ESCROW AGREEMENT

PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
SFN 17734 (Rev. 1-2010)

Permittee	
Permit Number	Collateral Bond Number

THIS AGREEMENT, effective the _____ day of _____, 20 _____, by and among the Bank of North Dakota, 1200 Memorial Hwy, PO Box 5509, Bismarck, North Dakota, 58502-5509 (Escrow Agent), the North Dakota Public Service Commission, 600 E. Boulevard Ave. Dept 408, Bismarck, North Dakota 58505-0480 (Commission), and _____ _____ (Company), a _____(State) corporation, authorized to do business in the State of North Dakota, whose address is _____ _____

RECITALS

WHEREAS, the Company has submitted the above listed Collateral Bond and an indemnity agreement to the Commission to meet the requirements of its Surface Coal Mining and Reclamation Operations Permit listed above and North Dakota Century Code Chapter 38-14.1, including Sections 38-14.1-16 and 17; and North Dakota Administrative Code Chapter 69-05.2-12, including Section 69-05.2-12-04. Copies of the Bond and indemnity agreement are attached and by reference made a part of.

WHEREAS, contemporaneously with execution and delivery of the Bond, the Company has given the Commission a cash deposit (Collateral) in the amount of $ _____;

WHEREAS, the Company binds itself, its successors and assigns to the State of North Dakota in the penal sum of the Collateral, i.e. $ _____;

WHEREAS, the Commission has agreed to deposit the Collateral in an escrow account; and

WHEREAS, the Commission has agreed that the interest accruing on said escrow account shall be paid to the Company.

1. Escrow Agent hereby acknowledges receipt from the Commission of funds constituting the Collateral in the amount of_____ ($_____) and agrees to deposit said funds in an account in the Escrow Agent. The funds deposited with Escrow Agent, not including any interest earned, are hereinafter referred to as the Funds. All interest on the Funds shall be paid by the Escrow Agent to the Company.

2. Except as otherwise provided, the Escrow Agent shall not transfer or disburse any of the Funds without written instructions signed by the Commission.

3. The Commission may transfer or draw upon the Funds only in accordance with N.D.C.C. Chapter 38-14.1 and rules promulgated thereunder.

4. The Commission's authority to transfer or draw on the Funds, as described in paragraph 3 above, terminates upon the replacement of the Bond or upon discharge of the obligation and release of the Bond. The Commission shall notify Escrow Agent in writing of the termination of the Commission's authority with respect to the Bond and the Collateral. Upon termination of such authority of the Commission and pursuant to written instruction received from the Company.

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5. The Escrow Agent promptly shall invest, and shall continue to invest until otherwise directed by the Commission or this Agreement terminates pursuant to Section 9 hereof, the Funds only in United States Treasury Bills, certificates of deposit of the Escrow Agent or other securities having a maturity of not more than 180 days from the date of investment. Subject to the immediately preceding sentence, the Company understands and agrees that the Commission shall have no liability with respect to the specific interest rate or changes in such rate payable on the Funds in the escrow account.

6. The Escrow Agent shall pay directly to the Company interest payable on the Funds in the escrow account on the same date(s) such interest is due and payable, after deducting from such interest the costs and expenses provided for in Paragraph 7(d) below.

7. The Commission and the Company acknowledge to Escrow Agent that:

   a. The duties of Escrow Agent are only as herein provided. The Escrow Agent shall not be liable for any action it may take or fail to take as Escrow Agent while its conduct is in good faith and in the exercise of its own best judgment or upon the advice of its counsel.

   b. In the performance of its duties hereunder, Escrow Agent shall be entitled to rely upon any document, instrument or signature believed by it to be genuine and signed by the Commission, an officer of the Company, or their respective successors or assigns.

   c. Escrow Agent shall not be bound by any modification, cancellation or recision of this Agreement, unless the same is in writing, and signed by the Commission and an authorized officer of the Company, and acknowledged by the Escrow Agent.

   d. The Company shall bear all applicable costs and reasonable expenses assessed and incurred by Escrow Agent. Escrow Agent shall be reimbursed for such costs and expenses by deducting the same from the interest due to the Company prior to paying the interest to the Company.

8. Any written notices required or permitted to be given under this Agreement shall be deemed to be given upon deposit in the United States mail, or with an express mail service, addressed to the appropriate party or parties at the following addresses:

   North Dakota Public Service Commission
   600 E. Boulevard Ave. Dept. 408
   Bismarck, ND 58505-0480

Name of Company	
Address	
City	
State	Zip Code

   Bank of North Dakota
   1200 Memorial Hwy
   PO Box 5509
   Bismarck, ND 58502-5509

9. This Agreement shall terminate upon the termination of the Commission's authority with respect to the Bond and the Collateral and the return to the Company of the Funds or balance of Funds then remaining and the payment to the Company of all interest on the Funds which is due and payable.

10. This Agreement may be executed in any number of identical counterparts, each of which, when executed and delivered by the parties hereto, shall be considered to be an original, but all of which shall collectively constitute one and the same instrument.

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11. This Agreement including the Bond and Indemnity Agreement, together with the above listed Permit, constitute the entire agreement between the parties hereto and supersedes all other prior negotiations, undertakings, notices, memoranda and agreements between the parties in respect to the above listed Collateral Bond.

12. This Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of North Dakota.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective the day and year written above.

NORTH DAKOTA PUBLIC SERVICE COMMISSION:

Chairman

Commissioner

Date

Commissioner

Date

Name of Company
Signature of Authorized Representative
Name of Authorized Representative
Title

BANK OF NORTH DAKOTA:

Date

Signature of Authorized Representative
Name of Authorized Representative
Title