

SURFACE AND COAL LEASE AGREEMENT

THIS SURFACE AND COAL LEASE AGREEMENT ("Agreement") is made and entered into as of the **27th** day of **October, 2011**, by and between Bank of America, N.A., as Successor Trustee for the Irrevocable Funded Trust dated December 7, 1974, by and between Margaret Z. Young Paine, Trustor, and Albuquerque National Bank as Trustee, whose address is P.O. Box 830308, Dallas, TX 75283, hereinafter (whether one or more) called "Lessor", and North American Coal Royalty Company, a Delaware corporation, with offices at 2000 Schafer Street, Suite D, Bismarck, North Dakota 58501-1204, hereinafter called "Lessee".

WITNESSETH:

1. Lessor, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration in hand paid, the receipt of which is hereby acknowledged, and in further consideration of the premises, covenants, terms and conditions herein contained, does hereby GRANT, LEASE and LET exclusively unto Lessee, all of the surface of and all of the coal, lignite, sub-bituminous coal within five hundred (500) feet of the surface and their constituent products (excluding oil and gas, and other related hydrocarbons) contained therein or found in association therewith (all of which are hereinafter referred to collectively as "coal") encountered in mining operations conducted hereunder for the production of coal upon, in and underlying the following described lands (hereinafter called the "Leased Premises"), containing 640.00 acres, more or less, located in the County of Mercer, and State of North Dakota:

Township 143 North, Range 89 West
Section 35: All

This Agreement covers and includes all of Lessor's present interest in the Leased Premises, together with all mining rights and privileges appurtenant to the aforesaid coal and incident to the ownership thereof, and, by way of enlargement and not by way of restriction, the following rights and privileges:

The full right, power and authority to explore for, test, work, mine, produce, develop, clean, process and sell or otherwise utilize all such coal and other coal now or hereafter owned, leased or otherwise controlled by Lessee (hereinafter referred to as "other coal") upon, in or underlying the Leased Premises by any method or machinery (whether now or hereafter known), including but not limited to underground mining and auger mining methods, strip, open pit or other surface mining methods, and all such other rights, powers and privileges as may be necessary, useful or incidental thereto, including, without limitation, the right to excavate test pits or other pits, sink shafts, make and use openings, tunnels and underground passages, and use, occupy and/or disturb so much of the surface and subsurface of the Leased Premises as may be necessary, useful or incidental in carrying out the purposes of this Agreement in accordance with the methods adopted by Lessee; the right to mine such coal and such other coal without any liability to Lessor for any damage which may result either to the surface of or any strata in, on and under the Leased Premises or to any surface or underground water supplies or sources located thereon or therein except as provided for in applicable federal or state laws, rules or regulations; the right

to excavate, drill, remove and displace any or all of the earth, rock and other strata or materials in, upon or about such coal and such other coal and the horizons thereof and to deposit the same in, upon or off the Leased Premises including the right to excavate, remove and transport suitable plant growth material from all or any portions of the Leased Premises and to permanently respread that material on lands other than the Leased Premises, provided such material is replaced with an approximate quantity of similar material obtained from lands other than the Leased Premises, except that Lessee will ensure that it controls for noxious weeds when excavating, removing, planting or transporting such suitable plant growth material, and will ensure that it does not introduce noxious weeds onto the Leased Premises, or allow noxious weeds to grow on the Leased Premises; the right to construct, erect, use and maintain on, in or under the Leased Premises, roads, conveyor systems, buildings, tipples, structures, preparation plants, engines, machinery, railroad tracks, shops, ditches, dams, wells, lakes, levees, streams, ponds, diversions, power and communication lines and other equipment and facilities, all being hereinafter called "Improvements", and, from time to time, to operate, maintain, repair, replace, move, remove or relocate all or any part of the same, as Lessee may deem desirable or necessary, with the right, in Lessee's sole discretion, to remove any and all Improvements at any time before or within six (6) months after the termination or expiration of this Agreement; the right to have reasonable use of both surface and underground water from the Leased Premises necessary for mining operations and activities and for reclamation and restoration of the Leased Premises, except that Lessee will comply with all reclamation requirements in state and federal statutes and administrative rules; the right to discharge water from lands other than the Leased Premises across the Leased Premises to the extent reasonably necessary for Lessee to conduct mining operations on the Leased Premises or on other lands; the right to transport personnel, supplies, equipment, coal, other coal and other materials into, upon, over, through, under and across the Leased Premises and the free and uninterrupted right and right of way into, upon, over, through, under and across the Leased Premises at such points, and in such manner, as may be incidental, useful or necessary for the purpose of all operations and activities in connection with the exercise of any and all of the aforesaid rights; and with the right on the part of Lessee to enjoy and exercise any and/or all of such rights, powers and privileges in connection with its operations and activities on other lands. Notwithstanding anything herein to the contrary, Lessee's rights under this Agreement are limited to a depth of five hundred (500) feet from the surface of the Leased Premises. The title and rights to all minerals lying below five hundred (500) feet from the surface are held by Lessor and are not conveyed by this Agreement.

