

Commissioner Bobby Miller moved, seconded by Commissioner Reginald Murray, the County Commission voted unanimously to authorize the County Engineer to purchase up to eleven new motorgraders under the current ACCA contract. Placing the order before December 19, 2003, will save Tuscaloosa County \$8,000 per machine. The County Commission hopes that the county's road improvements and paving projects will reduce the number of motorgraders needed to maintain gravel roads.

Commissioner Bobby Miller moved, seconded by Commissioner Gary Youngblood, the County Commission voted unanimously to close road and bridge operations at 4:00 p.m. on December 19, 2003, and to return to normal operations at 7:00 a.m. on Monday, January 5, 2004. There will be a skeleton crew on standby in case of any emergency. Employees will be permitted to work overtime in the afternoons and on Saturdays to make up for any lost time because of the two week shutdown.

Commissioner Mike Richardson moved, seconded by Commissioner Gary Youngblood, the County Commission voted unanimously to approve the warrants issued to cover Tuscaloosa County's expenditures for the months of September and October, 2003.

Exhibit 12-2, Pages 27-28

Commissioner Reginald Murray's motion to pay Ms. Alysa Cameron's claim of \$660.56 for a tire and rim damaged on a road in the Kings Acres area failed for lack of a second. The County Commission asked the Engineering Department to verify the cost of a tire and rim.

Commissioner Reginald Murray moved, seconded by Commissioner Gary Youngblood, the County Commission voted unanimously to authorize the County Attorney to offer the Williams family \$3,992 for the right-of-way required to improve Eddins Road, which is in the Palmore Park area.

Upon motion by Commissioner Bobby Miller, seconded by Commissioner Gary Youngblood, the County Commission voted unanimously to authorize the County Attorney to fashion an agreement with Maude Whatley Health Services to provide medical services at the Tuscaloosa County Jail for \$540,000 per year. This contract

does not cover pharmaceutical drugs and supplies. According to Accounting Director Bill Lamb, Tuscaloosa County's medical expense at the jail during fiscal 2002-2003 was as follows: \$270,000 for drugs, \$125,000 for wages and benefits for nurses, and \$235,000 for outside medical contract. Any services provided that are covered by an inmate's insurance will be deducted from Maude Whatley's invoices to Tuscaloosa County.

Commissioner Bobby Miller moved, seconded by Commissioner Mike Richardson, the County Commission voted unanimously to authorize the architectural firm Two WR Holmes Wilkins to develop plans for a new Juvenile Detention Center.

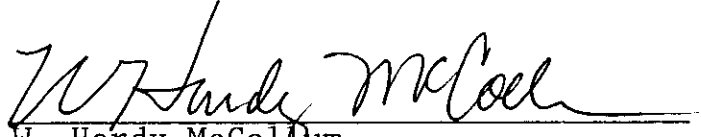
Commissioner Bobby Miller moved, seconded by Commissioner Mike Richardson, the County Commission voted unanimously to authorize the execution of an Oil, Gas and Mineral Lease with Everlast Energy, LLC. The acreage covered by this lease is located in a Tuscaloosa County gravel pit.

Exhibit 12-3, Pages 29-31

Commissioner Mike Richardson moved, seconded by Commissioner Gary Youngblood, the County Commission voted unanimously to adopt a resolution authorizing Probate Judge W. Hardy McCollum to execute an agreement with the Black Warrior Solid Waste Authority to provide for revision and updating of Tuscaloosa County's Solid Waste Management Plan.

Exhibit 12-4, Page 32

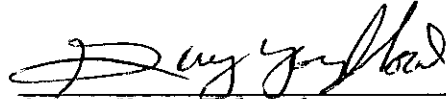
There being no further business to come before the Tuscaloosa County Commission, the meeting adjourned to Wednesday, December 17, 2003.



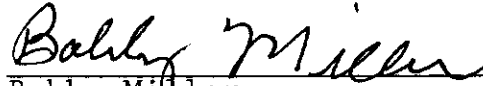
W. Hardy McColl
Judge of Probate and Chairman
Tuscaloosa County Commission



Mike Richardson
Commissioner - District I



Gary Youngblood
Commissioner - District II



Bobby Miller
Commissioner - District III



Reginald Murray
Commissioner - District IV



ALABAMA DEPARTMENT OF TRANSPORTATION

Bureau of County Transportation

1409 Coliseum Blvd., Montgomery, Alabama 36110-2060
Phone: (334) 242-6206 FAX: (334) 353-6530
Internet: <http://www.dot.state.al.us>



Bob Riley
Governor

Joe McInnes
Transportation Director

November 19, 2003

Honorable W. H. McCollum
Chair, Tuscaloosa County Commission
Tuscaloosa, Alabama

Dear Sir:

RE: ACGBBR-6322(200)
TCP 63-02-01
Tuscaloosa County

Attached is the original Agreement between the Alabama Department of Transportation and Tuscaloosa County covering the financing of construction costs for the above project.

It will be appreciated if you will have this Agreement executed and returned to this office for further approval and distribution. Upon approval of all parties concerned, a properly executed copy of the Agreement will be sent to you for your information and files.

