

Applicant: Quality Coal Co., Inc.  
Mine Name: Sparks Branch Mine No. 2  
Permit Number: P-3947

## STATE OF ALABAMA SURFACE MINING COMMISSION

- ( X ) Permit Application for a Surface Coal Mine  
( ) Permit Application for an Underground Coal Mine  
( ) Permit Application for a Preparation Facility

### PART I A. IDENTIFICATION

#### 1. PERMIT APPLICANT

Name: Quality Coal Co., Inc.  
Street Address: P.O. Box 2705  
City: Jasper State: AL Zip: 35502-2705  
Mailing Address: P. O. Box 2705  
City: Jasper State: AL Zip: 35502-2705  
Telephone Number: ( 205 ) 384-6300  
Social Security Number (Voluntary): \_\_\_\_\_  
Employer Identification Number: \_\_\_\_\_  
ASMC License#: L-743

#### 2. ENTITY OR PERSON RESPONSIBLE FOR PAYING ABANDONED MINE LAND RECLAMATION FEES

Name: Applicant  
Street Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_  
Social Security Number (Voluntary): \_\_\_\_\_  
Employer Identification Number: \_\_\_\_\_  
ASMC License#: \_\_\_\_\_

#### 3. IDENTIFY THE OPERATOR FOR THIS MINE IF DIFFERENT FROM THE PERMITTEE

Name: Applicant  
Street Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_  
Social Security Number (Voluntary): \_\_\_\_\_  
Employer Identification Number: \_\_\_\_\_  
ASMC License#: \_\_\_\_\_

#### 4. CONTACT PERSON FOR PERMIT REVIEW ISSUES AND CORRESPONDENCE

Name: Heath Franks c/o PERC Engineering Co., Inc.  
Mailing Address: Post Office Box 1712  
City: Jasper State: AL Zip: 35502-1712  
Telephone Number: ( 205 ) 295-3112

Applicant: Quality Coal Co., Inc.  
Mine Name: Sparks Branch Mine No. 2  
Permit Number: P-3947

**PART I B. OWNERSHIP AND CONTROL**

**1. PERMIT APPLICANT OWNERSHIP AND CONTROL.**

At the time of filing of this application provide an update of all information contained in the applicant's license file or certify that the information contained in the license is accurate and complete. The updated information shall be submitted on Part IA through Part IF of the License application form. Check one of the following

- +),  
\* \* A license update is included  
. )-  
+),  
\*X\* Information contained in the license file is accurate  
. )- and complete at the time of filing of this application.  
No update is included.

Following notification that the permit appears eligible for issuance, the applicant must certify that all information in this application and the license file pertaining to ownership and control, surface mining history and violation history is still valid or the applicant must submit the appropriate update information.

**2. OPERATOR OWNERSHIP AND CONTROL.**

If someone other than the permittee has been identified as the operator under this permit, an update of the ownership and control information contained in the operator's license file must be provided or certify that the information contained in the license file is accurate and complete. The updated information shall be submitted on Part I A through Part I F of the License application form. Check one of the following: **NOT APPLICABLE**

- +),  
\* \* A license update is included  
. )-  
+),  
\* \* Information contained in the license file is accurate  
. )- and complete at the time of filing of this application.  
No update is included.

Following notification that the permit appears eligible for issuance, the applicant must certify that all information in this application and the license file pertaining to ownership and control, surface mining history and violation history is still valid or the applicant must submit the appropriate update information.

**3. CONTROL OF MINING OPERATION THROUGH CONTROL OF COAL TO BE MINED.**

Provide the information below for any person or entity who owns or controls the coal to be mined under this permit and who, by lease, sublease, or other contract:

- A. has the right to receive the coal after mining, or,  
B. has the authority to determine the manner in which the operator or permittee conducts surface coal mining operations.

(USE ADDITIONAL SHEETS IN THE FORMAT BELOW IF NECESSARY)

Name: Applicant  
Street Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Social Security Number (Voluntary): \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
Employer Identification Number: \_\_\_\_\_  
ASMC License Number: \_\_\_\_\_

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS**

**1. OWNERSHIP OF PROPERTY TO BE MINED AND RIGHT OF ENTRY.**

INSTRUCTIONS: Show the property ownership boundaries of each parcel of land in the permit area on the permit map or an overlay of the same scale as the permit map. If the surface estate is severed from the mineral estate, show and describe the ownership of each estate separately. In the spaces below, identify:

1. Every current legal or equitable owner(s) of record (as found in a standard search of title) of the property;
2. The holders of record of any leasehold interest in the property; and,
3. Any purchaser of record under a real estate contract of the property.

Describe the basis of the applicant's legal right to enter and mine on all properties contained in the permit application. If the mineral estate has been severed from the surface estate, describe the basis of the legal right to enter and mine both the surface and mineral separately. Give the nature of such right (i.e. lease, deed, contract, etc.), where recorded, describe from whom, to whom, and the date executed, and whether that right is the subject of pending litigation.

**USE ADDITIONAL SHEETS IN THE FORMAT BELOW AS NECESSARY**

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Legal description of property or permit map symbol: George P. Cooper, Jr. (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: George P. Cooper, Jr.

Address: 2088 Hillard Loop City: Townley State: AL Zip: 35587

Holders of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:

Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	George P. Cooper, Jr.	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
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**PART I C 1. (CONTINUED)**

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Legal description of property or permit map symbol: Arlie Grace (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Arlie Grace c/o David Grace  
 Address: 2429 Hillard Loop City: Townley State: AL Zip: 35587  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Arlie Grace	Quality Coal Co., Inc.	1/13/12	No

Legal description of property or permit map symbol: Cephus Boshell(M)

Surface/Mineral/or Fee Simple (both): Mineral  
 Legal owner(s) of record: Cephus Boshell  
 Address: 1472 Hillard Loop City: Townley State: AL Zip: 35587  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Cephus Boshell	Quality Coal Co., Inc.	1/16/12	No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
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**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: Jon Kyle Ingle (s)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Jon Kyle Ingle  
 Address: P.O. Box 2705 City: Jasper State: AL Zip: 35502  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Jon Kyle Ingle	Quality Coal Co., Inc.	1/13/12	No

Legal description of property or permit map symbol: James E. Davis c/o Jenny Barnett (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: James E. Davis c/o Jenny Barnett  
 Address: 16 Russell Terrace City: Indooroopilly State: Queensland Zip: 4068  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	James E. Davis c/o Dr. Jenny Barnett	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
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**PART I C 1. (CONTINUED)**

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Legal description of property or permit map symbol: John T. & Faye Davis (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: John T. & Faye Davis  
 Address: 2739 County Road 85 City: Fayette State: AL Zip: 35555  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	John T. & Faye Davis	Quality Coal Co., Inc.	1/11/12	No

Legal description of property or permit map symbol: Glen Allen & Johnnie L. Sparks (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Glen Allen & Johnnie L. Sparks  
 Address: 653 Hillard Loop City: Townley State: AL Zip: 35587  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Glen Allen & Johnnie L. Sparks	Quality Coal Co., Inc.	2/14/12	No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: \_\_\_\_\_  
Jerry Sparks & Herbert Hogg(S)  
 Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Jerry Sparks & Herbert Hogg & Sparks Family Trust  
 Address: 910 5<sup>th</sup> Street City: Jasper State: AL Zip: 35502  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Jerry Sparks & Herbert Hogg & Sparks Family Trust	Quality Coal Co., Inc.	1/20/2012	No

Legal description of property or permit map symbol: Glen A. Sparks (S)  
 Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Glen A. Sparks  
 Address: 653 Hillard Loop City: Townley State: AL Zip: 35587  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Glen A. Sparks	Quality Coal Co., Inc.	2/13/12	No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: Charles F. Sparks (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Charles F. Sparks c/o Ricky Shawn Robinson  
 Address: 294 Mackey Boshell Road City: Jasper State: AL Zip: 35501  
 Holders of leasehold interest:  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract:  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Charles F. Sparks c/o Ricky Shawn Robinson	Quality Coal Co., Inc.	11/1/11	No

Legal description of property or permit map symbol: Linda Boshell & Mitchell A. Davidson (S) & 1/10(M)

Surface/Mineral/or Fee Simple (both): Surface & 1/10 Mineral  
 Legal owner(s) of record: Linda Boshell & Mitchell A. Davidson  
 Address: 1556 Hillard Loop City: Townley State: AL Zip: 35587  
 Holders of leasehold interest:  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract:  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Linda Boshell & Mitchell A. Davidson	Quality Coal Co., Inc.	1/16/12	No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

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Legal description of property or permit map symbol: Kathy Boshell & Jeffery Lynn Chambless (S) & 1/10 (M)

Surface/Mineral/or Fee Simple (both): Surface & 1/10 Mineral

Legal owner(s) of record: Kathy Boshell & Jeffery Lynn Chambless (S)

Address: 1365 Hillard Loop City: Townley State: AL Zip: 35587

Holder(s) of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Kathy Boshell & Jeffery Lynn Chambless	Quality Coal Co., Inc.	1/16/12	No

Legal description of property or permit map symbol: Joseph M. Felkins (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Joseph M. Felkins

Address: 1925 Hillard Loop City: Townley State: AL Zip: 35587

Holder(s) of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Joseph M. Felkins	Quality Coal Co., Inc.	2/15/12	No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
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**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: S-5 & Drummond Coal Co., Inc. (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Jon Kyle Ingle 13 1/3 Interest & Drummond Co., Inc. 86 2/3 Interest

Address: P.O. Box 2705 City: Jasper State: AL Zip: 35502

Holders of leasehold interest: Jon Kyle Ingle (13 1/3%)

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Holders of leasehold interest: Drummond Co., Inc. (86 2/3%)

Address: P.O. Box 1549 City: Jasper State: AL Zip: 35501

Description of right to enter or mine:

Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Quitclaim Deed	Drummond Co., Inc. 86 2/3% Interest	Quality Coal Co., Inc.	1/19/12	No
Lease	Jon Kyle Ingle 13 1/3% Interest	Quality Coal Co., Inc.	3/8/12	No

Legal description of property or permit map symbol: Dan & Carolyn A. Mann (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Dan & Carolyn A. Mann

Address: 2473 Hillard Loop City: Townley State: AL Zip: 35587

Holders of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:

Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Dan & Carolyn A. Mann	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
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**PART I C 1. (CONTINUED)**

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Legal description of property or permit map symbol: Terry M. & Cathy J. McKelvey  
 (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Terry M. & Cathy J. McKelvey

Address: 1952 Highway 124 City: Townley State: AL Zip: 35587

Holder(s) of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Terry M. & Cathy J. McKelvey	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: Gina Simmons & Terina Shumate  
 (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Gina Simmons & Terina Shumate

Address: 490 Hillard Loop City: Townley State: AL Zip: 35587

Holder(s) of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Gina Simmons & Terina Shumate	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
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**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: Bill W. & Betty Davis (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Bill W. & Betty Davis  
 Address: 860 Hampton Road South City: Southside State: AL Zip: 35907  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Bill W. & Betty Davis	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: William Neal Smith (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: William Neal Smith  
 Address: 2939 Hillard Loop City: Townley State: AL Zip: 35587  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	William Neal Smith	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

