

This Instrument was prepared by:
M. Beth O'Neill
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
2400 Regions/Harbert Plaza
Birmingham, Alabama 35203-2618
(205) 254-1093

Send tax notices to:
Jesse Creek Mining, LLC
1669 Mission Hills Road
Alabaster, AL 35007

STATE OF ALABAMA)
COUNTY OF SHELBY)

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid to the undersigned, **TACOA MINERALS, L.L.C.**, an Alabama limited liability company ("Grantor"), by **JESSE CREEK MINING, LLC**, a Delaware limited liability company ("Grantee"), the receipt and sufficiency of which is acknowledged, the said Grantor does GRANT, BARGAIN, SELL AND CONVEY unto the Grantee, its successors and assigns, that certain real estate situated in Shelby County, Alabama, which is described in Exhibit A attached hereto and made a part hereof (the "Property").

It is expressly understood and agreed that this Statutory Warranty Deed is made subject to the following (the "Exceptions"):

1. Taxes and assessments for the year 2013 and subsequent years, which are a lien but not yet due and payable.
2. **TRACT I EXCEPTIONS**
 - a. Title to all minerals within and underlying the property, together with all mining rights and other rights, privileges, immunities and release of damages relating thereto, as recorded in Instrument No. 20040323000148560; Instrument No. 20040323000148570; Instrument No. 20041210000675840 and Instrument No. 200501050000003540, and any damages relating to the exercise of such rights or the extraction of such minerals.
 - b. Agreement with respect to surface and subsurface uses between United States Steel Corporation and RGGS Land and Minerals, Ltd. as recorded in Instrument No. 20040323000148600 and Instrument No. 20040323148610.
 - c. Non-exclusive easements reserved by United States Steel Corporation and also conditions, restrictions, reservations and limitations as set out in Instrument No. 20041210000675840 and Instrument No. 200501050000003540.
 - d. Hunting Agreement dated May 8, 1996, between USX Corporation and the State of Alabama Department of Conservation and Natural Resources.
 - e. Terms and conditions of that Coal Seam Gas Lease, dated April 9, 2002, between United States Steel Corporation and Geomet, Inc. as set out in Memorandum of Lease recorded in Instrument No. 20020625000299180 and notice of extension in Instrument No. 20040429000224120 and Fourth Amendment recorded in Instrument No. 20050602000266370 and Instrument No. 20050602000266380.

- f. Memorandum of Lease as recorded in Instrument No. 20051026000557950 together with assumption of Coal Mining Lease recorded in Instrument No. 20051026000557960.
- g. Memorandum of Lease Tacoa Minerals, LLC, an Alabama limited liability company, and RGGS Land & Minerals, LTD, LP, a Delaware limited liability company, as recorded in Instrument No. 20120418000132140 and First Amendment to Coal Mining Lease as recorded in Instrument No. 2012041800013250.
- h. Agreement for easement for overhead electrical transmission line and right of ingress and egress in Instrument No. 2005-64630 along with the terms and conditions as set out in that Quit Claim Bill of Sale between United States Steel Corporation and Geomet, Inc., as recorded in Instrument No. 20060208000064590.