Lessee's right to the use of the surface of the Leased Premises is non-exclusive. Without limiting the generality of the foregoing, Lessor may use, or permit third parties to use, the surface of the Leased Premises in any manner that does not unreasonably interfere with Lessee's rights under this Agreement, including but not limited to agricultural production.

2. Subject to the other provisions herein contained, this Agreement shall remain in effect for a term of twenty (20) years from the date of this Agreement (the "Primary Term") and as long thereafter as (a) mining operations (as hereinafter defined) are taking place on the Leased Premises; or (b) the Leased Premises are subject to a valid mining permit. For purposes of this Agreement, "mining operations" shall mean, but not be limited to, all operations or activities in connection with the development of a mine for the production of coal from the Leased Premises,

the actual production of coal, removal of overburden, opening, reworking or extending a mine, or the reclamation of mined lands.

3. Lessee shall pay to Lessor a tonnage royalty for each ton of two thousand (2,000) pounds of coal mined and removed from the Leased Premises in each month at the following rate:

(a) Fifteen Cents (\$0.15) per ton of coal, where Lessor owns and has the right to lease and does hereby lease such coal together with the mining rights in connection therewith; and

(b) Twelve Cents (\$0.12) per ton of coal, where Lessor owns and has the right to lease and does hereby lease the surface and all of the surface mining rights in connection with such coal.

The tonnage royalty provided for under this Section 3 shall be increased at the rate of Three Percent (3%) per year effective each year beginning on the first day of the fourth (4th) calendar quarter subsequent to the date of this Agreement.

All royalties due to Lessor hereunder shall be paid to Lessor on a monthly basis for all coal mined and removed from the Leased Premises during the immediately preceding calendar month.

4. On or before each annual anniversary date of this Agreement, Lessee shall pay Lessor, as appropriate, the sum of:

(a) Five Dollars (\$5.00) per net surface acre owned and leased by Lessor and subject to this Agreement on such annual anniversary date; and

(b) Five Dollars (\$5.00) per net coal acre owned and leased by Lessor and subject to this Agreement on such annual anniversary date.

All such sums shall not be treated as advance royalties and shall not be applied toward, credited against or deducted from any tonnage royalties payable or to become payable to Lessor under this Agreement.

Lessee shall have the right, at any time and from time to time during the Primary Term of this Agreement, to prepay in a lump sum any number of payments scheduled to be paid annually under this Section 4.

5. All payments due to Lessor under this Agreement may be made by mailing or delivering the same to Lessor at the address set forth in Section 16 hereof, or to Lessor's bank as hereinafter designated. The Bank of American, N.A. Bank, whose mailing address is P.O. Box 840738, Dallas, TX 75284-0738, or its successor is hereby designated as Lessor's agent to receive from Lessee such payments due to Lessor.

6. No change or division in ownership of the Leased Premises or annual payments or tonnage royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the Leased Premises or annual payments or tonnage royalties shall be binding upon Lessee for any purpose until forty-five (45)

days after the person acquiring any such interest shall furnish Lessee at Lessee's principal place of business, with written notice thereof and the instrument or instruments, or certified copies thereof, evidencing such change, transfer or division of ownership, provided that Lessee may, at its election, recognize any such change or division prior to the expiration of such forty-five (45) day period of time and make payment to the new owner(s).

7. Lessor agrees to execute and deliver to Lessee any and all forms as from time to time may be required by any governmental or other regulatory agency in connection with Lessee's mining operations hereunder. Notwithstanding anything to the contrary, Lessor is not waiving any rights to approve or disapprove post-mine land uses or other rights of approval and disapproval Lessor has pursuant to N.D.C.C. chapters 38-14.1, 38-17 and 38-18.

8. Lessee shall pay for actual damages to growing crops, equipment, livestock and surface improvements of Lessor caused by Lessee's entry and operations on the Leased Premises for the purpose of drilling and conducting other activities to explore, survey, test and evaluate the coal, soil, material and/or water in, on or under the Leased Premises; provided, however, Lessee shall, at its sole discretion, have the right to repair or replace such equipment, livestock or surface improvements in lieu of payment for such damages.

If Lessee uses all or any portion of the surface of the Leased Premises as provided for in this Agreement before the commencement of actual coal removal operations (as hereinafter defined) on the Leased Premises, or if after completion of such actual coal removal operations Lessee uses all or any portion of the surface of the Leased Premises in conjunction with its mining operations on other lands or fails to reclaim the Leased Premises in compliance with federal and state reclamation standards, Lessee shall pay to Lessor an amount equal to one hundred five percent (105%) of the net income lost by Lessor as a result of Lessee's utilization of such portion(s) of the surface of the Leased Premises or failure to reclaim such portion(s) or the entirety of the Leased Premises. As used in this paragraph, the term "actual coal removal operations" shall mean the removal of topsoil, subsoil and other overburden materials and coal from the Leased Premises, except that removal of topsoil, subsoil and other overburden must be directly incident to ongoing diligent efforts to mine for coal to qualify as "actual coal removal operations". The amount due to Lessor under this paragraph shall be one hundred five percent (105%) of the net income generated by surface lands of Lessor similar to the surface of the Leased Premises utilized by Lessee in the year prior to the year in which Lessee is using any area of the Leased Premises as contemplated by this paragraph. Lessor shall furnish Lessee with appropriate documentation and other evidence to substantiate the amount of net income lost by Lessor. Payments due to Lessor under this paragraph shall be made on or before December 31 of each year during which Lessee utilizes the surface of the Leased Premises and shall continue until the commencement of actual coal removal operations on any portion of the Leased Premises or until Lessee no longer utilizes the surface of the Leased Premises at which time such payment obligation shall terminate.

9. Where Lessor owns the surface of the Leased Premises, Lessee shall give Lessor at least thirty (30) days advance written notice of its intent to include the Leased Premises or any portion thereof in an application to the State of North Dakota for a permit to conduct mining operations. Such notice may be given at any time and from time to time and shall describe the type

of land disturbance or mining operation contemplated by the Lessee and shall be accompanied by a map showing the specific locations of said land disturbance or mining operation.

Lessee shall, at its election, purchase or reimburse Lessor for the reasonable cost of relocating any and all farm buildings on the Leased Premises in accordance with North Dakota Century Code Section 38-18-07. If Lessee elects to purchase any such farm buildings, then Lessor, upon request and Lessor's approval of a sale price, shall make, execute and deliver to Lessee an instrument or instruments in a form satisfactory to Lessee conveying good and marketable title to such farm buildings free and clear of all liens, charges, encumbrances, defects, reservations and restrictions. Lessor will not, however, be required to give a warranty title for any such buildings, and costs associated with removing liens, charges, encumbrances, defects, reservations and restrictions not caused by or held by Lessor will be the responsibility of Lessee.

