

OPERATING AGREEMENT

Progressive Pathways LLC

The undersigned parties own land in Wyoming. Recently, the ONEOK project team has contacted several of the area land owners regarding the possibility of developing a pipeline in various counties throughout Wyoming. The undersigned parties (“members”) wish to negotiate survey access and right of way easements and have agreed to create an association that can collectively bargain on behalf of the members. Accordingly, the undersigned hereby create an association to be known as “Progressive Pathways LLC.”

The purpose of Progressive Pathways LLC is to enhance the negotiating power on land owned by the members by combining those resources into a single negotiating package. In order to give the collective bargaining strategy an opportunity to work, the members commit the negotiation of their access for survey and property easement as pertaining to the Bakken Pipeline project to Progressive Pathways LLC, beginning at signing and extending for a period of two years from the date ONEOK files its application for certificate of public convenience and necessity with the Federal Energy Regulatory Commission (FERC). During that time period, the members agree that they will not negotiate access for survey and easement on their land without the agreement of the Board of Managers of Progressive Pathways LLC. It is also the purpose of the association to hold forums that educate the members and other interested parties regarding the pipeline.

THEREFORE: The parties agree as follows:

I. NAME AND PURPOSE

1. The limited liability company shall be Progressive Pathways LLC.
2. The primary intent of the Progressive Pathways LLC is to use collective bargaining practices to reach agreement with Bakken pipeline developers and/or investment companies.

II. BOARD OF MANAGERS

3. The Progressive Pathways LLC shall have a board of managers (“Board”) consisting of twelve managers elected by a majority vote. A Chair and a Secretary/Treasurer shall be board members and appointed by the Board. The Board shall serve without compensation. The Board may chose to reimburse some expenses incurred by board members.
4. The purpose of the Board is to represent Progressive Pathways LLC in business matters, provide guidance, generate ideas, schedule meetings, negotiate in conjunction with legal counsel, and assist in carrying out the purpose of Progressive Pathways LLC.
5. Eight Board members shall constitute a quorum for a Board meeting and it shall take eight votes to pass a vote.

6. For efficiency purposes, the Board may designate a Negotiation Committee, compiled from the members of the Board, to represent the interests of Progressive Pathways LLC in direct negotiations with ONEOK or its affiliates or subcontractors.

III. MEMBERSHIP

7. Except as specifically provided otherwise, matters before membership shall be decided by a majority of the eligible votes. A quorum at a regular membership meeting shall require the presence of members or proxies representing at least fifty- one percent of the eligible votes.

8. Each member will be entitled to one vote for each one quarter linear mile the pipeline is located on a landowner's property. One vote minimum per landowner.

9. Land shall be deeded. State land may be included with permission from the WY State Land Board.

10. The number of votes per membership interest shall be based on number of linear quarter mile sections and not the number of individuals who jointly own the land or have entered into a partnership/corporation to manage the land. For example, a husband and wife or corporation shall vote as one even though they jointly own land within the project boundary.

11. A member may vote by written proxy.

12 a) If the Board reaches a potential agreement regarding the survey access and land easement, the Board shall recommend the agreement to the members. A survey access and easement agreement shall be deemed accepted by the association when the Board makes a formal proposal to the membership recommending acceptance of the negotiated terms.

b) Upon acceptance of the negotiated agreement by Progressive Pathways LLC, each member shall then accept or reject the proposal on an individual basis. Each member will be required to negotiate with the developer the individual terms applicable to their property.

c) Individual members are not obligated to accept an easement proposal even if the proposal is accepted by a majority of the membership.

13. This agreement is binding on the heirs, assigns, personal representatives, or successors of each member. If a member transfers a portion of his land that is covered by this agreement, the new owner shall be a member and entitled to a prorate share of the voting privileges of the selling member's voting privileges.

IV. DEVELOPMENT BOUNDARIES

14. Land committed by Progressive Pathways LLC members for the pipeline survey access and easement is listed in and limited to land described in Attachment A of this agreement. The amount of land in Attachment A can be expanded by commitment of additional land by new members who are approved by a majority of votes cast by the Board. Each Member contributes to Progressive Pathways LLC the negotiation rights with ONEOK, partners or any of their affiliates and subcontractors on the property he or she listed on Attachment A of this agreement.

V. RESTRICTION ON MEMBERS

15. No member shall independently enter into a separate agreement with ONEOK, affiliates or subcontractors within established boundaries without consent of the Progressive Pathways LLC during the term of this agreement.

16. No member shall act on behalf of the Progressive Pathways LLC without the written consent of Board.

17. Any member who violates the provision of Section V shall be in breach of contract and membership to Progressive Pathways LLC will be terminated with prejudice.

18. No member shall incur indebtedness on behalf of the Progressive Pathway LLC without written consent of the board.

VI. ASSESSMENTS AND LIABILITY

19. Each founding member shall be assessed \$250.00 initially, with additional assessments not to exceed \$1250.00 per mile of their privately owned land that is committed to Progressive Pathways LLC as shown on Attachment A of this agreement. Minimum initial assessment is \$250.00. Members who join Progressive Pathways LLC after May 1, 2011, shall contribute an amount equal to the amount assessed to the existing membership. Members shall have 30 days from the date they are notified of a call for capital contribution to make such contribution. Notification can be by phone, email, facsimile, letter or in person. If a member fails to make the required contribution, the member shall be notified by certified mail.

20. Failure to make said contribution within 30 days of the request shall constitute a default. A member in default of a contribution of capital shall not have voting privileges until their capital account is current.

21. Assessments and contributions will be used for attorney fees, meeting space, printing, postage, and other purchases and expenses deemed necessary to meet the purposes declared in the opening paragraphs of this agreement.

22. The liability of the members to the company shall be limited to their respective capital contribution except as provided in Section V.

VII. TERMINATION OF AGREEMENT

23. This agreement may be terminated under either of the two conditions below:

- a) When a proposal for pipeline development is accepted as described in paragraph 12(a) of this agreement; or
- b) Upon a vote where members representing 75% of the voting privileges of the Association vote for early termination.

VIII. EXPIRATION AND/OR CONTINUATION OF AGREEMENT

24. This agreement shall expire two years after the date that ONEOK files its application for certificate of public convenience and necessity with the Federal Energy Regulatory Commission.

25. After the date established in paragraph 24, members may carry on with Progressive Pathways LLC under terms agreed upon at that time.

26. Legal description of deeded property to be included in the Progressive Pathways LLC listed on Attachment A of this agreement.

27. This agreement may be signed in counterparts.

28. Any leftover funds shall be distributed in a prorated share, the same as assessed.

29. Any members whose land is not involved after the survey may have money refunded, prorated as assessed.

Landowner Signature Date

Landowner Signature Date

Landowner Signature Date

ATTACHMENT A