3. TRACT II EXCEPTIONS

- a. Title to all minerals within and underlying the premises, together with all mineral rights and other rights, privileges, immunities and release of damages relating thereto, as recorded in Instrument #2004-14856 and Instrument 2004-14857.
- b. Title to all minerals within and underlying the premises, together with all mineral rights and other rights, privileges, immunities and release of damages relating thereto, as recorded in Instrument #1996-21551.
- c. Agreement with Respect to Surface and Subsurface Uses between United States Steel Corporation and RGGS Land and Minerals, LTD., L.P. as recorded in Instrument #2004-14860.
- d. Non-Exclusive Easements reserved by United States Steel Corporation and also conditions, restrictions, reservations, limitations as set out in Instrument #2004-67584 and Instrument #2005-354.
- e. Terms and Conditions of that Coal Seam Gas Lease, dated April 9, 2002, between United States Steel Corporation and Geomet, Inc., as set out in Memorandum of Lease recorded in Instrument #2002-29918 and First Amendment of Coal Seam Gas Lease recorded in Instrument #2003-21834 and notice of extension in Instrument #2004-22412 and Fourth Amendment recorded in Instrument #2005-26637 and Instrument #2005-26638.
- f. Memorandum of Lease dated 10/15/2009 by and between SWF Birmingham LLC, a Delaware limited liability company and Molpus Timberlands Management LLC, and Alabama Trust Fund for the State of Alabama recorded at Instrument 2009-428430.
- g. "Timber Purchase and Cutting Agreement-134,606.27 Acres" dated September 29, 2003, by and between United States Steel Corporation and SWF Birmingham, LLC ("SWF") (successor in interest to U.S. Steel Timber Company LLC), recorded in Instrument No 2003-075942.
- h. Agreement for Overhead Electrical Transmission Line dated 9/6/2005 in favor of Tacoa Minerals, LLC, recorded in Instrument 2005-64630.
- i. Easement from USX Corporation to Alabama Power Company, dated 8/20/1990, as set forth in C&A 7730.

- j. All rights, terms, conditions, limitations, exclusions, obligations and royalties as set forth in the deed to Taco Minerals LLC an Alabama limited liability company recorded in Instrument 20121207000469450.

4. TRACT III EXCEPTIONS

- a. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including release of damages, as recorded in volume 227, Page 708; Volume 203, Page 766; Instrument #1995-37304; and Instrument #1996-02519, all in the Probate Office of Shelby County, Alabama.
- b. Oil, gas and mineral lease recorded in Volume 246, Page 67, and Instrument 1996-02522 in said Probate Office.

5. TRACT IV ADDITIONAL EXCEPTIONS

- a. Title to all minerals within and underlying the property, together with all mining rights and other rights, privileges, immunities and release of damages relating thereto, in deed as recorded in Instrument No. 2000-4451, said deed being corrected and re-recorded in Instrument No. 2001-21744; deed recorded in Instrument No. 1997-09552, said deed being corrected and re-recorded in Instrument No. 1998-8745; along with clarification deed as recorded in Instrument No. 2008031800011160, and any damages relating to the exercise of such rights or the extraction of such minerals.
- b. Release of Oil and Gas Agreement as recorded in Book 57, Page 894, in the Office of the Probate Judge of Shelby County, Alabama.
- c. Memorandum of Coal Bed Methane Gas Lease executed by Kimberly-Clark Corporation, Lessor, with CDX Sequoya, LLC and CDX Gas, LLC and CD Exploration, Inc, Lessee, dated November 29, 2004 and filed in Instrument No. 20050303000100950; 1st amendment recorded in Instrument No. 20061201000585020 Ratification recorded in Instrument No. 20070410000163750 and 3rd Amendment as recorded in Instrument No. 20100202000031750.
- d. Memorandum of Coal Bed Methane Gas Lease executed by Bowater Alabama, Inc., Lessor, and CDX Sequoya, LLC, Lessee, dated October 12, 2004 and recorded in Instrument No. 20050303000100960; 1st Amendment recorded in Instrument No. 20070420000185010; 2nd Amendment as recorded in Instrument No. 20070521000234610 and 3rd Amendment as recorded in Instrument No. 20081121000446590, in said Probate Office.
- e. Assignment of certain rights in the Oil and Gas Leases by CDX Sequoya, LLC, Assignor, and W. Ray Wallace, Assignee, as recorded in Instrument No. 20051028000562400, in said Probate Office.
- f. Memorandum of Coal Bed Methane Gas Lease executed by Alabama Power Company and Southern Electric Generating Company, Lessor, and CDX Sequoya, LLC, Lessee, dated December 7, 2004 and recorded in Instrument No. 20050323000131220; 5th Amendment as recorded in Instrument No. 20070521000234630 and 6th Amendment as recorded in Instrument No. 20070521000234620 in said Probate Office.
- g. Terms, conditions, restrictions, rights, and obligations as set out in the Memorandum of Operating Agreement dated September 28, 2005 and recorded in Instrument No. 20051103000573110, in said Probate Office

