



**RESOLUTION OF THE GOVERNING BODY
OF THE
THREE AFFILIATED TRIBES
OF THE
FORT BERTHOLD INDIAN RESERVATION**

A Resolution entitled, "Approval of Term Sheet with Arrowhead Lonestar Energy Services LLC, 5005 Riverway, Ste. 350, Houston, Texas 77056 for Joint Venture Project – Thunder Butte Development Park"

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act and having adopted a Constitution and By-laws pursuant to said Act; and

WHEREAS, The Constitution and By-laws of the Three Affiliated Tribes was adopted by membership of the Tribes on May 15th, 1936 pursuant to the Indian Reorganization Act of 1934 and duly approved by the Secretary of Interior; and

WHEREAS, Article III of the Constitution of the Three Affiliated Tribes provides that the Tribal Business Council is the governing body of the Tribes; and

WHEREAS, The Constitution of the Three Affiliated Tribes authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and

WHEREAS, The Tribe and the Four Bears Segment desires to enter into a joint venture project with Arrowhead Lonestar Energy Services LLC ("Arrowhead") to finance, construct and operate a Development Park, which includes the man camps, warehousing and storage of industrial equipment and the ingress to and egress from the leased premises within the Four Bears Segment; and

WHEREAS, The Four Bears Segment also desires to create a revenue stream to construct additional tribal housing within the Four Bears Segment and to develop waste water treatment facilities to service the additional tribal housing; and

WHEREAS, Arrowhead has proposed to lease approximately 40 acres of tribal land for a Development Park, which includes the man camps, warehousing and storage of industrial equipment and the ingress to and egress from the leased premises under the following terms (see Attached Term Sheet):

SUMMARY

Purpose: To finance, construct and operate a Development Park, which includes regulated oil field worker housing, warehousing and storage of industrial equipment and the ingress to and egress from the leased premises, and shall include a joint project to construct a municipal waste water collection & treatment sewer system ("System") to service the Facility and up to 70 tribal homesites.



Terms:

1. TAT shall lease approximately 40 acres of tribal land to Arrowhead for construction and operation of the Facility. Initially at date of operation, Arrowhead shall operate 600 units with a total approximate potential of 2,500 units.
 - a. Term: 25 years with renewal for additional 25 years.
 - b. Rental: \$5.00 per day per unit (based on total availability of units). The \$5.00 per day amount shall be renegotiated at the end of 2012.
 - i. Initially 600 units = \$1,095,000.00 annually (\$91,250 per month) – Amount will increase with number of units.
 - ii. Rentals shall commence on the first day of operation of the Facility and shall be remitted to the Tribe within thirty (30) days after the close of the previous month.
2. Arrowhead shall be responsible for all construction, operation and maintenance of facility.
3. Arrowhead shall finance and construct the lagoon(s) and access road of the System to service the facility and a minimum of 70 tribal homesites. TAT shall be responsible for the required lift station.
 - a. Attached is the construction budget estimate as provided by the Indian Health Service.
 - b. Approximate cost of construction & responsibility:

i.	Arrowhead	\$3,850,000.00
ii.	TAT	\$1,088,019.50
 - c. TAT shall obligate up to 40 acres of tribal land for the System.
 - d. System shall be constructed using an approved Indian Health Service design.
 - e. Arrowhead shall be responsible for all elements of the construction of the lagoon and access road.
 - f. TAT shall be responsible for construction / installation of lift station for the System.
 - g. TAT shall assume ownership of the entire System upon completion of construction.
4. TAT shall provide Arrowhead and the Facility access to available municipal water and Arrowhead shall be responsible for all costs associated with such access.
5. The man camp shall be Alcohol & Drug Free and be closed to guests.

**Covenants /
Restrictions:**

Covenants and Restrictions on the Facility shall include but not limited to:

1. Arrowhead shall enter into appropriate public safety service and waste disposal agreements with TAT.



2. All lodging contracts shall include acknowledgement and acceptance of TAT jurisdiction over all occupants.
3. Arrowhead shall install appropriate security measures for the Facility including staff, fencing and surveillance equipment.
4. Arrowhead shall require as a condition of occupancy to have criminal background checks on all residents.
5. In the event Arrowhead fails to develop the leased premises and/or Facility for twelve (12) continuous months resulting in a lack of revenue for the Tribe, the Tribe shall have the option to terminate the lease upon written notice.

- Confidentiality:** The terms of this letter are confidential and, to the extent permitted by law, may not be disclosed to any third party without the agreement of TAT and Arrowhead & its affiliates.
- Fees:** Arrowhead agrees to pay all fees and costs associated with the construction of the Facility and System. TAT shall be responsible for all other costs associated with the proposed 70 tribal home project.
- Architecture/Design:** Arrowhead shall be responsible for the facility design.

NOW THEREFORE BE IT RESOLVED, that the Tribal Business Council of the Three Affiliated Tribes hereby approves the Term Sheet with Arrowhead Lonestar Energy Services, LLC to lease tribal land and enter into a joint venture to construct and operate a regulated oil field worker housing facility within the Four Bears Segment; and

BE IT FURTHER RESOLVED, upon approval of the Term Sheet, the Legal Department and Arrowhead shall draft the appropriate lease agreement between the Tribe and Arrowhead that shall contain all primary terms contained in the approved term sheet; and

BE IT FINALLY RESOLVED, the Chairman and any other officer of the Tribal Business Council is hereby authorized to execute the lease agreement with Lonestar.



CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation hereby certify that the tribal Business Council is composed of seven (7) members of whom five (5) constitute a quorum, 6 were present at a **Regular** Meeting thereof duly called, noticed, convened and held on the 22nd day of **December**, 2011, that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

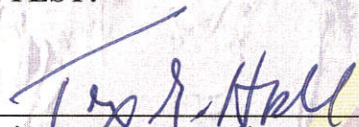
Chairman [] Voting. [] Not Voting

Dated this 22nd day of **December**, 2011

ATTEST:



Executive Secretary V. Judy Brugh.
Tribal Business Council



Chairman, Tex G. Hall
Tribal Business Council