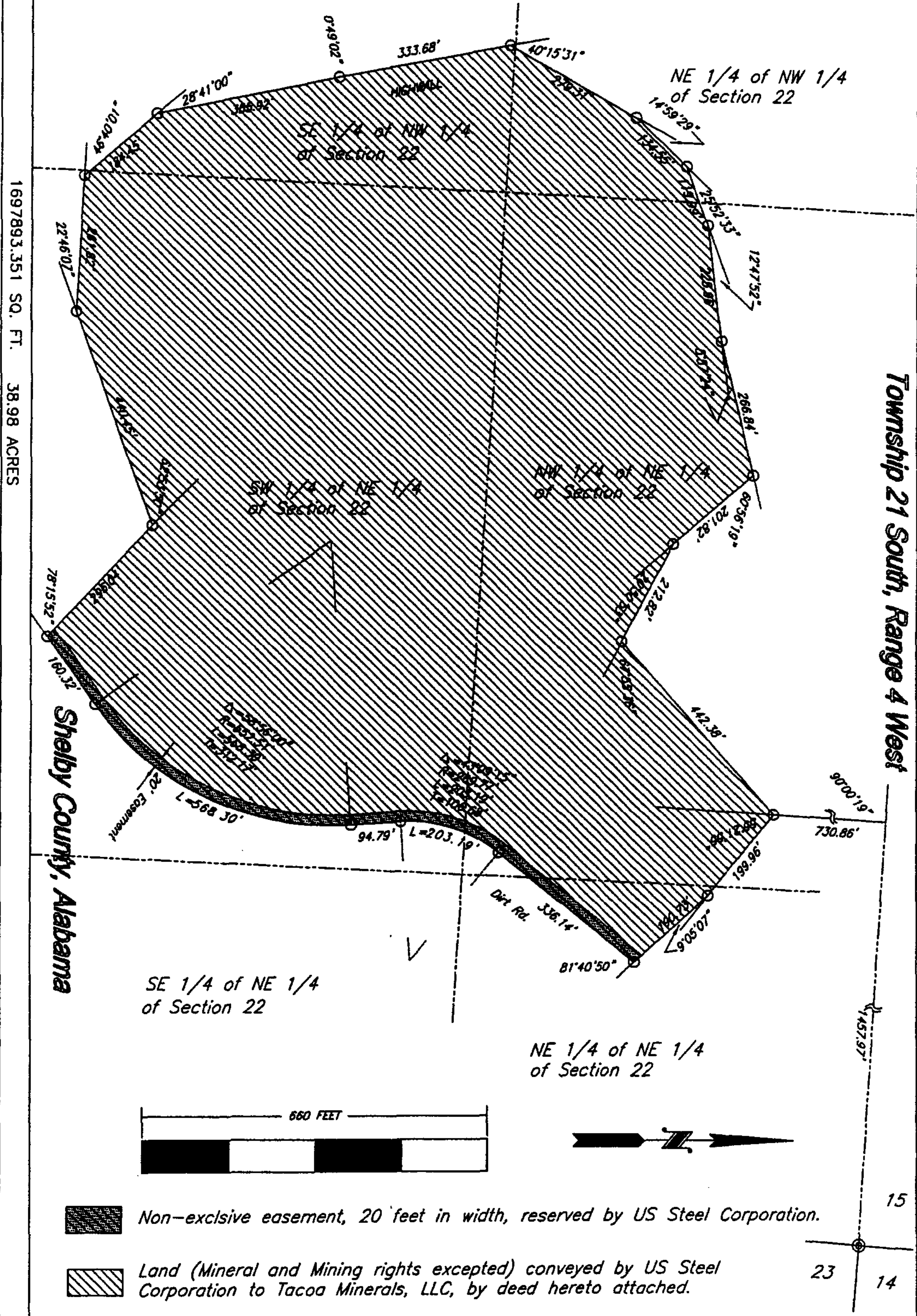


Non-exclusive easement, 40 feet in width, reserved by US Steel Corporation.