Lessee shall not be obligated to purchase or pay for the removal of any improvements on the Leased Premises other than such farm buildings. Lessor shall have the right, at its own expense, to remove any such other improvements, along with any grass or timber, prior to the time Lessee commences its mining operations on the Leased Premises. Any such other improvements or grass or timber remaining on the Leased Premises at the time Lessee commences its mining operations thereon shall be deemed abandoned and may be disposed of or otherwise utilized by Lessee, at Lessee's discretion, without payment or liability therefor. If Lessee commences mining operations after a crop has been planted on the Leased Premises and before such crop can reasonably be harvested, Lessee will pay the market price for such crop at the time it commences mining operations. Further, if Lessee commences mining operations while cattle or other livestock are grazing in a pasture on Leased Premises, and Lessee's actions require removal of the cattle or other livestock, Lessee will pay the reasonable expenses of such removal.

10. Lessee shall have no obligation, express or implied, to begin, prosecute or continue mining operations in, upon or under the Leased Premises, or to mine and/or sell or use all or any portion of the coal situated therein or thereon, or to separately mine for, process, or market any constituent product or mineral substance associated or commingled with such coal, or encountered in mining operations hereunder. The timing, nature, manner and extent of Lessee's operations, if any, under this Agreement shall be at the sole discretion of Lessee. All obligations of Lessee are expressed herein, and there shall be no covenants implied under this Agreement, it being agreed that all amounts paid hereunder constitute full and adequate consideration for this Agreement.

11. Lessee shall have the right at any time and from time to time to execute and deliver to Lessor a surrender and/or release covering all or any part of the Leased Premises, and upon delivery of such surrender and/or release to Lessor this Agreement shall terminate as to such lands, and Lessee shall be released from all further obligations and duties as to the lands so surrendered and/or released, including without limitation, any obligation to make payments provided for herein, except obligations accrued as of the date of the surrender and/or release. Notwithstanding anything contained herein to the contrary, such a surrender will not release Lessee from reclamation requirements imposed by state and federal laws and rules. Lessee shall reclaim any cropland or other agricultural land to a level of productivity equal to or greater than that existing prior to mining, and any such cropland or other agricultural land must remain in such designation for its post-mining land use designation under North Dakota laws and regulations.

12. Lessee shall pay all taxes, if any, levied against its improvements and all taxes or other fees levied on the mining, production, severance, processing or sale of coal from the Leased Premises. Lessor shall pay all other taxes, assessments and other fees assessed against the Leased Premises. Lessee shall have the right to pay all taxes, assessments, and other fees on behalf of Lessor and to deduct the amount so paid from royalties or other payments due to Lessor hereunder.

13. Notwithstanding anything to the contrary contained in this Agreement, if Lessee does not tender to Lessor, or Lessor's depository bank, as the case may be, on or before the due date any payment required to be made by Lessee to Lessor under this Agreement or if Lessee otherwise does not comply with any of the provisions of this Agreement, this Agreement shall not terminate or be terminated by Lessor except as hereinafter provided.

If Lessee does not tender to Lessor, or Lessor's depository bank, as the case may be, on or before the due date any payment required to be made by Lessee to Lessor under this Agreement, Lessor may notify Lessee in writing of such noncompliance. If within thirty (30) days from the date Lessee receives such notice, Lessee does not tender to Lessor, or Lessor's depository bank, as the case may be, said payment due under this Agreement, then Lessor, at its option, may terminate this Agreement by notifying Lessee in writing of such termination; provided, however, if Lessee is unable, after making a good faith effort, to tender said payment within said thirty (30) day period, then Lessee shall have an additional period of twenty (20) days within which to deposit said payment to the account of Lessor in any bank in North Dakota and to notify Lessor in writing at the last known address of Lessor according to Lessee's records of the name and address of the bank and the account number in which such deposit was made, thereby preventing termination of this Agreement. Lessee will pay interest in the amount of 18% from the due date of payment for any late payments of any amounts owed under this Agreement until such payments are made, except for payments delayed or suspended in accordance with Section 14 of this Agreement.