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Legal description of property or permit map symbol: School Indemnity Lands  
 (Fee)

Surface/Mineral/or Fee Simple (both): Fee

Legal owner(s) of record: School Indemnity Lands

Address: 501 Dexter Avenue City: Montgomery State: AL Zip: 36016

Holders of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	State Indemnity Lands	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: John H. & Wilodean Wright (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: John H. & Wilodean Wright

Address: 1067 Pleasant Grove Road City: Oakman State: AL Zip: 35579

Holders of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	John H. & Wilodean Wright	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

Page 12 of 15

Legal description of property or permit map symbol: Glen A. Sparks & John N. & Karen Freeman (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Glen A. Sparks & John N. & Karen Freeman

Address: 10476 Harborview Drive City: Northport State: AL Zip: 35475

Holder(s) of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:

Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Glen A. Sparks & John N. & Karen Freeman	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: Betty D. Hood (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Betty D. Hood

Address: 410 Hillard Loop City: Townley State: AL Zip: 35587

Holder(s) of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:

Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Betty D. Hood	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: K.D. Edgil, Jr. (M)

Surface/Mineral/or Fee Simple (both): Mineral  
 Legal owner(s) of record: K.D. Edgil  
 Address: 1802 4<sup>th</sup> Street NE City: Jasper State: AL Zip: 35501  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	K.D. Edgil	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: C. Maurice & Jan Ferguson (S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: C. Maurice & Jan Ferguson  
 Address: 1016 Hillard Loop City: Townley State: AL Zip: 35587  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	C. Maurice & Jan Ferguson	Quality Coal Co., Inc.	1/12/12	No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: Richard M. Tyree(S)

Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Richard M. Tyree  
 Address: 1722 Highway 124 City: Townley State: AL Zip: 35587  
 Holders of leasehold interest: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Purchasers under a real estate contract: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	Richard M. Tyree	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: M-2 & Drummond Coal Co., Inc. (M)

Surface/Mineral/or Fee Simple (both): Mineral  
 Legal owner(s) of record: Jon Kyle Ingle 13 1/3 Interest & Drummond Co., Inc. 86 2/3 Interest  
 Address: P.O. Box 2705 City: Jasper State: AL Zip: 35502  
 Holders of leasehold interest: Jon Kyle Ingle (13 1/3%)  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Holders of leasehold interest: Drummond Co., Inc. (86 2/3%)  
 Address: P.O. Box 1549 City: Jasper State: AL Zip: 35501

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Quitclaim Deed	Drummond Co., Inc. 86 2/3% Interest	Quality Coal Co., Inc.	1/19/12	No
Lease	Jon Kyle Ingle 13 1/3% Interest	Quality Coal Co., Inc.	3/8/12	No

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I C 1. (CONTINUED)**

Page 15 of 15

Legal description of property or permit map symbol: T.W. Boshell Estate (M)& M-1

Surface/Mineral/or Fee Simple (both): Mineral (9/10 and 100%)

Legal owner(s) of record: T.W. Boshell Estate c/o Cephus Boshell

Address: 1462 Hillard Loop City: Townley State: AL Zip: 35587

Holder(s) of leasehold interest: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Purchasers under a real estate contract: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of right to enter or mine:  
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending (Yes or No) If yes, explain.
Lease	T.W. Boshell Estate c/o Cephus Boshell	Quality Coal Co., Inc.	1/16/12	No











STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 13 day of January by and between **Heirs of Arlie Grace**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be three (3) years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of \_\_\_% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

LESSEE TO LESSOR:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

Heirs of Arlie Groce  
ClO David Groce

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

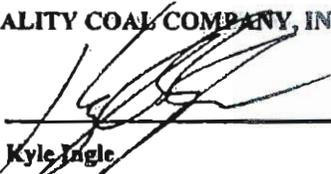
11. **Assignment and Binding Provisions.** Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:  
  
\_\_\_\_\_

WITNESS:  
  
\_\_\_\_\_

LESSEE:  
QUALITY COAL COMPANY, INC.

By:   
\_\_\_\_\_ Kyle Ingle  
Its: President

WITNESS:  
  
\_\_\_\_\_

**EXHIBIT A**

All that part of the NE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of Section 15, Township 14 South, Range 8 West,  
lying East of Queen Branch.

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 16<sup>th</sup> day of January, 2012, by and between **Cephus Boshell**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

LESSEE TO LESSOR:

Cephus Boshell  
1462 Hillard Loop  
Townley, AL 35587

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

Cynthia Beal

WITNESS:

Linda Davidson

LESSEE:

QUALITY COAL COMPANY, INC.

By: Kyle Ingle

Kyle Ingle

Its: President

WITNESS:

[Signature]

3

EXHIBIT

N/W of the S/E Section 15 Township 14 Range 8

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 13 day of January, by and between **Jon Kyle Ingle**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee".

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, [REDACTED] per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of \_\_\_% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

LESSEE TO LESSOR:

Jon Kyle Ingle  
\_\_\_\_\_  
\_\_\_\_\_

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, hold and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

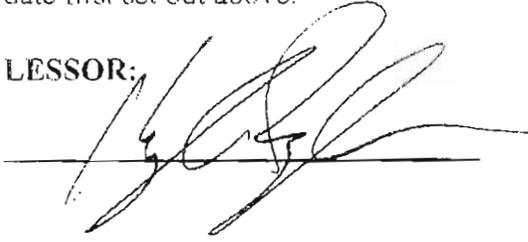
10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

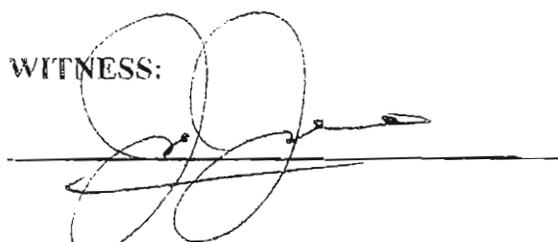
11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:



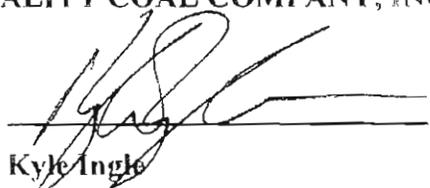
WITNESS:



LESSEE:

QUALITY COAL COMPANY, INC.

By:

  
Kyle Ingle

Its: President

WITNESS:



EXHIBIT

The SE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of Section 15, Township 14 South, Range 8 West and the West  $\frac{1}{2}$  of SW  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , Section 15, Township 14 South, Range 8 West situated in Walker County, Alabama.

**SEND TAX NOTICE TO:**

(Name) \_\_\_\_\_

(Address) \_\_\_\_\_

This instrument was prepared by  
Brent Thornley  
Maddox, Thornley & Sanders  
301 19th Street, West  
Jasper, AL 35501

**WARRANTY DEED**

STATE OF ALABAMA )

WALKER COUNTY )

**KNOW ALL MEN BY THESE PRESENTS:**

That in consideration of Ten Dollars and other good and valuable considerations to the undersigned grantor (whether one or more), in hand paid by the grantee herein, the receipt whereof is acknowledged, I, Ethel Mae Caldwell, a single woman (herein referred to as grantor, whether one or more), grant, bargain, sell and convey unto Kyle Ingle (herein referred to as grantee, whether one or more), the following described real estate, situated in Walker County, Alabama, to-wit:

The SE 1/4 of the SW 1/4 of Section 15, Township 14 South, Range 8 West and the West 1/2 of SW 1/4 of SE 1/4, Section 15, Township 14 South, Range 8 West, situated in Walker County, Alabama. Minerals and usual mining rights excepted.

Travis L. Caldwell, one of the Grantees at Volume 1570 page 600, is deceased.

TO HAVE AND TO HOLD to the said grantee, his heirs and assigns forever.

And I do for myself and for my heirs, executors, and administrators covenant with the said GRANTEES, his heirs and assigns, that I am lawfully seized in fee simple of said premises; that they are free from all encumbrances, unless otherwise noted above; that I have a good right to sell and convey the same as aforesaid; that I will and my heirs, executors and administrators shall warrant and defend the same to the said GRANTEES, his heirs and assigns forever, against the lawful claims of all persons.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 6<sup>th</sup> day of January, 2011.

Ethel Mae Caldwell (Seal)  
ETHEL MAE CALDWELL

STATE OF ALABAMA )  
COUNTY OF Walker )

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Ethel Mae Caldwell, a single woman whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 6<sup>th</sup> day of January, 2011.

James B. Christian  
NOTARY PUBLIC  
My Commission Expires: 3-6-13

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 11<sup>th</sup> day of JANUARY, by and between **John T. Davis and wife Faye Davis**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, [REDACTED] ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of   % of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property. [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

QUALITY COAL COMPANY, INC.  
P.O. BOX 2705  
JASPER, ALABAMA 35502

LESSEE TO LESSOR:

John T. DAVIS  
2739 County Rd. 85  
Fayette, AL 35555

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, hold and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

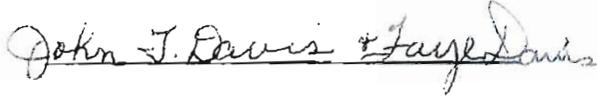
10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

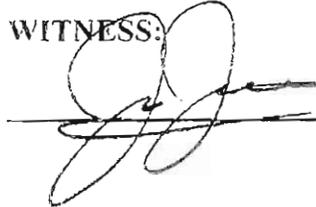
11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

  
\_\_\_\_\_

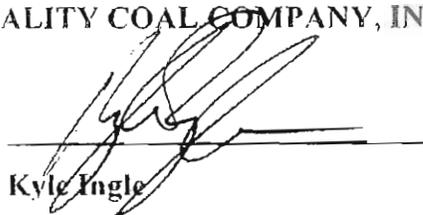
WITNESS:

  
\_\_\_\_\_

LESSEE:

QUALITY COAL COMPANY, INC.

By:

  
\_\_\_\_\_

Kyle Ingle

Its: President

WITNESS:

\_\_\_\_\_

**EXHIBIT "A"**

North ½ of the SE ¼ of the SE ¼ of Section 15, Township 14, Range 8 and the North 10 acres of the East ½ of the SW ¼ of the SE ¼ of Section 15, Township 14, Range 8, Walker County, Alabama. Surface only.

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

COAL MINING LEASE

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 14<sup>th</sup> day of FEB, 2012, by and between **Glenn A Sparks and Johnnie L. Sparks**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

WITNESSETH:

FOR AND IN CONSIDERATION of the sum                      in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be three (5) years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property,                      dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of    % of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or                      dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of    % of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

LESSEE TO LESSOR:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

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8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

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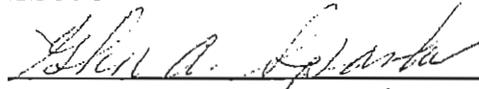
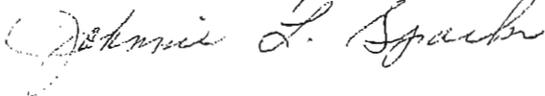
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**LESSOR:**

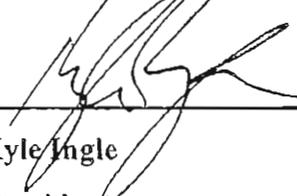
  
\_\_\_\_\_  


**WITNESS:**

  
\_\_\_\_\_

**LESSEE:**

**QUALITY COAL COMPANY, INC.**

By:   
\_\_\_\_\_  
Kyle Ingle  
Its: President

**WITNESS:**

  
\_\_\_\_\_

EXHIBIT

On completion of Surface Mining establish land corners and mark with concrete markers,  
Plant mined area with pine seedlings.

Timber rights reserved for Lessor.

**EXHIBIT A**

**The SE ¼ of the NW ¼ of SE ¼, Section 15, Township 14 South, Range 8 West,  
Situated in Walker County, Alabama.**



merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

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LESSOR TO LESSEE:

LESSEE TO LESSOR:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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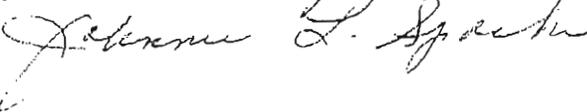
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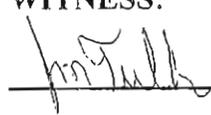
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IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

  
\_\_\_\_\_  


WITNESS:

  
\_\_\_\_\_

LESSEE:

QUALITY COAL COMPANY, INC.

By:

  
\_\_\_\_\_  
Kyle Ingle

Its: President

WITNESS:

  
\_\_\_\_\_

EXHIBIT A

EXHIBIT

On completion of Surface Mining establish land corners and mark with concrete markers,  
Plant mined area with pine seedlings.

Timber rights reserved for Lessor.

EXHIBIT A

The East ½ of SE ¼ of NE ¼, Section 15, Township 14 South, Range 8 West,  
Walker County, Alabama. That parcel west of Hillard Loop Road only. Road row 30 feet.

On the East said line, the lease only contains 150 feet W of the E line.

On completion of surface mining, establish land corners and mark with concrete markers,  
Plant mined area with pine seedlings.

Timber rights reserved for Lessor.

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 20<sup>th</sup> day of JAN. 2012, by and between **Jerry Sparks Hogg & husband Herbert T. Hogg & Sparks Family Trust**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum    in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or    per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of    of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or    dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of    of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

QUALITY COAL COMPANY, INC.  
P.O. BOX 2705  
JASPER, ALABAMA 35502

LESSEE TO LESSOR:

*Jerry & Deborah Hogg*  
*910 th 5th St.*  
*Jasper, AL 35501*

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

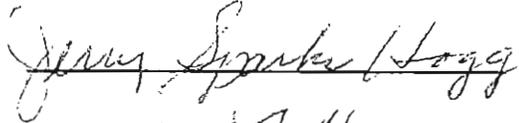
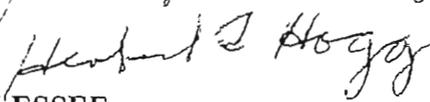
10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

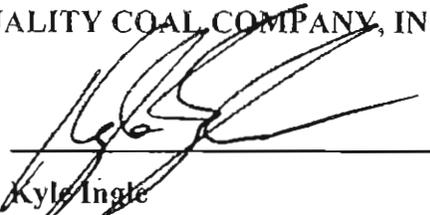
IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

**LESSOR:**

**LESSEE:**

**QUALITY COAL COMPANY, INC.**

By: 

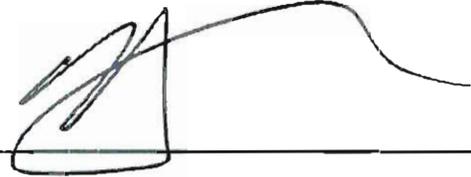
Kyle Ingle

Its: President

**WITNESS:**

  
\_\_\_\_\_

**WITNESS:**

  
\_\_\_\_\_

**EXHIBIT A**

**The SW  $\frac{1}{4}$  of the NE  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , Section 15, Township 14 South, Range 8 West,  
Situating in Walker County, Alabama.**

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 13th day of February, 2012 by and between Glen A. Sparks, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or            dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

LESSEE TO LESSOR:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

**LESSOR:**

  
\_\_\_\_\_

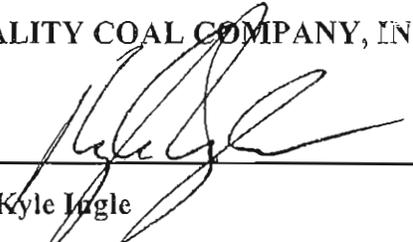
**WITNESS:**

  
\_\_\_\_\_

**LESSEE:**

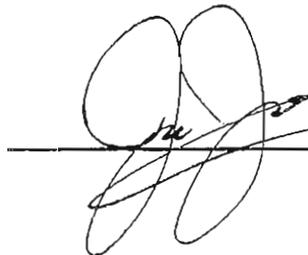
**QUALITY COAL COMPANY, INC.**

By: \_\_\_\_\_

  
Kyle Ingle

Its: President

**WITNESS:**

  
\_\_\_\_\_

EXHIBIT

The East ½ of SE ¼ of N/E ¼ , Section 15, Township 14 South, Range 8 West, Walker County Alabama. That parcel west of Hillard Loop Road only. Road row 30 feet.

On the East said line, the lease only contains 150 feet W of the E line.

On completion of Surface Mining establish land corners and mark with concrete markers, Plant mined area with pine seedlings.

Timber rights reserved for Lessor.

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

MINING LEASE

THIS MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 5<sup>th</sup> day of November, 2011, by and between Ricky Shawn Robinson, in his capacity as Personal Representative of the Estate of Charles Festus Sparks, which estate is being administered in the Probate Court of Walker County, Alabama, Case No.: PC-2011-055, hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of [REDACTED] dollars [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises solely and exclusively to the Lessee all of that certain mineral and mining rights, including but not limited to the right to mine and extract coal, clay, fire clay and/or other mineral, material or substance (the "Minerals"), located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market the Minerals in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing Minerals from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five (5) years, beginning on the date of this Lease as set forth above. Upon the expiration of these five (5) years, if mining or reclamation is continuing on the Property, the term of this Lease shall extend automatically for an additional five (5) years.

2. Royalties. The royalties herein defined below shall be paid for Coal and other Minerals.

A. Advance Royalty. Lessee shall pay to Lessor the sum of [REDACTED] Dollars and 00/100 [REDACTED], which shall be considered as Advance Royalty. Said Advance Royalty shall be recoverable by Lessee only against the Production Royalty due Lessor for coal (or other Minerals) mined from the Property during the term of this Lease. The Advance Royalty shall be paid upon the execution of this Lease.

B. Production Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal (or other Minerals) mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

(1) Surface-only owned property: [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal (or other Minerals) mined, shipped and sold from the Property.

(2) Mineral-only owned property: N/A

(3) Fee Simple owned property: N/A.

3. Manner of Operation. Nothing herein shall obligate Lessee to mine, remove, extract or sell any of the Minerals from the Lessor's Property and the Lessee's decision to mine, remove, extract or sell any of the Minerals from the Lessor's Property shall be left to its sole and complete discretion. In its sole and complete discretion, Lessee may choose to mine, remove, extract and/or sell certain substances, materials and/or minerals, but not others. Lessee, in its sole and complete discretion, may assign all or a portion of its right to mine, remove, extract or sell any of the Minerals from the Property to another person or entity entirely of its choosing, such that Lessee might retain the right to mine, remove, extract and/or sell certain of the Minerals, but assign such rights to other Minerals to any other person or entity. Lessee agrees to conduct mining operations in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of any of the Minerals is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing Minerals. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III

release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

Lessee retains the right to conduct underground, auger or high wall mining operations underneath (or adjacent to) the surface of the Property. Lessor is due no payment under this Lease for such operations. Lessor's only right to payment under this Lease shall be based upon direct surface disturbance to the Property resulting in the extraction of coal (or other Minerals) via direct surface mining methods. Lessee shall receive no payment hereunder for any sub-surface mining methods, which shall include, but be not limited to, auger mining or high wall mining.

4. Land Use. Lessor hereby expressly consents to the reclamation plan covering land disturbed on the Property. Said reclamation plan is to reclaim the Property to undeveloped or no current land use. Lessor also consents to leave water impoundments, where acceptable, as permanent water impoundments, fish and wildlife habitats. After Phase III Bond Release approval, Lessor will be responsible for the sound and future maintenance of the basins.

5. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

6. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

LESSEE TO LESSOR:

QUALITY COAL COMPANY, INC.  
P.O. BOX 2705  
JASPER, ALABAMA 35502

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

8. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

9. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have

the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

10. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

11. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

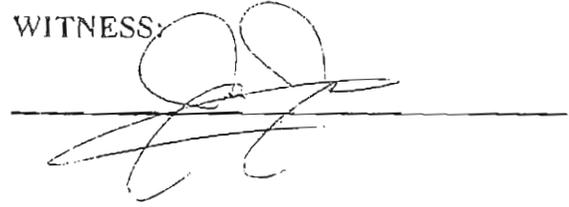
12. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, trustees, trusts, trust beneficiaries, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

  
Ricky Shawn Robinson,  
Personal Representative of the  
Estate of Charles Festus Sparks

WITNESS:

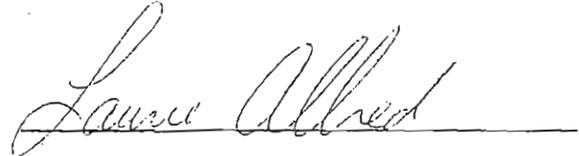


LESSEE:

QUALITY COAL COMPANY, INC.

By:   
Kyle Ingle  
Its: President

WITNESS:



**EXHIBIT A**

**Twenty acres more or less, situated in Walker County, Alabama, and more particularly described as follows:**

**The North ½ of the NE ¼ of SE ¼, Section 15, Township 14, Range 8 West**

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 16<sup>th</sup> day of January, 2012, by and between **Linda Davidson**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

QUALITY COAL COMPANY, INC.  
P.O. BOX 2705  
JASPER, ALABAMA 35502

LESSEE TO LESSOR:

LINDA DAVIDSON  
1556 Hillard Loop Road  
TOWNLEY, AL. 35587

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

Linda Davidson

WITNESS:

Greg Chasen

LESSEE:

QUALITY COAL COMPANY, INC.

By: \_\_\_\_\_

Kyle Ingle

Its: President

WITNESS:

Greg Chasen

This instrument was prepared by \_\_\_\_\_

(Name) Griff O'Beare, Attorney (Address) P.O. Box 191, Jasper, AL 35501

WARRANTY DEED, JOINTLY FOR LIFE WITH REMAINDER TO SURVIVOR

STATE OF ALABAMA  
WALKER COUNTY

KNOW ALL MEN BY THESE PRESENTS.

VOL 1283 PAGE 21

That in consideration of Ten and No/100 DOLLARS and other good and valuable considerations,

to the undersigned grantor or grantors in hand paid by the GRANTEES herein, the receipt whereof is acknowledged, we, R. W. Boshell and his wife, Mary Ellen Boshell,

(herein referred to as grantors) do grant, bargain, sell and convey unto Linda Boshell Davidson and her husband, Mitchell A. Davidson,

(herein referred to as GRANTEES) for and during their joint lives and upon the death of either of them, then to the survivor of them in fee simple, together with every contingent remainder and right of reversion, the following described real estate situated in Walker County, Alabama to-wit:

The E 1/2 of the W 1/2 of the SE 1/4 of the NE 1/4, Section 15, Township 14 South, Range 8 West, Walker County, Alabama. Usual mineral and mining rights excepted.

ALSO: An undivided 1/10 interest in the mineral rights of the E 1/2 of the W 1/2 of the SE 1/4 of the NE 1/4, Section 15, Township 14 South, Range 8 West. Mineral only.

250  
150  
3.00

I hereby certify that the Deed Tax \$ 5.00 and Mtg. Tax \$ \_\_\_\_\_ has been paid on this instrument.  
STANLEY A. WADE  
Judge of Probate, Walker County.

STATE OF ALABAMA - WALKER CO.  
I CERTIFY THIS INSTRUMENT WAS FILED  
-86 DEC 22 AM 10:03  
RECORDED - BOOK AND PAGE  
SHOWN ABOVE  
JUDGE OF PROBATE

TO HAVE AND TO HOLD to the said GRANTEES for and during their joint lives and upon the death of either of them, then to the survivor of them in fee simple, and to the heirs and assigns of such survivor forever, together with every contingent remainder and right of reversion.

And I (we) do for myself (ourselves) and for my (our) heirs, executors, and administrators covenant with the said GRANTEES, their heirs and assigns, that I am (we are) lawfully seized in fee simple of said premises; that they are free from all encumbrances, unless otherwise noted above; that I (we) have a good right to sell and convey the same as aforesaid; that I (we) will and my (our) heirs, executors and administrators shall warrant and defend the same to the said GRANTEES, their heirs and assigns forever, against the lawful claims of all persons.

IN WITNESS WHEREOF, we have hereunto set OUR hand(s) and seal(s), this 18TH day of December, 1986.

\_\_\_\_\_(Seal)  
\_\_\_\_\_(Seal)  
\_\_\_\_\_(Seal)  
\_\_\_\_\_(Seal)

R. W. Boshell (Seal)  
Mary Ellen Boshell (Seal)  
\_\_\_\_\_(Seal)  
\_\_\_\_\_(Seal)

STATE OF ALABAMA }  
WALKER COUNTY }

General Acknowledgment

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that R. W. Boshell and his wife, Mary Ellen Boshell,

whose names are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 18TH day of December, A. D., 1986.

Charles Medders  
NOTARY PUBLIC  
MY COMMISSION EXPIRES NOVEMBER 14, 1989

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 16<sup>th</sup> day of January, 2012, by and between **Kathy Boshell Chambless & Jeffrey Lynn Chambless**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] (\$) in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

QUALITY COAL COMPANY, INC.  
P.O. BOX 2705  
JASPER, ALABAMA 35502

LESSEE TO LESSOR:

Kathy Chambliss : JEFFREY Lynn  
1365 Hilland Way June 5/13  
Towhee, AL 35587

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

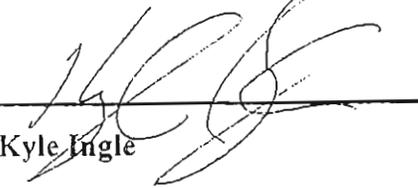
  
\_\_\_\_\_  
Mark Chamberlain

WITNESS:

  
\_\_\_\_\_

LESSEE:

QUALITY COAL COMPANY, INC.

By:   
\_\_\_\_\_  
Kyle Ingle

WITNESS:

  
\_\_\_\_\_

Its: President

This instrument prepared by N-3033  
(Name) Griff O'Rear, Attorney (Address) P.O. Box 191, Jasper, AL 35501

12.50  
WARRANTY DEED, JOINTLY FOR LIFE WITH REMAINDER TO SURVIVOR

STATE OF ALABAMA }  
12.50 ALABAMA } COUNTY } KNOW ALL MEN BY THESE PRESENTS. VOL. 120 PAGE 702

That in consideration of Ten and No/100 DOLLARS  
12.50 and other good and valuable considerations,

to the undersigned grantor or grantors in hand paid by the GRANTEES herein, the receipt whereof is acknowledged, we,  
R. W. Boshell and his wife, Mary Ellen Boshell,  
(herein referred to as grantors) do grant, bargain, sell and convey unto Kathy Boshell Chambless and her  
husband, Jeffery Lynn Chambless,  
(herein referred to as GRANTEES) for and during their joint lives and upon the death of either of them, then to the survivor  
of them in fee simple, together with every contingent remainder and right of reversion, the following described real estate situated  
in Walker County, Alabama to-wit:

The W 1/2 of the W 1/2 of the SE 1/4 of the NE 1/4,  
Section 15, Township 14 South, Range 8 West, Walker  
County, Alabama. Usual mineral and mining rights  
excepted.

ALSO: An undivided 1/10 interest in the mineral rights  
of the W 1/2 of the W 1/2 of the SE 1/4 of the NE 1/4,  
Section 15, Township 14 South, Range 8 West. Mineral  
only.

I hereby certify that the Deed Tax  
\$ 12.50 and Mt. Tax \$ \_\_\_\_\_  
has been paid on this instrument.  
STANLEY A. WADE  
Judge of Probate, Walker County

RECORDED - 86-34 AND PAGE  
SHOWN ABOVE  
JUDGE STANLEY A. WADE  
1986 DEC 18 P 1:44  
STATE OF ALABAMA - WALKER CO.  
10-5-86 BY THIS  
REGISTERED AND FILED

TO HAVE AND TO HOLD to the said GRANTEES for and during their joint lives and upon the death of either of them,  
then to the survivor of them in fee simple, and to the heirs and assigns of such survivor forever, together with every contingent  
remainder and right of reversion.

And I (we) do for myself (ourselves) and for my (our) heirs, executors, and administrators covenant with the said GRANTEES,  
their heirs and assigns, that I am (we are) lawfully seized in fee simple of said premises; that they are free from all encumbrances,  
unless otherwise noted above; that I (we) have a good right to sell and convey the same as aforesaid; that I (we) will and my (our)  
heirs, executors and administrators shall warrant and defend the same to the said GRANTEES, their heirs and assigns forever,  
against the lawful claims of all persons.

IN WITNESS WHEREOF, WE have hereunto set OUR hand(s) and seal(s), this 18TH  
day of December, 19 86

\_\_\_\_\_(Seal) R. W. Boshell (Seal)  
R. W. Boshell  
\_\_\_\_\_(Seal) Mary Ellen Boshell (Seal)  
Mary Ellen Boshell  
\_\_\_\_\_(Seal) \_\_\_\_\_ (Seal)  
\_\_\_\_\_(Seal) \_\_\_\_\_ (Seal)

STATE OF ALABAMA }  
WALKER } COUNTY }

General Acknowledgment

I, the undersigned authority, a Notary Public in and for said County, in said State,  
hereby certify that R. W. Boshell and his wife, Mary Ellen Boshell

whose names are signed to the foregoing conveyance and who are known to me, acknowledged before me  
on this day, that, being informed of the contents of the conveyance executed executed the same voluntarily  
on the day the same bears date.

Given under my hand and official seal this 19TH day of December, A. D. 19 86

Charlotte L. Sanders  
Notary Public  
COMMISSION EXPIRES NOVEMBER 16 1989

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

COAL MINING LEASE

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 15th day of February, 2012 by and between Joseph M. Felkins, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

WITNESSETH:

FOR AND IN CONSIDERATION of the sum [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be three years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or \_\_\_\_\_ dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

QUALITY COAL COMPANY, INC.  
P.O. BOX 2705  
JASPER, ALABAMA 35502

LESSEE TO LESSOR:

JOSEPH M. FELKINS.  
1925 Holland Loop  
Townley, AL 35587

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

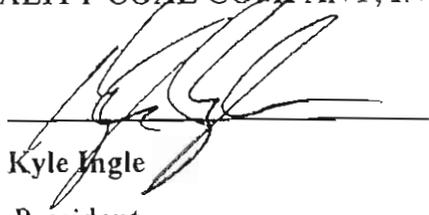
breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

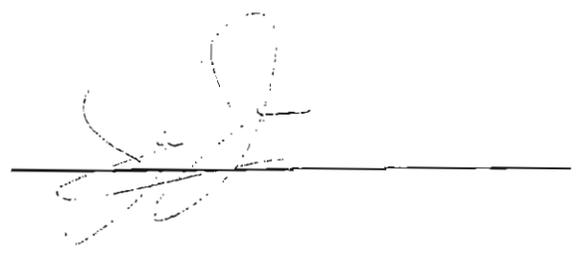
11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:  
  
\_\_\_\_\_

WITNESS:  
  
\_\_\_\_\_

LESSEE:  
  
QUALITY COAL COMPANY, INC.  
  
By:   
\_\_\_\_\_ Kyle Ingle  
Its: President

WITNESS:  
  
\_\_\_\_\_

EXHIBIT

The SW ¼ of the NE ¼ of Section 15, Township 14 South, Range 8 West, Walker County, Alabama, excepting therefrom the North 10 acres of said Forty. Surface only.

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**REVERSIONARY QUITCLAIM DEED**  
**Sparks Branch Mine No. 2 - QUALITY COAL, INC.**

KNOW ALL MEN BY THESE PRESENTS, that this deed is made by and between DRIUMMOND COMPANY, INC., an Alabama Corporation ("Grantor"), whose address is 3000 Hwy. 78 East, Post Office Box 1549 Jasper, Alabama 35502-1549 and QUALITY COAL, INC., ("Grantee").

**WITNESSETH:**

That for [REDACTED] and No/100 Dollars [REDACTED] and other valuable consideration to Grantor in hand paid by Grantee, receipt of which is hereby acknowledged, Grantor does hereby remises, releases, quitclaims, bargain, sell and convey to the Grantee, Grantors' undivided 86 2/3 Surface interest:

The right from the date of this deed until July 31, 2012 to remove by the surface mining method no more than [REDACTED] tons of coal in the following described property to wit: (the "Premises").

**SECTION 15: NW¼ of SE¼**

ALL LOCATED IN TOWNSHIP 14 SOUTH, RANGE 8 WEST  
WALKER COUNTY, ALABAMA (SURFACE RIGHTS ONLY)

Including the exclusive right of ingress, egress, and regress in, to, and upon said premises, the right to prospect, permit, surface mine, remove and sell or market coal therefrom. Grantee further agrees that all coal, which Grantee has the right to mine, on the above properties will be mined and the surface reclaimed in accordance with all applicable laws and regulations. Grantee agrees that mapping of all coal seams mined shall be provided to Grantor on a monthly basis. Mapping shall contain adequate thickness measurements and other data as required by Grantor such that Grantor may verify the tons mined from the property. Grantee shall report to Grantor tons mined, tons sold, the FOB mine sales price received and the purchaser of tons sold from the property on a monthly basis.

