

ESCROW AGREEMENT

This Escrow Agreement (this "Agreement") is made and entered into as of the 19th day of June, 2000 among the State of Montana, the Crow Tribe, the United States of America and U. S. Bank Trust National Association MT.

The Background of This Agreement is as follows:

A. On June 22, 1999, the State of Montana ratified the Crow Tribe - Montana Water Rights Compact (the "Compact") which is set forth in Section 85-20-901, Montana Code Annotated ("M.C.A.")

B. Pursuant to Article VI, Section A.1. of the Compact, the State of Montana agreed to contribute the sum of \$15,000,000.00, in equal annual installments for a period of no more than fifteen years beginning July 1, 1999, to a fund for the use and benefit of the Crow Tribe.

C. Payment of the State of Montana's contribution for the benefit of the Crow Tribe was conditioned upon the occurrence of the events set forth in Article VI, Section A.2. of the Compact.

D. Until all conditions for payment are fulfilled, Article VI, Section A.3. of the Compact requires that all payments due from the State of Montana be paid into an interest-bearing escrow account, to be held without distribution of principal until all conditions for payment to the Crow Tribe are satisfied.

E. Sections 85-20-902 through 85-20-905, M.C.A. were enacted in order to provide for the implementation of the Compact, to provide a mechanism for settlement of certain claims against the State, and to provide a means to fund a portion of the State's financial obligations under the Compact with the Tribe.

F. Section 85-20-904, M.C.A., requires that the Department of Natural Resources and Conservation enter into an escrow agreement with the Crow Tribe and, if necessary under federal or tribal law, the United States.

G. Therefore, the parties to this Agreement desire to enter into this Agreement in order to comply with the Compact and with Section 85-20-904, M.C.A..

Therefore, the Terms of This Agreement are as follows:

1. Definitions. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided in this Agreement):

"Authorized Representative" means:

(a) in the case of the State: the Governor, the Attorney General, the Director of the DNRC, or any other person who has been authorized to act for the State, as evidenced by a certificate signed by the Governor, the Attorney General or the Director of the DNRC which has been delivered to each other party to this Agreement who is acting in reliance on the authority of such Authorized Representative;

(b) in the case of the Tribe: the Chairman, in the absence of the Chairman (which absence may be certified in a writing signed by the Chairman or the Vice-Chairman), the Vice-Chairman or any other person who has been authorized to act for the Tribe as evidenced by a certificate signed by the Chairman which has been delivered to each other party to this Agreement who is acting in reliance on the authority of such Authorized Representative; and

(c) in the case of the United States: the Secretary of the Interior or any other person who has been authorized to act for the United States as evidenced by a certificate signed by the Secretary of the Interior or any other person designated to act for the Secretary of the Interior which has been delivered to each other party to this Agreement who is acting in reliance on the authority of such Authorized Representative.

"Compact" shall have the meaning ascribed to that term as set forth above in Paragraph A.

"Conditions Precedent" shall mean the conditions which must occur before the Escrow Agent pays the Escrow Fund to the benefit of the Tribe as set forth in Article VI, Section A.2. of the Compact and the conditions which must occur before the Escrow Fund is payable to the order of the Crow Tribe as set forth in Section 85-20-904, M.C.A.

"DNRC" shall mean the Montana Department of Natural Resources and Conservation, or any successor agency of the State of Montana.

"Escrow Agent" shall mean U. S. Bank Trust National Association MT or its successor.

"Escrow Fund" shall mean all funds held by the Escrow Agent pursuant to the terms of this Agreement.

"First America Fund" shall mean First American Government Obligations Fund (Class D) if it is rated at least Aaa by Moody's.

"Permitted Investments" shall mean any of the following securities: (a) direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America; (b) bonds, notes, or debentures issued by any one or a combination of any of the following federal agencies:

- (/•) Federal Intermediate Credit Banks,
- (") Student Loan Marketing Association,
- (Hi)** Government National Mortgage Association,
- O'v) Federal National Mortgage Association (excluding strips),
- (v) Bank for Cooperatives,
- (vO) Federal Financing Bank,
- (vii)** Federal Land Bank,
- (viii)** Federal Home Loan Banks,
- (ix)** Farm Credit System, and
- (x)** Federal Home Loan Mortgage Corporation (including participation certificates), but only if timely payment of the obligation is guaranteed;

(c) public housing bonds issued by public agencies or municipalities, the payment of principal of and interest on which is fully secured by a pledge of annual contributions contract or contracts with the United States; (d) interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements of any bank or savings and loan association rated A3/P-1 or higher by Moody's which are fully insured by the Federal Deposit Insurance Corporation; (e) repurchase agreements with respect to obligations listed in clauses (a), (b), (c) or (d) above issued by providers whose outstanding debt is rated A3/P-1 or higher by Moody's, provided that such repurchase agreements are secured by a perfected security interest in the obligations which are the subject of such repurchase agreements and, if such obligations are evidenced solely by book entries on the books of the issuer thereof, the record of ownership of such obligations is transferred on such books; (f) money market funds investing in investments listed in clauses (a) through (e) above which are rated at least Aaa by Moody's which shall include, without limitation, the First America Fund; and (g) common trust funds of the Escrow Agent rate A3/P-1 or higher by Moody's and fully insured by the Federal Deposit Insurance Corporation.

"State" shall mean the State of Montana and any of its Authorized Representatives.

"Tribe" shall mean the Crow Tribe and any of its Authorized Representatives.

"United States" shall mean the federal government and any of its Authorized Representatives.

2. Escrow Agent.

(a) The State, the Tribe and the United States hereby select the Escrow Agent as the escrow agent as required by Section 85-20-904, M.C.A.

(b) The Escrow Agent shall have all of the rights and be subject to all the obligations set forth in this Agreement and Section 85-20-904, M.C.A.

(c) The Escrow Agent shall be entitled to an initial and an annual fee, which initial and annual fee shall be payable in the amounts and at the times set forth on attached Exhibit A. The fee shall be payable only from the Escrow Fund and shall not be payable by the State, the Tribe or the United States.

(d) The Escrow Agent will provide the State, the Tribe and the United States with a monthly report regarding the Escrow Fund and its activities as Escrow Agent under this Agreement. The report will include, at a minimum, a description of the Permitted Investments in the Escrow Fund and the receipts into and disbursements from the Escrow Fund during the calendar month. The monthly reports shall be due no later than twenty (20) days after the end of each calendar month. The Escrow Agreement will also provide the State, the Tribe and the United States with annual reports including, at a minimum, the same details on an annual basis, as is contained in the monthly reports. The Escrow Agent will provide the annual reports no later than thirty (30) days after the end of each calendar year beginning with the calendar year ending December 31, 2000.

3. Deposits into Escrow.

(a) Within five (5) days after it has been notified that the last party to this Agreement has signed this Agreement, the DNRC will pay to the Escrow Agent, by bank wire transfer, the sum of \$1,500,000.00

together with interest on that amount from July 1, 1999 until deposited as provided in this subparagraph (a) at the rate of interest earned on the permanent coal severance tax trust fund.

(b) On July 1, 2000 or, if later, on the same date as is set forth in subparagraph (a), the DNRC will pay to the Escrow Agent, by bank wire transfer, the sum of \$1,500,000.00.

(c) On each July 1 thereafter while this Agreement is in effect, the DNRC (or other authorized agency of the State) will pay to the Escrow Agent, by bank wire transfer, all additional annual amounts the State appropriates to meet its obligation under Article VI, Section A. 1. of the Compact.

(d) If the payment referred to in subparagraph (b) is not made on July 1, 2000 or if the any of the payments referred to in subparagraph (c) are not made on the applicable July 1, then each payment shall bear interest from the applicable July 1 until paid at the rate of interest earned on the permanent coal severance tax trust fund.

4. Investments.

(a) The Escrow Agent shall invest all amounts it receives (including all income and gains on the Escrow Fund) only in:

- (i) Permitted Investments to which the State, acting through the DNRC, and the Tribe have approved in a writing delivered to the Escrow Agent; or
- (ii) If the State, acting through the DNRC, and the Tribe have not so agreed in a writing delivered to the Escrow Agent, then in the First American Fund.

Upon not less than 90 days prior written notice to Escrow Agent, the State and the Tribe may change their previous agreement under Section 4(a) (i) regarding investments of the Escrow Fund. The notice referred to in the preceding sentence shall be accompanied by a written agreement of the State and the Tribe designating the changed Permitted Investments.

(b) The State hereby confirm receipt of the First American Fund's prospectus. The State further acknowledges that the First American Fund investment advisor and custodian are subsidiaries of U. S. Bancorp, and investment in the First American Fund includes approval of the First American Fund fees and expenses as detailed in the prospectus, including advisory and custodial fees and shareholder service expenses (which may be so call 12b-1 shareholder service fees), which fees and expenses are paid to U. S. Bank Trust National Association, U. S. Bank Trust National Association or any of their affiliates, nor is the First American Fund insured by the Federal Deposit Insurance Commission, the Federal Reserve Board or any other agency. The investment in the First American Fund involves investment risk, including possible loss of principal. All accrued interest shall become part of the Escrow Fund. The Escrow Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment in First American Fund.

(c) All entities entitled to receive interest or other payments from the Escrow Fund will provide Escrow Agent with all forms or documents as may be legally required by any governmental authority including, without limitation, if so legally required, a W-9 or W-8 IRS tax form prior to the disbursement of interest.

5. Disbursement of Escrow Fund. The Escrow Agent shall disburse the Escrow Fund upon receiving the written notice of the satisfaction of the Conditions Precedent from the Montana Attorney General as provided in Section 85-20-904(2), M.C.A.. Upon receipt of such notice from the Montana Attorney General, the Escrow Agent shall pay the Escrow Fund to the order of the Tribe.

6. Disbursement of Certain Interest from Escrow Fund. Pursuant to Section 85-20-904(4), M.C.A., the Escrow Agent shall without further written direction disburse annually on June 30th up to \$650,000 per year of interest earned on the Escrow Fund in each fiscal year commencing on or after July 1, 2008 to the Crow Tribe for its use for the purposes set forth in Section VI.A.4 of the Compact on terms and conditions agreed to by the Tribe and the Escrow Agent. The disbursement shall be made by wire transfer pursuant to the following instructions:

BBK: First Interstate Bank A B A #092901683
BNF: Crow Tribe Unrestricted Account / AC #1901003770
Ref: Crow Tribe Escrow Earnings
Attn: Del Laverdure
Address: PO Box 903 Hardin, MT 59034 (406) 665-3822 (address of receiving bank)

7. Return of Escrow Fund. If (i) the Conditions Precedent do not occur within any of the time limits set forth in the Compact, as those limits may be extended pursuant to the Compact by agreement of the parties to the Compact and the approval of the Montana Legislature, or (ii) any party to the Compact terminates the Compact as provided in the Compact prior to the disbursement of the Escrow Fund to the Tribe, the Escrow Fund, including funds paid into the Escrow Fund by the State and any interest remaining in the Escrow Fund, will revert to the State. The Escrow Agent, upon receipt of notice from the Governor of the State that the conditions for the return of the Escrow Fund to the State as provided in either clause (i) or (ii) of the preceding sentence have occurred, shall pay the Escrow Fund to the State by bank wire transfer.