If Lessee is not in compliance with any of the provisions of this Agreement, other than payment provisions dealt with in the immediately preceding paragraph, Lessor may notify Lessee in writing of such noncompliance. If, within ninety (90) days from the date Lessee receives such notice, Lessee does not commence and diligently pursue bona fide action to correct such noncompliance, provided that compliance or corrective action is not suspended under Section 15 of this Agreement, Lessor, at its option, may terminate this Agreement by notifying Lessee of such termination in writing.

14. In case of suit, adverse claim, or dispute as to the ownership of any payments (or some part thereof) to be made by Lessee under this Agreement, Lessee, upon written notice to Lessor, may delay or suspend payment thereof (or, if only part of the payment is in doubt, then only the part thereof in doubt) and shall not be held in default until such suit, claim, or dispute has been finally disposed of and notice has been given to Lessee as provided herein. In the event of any such delay or suspension of payments, if such delay or suspension will extend for more than ninety (90) days, Lessee will deposit such payments into an interest bearing escrow account pending resolution of the dispute. In the event of such final disposition, Lessee shall have sixty (60) days within which to make payment to the person(s) entitled to receive the same. The sixty (60) day period shall commence either as of the date Lessee receives written notice of the

aforementioned final disposition along with the original instrument or instruments disposing of such suit, claim, or dispute (or a certified copy or copies thereof), or as of the date Lessee receives proof sufficient, in Lessee's opinion, to settle such suit, claim, dispute or question, whichever occurs first.

15. All obligation(s) of Lessee hereunder shall be suspended during such period as Lessee is rendered unable, in whole or in part, to comply therewith by strikes, lockouts, riots, insurrections, severe weather, storms, floods, fires, unavoidable plant shutdowns, unusual mining conditions which create a significant barrier to Lessee's ability to comply with its obligations hereunder, faults in coal seams, damage to or destruction of plant, machinery, equipment or facilities not caused by Lessee's negligence or willful conduct, accidents not the result of Lessee's negligence, governmental laws, rules or regulations, orders or action of any governmental agency, acts of God or any other cause, condition, or matter, whether of the kind herein enumerated or otherwise, beyond the reasonable control of Lessee and also impracticable to avoid, and the period of any delay or interruption of Lessee's operations occasioned thereby shall be disregarded in computing timely performance by Lessee hereunder. The Primary Term of this Agreement shall be extended for a period of time equal to the time Lessee is unable to comply with such obligation(s) for any of the foregoing causes. If any such delay lasts over one year, however, Lessee will continue to make payments as stated in Section 4 of this Agreement, but will pay seven dollars and fifty cents (\$7.50) per net surface acre and per net coal acre, rather than five dollars (\$5.00) per net surface acre and per net coal acre. All such sums shall not be treated as advance royalties and shall not be applied toward, credited against or deducted from any tonnage royalties payable or to become payable to Lessor under this Agreement.

16. Any written notice to Lessor or Lessee required or permitted hereunder shall be deemed given if delivered personally or by United States Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

(a) To Lessor:

Margaret Z. Young Paine Irrevocable Funded
Trust dated December 7, 1974,
c/o Bank of America, N.A., Successor Trustee
P.O. Box 830308
Dallas, TX 75283-0308

Except that all royalty and other payments will be made to Lessor as follows:

Margaret Z. Young Paine Irrevocable Funded
Trust dated December 7, 1974,
c/o Bank of America, N.A., Successor Trustee
P.O. Box 840738,
Dallas, TX 75284-0738

(b) To Lessee:

North American Coal Royalty Company
2000 Schafer Street, Suite D
Bismarck, North Dakota 58501-1204
Attention: Land Office

(c) To such other person(s) or address(es) as the parties hereto may designate in writing.