Yours truly,

John F. Courson
County Transportation Engineer

JFC:bb

Attachment

- cc: Mr. Dykes Rushing
- Mr. Bobby Hagler
- Ms. Dee Rowe
- Mr. Mack Lovelady (Negotiated only)
- File

RECEIVED
 NOV 24 2003
 W. HARDY McCOLLUM
 JUDGE OF PROBATE
received
 11-21-03

12-1

7/18/90

**EXHIBIT M
CERTIFICATION**

This certification is applicable to the instrument to which it is attached whether attached directly or indirectly with other attachments to such instrument.

The prospective participant/recipient, by causing the signing of and the submission of this Federal contract, grant, loan, cooperative agreement, or other instrument as might be applicable under Section 1352, Title 31, U.S. Code, and the person signing same for and on behalf of the prospective participant/recipient each respectively certify that to the best of the knowledge and belief of the prospective participant or recipient and of the person signing for and on behalf of the prospective participant/recipient, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the prospective participant/recipient or the person signing on behalf of the prospective participant/recipient as mentioned above, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, or other instrument as might be applicable under Section 1352, Title 31, U. S. Code, the prospective participant/recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant/recipient also agrees by submitting this Federal contract, grant, loan, cooperative agreement or other instrument as might be applicable under Section 1352, Title 31, U. S. Code, that the prospective participant/recipient shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

EXHIBIT N

FUNDS SHALL NOT BE CONSTITUTED AS A DEBT:

It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this Agreement shall contravene any statute or Constitutional provision of amendment, either now in effect or which may, during the course of this Agreement, be enacted, then the conflicting provision in the Agreement shall be deemed null and void.

TERMINATION DUE TO INSUFFICIENT FUNDS:

If the Agreement term is to exceed more than one fiscal year, then said Agreement is subject to termination in the event that funds should not be appropriated for the continued payment of the Agreement in subsequent fiscal years.

In the event of proration of the fund from which payment under this Agreement is to be made, Agreement will be subject to termination.

ADR CLAUSE:

For any and all disputes arising under the terms of this contract, the parties hereto agree, in compliance with the recommendation of the Governor and Attorney General, when considering settlement of such disputes, to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation by and through the Attorney General Office of Administrative hearings or where appropriate, private mediators.

12-1

12-1

AGREEMENT

This Agreement is made and entered into by and between the STATE OF ALABAMA, acting by and through the ALABAMA DEPARTMENT OF TRANSPORTATION, party of the first part (hereinafter called the State), and TUSCALOOSA COUNTY, ALABAMA (FEIN 63-6001719), party of the second part (hereinafter called the County):

WITNESSETH

WHEREAS, the State and County desire to cooperate in the construction of two RC bridge culverts on Bear Creek Road: CT 10 X 10 @ Tadpole Creek (BIN 011880) and a CT 12 X 8 @ Little Sandy Creek (BIN 011292). Length - 0.021 miles. Project # ACGBBR-6322(200), TCP 63-02-01. CPMS Ref. # 100044027.

NOW THEREFORE, it is mutually agreed between the State and County as follows;

- A. The County will furnish all Right-of-Way for project without cost to the State or this Project.
- B. The County will adjust and/or relocate all Utilities on the project without cost to the State or this Project.
- C. The County will make the survey, complete the plans and furnish all preliminary engineering for the project with County forces without cost to the State or this Project or with a consultant selected by the State or with State forces as a part of the project cost. The plans will be subject to the approval of the State and the project will be constructed in accordance with the plans approved by the State and the terms of this Agreement.
- D. The County will furnish all construction engineering for the project with County forces or with a consultant selected by the State or with State forces as a part of the project cost.
- E. The County will file an Alabama Department of Environmental Management (ADEM) National Pollutant Discharge Elimination System (NPDES) Notice of Registration (NOR) (Code Chapter 335-6-12) for this project without cost to the State or this project. The County will be the permittee of record with ADEM for the permit. The contractor shall be a co-permittee with the County for the permit, and shall comply with all requirements of the permit. The County and the contractor will be responsible for compliance with the permit and the State will have no obligation regarding the permit. The County will furnish the State (Division) a copy of the permit prior to any work being performed by the contractor.
- F. The State will furnish the necessary inspection and testing of materials when needed as part of the cost of the project.
- G. Funding for this Agreement is subject to availability of Federal Garvee Bond funds and Amendment One State Matching Bond funds at the time of authorization. The State will not be liable for Federal Aid funds or State funds in any amount. Any deficiency in Federal Garvee Bond funds and Amendment One State Matching Bond funds, or overrun in constructions costs will be borne by the County from the County's allocation of Federal Garvee Bond funds and Amendment One State Matching Bond funds, if available, from County FA funds, if available, and/or from County funds.
- H. The estimated cost of construction of this project payable by the parties is the amount set forth below:
- | | |
|-------------------------------|------------------|
| Federal GARVEE Bond Funds | \$222,400.00 |
| General Obligation Bond Funds | <u>55,600.00</u> |
| Total (Incl. E & I) | \$278,000.00 |
- I. The State will be responsible for advertisement and receipt of bids, and the award of the Contract. Following the receipt of bids and prior to the award of the Contract, the State will invoice the County for its prorata share of the estimated cost as reflected by the bid of the successful bidder plus E & I, and the County will pay this amount to the State no later than 30 days after the date bids are opened.
- J. The County will submit reimbursement invoices for work performed under the terms of this Agreement to the Alabama Department of Transportation within six (6) months after the completion and acceptance of the project. Any invoices submitted after this six (6) month period will not be eligible for payment.
- K. The County will comply with the Alabama Department of Transportation Standard Specifications for Highway Construction, 2002 Edition, on this project and will ensure that alignment and grades on this project meet the standards of the Alabama Department of Transportation and the project will be built in accordance with the approved plans.
- L. An audit report must be filed with the Department of Examiners of Public Accounts, upon receipt by the County, for any audit performed on this project in accordance with Act No. 94-414.