- h. Terms, conditions, restrictions and reservations of the unrecorded agreement dated August 15, 2006 as set forth in the Partial Assignment by CDX Gas, LLC, CDX Sequoya, LLC, CD Exploration, Inc. and W. Ray Wallace, as assignors, and GeoMet, Inc., as Assignee, said assignment grants the assignee certain rights in and to the Leases, as set out in instrument recorded in Instrument No. 2006121500061170, in said Probate Office
- i. Coalbed Methane Lease No. 44 dated August 28, 2006 by and between the State of Alabama, Department of Conservation and Natural Resources, Lessor, and GeoMet, Inc. as set out in instrument recorded as Instrument No. 20061221000622670, in said Probate Office
- j. Coalbed Methane Lease No. 44 dated August 28, 2006 by and between the State of Alabama, Department of Conservation and Natural Resources, Lessor, and GeoMet, Inc. as set out in instrument recorded as Instrument No. 20061221000622680, in said Probate Office
- k. Surface Use Agreement by and between John Hancock Life Insurance Company and Hawaii ERS Timberland, LLC, grantor, and GeoMet, Inc, grantee, dated March 26, 2007, and recorded in Instrument No. 20070427000195440, in said Probate Office.
- l. Partial Assignment agreement dated January 30, 2007, by and between CDX Bishop Creek, LLC, assignor, and GeoMet, Inc. as recorded in Instrument No. 20070301000092610, in said Probate Office.
- m. Partial Release as recorded in Instrument No. 20070521000234350 and Full Release as recorded in Instrument No. 20100624000199840, terminating and releasing any and all of its timber cutting rights, rights of first offer and other rights relating to the Property as previously set out in deeds recorded in Instrument No. 2000-04451 and Instrument No. 2001-21744.
- n. Terms, conditions, rights, easements, right of ingress and egress all as set out in that certain Surface Use Agreement dated May 11, 2007, by and between Hope Coal Company, Inc., grantor, and GeoMet, Inc., grantee, as recorded in Instrument No. 20080208000054520, in said Probate Office.
- o. Partial Assignment as set out in agreement dated January 30, 2007, by and between CDX Bishop Creek, LLC, assignor, and GeoMet, Inc., assignee, as recorded in Instrument No. 20080208000054530, in said Probate Office.

TO HAVE AND TO HOLD the said Property unto the Grantee, its successors and assigns forever, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

The Grantor hereby covenants and agrees with the Grantee, and its successors and assigns, that the Grantor, and its successors and assigns, will warrant and defend the above described Property against the lawful claims of all persons (other than persons claiming under the Exceptions) claiming by, through, or under the Grantor, but not further or otherwise.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has hereto set its signature and seal on the date of the acknowledgment of the Grantor's signature below, to be effective as of January 24, 2013.

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

By: DMCA II, LLC

Its: Manager

By: David W. Frelove

Name: David W. Frelove

Title: Managing Member

CONNECTICUT
STATE OF ~~ALABAMA~~)
COUNTY OF FAIRFAX)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that David W. Frelove, Managing Member of DMCA II, LLC, a Delaware limited liability company, the Manager 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, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company, in its capacity as Manager of Tocoa Minerals, L.L.C.

Given under my hand and official seal this 24 day of January, 2013.

William E. Morris
Notary Public

My commission expires: _____

[SEAL]

WILLIAM E. MORRIS
Notary Public
My Commission Expires April 30, 2015

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Tract I

(Shelby County Property, Parcel 1)

A tract of land, 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 straight line, said arc turning to the left, having a radius of 269.77 feet and being subtended by central angle of 43 degrees 09 minutes 15 seconds; thence in a Southwesterly direction along said arc which is the centerline 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 centerline 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.