17. If any person, firm, or corporation having an interest in the surface of the Leased Premises or in the coal situated in, on or under the Leased Premises does not lease the same to Lessee, this Agreement shall nevertheless be binding upon the Lessor. Lessee shall have the right to acquire leases or conveyances from others owning or claiming to own interests in the surface of the Leased Premises or coal situated in, on or under the Leased Premises, whether or not adverse to the rights of Lessor, and shall not incur any liability to Lessor by reason thereof.

18. The rights and obligations of either party hereunder may be assigned, in whole or in part, at any time and from time to time, and the provisions hereof shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties. Lessee shall not be liable nor shall Lessee's rights be diminished for the failure of any subsequent owner, nominee or assignee of any of Lessee's rights hereunder to perform, in whole or in part, the terms, conditions, and obligations of this Agreement.

19. If Lessor owns an interest in the coal, surface and/or any improvements thereon which is less than the entire and undivided fee simple estate therein, then, whether or not such interest is specified herein, all payments set forth in this Agreement shall be payable to Lessor only in the proportion which Lessor's interest bears to the entire undivided fee simple estate in said coal, surface and/or improvements, respectively.

20. In conducting its operations hereunder, Lessee shall use its best efforts to comply with all applicable laws, rules and regulations and ordinances pertaining thereto. Lessee reserves and shall have the right to challenge and/or appeal any law, ruling, regulation, order or other determination and to carry on its operations in accordance with Lessee's interpretation of same, pending final determination. Subsequent to the termination of this Agreement, Lessee shall have the right to re-enter any portion or portions of the Leased Premises to comply with any law, rule, regulation or ordinance of the State of North Dakota, the United States or any other governmental authority concerning the backfilling, grading, revegetation, reclamation and/or general environmental quality of the Leased Premises or lands adjacent thereto. If Lessee exercises its right to re-enter the Leased Premises under this Section 20, Lessor shall not be entitled to compensation for such re-entry unless such re-entry is necessitated by Lessee's negligence or willful neglect of laws, rules and regulations the validity and application of which it is not challenging.

21. Lessee shall keep accurate books and records of the amount of coal mined and removed from the Leased Premises. Upon prior written notice to Lessee, Lessor and its agents shall have the right at all reasonable times (a) to inspect, audit and/or copy such books and records in the offices where they are kept and (b) to enter upon the Leased Premises for the purpose of

inspecting and surveying the same and/or determining Lessee's compliance with its obligations under this Agreement; provided, however, that no such inspection of Lessee's records or the Leased Premises shall unreasonably interfere with Lessee's operations and activities and provided further that Lessor shall be responsible for any injury to Lessor and/or Lessor's agent(s) which occurs on the Leased Premises, except to the extent that such injury is caused by Lessee's negligence or willful actions.

22. Lessor hereby agrees that Lessee, at its option, shall have the right to discharge any tax, mortgage, or other lien upon the Leased Premises, and in the event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce the same and apply tonnage royalties, annual payments or other payments accruing hereunder toward satisfying the same.

23. Lessor and each of them hereby waive, surrender and release all rights of homestead and dower insofar as such rights would in any manner affect this Agreement and operations hereunder by Lessee.

24. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior negotiations, undertakings, notices, memoranda and agreements between the parties hereto, whether oral or written, with respect to the subject matter hereof. This Agreement may be amended or modified only by a written agreement duly executed by the parties hereto.

25. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of North Dakota. As used herein, any gender shall include any other gender, the singular shall include the plural and the plural shall include the singular, wherever appropriate.

26. Reference herein to "Lessor" and "Lessee" shall include reference to their respective heirs, representatives, successors and assigns.

27. If any provision of this Agreement shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severed from this Agreement, and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

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

29. The failure of either party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provision or the relinquishment of any such rights, but the same shall continue and remain in full force and effect.

30. Lessee represents that he/she is not an officer, director, or employee of Bank of America Corporation, Bank of America, N.A., or any of its affiliates and/or subsidiaries, nor is Lessee acting on behalf of any such officer, director, or employee.

31. If Lessor files a legal action to enforce any express obligation under the terms of this Agreement and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceeding including reasonable attorney's fees, expert witness fees, litigation expenses and court costs.


32. On or before February 15 of each calendar year in which Lessee conducts mining operations on the Leased Premises, Lessee shall furnish to Lessor two (2) copies of a map with a minimum scale of 1" = 400' showing the portion of the Leased Premises mined by Lessee during the immediately preceding calendar year and showing projections for the portion of the Leased Premises which Lessee plans to mine during the then current calendar year. Lessee shall also provide an estimate of tonnage of coal Lessee projects to mine in the subsequent year.

33. Lessee shall fully indemnify and save harmless Lessor from and against any and all claims, liability, damages or loss to persons or property caused by or alleged to have been caused by, directly or indirectly, any act or omission on the part of Lessee, any of its contractors or any of their employees and agents, arising out of or in any way connected with Lessee's use or occupancy of the Leased Premises and/or Lessee's exercise of the rights and privileges herein granted.

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

LESSOR:

BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE FOR THE IRREVOCABLE FUNDED TRUST DATED DECEMBER 4, 1974, BY AND BETWEEN MARGARET Z. YOUNG PAINE, TRUSTOR, AND ALBUQUERQUE NATIONAL BANK, TRUSTEE

By: 
Bank of America, N.A., Successor Trustee

LESSEE:

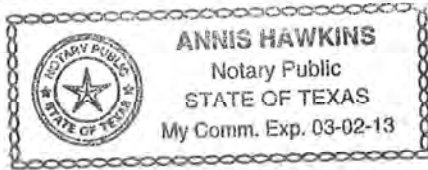
NORTH AMERICAN COAL ROYALTY COMPANY

By: 
James F. Melchior, its President

SMB
11/15/2011

STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

On this 27th day of October, 2011, before me personally appeared Brad Kolins, known to me to be the Vice President of Bank of America, N.A., Successor Trustee for the Irrevocable Funded Trust dated December 7, 1974, by and between Margaret Z. Young Paine, Trustor, and Albuquerque National Bank, Trustee, the corporate Successor Trustee that is described in and that executed the within and foregoing instrument and acknowledged to me that such corporation executed the same on behalf of the Trust.



Annis Hawkins
Notary Public

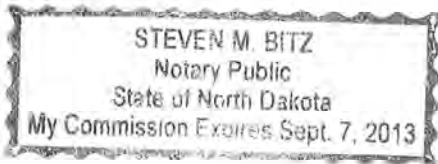
My Commission Expires:

STATE OF NORTH DAKOTA)
) ss:
COUNTY OF BURLEIGH)

On this 15th day of November, 2011, before me personally appeared James. F. Melchior, known to me to be the President of North American Coal Royalty Company, the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed the same.

[Signature]
Notary Public

My Commission Expires:



STATE OF NORTH DAKOTA
COUNTY OF MERCER

198428
OFFICE OF
COUNTY RECORDER

I hereby certify that the within instrument was filed in this office for record this 12/21/2011 at 2:08 PM, and was duly recorded as Book 190 MISC on Page 315 Fee: \$40.00

County Recorder Brenda L. Cook

By Deputy
Return To: NORTH AMERICAN COAL ROYALTY CO, 2000 SCHAFER
SUITE D BISMARCK, ND 58501-1204

MORTGAGEE
MORTGAGOR
INDEXED ✓

40.00 pd
Tom Kline
530 W Reno Ave
Bismarck, ND 58504