□

M. Upon completion and acceptance of this project, the County will maintain the project in satisfactory condition in accordance with the requirements of the Alabama Department of Transportation.

N. Exhibit M is attached hereto as a part hereof.

O. Exhibit N is attached hereto as a part hereof.

P. This Agreement will terminate January 15, 2007, for project if project has not been authorized to be let to contract.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by those officers, officials and persons thereunto duly authorized, and the agreement is deemed to be dated and to be effective on the date stated hereinafter as the date of the approval of the Governor of Alabama.

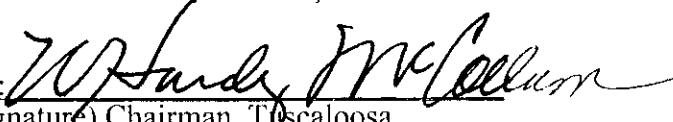
SEAL

ATTEST:

TUSCALOOSA COUNTY, ALABAMA

Clerk (Signature)

Robert H. Johnston
Type Name of Clerk

BY: 
(Signature) Chairman, Tuscaloosa
County Commission
W. Hardy McCollum
Type Name of Chairman

RECOMMENDED

STATE OF ALABAMA,
ACTING BY AND THROUGH THE
ALABAMA DEPARTMENT OF
TRANSPORTATION

County Transportation Engineer
John F. Courson

Transportation Director
D. J. McInnes

APPROVED AS TO FORM:

Chief Counsel Jim Ippolito, Jr.
Alabama Department of Transportation

**THE WITHIN AND FOREGOING AGREEMENT IS HEREBY APPROVED ON THE _____ DAY
OF _____, 20_____.**

GOVERNOR OF ALABAMA
BOB RILEY

□

RESOLUTION NUMBER _____

BE IT RESOLVED, by the County Commission of Tuscaloosa County, Alabama, that the County enter into an agreement with the State of Alabama; acting by and through the Alabama Department of Transportation for :

Construction of two RC bridge culverts on Bear Creek Road: CT 10 X 10 @ Tadpole Creek and a CT 12 X 8 @ Little Sandy Creek,

which agreement is before this Commission, and that the agreement be executed in the name of the County, by the Chairman of the Commission for and on its behalf and that it be attested by the County Clerk and the seal of the County affixed thereto.

BE IT FURTHER RESOLVED, that upon the completion of the execution of the agreement by all parties, that a copy of such agreement be kept of record by the County Clerk.

Passed, adopted, and approved this 3rd day of December, 20 03.

ATTESTED:

Robert H Johnston
County Clerk

W. Andy McColvin
Chairman, County Commission

I, the undersigned qualified and acting clerk of Tuscaloosa County, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the County Commission of the County named therein, at a regular meeting of such Commission held on the

3rd day of December, 20 03, and that such resolution is of record in the Minute Book of the County.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County on this

3rd day of December, 20 03.

Robert H Johnston
County Clerk

SEAL

MONTH OF: **SEPTEMBER 2003**

	FUND	CHECK NUMBERS	AMOUNT
A01	SCRAP TIRE		
A02	PAYROLL	63917-64459	\$891,433.96
A04	ROAD & BRIDGE	12413-12538	\$1,756,636.62
A05	GENERAL FUND	24898-25598	\$5,798,159.82
D05	GEN FUND SPECIAL		
B03	EXCESS LAND		
B08	GAS TAX BONDING		
B14	3R GAS TAX	258	\$500,000.00
D01	FIDUCIARY		
D02	PISTOL PERMIT	2479-2501	\$15,313.65
D03	E 911	1389-1406	\$203,361.47
D04	UNCLAIMED WITNESS		
E01	REAPPRAISAL	3095-3118	\$932,042.45
E02	MFG HOMES	1122	\$276.82
E03	HEALTH INSURANCE		
E04	MOTOR VEH TRAINING		
F01	GENERAL LIABILITY	8-9	\$600,000.00
F02	TAX ASSR SPECIAL	311	\$114.39
F03	TAX COLL SPECIAL		
F04	WORKMEN'S COMP	512-516, 5043,116-7	\$606,322.14
F06	COMMUNITY DEVELOP	1282	\$27,858.05
F07	DA WORTHLESS CHK	1058-1076	\$6,610.81

CHECKED BY: *W M Lamb*

WILLIAM M. LAMB, ACCOUNTING MANAGER

APPROVED BY TUSCALOOSA COUNTY COMMISSION:

CHAIRMAN, W. HARDY MCCOLLUM *W Hardy McCollum*

COMMISSIONER, MIKE RICHARDSON *Mike Richardson*

COMMISSIONER, GARY YOUNGBLOOD *Gary Youngblood*

COMMISSIONER, BOBBY MILLER *Bobby Miller*

COMMISSIONER, REGINALD MURRAY *Reginald Murray*

12-2

MONTH OF: **OCTOBER 2003**

	FUND	CHECK NUMBERS	AMOUNT
A01	SCRAP TIRE		
A02	PAYROLL	64969-66040	\$1,360,931.74
A04	ROAD & BRIDGE	12539-12688	\$3,778,446.33
A05	GENERAL FUND	25599-25885	\$4,216,377.81
D05	GEN FUND SPECIAL		
B03	EXCESS LAND		
B08	GAS TAX BONDING		
B14	3R GAS TAX	259	\$500,000.00
D01	FIDUCIARY		
D02	PISTOL PERMIT	2502-2504	\$4,496.53
D03	E 911	1407-1416	\$21,869.02
D04	UNCLAIMED WITNESS		
E01	REAPPRAISAL	3119-3142	\$1,357,133.71
E02	MFG HOMES	1123	\$276.14
E03	HEALTH INSURANCE		
E04	MOTOR VEH TRAINING	34	\$385.00
F01	GENERAL LIABILITY		
F02	TAX ASSR SPECIAL	312	\$114.30
F03	TAX COLL SPECIAL	199-206	\$571.30
F04	WORKMEN'S COMP	133, 5044	\$4,267.03
F06	COMMUNITY DEVELOP	1283-1286	\$677,999.04
F07	DA WORTHLESS CHK	1077-1101	\$12,136.26

CHECKED BY: *W M Lamb*

WILLIAM M. LAMB, ACCOUNTING MANAGER

APPROVED BY TUSCALOOSA COUNTY COMMISSION:
 CHAIRMAN, W. HARDY MCCOLLUM *W Hardy McCollum*

COMMISSIONER, MIKE RICHARDSON *[Signature]*

COMMISSIONER, GARY YOUNGBLOOD *Gary Youngblood*

COMMISSIONER, BOBBY MILLER *Bobby Miller*

COMMISSIONER, REGINALD MURRAY *[Signature]*

Prod 88 - Alabama Paid Up/ Pooling CBM

OIL, GAS, AND MINERAL LEASE

(Including Coalbed Methane Gas)

THIS AGREEMENT made this 3rd Day of December 2003, (the "Effective Date") between TUSCALOOSA COUNTY ALABAMA, Lessor, whose address is 714 Greensboro Avenue, Tuscaloosa, AL 35401 and EVERLAST ENERGY, LLC whose address is 111 North Ennis, Houston, Texas 77003.

1. Lessor, in consideration of Ten and no/00 Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which Lessor acknowledges, and the covenants and agreements of Lessee contained in this Lease, does hereby grant, lease, and let exclusively unto Lessee the lands described below (the "Lands") for the purposes of conducting seismic and geophysical operations, exploring, drilling, mining, and operating for, producing and owning oil, gas, sulfur, and all other minerals whether or not similar to those mentioned (collectively the "oil or gas") and including, but not by way of limitation, coalbed gas (including methane or any occluded natural gas), and the right to make surveys, lay pipelines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, power lines, telephone lines, and other structures on the Lands, necessary or useful in Lessee's operations on the Lands or any other land adjacent or nearby to the Lands. This grant includes the right to fracture coal seams and to dispose of produced water from the Lands or from adjacent or nearby lands on or under leased premises pursuant to and in compliance with the rules and regulations of the State Oil and Gas Board of Alabama and the laws and statutes of the state of Alabama. This Lease shall include oil, gas, coalbed gas (including methane or any occluded natural gas) and other gaseous or liquid hydrocarbons, and any other substance which is capable of being produced from the well bore of any well drilled under this lease. Whenever the term "gas" is used in this instrument, it shall be construed to include coalbed gas (including methane and any occluded natural gas), gas well gas, casinghead gas and all other gases, whether commercial or not. The Lands are located in Tuscaloosa County, Alabama, and are described as follows:

FOR DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN

This Lease also covers and includes all lands, if any, contiguous, adjacent to, or adjoining the Lands, owned or claimed by Lessor by limitation, prescription, possession, reversion, under an unrecorded instrument or on which Lessor has a preference right to acquire or purchase. For the consideration provided, Lessor agrees to execute any supplemental instruments requested by Lessee for a more complete or accurate description of the Lands and other lands deemed included in this Lease. For the purpose of determining the amount of any rental or other payments which may be made by the terms of this Lease, the Lands shall be deemed to contain 3.05 acres, whether actually containing more or less. The recital of acreage in any tract shall be deemed to be the true acreage. Lessor accepts the bonus paid by Lessee as lump sum consideration for this Lease and all rights and options it provides.

2. **Term.** This Lease shall remain in force for a term of **three (3) years** from the Effective Date (the "Primary Term"), and as long thereafter as operations are conducted on the Lands, as provided for in this Lease, with no cessation of more than 180 consecutive days, or oil or gas is being produced from the Lands.