(Shelby County Property, Parcel 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 located in Shelby County, Alabama, more particularly described as follows:

Shelby County, AL 02/04/2013
State of Alabama
Deed Tax: \$1133.00

02492663.1


20130204000048990 6/9 \$1169.00
Shelby Cnty Judge of Probate, AL
02/04/2013 04:10:27 PM FILED/CERT

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 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 123 degrees 39 minutes 23 seconds and run Northwesterly 408.55 feet to the point of beginning.

Tract II

(Property Purchased in October, 2012)

Tract A

A parcel of property located in the E ½ of the SE ¼ of Section 20, and the W ½ of the SW ¼ of Section 21, all in Township 21 South, Range 4 West, Shelby County, Alabama, described as follows: Commence at the SE corner of said Section 20 and run N 63°30' 49" W, along the North line of the South diagonal of the S ½ of the SE ¼ of the SE ¼ of said Section 20, 393.30 feet to the Westerly right of way line for the Norfolk Southern railroad track, said point being the Point of Beginning of the herein described property; thence continue N 63°30'49" W, along the North line of said South diagonal and also the Kodiak Mining Company LLC boundary line, 301.94 feet; thence leaving said Kodiak boundary and run N 18°46'46" E, 1424.74 feet; thence S 71°12'06" E, 300.00 feet to a number 5 capped rebar stamped USX PLS 14979 at the Westerly right of way line for the Norfolk Southern railroad track; thence S 18°47'26" W, along the Westerly right of way for said Norfolk Southern railroad track, 708.25 feet to a number 5 capped rebar stamped USX PLS 14979; thence S 18°49'42" W, along said railroad right of way, 756.88 to the Point of Beginning.

Tract B

A parcel of property located in the SE ¼ of the SE ¼ of Section 20, the SW ¼ of the SW ¼ of Section 21, the NW ¼ of the NW ¼ of Section 28, and the East ½ of the NE ¼ of Section 29, all in Township 21 South, Range 4 West, Shelby County, Alabama, described as follows: Commence at the NW corner of said Section 28 and run S 89°58' 00" E, along the North section line, 539.29 feet to the Point of Beginning of the herein described property; thence S 18°47'54" W, 705.80 feet; thence S 84°07'01" W, 388.13 feet; thence S 24°18'26" W, 1186.13 feet; thence S 61°01'54" W, 858.52 feet to the West line of the East ½ of the NE ¼ of said Section 29; thence N 0°25'23" W, along the West line of said East ½, 186.85 feet; thence run 349.34 feet, along the arc of a curve to the left, that ties into the Norfolk Southern railroad Easterly right of way line at the end of their railroad track, said curve has a radius of 897.50 feet, a chord bearing of N 24°23'50" E, and a chord distance of 347.14 feet; thence continue along said railroad right of way N 13°14'47" E, 44.03 feet to the property line for Kodiak Mining Company, LLC; thence run along said Kodiak Mining Company boundary these bearings and distances, S 78°59'15" E, 157.89 feet; thence N 45°20'56" E, 303.15 feet to a number 5 capped rebar stamped USX PLS 14979; thence N 24°36'19" E, 801.80 feet to a number 5 capped rebar stamped USX PLS 14979; thence N 8°16'06" E, 322.74 feet to a number 5 capped rebar stamped USX PLS 14979; thence N 53°37'12" W, 117.05 feet to the Easterly right of way for said Norfolk Southern railroad track; thence leaving said Kodiak boundary and run 246.11 feet, along the arc of a curve to the left

for said railroad right of way, which has a radius of 1447.50, a chord bearing of N 30°16'23" E, and a chord distance of 245.81 feet; thence continue along said railroad right of way these bearings and distances, N 25°24'08" E, 114.26 feet; thence N 22°52'09" E, 118.38 feet; thence N 19°52'19" E, 116.07 feet; thence N 18°49'42" E, 754.66 feet to the property line for Kodiak Mining Company LLC; thence run along said Kodiak Mining Company boundary these bearings and distances, S 88°45'47" E, 219.16 feet; thence N 53°46'03" E, 217.55 feet to a number 5 capped rebar stamped USX PLS 14979; thence S 80°15'58" E, 96.35 feet to a number 5 capped rebar stamped USX PLS 14979; thence leaving said Kodiak boundary and run S 80°15'58" E, 375.92 feet; thence S 18°47'54" W, 986.46 feet to the Point of Beginning. Less and except that part of Shelby County Road 270 right of way, that runs through said described property.