United States Steel Corporation

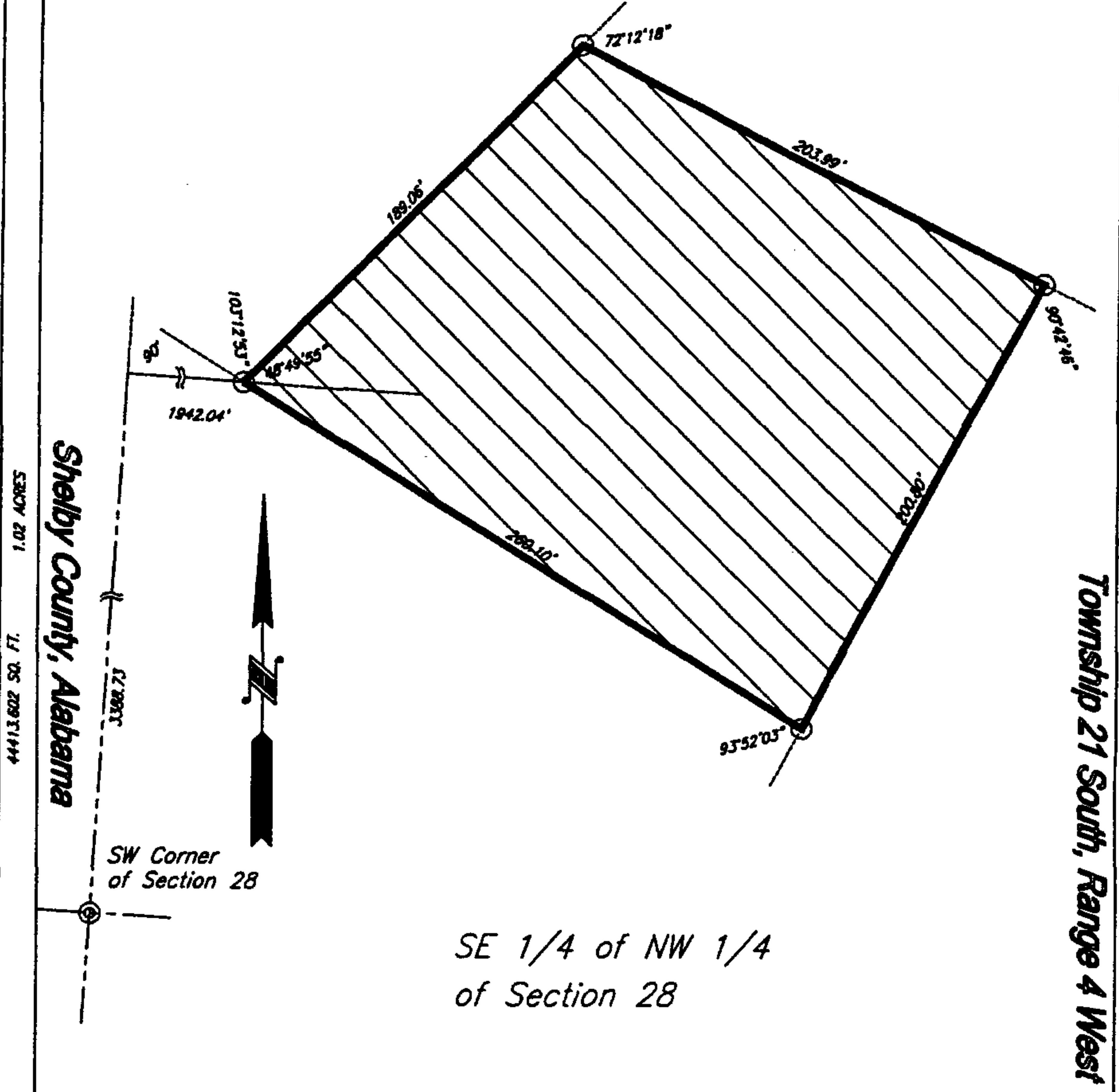
SCALE 1"=250' MAY, 2004


EXHIBIT B-3
TRACT 3



United States Steel Corporation
Scale 1"=75' MAY, 2004

EXHIBIT B-4
TRACT 4



 Land (Mineral and Mining rights excepted) conveyed by United States Steel Corporation to Tacoa Minerals, LLC, by deed hereto attached.