3. **Royalty.** As royalty, Lessee covenants and agrees: (a) to deliver to the credit of Lessor in the pipeline or storage tanks to which Lessee may connect its wells, the **one-sixth (1/6th)** part of all oil produced and saved by Lessee from the Lands, or from time to time, at the option of Lessee, to pay Lessor the price received for that part of the oil at the wells as of the day it is run to the pipeline or sold off the Lease. In either case, Lessor's share of oil shall bear the stated royalty share of the cost of treating oil to render it marketable. Lessee will pay Lessor on gas and casinghead gas produced from the Lands, when gas is sold by Lessee, **one-sixth (1/6th)** of the amount realized by Lessee from the sale, computed at the mouth of the well, or when used by Lessee off the Lands or in the manufacture of gasoline or other products, the market value of **one-sixth (1/6th)** of that gas and casinghead gas. It is understood that on gas sold by Lessee, the market value shall not exceed the amount received by Lessee for the gas, computed at the mouth of the well. Lessee will pay Lessor for all other minerals mined and marketed or utilized by Lessee from the Lands, **one-sixth (1/6th)** either in kind or value, at the well or mine, at Lessee's election, except on sulfur the royalty shall be one dollar (\$1.00) per long ton. Notwithstanding any other provision of this Lease Lessor specifically authorizes Lessee to vent or burn gas (including coalbed methane) from wells on leased premises without any obligation to pay royalty whenever the Lessee, in its sole discretion and for whatever reason, determines that such gas should be vented or burned.

If at the expiration of the Primary Term or any later time or times, there is a well on the Lands or on lands with which all or a portion of the Lands have been pooled, capable of producing gas or any other mineral covered by this Lease, and the well is shut-in, and the Lease is not being maintained in force and effect by any other provision of this Lease, this Lease shall continue in force as if operations were being conducted on the Lands, as long as the well is shut-in, and then this Lease may be continued in force as if no shut-in had occurred.

Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from wells, but in the exercise of this diligence, Lessee shall not be obligated to install or provide facilities other than ordinary well and lease facilities of flow lines, separator, and lease tanks. Lessee shall not be required to settle labor disputes or market oil or gas on terms unacceptable to Lessee.

If, at any time after the expiration of the Primary Term, all wells that may have been drilled on the Lands or on a unit including any part of the Lands are shut-in for a period of ninety (90) consecutive days, and during that time there are no operations on the Lands, at or before the expiration of the ninety (90) day period, Lessee shall pay or tender, by check or draft, as shut-in royalty, a sum equal to One Dollar for each acre of the Lands then covered by this Lease. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of the ninety (90) day period, if on the anniversary this Lease is being continued in force solely by payment of shut-in royalty. Each payment or tender shall be made to the parties who at the time of payment are entitled to receive royalties which would be paid if the wells were producing. These payments may be deposited for the credit of the parties entitled to receive payment in the PAY DIRECT TO LESSOR AT ABOVE ADDRESS Bank, at _____, or its successors (the "Depository"), which shall continue as the Depository, regardless of changes in the ownership of shut-in royalty. If at any time Lessee is to pay or tender shut-in royalty and two or more parties are, or claim to be, entitled to receive the payments, Lessee may, in lieu of any other method of payment, pay or tender the shut-in royalty to the parties jointly, or the Depository for the parties, or separately to each, in accordance with their respective ownership. Any payment may be made by Lessee's check or draft deposited in the mail, delivered to the party entitled to receive payment, or to the Depository, on or before the last date for payment. Nothing in this paragraph is intended to affect Lessee's right to release all or part of this Lease as provided in Section 5 below. In the event of an assignment of all or part of this Lease, the responsibility for payments shall be on the then owner or owners of the Lease, severally, as to the portions of the Lease owned by each owner.

4. **Pooling.** Lessor grants Lessee the right, at Lessee's option, to pool or unitize all or any part of the Lands and this Lease as to any or all minerals or depths, with other lands, lease, or leases to establish a unit or units containing not more than 80 surface acres plus 10% acreage tolerance for oil and not more than 640 acres plus 10% acreage tolerance for gas. If larger units are required or permitted, under any governmental rule or order, for the drilling or operation of a well at a regular location, or obtaining the maximum allowable from any well to be drilled, drilling, or already drilled, a unit may be established or enlarged, to conform to the size required or permitted by such governmental order or rule. Lessee shall exercise the option to form a unit by executing an instrument identifying the unit and the Lands included in the unit and filing it for record in the public office in the county in which the Lands are located. A designee of Lessee is authorized to execute any instrument designating a unit. Each of these options may be exercised by Lessee from time to time, before or after production has been established on the Lands or on other lands included in a unit, and a unit may include any well to be drilled, being drilled, or already completed. Once established a unit shall be valid and effective for all purposes of this Lease even though there may be lands, mineral, royalty, or leasehold interests in lands within the unit which are not pooled or unitized. Any operations conducted on any part of the pooled lands shall be considered, for all purposes, except the payment of royalty, as operations conducted on this Lease. After deducting any minerals used in Lease or unit operations, there shall be allocated to the Lands included in any unit that proportion of the total unit production which the number of surface acres in the Lands included in the unit bears to the total number of surface acres in the unit. The production allocated to the Lands shall be considered for all purposes, including the payment or delivery of royalty, overriding royalty, and any other payments out of production, to be the entire production of unitized minerals from the Lands subject to this Lease included in the unit in the same manner as though produced from the Lands. The owner of the reversionary estate of any term royalty or mineral interest agrees the accrual of royalties provided in this paragraph or of shut-in royalties from a well on a unit shall satisfy any requirement for production of oil or gas from the Lands. Forming a unit shall not have the effect of changing the ownership of any shut-in royalty which may become payable under this Lease. Forming a unit shall not impair the right of Lessee to release all or a part of this Lease. However, Lessee may not release the Lease as to any Lands in a unit while there are operations on the unit for unitized minerals unless all pooled leases are released as to lands within the unit. If there are no operations being conducted for unitized minerals, Lessee may dissolve any unit by filing for record a declaration to that effect. Subject to the provisions of this paragraph 4, a unit, once established shall remain in force as long as any lease included in the unit shall remain in force. A unit may be established, modified, or dissolved at anytime while this Lease is in force and effect.