8. Additional Escrow Agent Provisions.

(a) In performing its duties under this Agreement, the Escrow Agent need not inquire as to, and shall have no responsibility with respect to, the authorization, execution, genuineness, accuracy, validity, legality or binding effect, of any documents or of any certificate or notification or of any other instrument, document, agreement (including the agreements regarding investments of the Escrow Fund pursuant to Section 4) or writing delivered to it pursuant to or in connection with this Agreement, so long as the same appears on its face to meet all requirements specifically set forth in this Agreement, it is signed by an Authorized Representative and the Escrow Agent otherwise reasonably believes it to be genuine.

(b) The Escrow Agent shall not be obligated to take any action which, in the opinion of its counsel, may be unlawful or unduly expose the Escrow Agent to the risk of liability, and the Escrow Agent shall otherwise be entitled to rely on the advice of its counsel with respect to legal matters.

(c) The Escrow Agent may employ attorneys for the reasonable protection of this Agreement and of itself, and shall have the right to reimburse itself out of the Escrow Fund for costs, expenses and attorney's fees and shall have a lien on the Escrow Fund to secure the payment of such expenses. The Escrow Agent shall not be liable for any act it may do or omit to do as agent, while acting in good faith and in the exercise of its own best judgment. Any act done or omitted by the Escrow Agent on the advice of its own attorneys shall be deemed to have

been done or omitted in good faith, unless the Escrow Agent has knowledge concerning the matter in question that would cause the Escrow Agent's reliance to be unwarranted.

(d) Escrow Agent is hereby expressly authorized to comply with and obey any and all orders, judgments, or decrees of any court, and in the event Escrow Agent obeys or complies with any such order, judgment or decree of any court it shall not be liable to any of the parties to this Agreement or to any other person, firm or corporation by reason of such compliance, notwithstanding that any such order, judgment or decree is subsequently reversed, modified, annulled, set aside or vacated, or found to have been entered without jurisdiction.

(e) In case of dispute or disagreement among the State, the Tribe, the United States or any of them, the Escrow Agent, at its option, is authorized to hold the Escrow Fund until the parties have mutually agreed in writing as to the disposition of the Escrow Fund, provided that the State, the Tribe and the United States represents to the Escrow Agent that such disposition complies with the Compact and Section 85-20-904, M.C.A. In addition, Escrow Agent reserves the right to dispose of the Escrow Fund by interpleader or other suitable action.

(f) The Escrow Agent may resign at any time by giving written notice the State, the Tribe and the United States pursuant to Section 8. Resignation shall be effective thirty (30) days after such notice has been given. If a successor Escrow Agent has not been appointed within such thirty (30) day period, the Escrow Agent may petition any court of competent jurisdiction or may interplead the State, the Tribe and the United States in a proceeding for the appointment of a successor Escrow Agent, and all fees, including but not limited to fees associated with the filing of interpleader, and expenses associated therewith shall be payable from the Escrow Fund. In addition, the Escrow Agent may be removed upon the written agreement of the State, the Tribe and the United States delivered to the Escrow Agent. The removal shall be effective thirty (30) days after delivery of such agreement to the Escrow Agent.

9. Miscellaneous. The parties further agree as follows:

(a) All notices, requests, demands or other communications required under or pertaining to this Agreement shall be in writing and shall be effective upon the earliest to occur: (i) when delivered to the recipient; (ii) one (1) business day after deposit of a nationally recognized overnight-guaranteed delivery service; or (iii) three (3) business days after deposited in a sealed envelope in the United States mail, postage prepaid by registered or certified mail, return receipt requested, addressed to the recipient as set forth below. All notices, requests, demands or other communication shall be addressed to the parties to this Agreement as follows:

State of Montana Department of Natural Resources and Conservation
Attention: Administrator of Conservation and Resource Development Division
1625 Eleventh Avenue
Helena, MT 59620

Crow Tribe
Attention: Tribal Chairman Box 159
Crow Agency, MT 59022

U. S. Bank Trust National Association MT
Attention: Deborah Kuykendall, PD-WA-T7CT
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Fax copy to: U. S. Bank Trust N. A. Chad
Meyers (651)244-8555

United States of America
Attention: Regional Director of Bureau of Indian Affairs 316 North
26th Street, Rm 4430 Billings, MT 59101

If the date on which any notice is to be given falls on a Saturday, Sunday or legal holiday, then such date shall be automatically extended to the next business day immediately following such Saturday, Sunday or legal holiday. The foregoing addresses may be changed by written notice given in accordance with this subparagraph (a).