**THE ABOVE DESCRIBED INTERESTS THAT ARE CONVEYED TO GRANTEE ARE LIMITED TO THE RIGHTS TO REMOVE BY THE SURFACE MINING METHODS THE NEW CASTLE, MARY LEE AND BLUE CREEK COAL SEAMS ONLY.**

**REVERSION:**

**ALL OF THE ABOVE DESCRIBED SURFACE SHALL REVERT BACK TO GRANTOR AFTER DELIVERY OF WRITTEN NOTICE TO GRANTEE THAT GRANTEE IS IN DEFAULT OF PAYMENT ON ANY AGREEMENT WITH GRANTOR OR PAYMENT ON ANY PROMISSORY NOTE TO GRANTOR.**

**ALL OF THE ABOVE DESCRIBED SURFACE SHALL AUTOMATICALLY REVERT**

MB

BACK TO GRANTOR WITHOUT NOTICE AFTER JULY 31, 2012 OR GRANTEE DEFAULTS UNDER THE TERMS OF THE PROMISSORY NOTE TO GRANTOR EXECUTED SIMULTANEOUSLY HEREWITH OR IN THE EVENT GRANTEE MAKES AN ASSIGNMENT, LEASE, SUBLEASE, SALE, CONVEYANCE OR TRANSFER OF ANY PART OF THIS PROPERTY.

**SUBJECT TO:**

1. **Any And All Mineral And Mining Rights Excepted And Other Rights, Privileges And Immunities Relating Thereto.**
2. **Standard Exceptions.**
  - A. Rights or claims of parties in possession, not shown by public records.
  - B. Easements or claims of easements, not shown by public records.
  - C. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the Premises.
  - D. Taxes or special assessments which are not shown as existing at the date of this Deed by the public records.
  - E. Taxes for the current year 2012 and subsequent years not yet due and payable.
  - F. Municipal assessments, if any, due to any local authority.
  - G. Fire dues, if any, due to any local authority.
  - H. Any easement or right-of-way in the public for any public roads heretofore established or existing upon said premises or any part thereof.
  - I. Any easement or right-of way for any railroad heretofore established or existing upon said premises or any part thereof.
  - J. Any lien for services, labor or materials in connection with improvements, repairs or renovations provided before, on or after the date of this Deed, not shown by the public records.
  - K. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the Premises prior to the date of this Deed, and any adverse claim to all or part of the Premises that is, at the date of this Deed, or was previously, under water.

**Grantee**, for itself and its successors and assigns, by its acceptance of this deed, hereby releases and will hold and save Grantor harmless from and against, and will indemnify Grantor for, any and all damages or costs arising from, resulting from, or in any way connected with Grantee's mining operations or mining activities, or any and all past mining operations or mining activities on or under the Premises and whether or not resulting in whole or in part from the negligence of Grantor, including without limitation the existence (now or hereafter) of mine shafts, mine entries, other mine structures, surface subsidence and the existence or non-existence of roof supports or subjacent or lateral supports. No right of action for damages on account of death or injuries to persons or damages to said land or to any buildings, improvements, structures, roadways, pipelines or other sources of water supply now or hereafter located upon said Premises, or to any owners or occupants or other persons in or upon said land, resulting from past mining operations or other activities of said Grantor, or resulting from the removal of Minerals or roof supports by said Grantor, shall ever accrue to or be asserted by Grantee, its successors or assigns, this conveyance being made expressly subject to all such injuries and damages, either past or future, and the releases and

hold harmless and indemnity provisions set forth in this paragraph shall constitute covenants running with said Lands as against Grantee and all persons, firms, corporations or entities holding under or through Grantee.

**RIGHTS OF REFUSAL:** Grantor and on behalf of its affiliates and associates, reserves the right of first refusal to purchase all tons mined from the Premises. If Grantor, or its affiliates and associates, chooses to purchase the tons mined from the Premises, Grantee shall sell such tons to Grantor or its affiliates and associates at a price not to exceed the price Grantee sells coal of the same quality to any other buyer on an FOB mine basis.

**BOOKS AND RECORDS:** Grantee shall at all times maintain accurate books and records of the mining operations on the Premises and sale of coal mined on the Premises. Upon prior notice, Grantor's representatives shall be permitted to enter Grantee's premises during normal business hours for the inspection, examination and copying of Grantee's books and records. Grantee shall keep and preserve such books and records for a minimum period of three years after the termination, cancellation or expiration of this deed. Grantor's right to inspect such books and records shall survive for three years from the termination date of this deed.

**ENTIRE AGREEMENT:** This Deed and the Promissory Note executed contemporaneously herewith contain the entire understanding and agreement of the parties with respect to mining on the Premises, and supersede all prior oral or written agreements, arrangements and understandings between the parties relating to mining of the Premises.

**SEVERABILITY:** In the event that any provision of this Deed conflicts with the laws of the State of Alabama or any other jurisdiction, or is held invalid by a court with jurisdiction over the parties to this Deed, such provision shall be deleted from the Deed and the Deed shall be construed to give effect to its remaining provisions.

Remainder of page intentionally blank

TO HOLD, to the Grantee, its successors and assigns from the date of this deed until July 31, 2012.

Grantee hereby understands, acknowledges and agrees to the terms, conditions and/or covenants contained herein:

QUALITY COAL, INC.

BY: [Signature]  
ITS: [Signature]

IN WITNESS WHEREOF, I have hereunto set our signature and seal, this the 13<sup>TH</sup> day of January, 2012.

ATTEST:

DRUMMOND COMPANY, INC.

BY: Steve Humphris  
ITS: DIRECTOR - LAND SERVICES

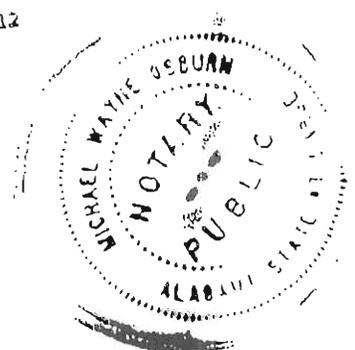
BY: Michael A. Butts  
ITS: Vice President

STATE OF ALABAMA        )  
  )  
COUNTY OF WALKER     )

I, the undersigned authority, a Notary Public, in and for said County in said State, hereby certify that **MICHAEL A. BUTTS**, whose name is signed as **Vice President** of **Drummond Company, Inc.**, a corporation, to the foregoing conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 13<sup>TH</sup> day of January, 2012.

Michael Wayne Osburn  
NOTARY PUBLIC  
MY COMMISSION EXPIRES AUGUST 10, 2012



Send Tax Notice To:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Prepared by: Blake Andrews  
Drummond Company, Inc.  
P. O. Box 1549  
Jasper, Alabama 35502-1549

PROMISSORY NOTE QUALITY COAL, INC.  
Sparks Branch Mine (Surface) DCI M-1159

Date: 16 Jan 19th, 2012  
Jasper, Alabama

For value received, the undersigned, **QUALITY COAL, INC.**, a corporation, (herein called "**Payor**") promises to pay to the order of **DRUMMOND COMPANY, INC.**, a Corporation, (herein called "**Payee**"), whose mailing address is P. O. Box 1549, Jasper, Alabama 35502-1549, the sum of [REDACTED] and 00/100 Dollars [REDACTED]. Monthly installment payments will be due according to the following schedule:

- 1) [REDACTED] Due on July 20, 2012
- 2) [REDACTED] Due on August 20, 2012

---

TOTAL [REDACTED]

The said principal sum shall be paid at the office of the Payee at the following address:

**DRUMMOND COMPANY, INC.**  
**ATTN.: Steve Humphries**  
**P. O. BOX 1549**  
**JASPER, AL 35502-1549**

The undersigned further agrees that the following shall be considered events of default: (a) failure to make the payment(s) as set forth above (b) Payor makes an assignment, lease, sublease, sale, conveyance, transfer or encumbrance of (i) any part of the property Payor has acquired from Payee on the date of this note, or (ii) any ownership interest in Payor's business (by operation of law or otherwise) (c) failure to meet any other obligations Payor may have with any other creditors, or (d) bankruptcy proceedings of Payor. In the event of a default by Payor, at the option of the Payee, its successors or assigns all payment(s) shall become immediately or at any time after such default, anything hereinbefore contained to the contrary notwithstanding.

All parties to this note, whether maker, endorser, surety, or guarantor, each for himself, hereby severally waives as to this debt and any renewal or extension thereof, all rights of exemption under the Constitution and Laws of Alabama, or of any other State, as to personal property, and they each severally agree to pay all costs of collecting or securing or attempting to collect or secure this note, including a reasonable attorney's fee, whether the same be collected or secured by suit or otherwise. All parties to this note, whether maker, endorser, surety, or guarantor, each severally waive, demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold them, or either of them, and they severally agree that time of payment maybe extended without notice to them or either of them of such extension. In the event of the death of, or in the event of bankruptcy proceedings by or against, or garnishment or attachment proceedings against the property or funds of, any party to this note, whether maker, endorser, surety, or guarantor, the Payee hereby authorized solely at its option, to

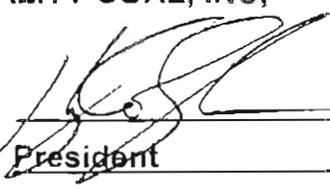
withhold any funds belonging to the maker, endorser, surety, guarantor, or either of any of them, for application towards the payment of this note, at maturity; but the failure or omission to so withhold such funds shall not have the effect of releasing, or in any way impairing, the obligation of any party to this instrument, whether maker, endorser, surety or guarantor. Payee is hereby authorized to apply, on or after maturity, to the payment of this debt, any funds belonging to the maker, endorser, surety, guarantor, or either of any of them; but the failure or omission to make such application shall not have the effect of releasing, or in any way impairing, the obligation of any party to this instrument, whether maker, endorser, surety or guarantor.

The parties to this Promissory Note agree to subject themselves to the jurisdiction and laws of the State of Alabama.

ATTEST:

QUALITY COAL, INC,

By: \_\_\_\_\_

By:  \_\_\_\_\_

Its: \_\_\_\_\_

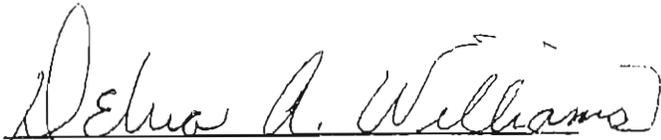
Its: President \_\_\_\_\_

SSN: \_\_\_\_\_

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER        )

I, the undersigned authority, a Notary Public, in and for said State and County, hereby certify that **KYLE INGLE** whose name is signed as **President** of **QUALITY COAL, INC**, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, with full authority, executed the same voluntarily on the day the same bears date on behalf of said corporations.

Given under my hand and seal this the 19<sup>th</sup> day of January, 2012.