5. **Release.** Lessee may at any time or times execute and deliver to Lessor or file for record a release or releases of this Lease as to any part or all of the Lands or any mineral or horizon in or under the Lands. On release, Lessee is relieved of all obligations as to the released acreage or interest.

6. **Paid-Up Lease.** This is a paid-up Lease. Lessee shall not be obligated to commence or continue any operations during the Primary Term. Whenever used in this Lease the word "operations" shall be defined as operations for, and any of the following: drilling; testing; completing; dewatering; reworking; recompleting; deepening; plugging back or repairing of a well (including a horizontal borehole) in search for or in an endeavor to obtain production of oil, gas (including coalbed methane), sulfur or other minerals; dewatering of a coal seam or portion thereof; in an attempt to obtain production of coalbed methane; and/or, production of oil, gas (including coalbed methane), sulfur or other minerals, whether or not in paying quantities.

7. **Surface Use.** Lessee is granted the right to use, free of royalty, water, other than from Lessor's water wells, and oil and gas produced from the Lands in all its operations. Lessee is granted the right, at any time, to remove all machinery, equipment, and fixtures placed on the Lands, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to a house or barn located on the Lands as of the Effective Date, without the consent of Lessor. Lessee will pay for damages caused by its operations to growing crops and timber on the Lands.

8. **Assignment.** All rights and estate of any party to this Lease may be assigned in whole or in part. All of the covenants, obligations, and considerations of this Lease shall extend to and be binding on the parties to this Lease and their heirs, successors, assigns, and successive assigns. No change or division in the ownership of all or part of the Lands, royalties, or other moneys, however effected, shall increase the obligations or diminish the rights of Lessee. This includes, but is not limited to the location and drilling of wells and the measurement of production. No change or division in the ownership of the Lands, royalties, or other monies, however effected, shall be binding on Lessee until 60 days after Lessee receives from Lessor or Lessor's heirs, successors, or assigns, written notice of a change or division, supported by either originals or certified copies of the instruments evidencing change or division, and any court records and proceedings, transcripts, or other documents necessary, in the opinion of Lessee, to establish the validity of a change or division. If any change in ownership occurs by reason of the death of an owner, Lessee may pay or tender royalties, or other monies, to the credit of the decedent to the Depository.

9. **Notices.** If Lessor considers Lessee not to have complied with any or all its obligations in this Lease, express or implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee is deemed to have breached this Lease. Lessee shall then have 60 days after receipt of the notice within which to meet or commence to satisfy all or any part of the breaches alleged by Lessor. The service of the notice and the time period granted Lessee to satisfy any alleged breach shall be a condition precedent to the bringing of any action by Lessor. No action shall be brought until the lapse of 60 days after service of the notice on Lessee. Neither service of the notice nor any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations. Should Lessor assert Lessee has failed to comply with any implied obligation or covenant, this Lease shall not be subject to cancellation or termination for any alleged cause until there is a final judicial determination that a failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging the obligations of which Lessee has been judicially determined to be in default. If this Lease is cancelled or terminated for any cause, it shall nevertheless remain in force and effect as to sufficient acreage around each existing well on which there are operations or production to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), the acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in the shape as then existing spacing rules require; and/or any part of the Lands included in a pooled unit on which there are operations or production. Lessee shall be entitled to retain easements on, over, and across any Lands on which the Lease has terminated or been cancelled or terminated, convenient or necessary for operations on the portions of the Land that remain subject to this Lease.

10. **Warranty.** Lessor warrants and agrees to defend title to the Lands against the claims of all persons. If Lessor's rights and interests in the Lands shall be charged with any mortgages, taxes, or other liens, interests, or other charges, Lessor agrees Lessee has the right at any time to pay or reduce them for Lessor, either before or after maturity, and be subrogated to the rights of any holder of any lien. Lessee may then deduct amounts paid for Lessor's benefit from royalties or other payments which may become payable to Lessor under this Lease. Lessee is given the right to acquire for its own benefit, deeds, leases, or assignments covering any interest or claim in the Lands which Lessee or any other party contends is outstanding and not covered by this Lease, even though the outstanding interest or claim is invalid or adverse to Lessor. If this Lease covers a lesser interest in the oil, gas, or other minerals in all or any part of the Lands than the entire and undivided fee simple estate (whether or not Lessor's interest is specified in this Lease), or no interest, the royalties and any other monies accruing under this Lease will be paid only in the proportion which Lessor's interest, if any, bears to the whole and undivided fee simple estate in the Lands. All royalty interest to be paid by the terms of this Lease (whether or not owned by Lessor), shall be paid out of the royalty provided in Section 3 above. This Lease is binding on each party signing it without regard to whether it is executed by all parties named as Lessor.