Tract C

Part of the NW ¼ of the NW ¼ of Section 28, Township 21 South, Range 4 West, Shelby County, Alabama, described as follows: Commence at the NW corner of said Section 28 and run S 89°58'00" E, along the North section line, 836.92 feet; thence S 0°02'00" W, 321.24 feet to the Point of Beginning of the herein described property; thence S 56°30'24" E, 142.00 feet; thence S 33°29'36" W, 208.00 feet; thence N 56°30'24" W, 142.00 feet; thence N 33°29'36" E, 208.00 feet to the Point of Beginning. Less and except that part of Shelby County Road 260 right of way, that runs along the Easterly edge of said described property.

Tract III

(Oak Mountain Energy LLC Property)

The West ½ of Section 14 Township 21 South Range 04 West lying south of Norfolk Southern Railroad . Situated in Shelby County, Alabama.

Tract IV

(Jason Jones)

The Northwest Quarter of the Southwest Quarter of Section 15, Township 21 South, Range 4 West, situated in Shelby County, Alabama.

The South one-half of the Southwest Quarter of Section 15, Township 21 South, Range 4 West, situated in Shelby County, Alabama.

The Southeast Quarter of the Southeast Quarter of Section 16, Township 21 South, Range 4 West, situated in Shelby County, Alabama.

The southeast Diagonal one-half of the Northeast Quarter of the Southeast Quarter of Section 16, Township 21 South, Range 4 West, situated in Shelby County, Alabama.

Real Estate Sales Validation Form

This Document must be filed in accordance with *Code of Alabama 1975, Section 40-22-1*

Grantor's Name Tacoa Minerals, L.L.C.
Mailing Address 1669 Mission Hills Road
Alabaster, Alabama 35007

Grantee's Name Jesse Creek Mining, LLC
Mailing Address 1669 Mission Hills Road
Alabaster, Alabama 35007

Property Address See Exhibit A hereto

Date of Sale January, 2013

Total Purchase Price \$ 1,132,850

or
Actual Value

\$

or

Assessor's Market Value

\$

The purchase price or actual value claimed on this form can be verified in the following documentary evidence:
(check one) (Recordation of documentary evidence is not required)

☐ Bill of Sale
☐ Sales Contract
☒ Closing Statement

☐ Appraisal
☐ Other

If the conveyance document presented for recordation contains all of the required information referenced above, the filing of this form is not required.

Instructions

Grantor's name and mailing address – provide the name of the person or persons conveying interest to property and their current mailing address.

Grantee's name and mailing address – provide the name of the person or persons to whom interest to property is being conveyed.

Property address – the physical address of the property being conveyed, if available.

Date of Sale – the date on which interest to the property was conveyed.

Total Purchase Price – the total amount paid for the purchase of the property, both real and personal, being conveyed by the instrument offered for record.

Actual Value – if the property is not being sold, the true value of the property, both real and personal, being conveyed by the instrument offered for record. This may be evidenced by an appraisal conducted by a licensed appraiser or the assessor's current market value.

If no proof is provided and the value must be determined, the current estimate of fair market value, excluding current use valuation, of the property as determined by the local official charged with the responsibility of valuing property for property tax purposes will be used and the taxpayer will be penalized pursuant to Code of Alabama 1975 § 40-22-1 (h).

I attest, to the best of my knowledge and belief that the information contained in this document is true and accurate. I further understand that any false statements claimed on this form may result in the imposition of the penalty indicated in Code of Alabama 1975 § 40-22-1 (h).

Date January, 2013

Printed Name: Tacoa Minerals, L.L.C.

By: DMCA II, LLC, its: Manager

By:

Name: David W. Freelove
Title: Managing Member