United States Steel Corporation
Scale 1"=75' MAY, 2004

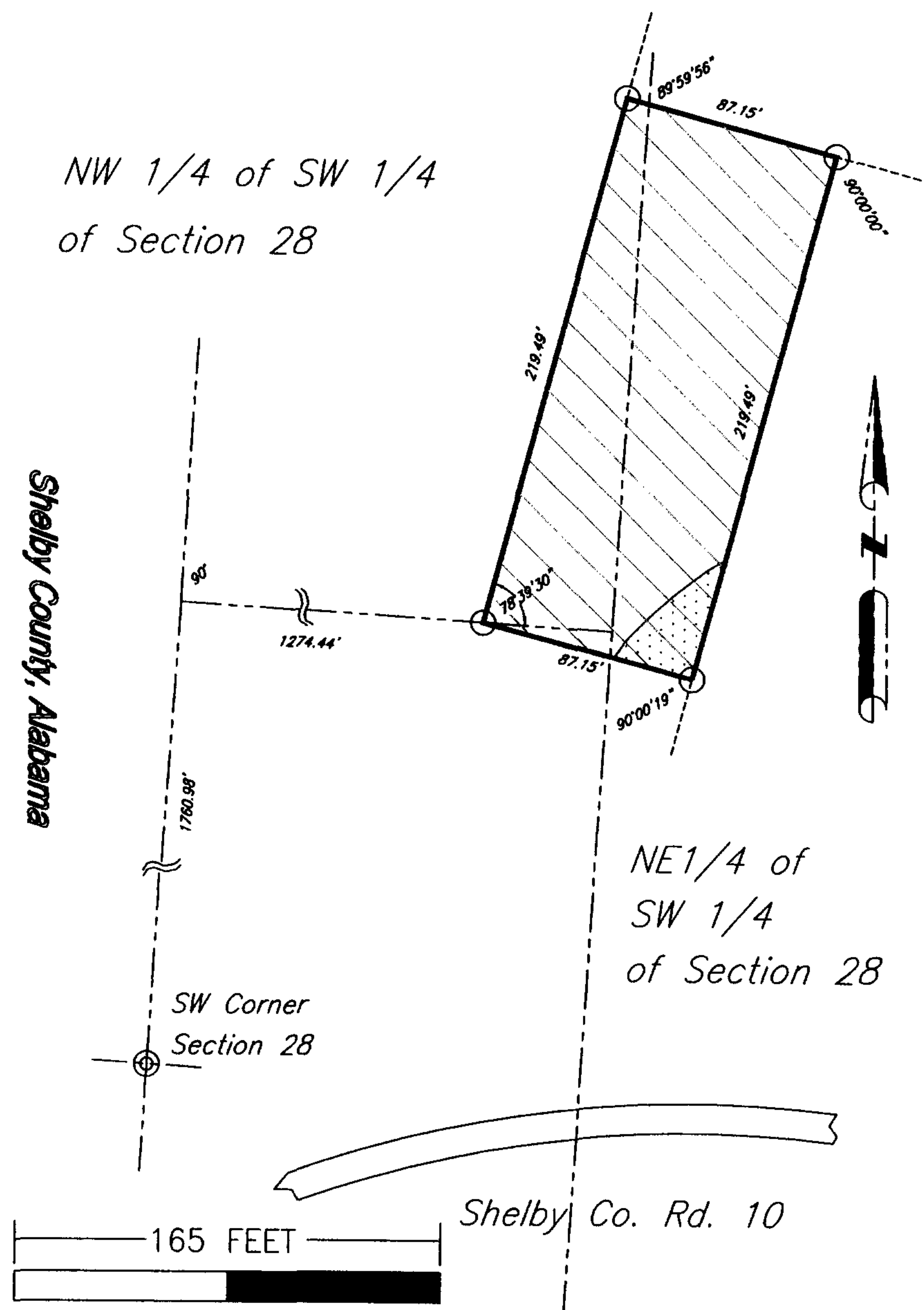
EXHIBIT B-5
TRACT 5

NW 1/4 of SW 1/4
of Section 28

19128.980 SQ. FT. 0.44 ACRES

Shelby County, Alabama

Township 21 South, Range 4 West

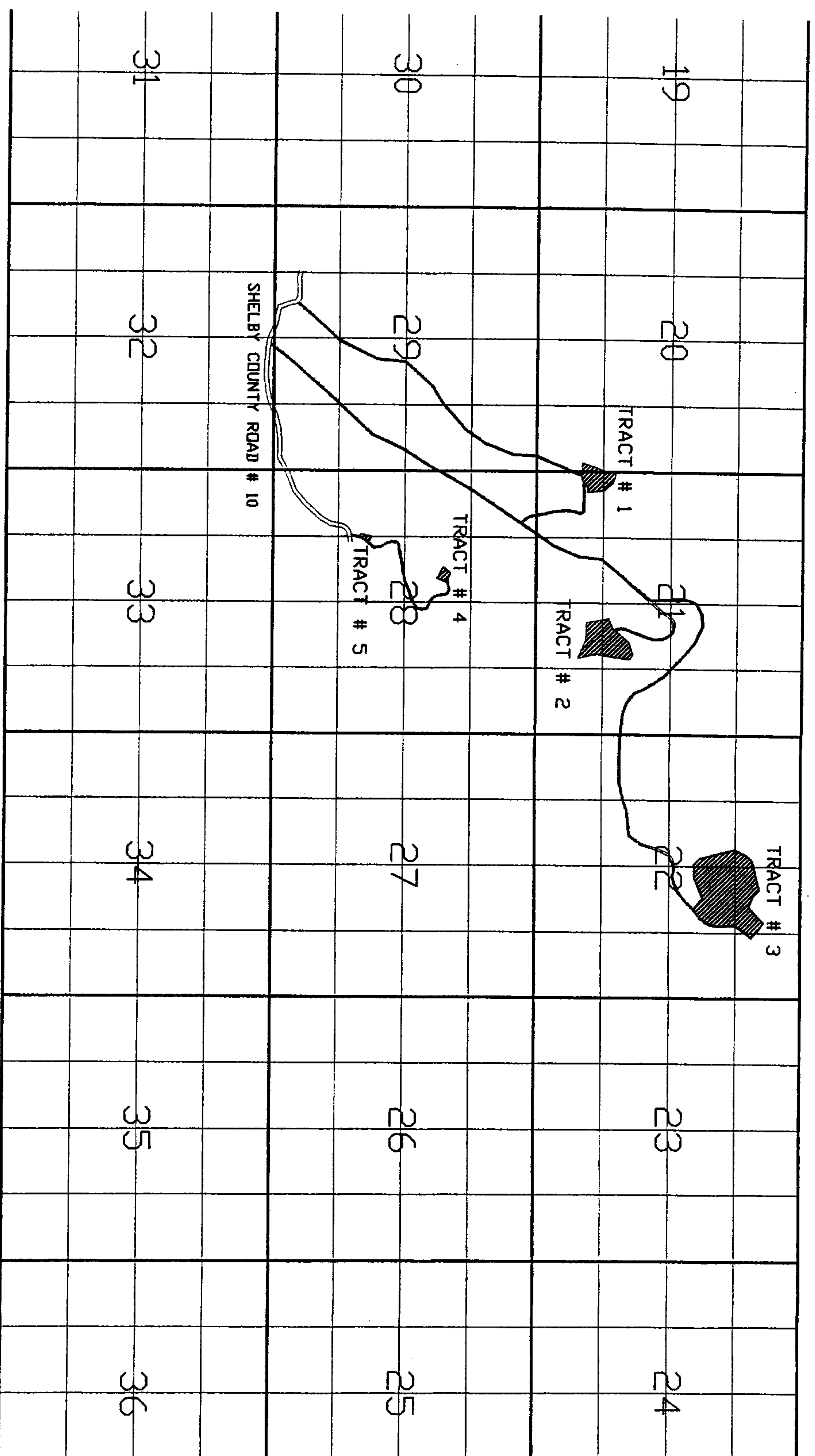


Land (Mineral and Mining rights excepted) conveyed by
United States Steel Corporation to Taco Minerals,
LLC, by deed hereto attached.



Non-exclusive easement, 40 feet in width, reserved by
US Steel Corporation.

EXHIBIT B-6



TOWNSHIP 21 SOUTH, RANGE 4 WEST
—— 40 FOOT NON-EXCLUSIVE EASEMENT GRANTED
BY US STEEL CORPORATION.

PERMITTED ENCUMBERANCES

EXHIBIT C (to Deed)

1. Ad valorem taxes owing on the Property that are not yet due and payable;
2. Government actions, including zoning restrictions and building and use restrictions, including variances;
3. All matters which a current and accurate survey and/or a physical inspection of the Property would reveal;
4. All easements, covenants, conditions, licenses, rights of way, and restrictions affecting the Property recorded in the Probate Office of Shelby County, Alabama (other than judgments, mortgages, and other monetary liens);
5. All riparian rights, including rights of federal and/or state government in all navigable waters on or abutting the Property (including rights between the high and the low tide lines);
6. All easement, leases, licenses, rail track, utilities lines, and similar equipment affecting the Property, whether or not of record;
7. Timber Purchase and Cutting Agreement [134,606.27 Acres] dated September 29, 2003, by and between United States Steel Corporation and U.S. Steel Timber Company, LLC, as assigned to TC&I Timber Company, LLC by assignment dated December 29, 2003 (not applicable to Tract 3);
8. Agreement with Respect to Surface and Subsurface Uses (Green) dated February 26, 2004, by and between United States Steel Corporation and RGGS Land & Mineral, Ltd., L.P.;
9. Agreement with Respect to Surface and Subsurface Uses (Orange) dated February 26, 2004, by and between United States Steel Corporation and RGGS Land & Mineral, Ltd., L.P.;
10. Rights of Way granted by Excelsior Coal Company to Briarfield Blockton & Birmingham Railway Company by instrument dated September 5, 1889, as recorded in the Probate Office of Shelby County, Alabama; and
11. Terms, conditions, and agreements contained in that certain Special Warranty Deed dated May 12, 2004, and executed by United States Steel Corporation, as grantor, conveying the Property to Tacoa Minerals, L.L.C.; said Special Warranty Deed being recorded in the Probate Office of Shelby County, Alabama.