11. **Force Majeure.** If before or after the expiration of the Primary Term, this Lease is not being continued in force by reason of payment of shut-in royalties and Lessee is prevented from conducting operations by reason of any law, order, rule or regulation, (whether or not subsequently determined to be invalid), acts of God, labor disputes, or any other cause which may be deemed force majeure, beyond the reasonable control of Lessee, this Lease shall not terminate or expire but shall be extended until 90 days following the removal of such delaying cause, and this Lease shall be extended thereafter by operations as if such delay had not occurred.

12. **Hydraulic Fracture.** Lessor specifically grants to Lessee so much of the subsurface coal deposit as is reasonably necessary to drill and produce the occluded natural gas found in the coal seams. In addition, it is understood and agreed that in order to obtain maximum efficient recovery of occluded natural gas from coal seams, Lessee may hydraulically fracture or stimulate the coal seams. Lessor hereby forever releases and discharges Lessee, its successors and assigns from any and all liability for damages to the coal seams, included loss of coal, as a result of the normal procedures involving hydraulic fracture of coal seams.

13. **Priority.** Any coal mining lease or other mineral lease, whether it be for surface mining or underground operations, executed subsequent to this lease shall be expressly subject to the rights of the lessee under the terms and conditions of this lease. However, Lessee agrees to cooperate with subsequent lessees to maximize the development of natural resources in the lands covered by this lease.

14. **Offsets.** Despite any other provision of this lease, coal degasification wells (recovery of occluded gas from coal seams) drilled in accordance with State Oil and Gas Board requirements shall not require the drilling of offset wells to prevent drainage, provided the land covered by this lease is developed in a reasonably prudent manner.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature, but shall be effective as of the Effective Date stated above.

Witness:

Lessor: W. Hardy McCollum
By: W. HARDY McCOLLUM Judge of Probate, Tuscaloosa County Alabama

Robert H. Johnston
By: ROBERT H. JOHNSTON, County Clerk, Tuscaloosa County, Alabama.

Tax Identification Number, Tuscaloosa County, Alabama 63-6001719

STATE OF ALABAMA)
COUNTY OF TUSCALOOSA)

I, the undersigned authority, a Notary Public in and for said county in said state hereby certify that W. HARDY McCOLLUM, whose name as Judge of Probate, Tuscaloosa County, Alabama, is signed to the foregoing lease, and who is known to me, acknowledged before me on this day, that being informed of the contents of said lease, he, as such, Judge of Probate and with full authority, executed the same voluntarily for and as the act of said County.

Given under my hand and official seal, this 4th day of December, 2003

Denise D. Jones
Notary Public in and for Tuscaloosa County, Alabama
STATE OF ALABAMA)
COUNTY OF TUSCALOOSA)

Printed Name: Denise D. Jones
Commission Expires: MY COMMISSION EXPIRES JULY 31, 2004

I, the undersigned authority, a Notary Public in and for said county in said state hereby certify that ROBERT H. JOHNSTON, whose name as County Clerk, Tuscaloosa County, Alabama, is signed to the foregoing lease, and who is known to me, acknowledged before me on this day, that being informed of the contents of said lease, he, as such County Clerk and with full authority, executed the same voluntarily for and as the act of said County.

Given under my hand and official seal, this 4th day of December, 2003.

Denise D. Jones
Notary Public in and for Tuscaloosa County, Alabama

Printed Name: Denise D. Jones
Commission Expires: MY COMMISSION EXPIRES JULY 31, 2004

12-3

EXHIBIT "A"

This Exhibit by reference is hereby made a part of that certain Oil, Gas and Mineral Lease made and entered into, by and between TUSCALOOSA COUNTY, ALABAMA Lessor(s) and EVERLAST ENERGY, LLC as Lessee, dated December 3, 2003.

TOWNSHIP 21 SOUTH NORTH, RANGE 12 WEST

Section 1: Begin at the Southeast corner of the Northeast quarter of the Southeast quarter of Section 1, Township 21 South, Range 12 West marked by an iron pipe; then run South 87 degrees 30 minutes West along the quarter section line, the South boundary of said Northeast quarter of the Southeast quarter a distance of 305 feet to an iron pipe, the point of beginning. Then run South 0 degrees 00 minutes East a distance of 350 feet to an iron pipe; thence North 90 degrees 00 minutes West a distance of 192 feet to an iron pipe; thence North 0 degrees 00 minutes West a distance of 150 feet to an iron pipe; thence North 90 degrees 00 minutes West a distance of 170 feet to an iron pipe; thence North 0 degrees 00 minutes West a distance of 300 feet to an iron pipe; thence North 90 degrees 00 minutes East a distance of 200 feet to an iron pipe; thence South 72 degrees 30 minutes East a distance of 100 feet to an iron pipe; thence South 43 degrees 45 minutes East a distance of 100 feet to an iron pipe, the point of beginning. Said parcel of land lying in the East half of the Southeast quarter of Section 1, Township 21 South, Range 12 west and containing 3.0 acres, more or less.