  
NOTARY PUBLIC

My Commission Expires April 17, 2013

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

COAL MINING LEASE

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 2<sup>nd</sup> day of January, 2012, by and between **Maurice and Jan Ferguson**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of \_\_\_% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of \_\_\_% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

LESSEE TO LESSOR:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

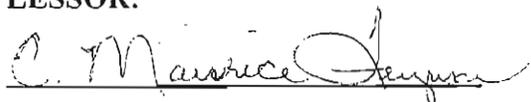
10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

**LESSOR:**

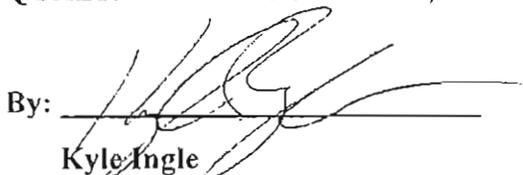
  
\_\_\_\_\_

**WITNESS:**

  
\_\_\_\_\_

**LESSEE:**

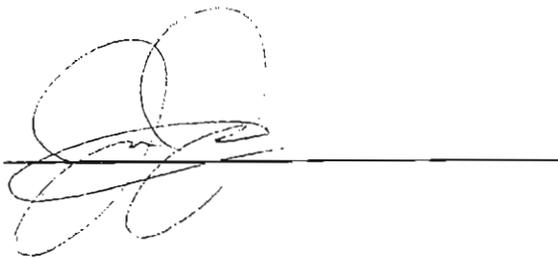
**QUALITY COAL COMPANY, INC.**

By:   
\_\_\_\_\_

Kyle Ingle

**Its: President**

**WITNESS:**

  
\_\_\_\_\_

**EXHIBIT A**

Township 14 South, Range 8 West, Section 15. All land in Section 15.

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**REVERSIONARY QUITCLAIM DEED**  
**Sparks Branch Mine No. 2 - QUALITY COAL, INC.**

KNOW ALL MEN BY THESE PRESENTS, that this deed is made by and between **DRUMMOND COMPANY, INC.**, an Alabama Corporation (“Grantor”), whose address is **3000 Hwy. 78 East, Post Office Box 1549 Jasper, Alabama 35502-1549** and **QUALITY COAL, INC.**, (“Grantee”).

**WITNESSETH:**

That for [REDACTED] and No/100 Dollars [REDACTED], and other valuable consideration to Grantor in hand paid by Grantee, receipt of which is hereby acknowledged, Grantor does hereby remises, releases, quitclaims, bargain, sell and convey to the Grantee, Grantors' undivided 86 2/3 Mineral interest:

The right from the date of this deed until July 31, 2012 to remove by the surface mining method no more than [REDACTED] tons of coal in the following described property to wit: (the “Premises”).

**SECTION 15:** SW¼ of NE¼ south of Hillard Loop Road; SE¼ of NW¼ south of Hillard Loop Road; NE¼ of SW¼ east of Hillard Loop Road; NE¼ of SE¼

ALL LOCATED IN TOWNSHIP 14 SOUTH, RANGE 8 WEST  
WALKER COUNTY, ALABAMA (MINERAL RIGHTS ONLY)

Including the exclusive right of ingress, egress, and regress in, to, and upon said premises, the right to prospect, permit, surface mine, remove and sell or market coal therefrom. Grantee further agrees that all coal, which Grantee has the right to mine, on the above properties will be mined and the surface reclaimed in accordance with all applicable laws and regulations. Grantee agrees that mapping of all coal seams mined shall be provided to Grantor on a monthly basis. Mapping shall contain adequate thickness measurements and other data as required by Grantor such that Grantor may verify the tons mined from the property. Grantee shall report to Grantor tons mined, tons sold, the FOB mine sales price received and the purchaser of tons sold from the property on a monthly basis.

**THE ABOVE DESCRIBED INTERESTS THAT ARE CONVEYED TO GRANTEE ARE LIMITED TO THE RIGHTS TO REMOVE BY THE SURFACE MINING METHODS THE NEW CASTLE, MARY LEE AND BLUE CREEK COAL SEAMS ONLY.**

**REVERSION:**

**ALL OF THE ABOVE DESCRIBED SURFACE SHALL REVERT BACK TO GRANTOR AFTER DELIVERY OF WRITTEN NOTICE TO GRANTEE THAT GRANTEE IS IN DEFAULT OF PAYMENT ON ANY AGREEMENT WITH GRANTOR OR PAYMENT ON ANY PROMISSORY NOTE TO GRANTOR.**



ALL OF THE ABOVE DESCRIBED SURFACE SHALL AUTOMATICALLY REVERT BACK TO GRANTOR WITHOUT NOTICE AFTER JULY 31, 2012 OR GRANTEE DEFAULTS UNDER THE TERMS OF THE PROMISSORY NOTE TO GRANTOR EXECUTED SIMULTANEOUSLY HERewith OR IN THE EVENT GRANTEE MAKES AN ASSIGNMENT, LEASE, SUBLEASE, SALE, CONVEYANCE OR TRANSFER OF ANY PART OF THIS PROPERTY.

**SUBJECT TO:**

1. **Any And All Mineral And Mining Rights Excepted And Other Rights, Privileges And Immunities Relating Thereto.**
2. **Standard Exceptions.**
  - A. Rights or claims of parties in possession, not shown by public records.
  - B. Easements or claims of easements, not shown by public records.
  - C. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the Premises.
  - D. Taxes or special assessments which are not shown as existing at the date of this Deed by the public records.
  - E. Taxes for the current year 2012 and subsequent years not yet due and payable.
  - F. Municipal assessments, if any, due to any local authority.
  - G. Fire dues, if any, due to any local authority.
  - H. Any easement or right-of-way in the public for any public roads heretofore established or existing upon said premises or any part thereof.
  - I. Any easement or right-of way for any railroad heretofore established or existing upon said premises or any part thereof.
  - J. Any lien for services, labor or materials in connection with improvements, repairs or renovations provided before, on or after the date of this Deed, not shown by the public records.
  - K. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the Premises prior to the date of this Deed, and any adverse claim to all or part of the Premises that is, at the date of this Deed, or was previously, under water.

**Grantee**, for itself and its successors and assigns, by its acceptance of this deed, hereby releases and will hold and save Grantor harmless from and against, and will indemnify Grantor for, any and all damages or costs arising from, resulting from, or in any way connected with Grantee's mining operations or mining activities, or any and all past mining operations or mining activities on or under the Premises and whether or not resulting in whole or in part from the negligence of Grantor, including without limitation the existence (now or hereafter) of mine shafts, mine entries, other mine structures, surface subsidence and the existence or non-existence of roof supports or subjacent or lateral supports. No right of action for damages on account of death or injuries to persons or damages to said land or to any buildings, improvements, structures, roadways, pipelines or other sources of water supply now or hereafter located upon said Premises, or to any owners or occupants or other persons in or upon said land, resulting from past mining operations or other activities of said Grantor, or resulting from the removal of Minerals or roof supports by said Grantor, shall ever accrue to or be asserted by Grantee, its successors or assigns, this conveyance being made expressly

subject to all such injuries and damages, either past or future, and the releases and hold harmless and indemnity provisions set forth in this paragraph shall constitute covenants running with said Lands as against Grantee and all persons, firms, corporations or entities holding under or through Grantee.

**RIGHTS OF REFUSAL:** Grantor and on behalf of its affiliates and associates, reserves the right of first refusal to purchase all tons mined from the Premises. If Grantor, or its affiliates and associates, chooses to purchase the tons mined from the Premises, Grantee shall sell such tons to Grantor or its affiliates and associates at a price not to exceed the price Grantee sells coal of the same quality to any other buyer on an FOB mine basis.

**BOOKS AND RECORDS:** Grantee shall at all times maintain accurate books and records of the mining operations on the Premises and sale of coal mined on the Premises. Upon prior notice, Grantor's representatives shall be permitted to enter Grantee's premises during normal business hours for the inspection, examination and copying of Grantee's books and records. Grantee shall keep and preserve such books and records for a minimum period of three years after the termination, cancellation or expiration of this deed. Grantor's right to inspect such books and records shall survive for three years from the termination date of this deed.

**ENTIRE AGREEMENT:** This Deed and the Promissory Note executed contemporaneously herewith contain the entire understanding and agreement of the parties with respect to mining on the Premises, and supersede all prior oral or written agreements, arrangements and understandings between the parties relating to mining of the Premises.

**SEVERABILITY:** In the event that any provision of this Deed conflicts with the laws of the State of Alabama or any other jurisdiction, or is held invalid by a court with jurisdiction over the parties to this Deed, such provision shall be deleted from the Deed and the Deed shall be construed to give effect to its remaining provisions.

Remainder of page intentionally blank

TO HOLD, to the Grantee, its successors and assigns from the date of this deed until July 31, 2012.

Grantee hereby understands, acknowledges and agrees to the terms, conditions and/or covenants contained herein:

QUALITY COAL, INC.  
BY: [Signature]  
ITS: [Signature]

IN WITNESS WHEREOF, I have hereunto set our signature and seal, this the 13<sup>TH</sup> day of January, 2012.

ATTEST:

DRUMMOND COMPANY, INC.

BY: Steve Humphries  
ITS: DIRECTOR, LAND SERVICES

BY: Michael A. Butts  
ITS: Vice President

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER        )

I, the undersigned authority, a Notary Public, in and for said County in said State, hereby certify that **MICHAEL A. BUTTS**, whose name is signed as **Vice President** of **Drummond Company, Inc.**, a corporation, to the foregoing conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 13<sup>TH</sup> day of January, 2012.

Michael Wayne Osburn  
NOTARY PUBLIC

MY COMMISSION EXPIRES AUGUST 10, 2012



Send Tax Notice To:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Prepared by: Blake Andrews  
Drummond Company, Inc.  
P. O. Box 1549  
Jasper, Alabama 35502-1549

**PROMISSORY NOTE QUALITY COAL, INC.**  
**Sparks Branch Mine (Mineral) DCI M-1159**

[REDACTED] Date: Jan. 19<sup>th</sup>, 2012  
Jasper, Alabama

For value received, the undersigned, **QUALITY COAL, INC.**, a corporation, (herein called "**Payor**") promises to pay to the order of **DRUMMOND COMPANY, INC.**, a Corporation, (herein called "**Payee**"), whose mailing address is P. O. Box 1549, Jasper, Alabama 35502-1549, the sum of [REDACTED] and 00/100 Dollars (\$24,000.00). Monthly installment payments will be due according to the following schedule:

- 1) [REDACTED] Due on July 20, 2012
- 2) [REDACTED] Due on August 20, 2012

---

**TOTAL** [REDACTED]

The said principal sum shall be paid at the office of the Payee at the following address:

**DRUMMOND COMPANY, INC.**  
**ATTN.: Steve Humphries**  
**P. O. BOX 1549**  
**JASPER, AL 35502-1549**

The undersigned further agrees that the following shall be considered events of default: (a) failure to make the payment(s) as set forth above (b) Payor makes an assignment, lease, sublease, sale, conveyance, transfer or encumbrance of (i) any part of the property Payor has acquired from Payee on the date of this note, or (ii) any ownership interest in Payor's business (by operation of law or otherwise) (c) failure to meet any other obligations Payor may have with any other creditors, or (d) bankruptcy proceedings of Payor. In the event of a default by Payor, at the option of the Payee, its successors or assigns all payment(s) shall become immediately or at any time after such default, anything hereinbefore contained to the contrary notwithstanding.