(b) If any provision of this Agreement shall be illegal, void, invalid or unenforceable under present or future laws, the remaining provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby and such remaining portion shall be construed in a manner most clearly approximating the intention of the parties with respect to the illegal, invalid, void or unenforceable provisions of this Agreement.

(c) The headings or captions of each section or subsection of this Agreement are for convenience only and shall be considered of no effect in the construction of any provision of this Agreement.

(d) This Agreement shall be binding upon, inure to the benefit of, be enforceable by the parties to this Agreement, and their heirs, devisees, personal representatives, successors and permitted assigns.

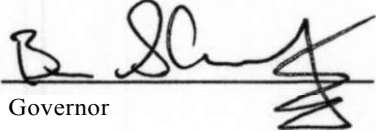
(e) No assignment or transfer of the rights of any party to this Agreement can be made without the written consent of the parties to this Agreement, including the Escrow Agent.

(f) This Agreement constitutes the entire agreement with reference to the Escrow Fund between the parties to this Agreement.

(g) This Agreement may be altered, amended, modified or revoked by writing only, signed by all of the parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth in the first paragraph.

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

By: 
Governor

CROW TRIBE

By
Chairman

U. S. BANK TRUST NATIONAL ASSOCIATION MT

BV: QOxssta^ |.. Vo^cVff)
Vice President (j)

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Secretary of the Interiofy *

**Corporate
Trust
Services**

Exhibit A
SCHEDULE OF FEES FOR ESCROW SERVICES

DNRC Crow Tribe Escrow

ACCEPTANCE FEE

The acceptance fee includes the review of all documents, initial set-up of the account, and other reasonably \$500.00 required services up to and including the closing. This is a one-time fee, payable at closing.

U.S. Bank Trust National Association reserves the right to refer any or all escrow documents for legal review prior to, and anticipated to execution. Legal fees (billed on an hourly basis) and expenses for this service will be to, and paid by, the customer. Where appropriate and when requested by the customer, U.S. Bank Trust National Association will provide advance estimates of these legal fees.

ADMINISTRATION/AGENT FEES

Annual account administration fee covers the normal duties of escrow agent associated with the management of \$750.00 the account. Administration fees are payable in advance and will not be prorated.

ESCROW AGENT TRANSACTION FEES

Disbursement/Draw none Charge per item disbursed. Includes the wire or check fee.

Receipts none Charge per wire or check for funds coming into an account.

Trades-Open Market/Directed none Charge per trade to buy or sell, or maturity of permitted investments.
This excludes Funds invested in the FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND

DIRECT OUT OF POCKET

Reimbursement of direct expenses associated with the performance of our duties, including but not limited to At Cost publications, legal, and travel expenses, and filing fees, if any.

EXTRAORDINARY SERVICES

Charge for duties or responsibilities of an unusual nature not provided for in the indenture or otherwise set forth in this schedule. A reasonable charge will be made based on the nature of the service and the responsibility involved. These charges will be billed as a flat fee or our hourly rate then in effect, at our option.

Final account acceptance is subject to review of documents. Fees are based on our understanding of the transaction and are subject to revision if the structure is changed. In the event this transaction does not close, any related out-of-pocket expenses will be billed to you at cost. Fees for any services not specifically covered will be based on appraisal of services rendered.

With general reference to all of our charges, it should be understood that they are subject to adjustment from time to time, upon written notification.

The fees in this schedule are the terms under which you agree to do business. Closing the transaction constitutes agreement to this fee schedule, as does payment of the invoice received after subsequent fee adjustment notification.

Dated June
14, 2000
CONFIDENTIAL