TOWNSHIP 21 SOUTH, RANGE 11 WEST

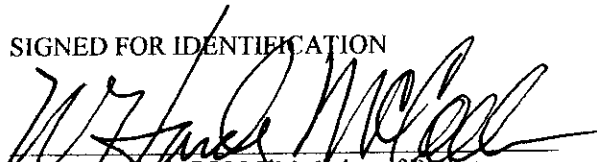
Section 16: A parcel of land located in the Southwest quarter of the Northwest quarter of Section 16, Township 21 South, Range 11 West in Tuscaloosa County, Alabama, being more particularly described as follows: As a starting point start at the Southwest corner of said Northwest quarter; thence run in a Northerly direction and along the West boundary of said Northwest quarter for a distance of 328.7 feet to a point, said point being the corner of property owned by James C. Vines and Mrs. J. L. Livingston; thence with a deflection angle of 88 degrees 53 minutes to the right, run in an Easterly direction and along the property line between James C. Vines and Mrs. J. L. Livingston for a distance of 223.8 feet to the point of beginning of the property herein described; thence continue along said line for a distance of 50.0 feet to a point on the West boundary of the right-of-way of Tuscaloosa County Road No. 2, said point being 40 feet from the center line thereof; thence with an interior angle of 90 degrees 15 minutes run in a Southerly direction and along the West boundary of said Tuscaloosa County Road No. 2 for a distance of 47.99 feet to a point; thence with an interior angle of 84 degrees 18 minutes run in a Northwesterly direction for a distance of 50.44 feet to a point; thence with an interior angle of 95 degrees 27 minutes run in a Northwesterly direction for a distance of 43.17 feet to the point of beginning; at which point the interior angle is 90 degrees 00 minutes; said parcel containing 0.05 acres, more or less.

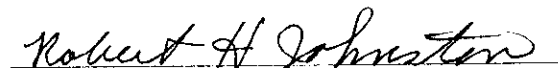
It is the express intention of Lessor to lease and Lessor do hereby lease and let exclusively unto Lessee, all of Lessors interest in Section 1, Township 21 South, Range 12 West and Section 16, Township 21 South, Range 11 West in Tuscaloosa County, Alabama.

Surface Use Clause/Covenant. Notwithstanding anything contained herein to the contrary, except in the event of an emergency, Lessee and/or its assigns, shall not enter upon the surface of the leased lands for the purpose of conducting drilling operations, without first informing Lessor(s) of its intention to do so, as well as informing Lessor(s) of the proposed location of well with access roads. Lessee agrees that it will consult with Lessor(s) as to such operations so as to minimize interference with Lessor(s) use of surface as far as is practicable and shall not proceed with such operations without first obtaining Lessor(s) express written consent, such permission not to be unreasonably withheld.

Environmental Clause/Covenant. Lessee shall not allow any toxic, hazardous or contaminated substances or gases (including, but not limited to, asbestos and raw materials which include hazardous constituents) or any other similar substances or materials which are included under or regulated by any local, state, or federal law, rule or regulation pertaining to environmental regulations, contamination, clean-up or disclosure such as, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"); the Clean Air Act (42 U.S.C. Sec. 7401 et seq.); the Clean Water Act (33 U.S.C. §1251 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); and the Toxic Substances Control Act (42 U.S.C. §2601 et seq.) or state environmental clean-up or disclosure acts and statutes as all such acts and statutes exist now or are hereafter amended (such acts and statutes referred to herein as "Environmental Laws")(such substances or gases referred to herein as 'Hazardous Substances') to be stored, located, or discharged on the premises without specific prior written consent of the County. Lessee shall comply with all Environmental Laws affecting the premises. Lessee covenants, at cost, to hold the County, its officers, agents and employees harmless from and against any loss, costs, damage or expenses (including attorney's fees and expenses) arising out of the presence of Hazardous Substances (as hereinbefore described) on or about the premises or the violation of any Environmental Laws with respect thereto, the occurrence of which Hazardous Substances on the premises or the violation of any Environmental Laws shall have arisen solely from the acts or omissions of Permittee, its sublessees, agents, invitees and employees. This indemnity shall survive the termination of this contract and shall inure to the benefit of the County of Tuscaloosa, its successors and assigns.

SIGNED FOR IDENTIFICATION


W. HARDY McCOLLUM, Judge of Probate
Tuscaloosa County, Alabama


ROBERT H. JOHNSTON, County Clerk,
Tuscaloosa County, Alabama.

RESOLUTION

WHEREAS, Tuscaloosa County is required, pursuant to § 22-27-47, ALABAMA CODE, as well as Rule 335-13-9-.06 of the Regulations of the Alabama Department of Environmental Management, to revise and update its local Solid Waste Management Plan; and

WHEREAS, the Black Warrior Solid Waste Disposal Authority was organized pursuant to § 11-89A-1, et seq. as a solid waste disposal authority of Tuscaloosa County, the City of Northport, and the City of Tuscaloosa; and

WHEREAS, the Black Warrior Solid Waste Disposal Authority has the ability and experience to assist Tuscaloosa County in the revision of its local Solid Waste Management Plan;

NOW, THEREFORE, BE IT RESOLVED by the County Commission of Tuscaloosa County that the Probate Judge is authorized to execute an agreement with the Black Warrior Solid Waste Disposal Authority providing for revision and updating of Tuscaloosa County's Solid Waste Management Plan.

Adopted this 3rd day of December, 2003.

TUSCALOOSA COUNTY COMMISSION

By: W. Hardy McCall

12-4

12-4