All parties to this note, whether maker, endorser, surety, or guarantor, each for himself, hereby severally waives as to this debt and any renewal or extension thereof, all rights of exemption under the Constitution and Laws of Alabama, or of any other State, as to personal property, and they each severally agree to pay all costs of collecting or securing or attempting to collect or secure this note, including a reasonable attorney's fee, whether the same be collected or secured by suit or otherwise. All parties to this note, whether maker, endorser, surety, or guarantor, each severally waive, demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold them, or either of them, and they severally agree that time of payment maybe extended without notice to them or either of them of such extension. In the event of the death of, or in the event of bankruptcy proceedings by or against, or garnishment or attachment proceedings against the property or funds of, any party to this note, whether maker, endorser, surety, or guarantor, the Payee hereby authorized solely at its option, to

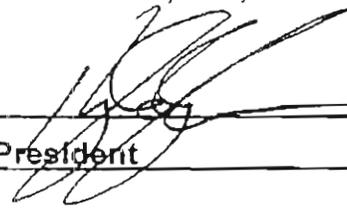
withhold any funds belonging to the maker, endorser, surety, guarantor, or either of any of them, for application towards the payment of this note, at maturity; but the failure or omission to so withhold such funds shall not have the effect of releasing, or in any way impairing, the obligation of any party to this instrument, whether maker, endorser, surety or guarantor. Payee is hereby authorized to apply, on or after maturity, to the payment of this debt, any funds belonging to the maker, endorser, surety, guarantor, or either of any of them; but the failure or omission to make such application shall not have the effect of releasing, or in any way impairing, the obligation of any party to this instrument, whether maker, endorser, surety or guarantor.

The parties to this Promissory Note agree to subject themselves to the jurisdiction and laws of the State of Alabama.

ATTEST:

QUALITY COAL, INC,

By: \_\_\_\_\_

By:  \_\_\_\_\_

Its: \_\_\_\_\_

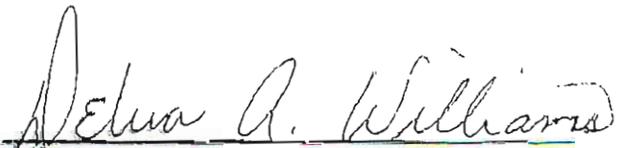
Its: President \_\_\_\_\_

SSN: \_\_\_\_\_

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

I, the undersigned authority, a Notary Public, in and for said State and County, hereby certify that **KYLE INGLE** whose name is signed as **President** of **QUALITY COAL, INC**, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, with full authority, executed the same voluntarily on the day the same bears date on behalf of said corporations.

Given under my hand and seal this the 19<sup>th</sup> day of January, 2012.

  
NOTARY PUBLIC

My Commission Expires April 17, 2013

STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

**COAL MINING LEASE**

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 16<sup>th</sup> day of JANUARY, 2019, by and between **T.W. Boshell Estate**, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

**WITNESSETH:**

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, or            dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

QUALITY COAL COMPANY, INC.  
P.O. BOX 2705  
JASPER, ALABAMA 35502

LESSEE TO LESSOR:

J.W. Boshell Estate  
1442 Hillard Loop  
Stowley, AL 35587

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

X Cephus Boshell

WITNESS:

Linda Davidson

LESSEE:

QUALITY COAL COMPANY, INC.

By: Kyle Ingle

Kyle Ingle

Its: President

WITNESS:

Kurtly Chambers

**EXHIBIT A**

T.W. Boshell Estate receives 90% of mineral under  $\frac{1}{2}$  of the  $\frac{1}{2}$  of the SE  $\frac{1}{4}$  of the NE $\frac{1}{4}$   
Of section 15 Township 14 S range 8.

SEND TAX NOTICE TO:

(Name) Jon Kyle Ingle  
(Address) 1462 Coover Road  
Jasper, AL 35503

This instrument was prepared by  
Scott Thornley  
Maddox, Thornley & Sanders  
301 19th Street, West  
Jasper, AL 35501

Deed Tax 687.50  
Recording Fee 18.00  
TOTAL 705.50

PML 2288 231  
Recorded In Above Book and Page  
03/08/2012 01:33:22 PM  
Rick Allison  
Judge of Probate  
Walker County, Alabama

WARRANTY DEED

STATE OF ALABAMA )  
WALKER COUNTY )

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of [REDACTED] and other good and valuable considerations to the undersigned grantor (whether one or more), in hand paid by the grantee herein, the receipt whereof is acknowledged, we, **Grady L. Taylor, a single man and Sally Taylor Williams, a married woman** (herein referred to as grantor, whether one or more), grant, bargain, sell and convey all of their right, title and interest unto **Jon Kyle Ingle** (herein referred to as grantee, whether one or more), the following described real estate, situated in Walker County, Alabama, to-wit:

All that land lying within the Permit and Vicinity Map of Quality Coal Co., Inc. Sparks Branch Mine No. 2 P-3947 which said land is located within Sections, 14, 15 22 and 23, Township 14 South, Range 8 West, Walker County, Alabama and which is bounded generally by Highway 124 on the South and Hillard Loop Road on the East, North and West, a copy of which said permit map is attached hereto as Exhibit "A" and made a part hereof.

It is the intention of the Grantors to convey, and the Grantors do hereby convey, all their interest in the above described property whether owned in surface, mineral or fee simple.

The above described property constitutes no part of the homestead of the grantors.

TO HAVE AND TO HOLD to the said grantee, his heirs and assigns forever.

And we do for ourselves and for our heirs, executors, and administrators covenant with the said GRANTEES, his heirs and assigns, that we are lawfully seized in fee simple of said premises; that they are free from all encumbrances, unless otherwise noted above; that we have a good right to sell and convey the same as aforesaid; that we will and our heirs, executors and administrators shall warrant and defend the same to the said GRANTEES, his heirs and assigns forever, against the lawful claims of all persons.

IN WITNESS WHEREOF, we have hereunto set our hand and seals, this 8<sup>th</sup> day of March, 2012.

Grady L. Taylor (Seal)  
GRADY L. TAYLOR

Sally Taylor Williams (Seal)  
SALLY TAYLOR WILLIAMS

STATE OF ALABAMA )  
COUNTY OF WALKER )

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that **Grady L. Taylor, a single man** whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 8<sup>th</sup> day of March, 2012.



Laurie Allred  
NOTARY PUBLIC  
My Commission Expires: My Commission Expires  
June 26, 2012

STATE OF ALABAMA )  
COUNTY OF WALKER )

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that **Sally Taylor Williams, a married woman** whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 8<sup>th</sup> day of March, 2012.

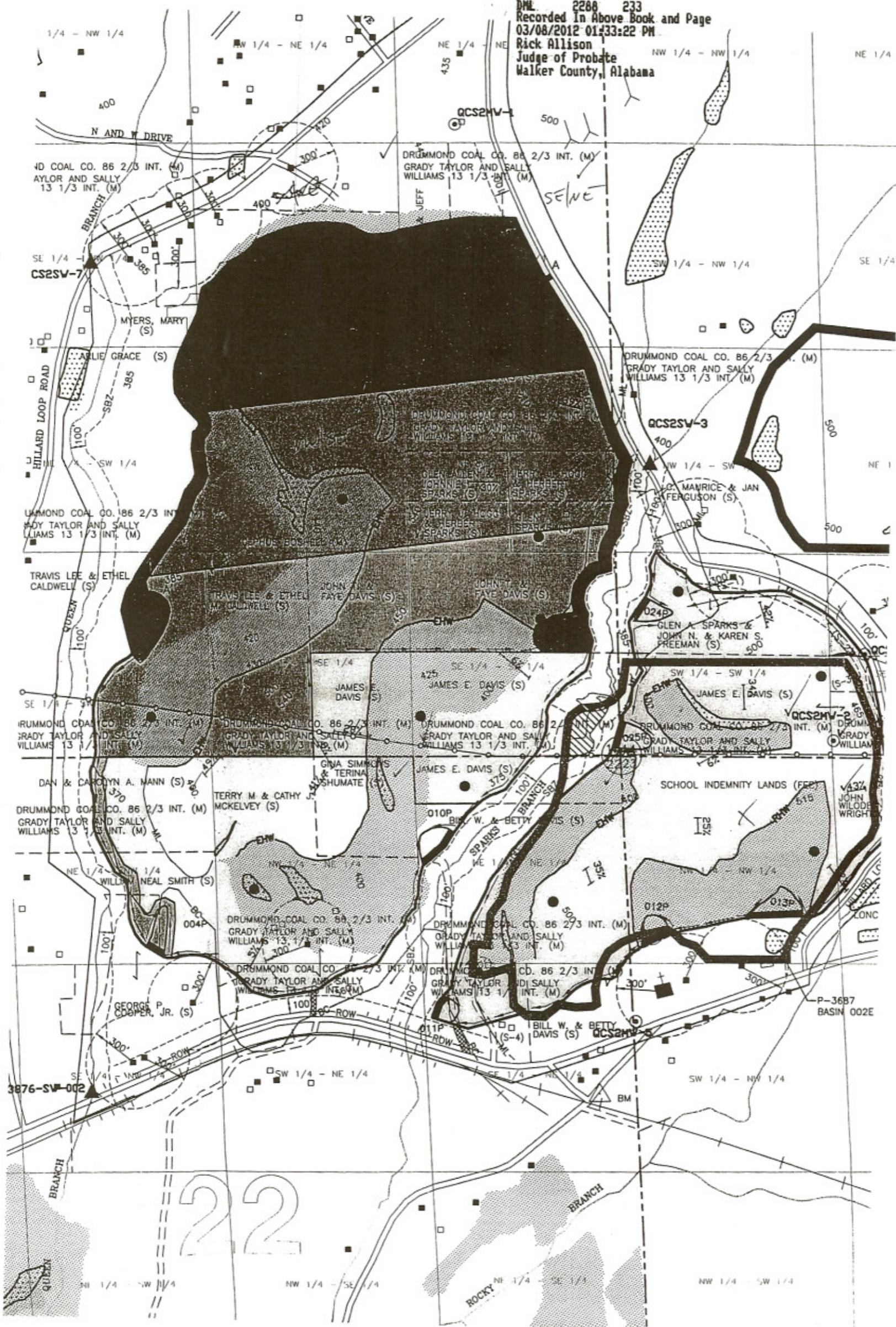
Laurie Allred  
NOTARY PUBLIC  
My Commission Expires: My Commission Expires  
June 26, 2012



DML 2288 232  
Recorded In Above Book and Page  
03/08/2012 01:33:22 PM  
Rick Allison  
Judge of Probate  
Walker County, Alabama

EXHIBIT "A"

DML 2288 233  
Recorded In Above Book and Page  
03/08/2012 01:33:22 PM  
Rick Allison  
Judge of Probate  
Walker County, Alabama



STATE OF ALABAMA            )  
  )  
COUNTY OF WALKER         )

COAL MINING LEASE

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 8th day of March, 2012 by and between Jon Kyle Ingle, individual hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. Term. The term of this Lease shall be five years, beginning on the date of this Lease as set forth above.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of N/A% of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all

merchantable coal mined, shipped and sold from the Property, [REDACTED] dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

LESSEE TO LESSOR:

**QUALITY COAL COMPANY, INC.**  
**P.O. BOX 2705**  
**JASPER, ALABAMA 35502**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, holder and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry

on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

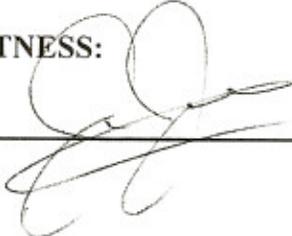
10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any

breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:  
  
\_\_\_\_\_

WITNESS:  
  
\_\_\_\_\_

LESSEE:  
QUALITY COAL COMPANY, INC.

WITNESS:  
  
\_\_\_\_\_

By:   
\_\_\_\_\_ Kyle Ingle  
Its: President

EXHIBIT A

All land lying within permit and vicinity map of Quality Coal Co., Inc. Sparks Branch Mine No. 2 P-3947 which said land is located within Sections, 14, 15, 22 and 23, Township 14 South, Range 8 West, Walker County, Alabama and which is bounded generally by Highway 124 on the South and Hillard Loop Road on the East, North and West, a copy of which said permit map is attached Hereto and made part hereof.

Applicant: Quality Coal Co., Inc.  
 Mine Name: Sparks Branch Mine No. 2  
 Permit Number: P-3947

**PART I D. PERMIT AREA INFORMATION**

1. Give the requested term of this permit: 5 years.
2. Give the legal description of the land upon which the applicant proposes to conduct surface coal mining operations. List each quarter-quarter section, township, range, and county.  
NW/SW, SW/SW and SE/SW of Section 14; SE/NW, SW/NE, SE/NE, NE/SW, SE/SW, NW/SE, NE/SE, SW/SE and SE/SE of Section 15; NE/NW, NE/NE, NW/NE, SW/NE and SE/NE of Section 22; NW/NW and NE/NW, of Section 23, Township 14 South, Range 8 West, Walker County, Alabama.

3. Give the acreage of the permit, each increment and the type of bonding.
- a. Total permit acreage: 382 acres

b. Give the acreage and type of bond for each mining increment:

<u>Increment</u>	<u>Acres</u>	<u>Type Bond Proposed</u>
1.	<u>63</u>	<u>Certificate of Deposit</u>
2.	<u>62</u>	<u>Certificate of Deposit</u>
3.	<u>64</u>	<u>Certificate of Deposit</u>
4.	<u>60</u>	<u>Certificate of Deposit</u>
5.	<u>133</u>	<u>Certificate of Deposit</u>

- c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Increment 1

4. Has any acreage in the proposed permit area been previously disturbed by mining? (XXX) YES ( ) NO

If yes, supply the following for any and all previously disturbed areas:

- a. Show the boundaries of the previously disturbed area(s) on the permit map and identify with an appropriate symbol.
- b. List, for each area, the permit number under which it was disturbed and the number of acres. Indicate the status of each permit as Unreleased, Grading released, or 100% released. (If no permit, indicate as such.)

<u>Permit</u>	<u>Acres</u>	<u>Status</u>
<u>Pre-law</u>	<u>99.0</u>	<u>Not Reclaimed</u>
<u>P-3687</u>	<u>83.0</u>	<u>Expired</u>

- c. For each area which has not been reclaimed or received a 100% release, indicate whether you intend to assume responsibility for reclamation of the area under this permit and its performance bond(s).

Quality Coal Co., Inc., will accept the reclamation responsibility for the previously disturbed areas which they redisturb.

5. Is disturbance to be conducted within 300 feet, measured horizontally from an occupied dwelling? (XXX) YES ( ) NO.

If YES, attach a signed waiver from the owner of the dwelling indicating the minimum distance disturbance will be allowed by the owner.

Applicant: <u>Quality Coal Co., Inc.</u>
Mine Name: <u>Sparks Branch Mine No. 2</u>
Permit Number: <u>P-3947</u>

**PART I D. (CONTINUED)**

6. Is disturbance proposed within 100 feet of a public road right-of-way or will a public road be closed or relocated? ( )YES (XX)NO.

If YES, enclose a copy of the approval granted by the government entity which has jurisdiction over the road. The approval must state the minimum distance disturbance will be allowed to the road or road right-of-way.

7. List all other licenses and permits required to conduct mining operations including, but not limited to, MSHA I.D. and NPDES. Give the identification or permit number, the name and address of the issuing authority, and the status or date of approval or issuance of each:

Permit	ID or Permit Number	Issuing Authority	Address	Status or of issuance
<u>MSHA ID</u>	<u>01-03195</u>	<u>MSHA</u>	<u>*</u>	<u>Issued 07-14-00</u>
<u>NPDES</u>	<u>AL0078972</u>	<u>ADEM</u>	<u>**</u>	<u>Issued 09-28-07</u>

\* 228 West Valley Avenue, Birmingham, AL 35209

\*\* 1400 Coliseum Blvd., Montgomery, AL 36130

8. Is the property in the permit covered by zoning or other land use restrictions?

( )YES (XXX)NO.

If yes, indicate the jurisdictional authority and zoning or landuse area. If more than one zoning classification exists for the permit area, identify the boundaries of each the permit map.

Jurisdictional Authority	Zoning Classification	Allows mining? Yes or No
_____	_____	_____

9. Describe access to the proposed mine from a known point on the nearest public highway: From the intersection of State Highway 69 and County Road 124 in McCollum, Alabama, travel west on County Road 124 for approximately 1.3 miles to the intersection of County Road 124 and Hillard Loop Road. Turn right and travel north on Hillard Loop Road for approximately 0.6 miles to the mine entrance located on the left.

10. Did the applicant receive assistance from the Small Operator Assistance Program in preparing this application?

( )YES (XXX)NO

If YES, list SOAP I.D. Number: \_\_\_\_\_

11. Submit a certificate of proof of Liability Insurance with this application. See ASMC Master File

**PART I E. PUBLIC NOTICE AND AVAILABILITY FOR INSPECTION**

12. Give the name of the approved public office in which a copy of this application will be filed for public inspection following notification of completeness: ASMC website <http://surface-mining.alabama.gov>

13. Enclose a copy of the notice of filing of this application which will appear in a newspaper of general circulation in the vicinity of the mine and identify the name of the newspaper: The Daily Mountain Eagle  
See Attachment for I.E.13.

Applicant: <u>Quality Coal Co., Inc.</u>
Mine Name: <u>Sparks Branch Mine No. 2</u>
Permit Number: <u>P-3947</u>

Attachment I.E.13.

PUBLIC NOTICE OF FILING OF PERMIT APPLICATION

In accordance with the provisions of Act No.81-435 of the State of Alabama and the regulations promulgated under this act, Quality Coal Co., Inc., P.O. Box 2705 Jasper, AL 35502-2705, hereby gives notice that it has filed an application with the Alabama Surface Mining Commission to permit a surface mining site whose access is as follows: From the intersection of State Highway 69 and County Road 124 in McCollum, Alabama, travel west on County Road 124 for approximately 1.3 miles to the intersection of County Road 124 and Hillard Loop Road. Turn right and travel north on Hillard Loop Road for approximately 0.6 miles to the mine entrance located on the left. The area to be permitted is located in the NW/SW, SW/SW and SE/SW of Section 14; SE/NW, SW/NE, SE/NE, NE/SW, SE/SW, NW/SE, NE/SE, SW/SE and SE/SE of Section 15; NE/NW, NE/NE, NW/NE, SW/NE and SE/NE of Section 22; NW/NW, NE/NW, of Section 23, Township 14 South, Range 8 West, Walker County, Alabama, as shown by the Jasper, Alabama United States Geological Survey quadrangle map. A copy of the permit application is available for public inspection at the Alabama Surface Mining Commission website <http://surface-mining.alabama.gov>. Written comments, objections, or requests for informal conferences should be submitted to the Alabama Surface Mining Commission, P.O. Box 2390, Jasper, Alabama 35502-2390, within 30 days from the last publication of this notice.

**STATE OF ALABAMA }  
County of Walker }**

Before me, the undersigned authority in and for said State and County, this day personally appeared

**JEROME WASSMANN – PUBLISHER**

of the Daily Mountain Eagle, a newspaper published in Jasper, Walker County, Alabama, which has a general circulation in the county in which it is published, which newspaper has been mailed under the second class mailing privileges for fifty-two consecutive weeks prior to the publication of the legal advertisement, who being by me duly sworn, says that the legal notice, a copy of which is hereto attached, was published in the Daily Mountain Eagle for 4 runs.

Namely:

June 19, 21, 28, 2010

July 5, 2010

**DAILY MOUNTAIN EAGLE**

By Jerome Wassmann

Sworn and subscribed to before me.

This 6 day of July 2010.

Barbara Haynes

My Commission Expires 08/04/2012

**Notary Public**

**PUBLIC NOTICE OF FILING  
OF PERMIT APPLICATION**

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\*June 19, 21, 28 & July 5, 2010



# Walker County Commission

Open Meeting 9:30 a.m.  
First & Third Mondays  
Telephone (205) 384-7230  
Fax (205) 384-7003

PO Box 1447  
Jasper, AL 35502

**Bruce Hamrick**  
Chairman

Commissioner District One  
Dual Tubbs  
789 Alexander Tubbs Road  
Jasper, AL 35501

Commissioner District Two  
Dan Wright  
1019 Pleasant Grove Road  
Oakman, AL 35579

Commissioner District Three  
Ben Huggins  
30 Huggins Road  
Cordova, AL 35550

Commissioner District Four  
James R. Bridges  
2826 Piney Woods Sipsey Rd.  
Jasper, AL 35504

August 12, 2010

Mr. Stephen Miles  
PERC Engineering Co., Inc.  
P.O. Box 1712  
Jasper, AL. 35502

RE: Quality Coal, Inc.  
Sparks Branch Mine No. 2

Dear Mr. Miles:

Please accept this letter as Quality Coal Company, Inc's approval to conduct surface mining and reclamation operations within the 100' setback and upon the right-of-way of a portion of Hillard Loop Road located in the SE ¼ of the NE ¼, and the NE ¼ of the SE ¼ Section 15 and the NW ¼ of the SW ¼, SW ¼ of the SW ¼ and the SE ¼ of the SW ¼ Section 14, and the NE ¼ of the NW ¼ and NW ¼ of the NW ¼ of Section 23, all within Township 14 South, Range 8 West, Walker County, Alabama.

At its regular meeting on August 16, 2010, the Walker County Commission approved the 100' setback waiver to allow Quality Coal Company, Inc. to conduct surface mine operations up to 30 feet from edge of pavement and perform reclamation operations up to ditch line.

This approval is contingent upon Quality Coal Company, Inc. installing guardrail along that portion of roadway where mining and/or reclamation activities are conducted within the 100' setback. All guardrail utilized in this approval shall meet or exceed those standards in the latest addition of ALDOT's Standards Specifications for Highway Construction. All coal hauling trucks will utilize the eastern side of the Hillard Loop Road for ingress and egress from State Route 124 to the mine site.

If you have any questions, or need additional information, please call.

Sincerely,

Dan Wright  
District 2 Commissioner