

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 9603481

Issue Date: March 12, 2019
AMOUNT: U.S. \$170,102.00
EXPIRATION DATE: March 12, 2020
at Our Counters (subject to extension)

BENEFICIARY:
Public Service Commission
State of North Dakota
600 East Boulevard Ave., Dept 408
Bismarck, ND 58505-0480

Issuing Bank: BNC National Bank
PO Box 4050
Bismarck, ND 58502-4050

Surface Coal Mining Permit Number: GRGR-0501

Collateral Bond Number: LC-GRGR-0501-04

RE: Leonardite Products, LLC, P.O. Box 548, Williston, ND 58802
(Name of Permittee) (Address)

Commissioners:

We hereby establish our Irrevocable Standby Letter of Credit No. 9603481 (this "Letter of Credit") in the amount of One Hundred Seventy Thousand One Hundred Two and no/100 Dollars (\$170,102.00) in your favor, the North Dakota Public Service Commission (the "Commission"), for the account of Leonardite Products, LLC (the "Permittee") whose address is set forth above.

This Letter of Credit is available against your draft(s) at sight drawn on us and accompanied by this original Letter of Credit and your written demand pursuant to North Dakota Administrative Code (NDAC) section 69-05.2-12-04. Partial draws are permitted. Any partial drawing hereunder shall be endorsed hereon by us and this Letter of Credit shall be returned to you (except after a drawing which exhausts the available credit hereunder).

This Letter of Credit is effective as of the Issue Date set forth above and will expire at the close of business - 5:00 p.m. Central Standard Time - on the Expiration Date. Notwithstanding the forgoing, this Letter of Credit shall be automatically renewable without amendment for additional one-year terms unless we give the Commission ninety (90) days' notice in writing by certified mail, return receipt requested, to the Commission and the Permittee, of our intent to terminate the Letter of Credit on the then applicable expiration date.

The Commission may draw on us at sight within thirty (30) days of any notice to the Commission of our intent to termination this Letter of Credit, accompanied by a statement signed by an authorized representative of the Commission, certifying that the amount of the drawing represents funds due to the Commission because the Permittee has failed to replace this Letter of Credit by other suitable bond or letter of credit pursuant to NDAC 69-05.2-12-04.

In addition, the Commission may draw on us at sight at any time during the term hereof in part or in full accompanied by a statement signed by an authorized representative of the Commission certifying that the amount of the drawing represents funds due to the Commission because of a notice of forfeiture issued by the Commission to the Permittee in accordance with NDAC 69-05.2-12-16 and 69-5.2-12-18.

Except when the amount of the Letter of Credit is increased, the credit cannot be modified or revoked without the consent of the Commission.

Drafts drawn hereunder must be marked "Drawn under Irrevocable Standby Letter of Credit #9603481, dated March 12, 2019", and accompanied by a statement signed by an authorized representative of the Commission reading as follows:

"At sight, pay to the order of the North Dakota Public Service Commission, the amount of _____ (\$_____). I certify the North Dakota Public Service Commission is making this drawing pursuant to the terms of Irrevocable Standby Letter of Credit #9603481, dated March 12, 2019, and issued by BNC National Bank and the associated collateral bond agreement between the Permittee Leonardite Products, LLC and the Commission and that the Commission is entitled to the amount of this draw."

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without the written consent of the Commission.

We will give prompt notice to the Commission and Permittee of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business. In the event of actions which could result in suspension or revocation of the Bank's charter or license, the commission has the right to draw upon the Letter of Credit before the end of its term and convert it into a cash collateral bond if the Permittee fails to replace the Letter of Credit with a substitute bond within thirty (30) days after receipt of such a notice from the Commission. In the event the Bank becomes unable to fulfill its obligations under this Letter of Credit for any reason, notice shall be given immediately to the Commission and Permittee.

Attached is a copy of the Bank's most recent balance sheet, certified by a certified public accountant. We commit to submitting annual balance sheets to the Commission within ninety (90) days after the close of the Bank's fiscal year.

The laws of the State of North Dakota govern this Letter or Credit. The courts of the State of North Dakota will be used to resolve any dispute regarding this Letter of Credit. This Letter of Credit is subject to the current version of the Uniform Customs and Practices for Standby Credits, UCP 590 (International Standby Practices ISP 98), and the non-variable provisions of subsection 3 of North Dakota Century Code Section 41-05-16.

We hereby agree with the Commission that any drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to us at the office located at our offices in Bismarck, North Dakota, on or before the stated expiration date of or on or before the expiration date of any renewal period.

BNC NATIONAL BANK

(Bank Seal)

By _____
Dave Hoekstra, Senior Vice President

ACKNOWLEDGEMENT OF BANK
STATE OF NORTH DAKOTA

COUNTY OF BURLEIGH

On this _____ day of March, 2019, before me personally appeared Dave Hoekstra known to me to be the President/Chief Credit Officer of the Bank that is described in and that executed the within instrument, and acknowledged to me that the corporation executed the same.

(Notary Public)
My Commission Expires: