

OPERATIONS AGREEMENT

This Operations Agreement ("Agreement") is made April 1, 2013 (the "Effective Date") by and between **Chieftain Sand & Proppant Barron, LLC**, a Wisconsin limited liability company ("Chieftain"), and the **Town of Dovre**, a Wisconsin municipal corporation located in Barron County, Wisconsin (the "Town").

WITNESSETH:

WHEREAS, Chieftain has developed and operates silica sand mining and processing facilities in the Town; and

WHEREAS, the Town adopted a nonmetallic mining ordinance effective December 19, 2012 (the "Ordinance") which provides that operators of silica sand mining and processing facilities in the Town may, in lieu of obtaining a license and otherwise being subject to the terms and conditions of the Ordinance, enter into an operations agreement with the Town which governs such activities; and

WHEREAS, Chieftain and the Town wish to enter into such an agreement and, after negotiations, have agreed on the terms and conditions of such an agreement; and

WHEREAS, Chieftain desires to maintain and foster a good working relationship with the Town and believes that entering into such an agreement promotes those desires; and

WHEREAS, the Town has determined that the terms and conditions of this Agreement promote the public interest.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual commitments made herein, the parties agree as follows:

ARTICLE 1 - SCOPE. This Agreement is an Operations Agreement as defined in the Ordinance. This Agreement applies to all of Chieftain's Nonmetallic Mining Operations in the Town. The legal descriptions of the parcels now subject to this Agreement are set forth on Exhibit 1 attached hereto. Chieftain shall provide the Town with the legal descriptions of any additional lands that become subject to this Agreement.

ARTICLE 2 - TERM. The Initial Term of this Agreement shall commence on the Effective Date and shall continue until the earlier of: (a) the date Chieftain has notified the Town that it has completed all Nonmetallic Mining Operations in the Town; or (b) twenty five (25) years after the Effective Date. Unless Chieftain provides the Town with written notice of termination not less than ninety (90) days prior to the end of the Initial Term, the term of this Agreement shall automatically renew for an additional term (the "Renewal Term") which shall commence on at the end of the Initial Term and which shall continue until the earlier of: (a) the date Chieftain has notified the Town that it has completed all Nonmetallic Mining Operations in the Town; or (b) twenty five (25) years after the commencement date of the Renewal Term.

ARTICLE 3 - PAYMENTS TO TOWN.

Section 3.1 General Provisions. Chieftain agrees to make annual royalty payments to the Town commencing January 1, 2014. The amount of each royalty payment shall be calculated based on the number of tons of sand mined in the Town and dried, processed, loaded, and shipped from Chieftain's dry plant in the Town in the previous calendar year multiplied by \$.10/ton (example: 1,000,000 tons per year x .10 = \$100,000.00). Commencing on January 1, 2019, and continuing each and every fifth (5th) year thereafter, the Royalty shall be increased by \$.015 as follows:

<u>Period</u>	<u>Royalty Amount</u>
1. 01/01/2019 - 12/31/2023	\$0.115
2. 01/01/2024 - 12/31/2028	\$0.13
3. 01/01/2029 - 12/31/2033	\$0.145
4. 01/01/2034 - 12/31/2038	\$0.16
[5-9 assumes extension of Agreement term]	
5. 01/01/2039 - 12/31/2043	\$0.175
6. 01/01/2044 - 12/31/2048	\$0.19
7. 01/01/2049 - 12/31/2053	\$0.205
8. 01/01/2054 - 12/31/2058	\$0.22
9. 01/01/2059 - 12/31/2063	\$0.235

The weight of the sand for the purposes of this Royalty payment shall be measured after completion of the drying process.

Section 3.2 Weighing and Records. For purposes of this section, tonnage will be based on dried sand. Chieftain will weigh all sand before it is shipped. Chieftain will retain records required under this Article for not less than three (3) years and will make the same available to the Town.

Section 3.3 Due Dates. Royalty payments under this Article will be made on a calendar year basis, with payment for each year due by no later than January 31 of the following year.

Section 3.4 Application of Royalties. All royalties paid by Chieftain pursuant to this Article shall be applied to the Town's general fund.

ARTICLE 4 - IMPACTS ON ADJOINING LANDOWNER'S PROPERTY VALUES

Section 4.1 Term. For a period of five (5) years from December 12, 2012 (the effective date of the Ordinance) as to lands now constituting Adjoining Property or five years from the date of approval of a Reclamation Plan as to lands that become Adjoining Property after the date of this Agreement, Chieftain shall provide a Property Value Guarantee as set forth in

this Article. Each owner of Adjoining Property who wishes to participate in the Property Value Guarantee shall sign up with the Town Clerk and provide written notice to Chieftain of the owner's election to participation in the Property Value Guarantee hereunder within one (1) year from the beginning of the applicable five (5) year period. Any owner that fails to sign up within the time provided is not eligible for the Property Value Guarantee. Further, only the owner of Adjoining Property on the beginning of the applicable five (5) year period is eligible for the Property Value Guarantee. Any owner meeting the requirements of this Section is referred to as an Eligible Owner.

Section 4.2 Sale Notice Also Required. An Eligible Owner desiring to sell his or her property and to take advantage of the Property Value Guarantee provided in this Article shall notify the Town Clerk and Chieftain of his or her intent not later than the earlier of: (1) December 11, 2017 as to lands now constituting Adjoining Property or the fifth anniversary of the date of approval of a Reclamation Plan as to lands that become Adjoining Property after the date of this Agreement, as applicable; or (2) the date Chieftain has completed all Nonmetallic Mining Operations in the Town under this Agreement.

Section 4.3 Appraisal by Agreement. After an Eligible Owner has provided a notice under Section 4.2, the Eligible Owner and Chieftain shall attempt to agree upon the Fair Market Value of the Adjoining Property. If they agree, they shall reduce such agreement to writing. If they cannot so agree, they will try to agree upon an appraiser who is licensed as a real estate appraiser in the State of Wisconsin to determine the Fair Market Value of the Adjoining Property, and if they agree the property shall be appraised by that appraiser at Chieftain's expense. As used herein, Fair Market Value means the full value which could ordinarily be obtained for the property at a private sale on an arm's length basis between a willing seller and a willing buyer, but assuming Chieftain's Nonmetallic Mining Operation did not exist, and taking into account all other factors affecting the value of the property.

Section 4.4 Appraisal if no Agreement. In the event that the Eligible Owner and Chieftain are unable, within thirty (30) days after the Eligible Owner has provided a notice under Section 4.2, to agree upon either the Fair Market Value of the Adjoining Property or on an appraiser, the Eligible Owner shall select a financial institution in Barron County, Wisconsin, that makes residential real estate loans and with whom the Owner does not do business and request that such institution provide to the Eligible Owner and Chieftain the name of an appraiser it regularly employs to conduct residential appraisals. The identified appraiser shall be retained to conduct the appraisal at Chieftain's expense and shall determine the Fair Market Value of the property and shall provide the Eligible Owner and Chieftain with copies of the appraisal.

Section 4.5 Listing Contract Requirement. Thereafter, the Eligible Owner may then enter into a listing contract for the property with a Wisconsin licensed real estate broker, which contract shall have a term of at least six (6) months and not more than one (1) year. The listing contract shall name Chieftain as a potential buyer excluded from the listing, such that if Chieftain purchases the property during the term of the contract no commission shall be due to the broker.

Section 4.6 Option to Purchase. Before accepting any bona fide offer for the property received during the term of the listing contract at a price less than the Fair Market Value as determined by appraisal as provided in this Article, the Eligible Owner shall give Chieftain not less than five (5) business days' written notice by facsimile, e-mail, or personal delivery of the Eligible Owner's intention to accept the offer, which notice shall include a copy of the offer. If the notice is by facsimile or e-mail it shall also require confirmed receipt by Chieftain. Chieftain may, within two (2) business days of receipt of the notice and copy of the offer, notify the Eligible Owner by facsimile, e-mail, or personal delivery that it elects to purchase the property for its Fair Market Value, and if Chieftain makes such an election, the Owner shall sell the property to Chieftain at the Fair Market Value and upon the other terms contained within the offer (not including the purchase price, which shall be the Fair Market Value).

Section 4.7 Sale Pursuant to Offer. If Chieftain does not so notify the Eligible Owner within said time, the Eligible Owner may then accept the offer and sell the property as provided in the offer. In such event, Chieftain shall make a payment to the Eligible Owner (the Property Value Guarantee). Unless the following two sentences apply, the amount of the Property Value Guarantee shall be equal to the difference between the selling price pursuant to the offer and the Fair Market Value determined as provided in this Article, less the amount of the commission that would have been payable pursuant to the listing contract on that difference; provided, however, that the maximum amount that Chieftain shall be obligated to pay to the Eligible Owner is Twenty Five Thousand Dollars (\$25,000). If Chieftain reasonably believes that as of the date of closing of the sale of the property by the Eligible Owner the Fair Market Value determined by appraisal pursuant to this Article no longer represents the actual Fair Market Value of the property due to changes in the market, Chieftain may elect to have appraisal updated, at its expense, by the same appraiser effective as of the date of closing. If the Fair Market Value, as determined by the updated appraisal, is less than the Fair Market Value as determined by the original appraisal, then the amount of the Property Value Guarantee shall be equal to the difference between the selling price pursuant to the offer and the Fair Market Value determined by the updated appraisal, less the amount of the commission that would have been payable pursuant to the listing contract on that difference; provided, however, that the maximum amount that Chieftain shall be obligated to pay to the Eligible Owner is Twenty Five Thousand Dollars (\$25,000). The Property Value Guarantee shall be paid by Chieftain within thirty (30) days of the later of (a) the closing of the sale of the property by the Eligible Owner; or (b) the date of the updated appraisal.

Section 4.8 Exclusions. The Property Value Guarantee shall apply only once for any Adjoining Property. Land now constituting Adjoining Property which was for sale prior to December 19, 2012, is not eligible for the Property Value Guarantee provided for in this Article. Land which becomes Adjoining Property after the date of this Agreement which is for sale prior to the date of approval of a Reclamation Plan for the land is not eligible for the Property Value Guarantee provided for in this Article. Adjoining Property shall not qualify for the Property Value Guarantee if the Eligible Owner sells or otherwise conveys the property to a third-party by a transaction which is not considered an arm's length transaction, such as a sale or gift to a relative; provided that such exclusion shall not apply with respect to transfers by will, descent, or survivorship upon the death of an Eligible Owner.

Section 4.9 Adjoining Property Eligible for more than one Guarantee. Notwithstanding any other provision of this Article, if an Adjoining Property is eligible for a Property Value Guarantee under this Agreement and is also eligible for a similar payment from one or more other Operators either under the Ordinance or under an operations agreement, the Property Value Guarantee and the cost of any appraisals shall be paid in equal shares by Chieftain and the other Operators.

ARTICLE 5 - OPERATING RESTRICTIONS. Chieftain's Nonmetallic Mining Operations shall be subject to the restrictions set forth in this Article.

Section 5.1 Applicable Laws. Chieftain will conduct its Nonmetallic Mining Operation in accordance with all applicable laws and regulations.

Section 5.2 Hours of Operation. Chieftain's Nonmetallic Mining Operations may be conducted on a 24 hours per day, 7 day per week basis (restrictions as to trucking activities, including days and hours of operation, are addressed in Article 6 of this Agreement).

Section 5.3 Requirements. Chieftain's Nonmetallic Mining Operations shall be conducted in such a manner as to meet or exceed the following minimum requirements:

(a) Buffers. Chieftain shall provide a buffer area around each Mine Site of a minimum of fifty (50) feet along bordering property lines and public highways. If a berm is placed within this fifty (50) foot buffer area and it lies along a public highway, the bottom edge of the berm shall be a minimum of ten (10) feet from the edge of the right-of-way and shall be seeded down and covered with erosion matting.

(b) Berms. Chieftain shall maintain existing berms now located on its Mining Sites until such time as they are replaced or removed pursuant to a Reclamation Plan or are replaced by other screening measures. With respect to houses situated on properties adjoining the Mine Site on December 19, 2012, to the extent that no berm exists, Chieftain shall make inquiry in writing of the Owner of each such house as to whether or not the Owner desires that a berm be constructed, and if not, Chieftain shall not be required to construct a berm in that location. Chieftain shall not be required to install berms opposite houses that are constructed after the Effective Date.

(c) Lighting. Chieftain shall minimize, to the extent reasonably possible, light pollution, glare, and light trespass from fixed light sources on its property, while maintaining night time safety, utility, security, and productivity in the course of its operations. Additionally:

(1) All lighting must be fully shielded in a manner that light rays emitted by the fixture, either directly from a lamp or indirectly from a fixture, are projected below a horizontal plan running through the lowest point on the fixture where the light is emitted.

(2) Lighting must be directed away from adjacent properties to prevent light from trespassing or spilling onto those properties.

(3) Except for lighting on vehicles or moving equipment, there shall be no flashing, revolving or intermittent lighting, which could be considered a nuisance or distraction to vehicular traffic.

(4) Search lights, laser source lights, or any similar high intensity light shall not be permitted, except in emergencies by police or fire personnel or at their discretion.

(5) All outdoor flood light projection above the horizontal is prohibited.

(6) Temporary lighting that does not conform with this Section may be allowed for a period of not longer than 30 total days within each year.

(d) Noise. Chieftain shall use best management practices to keep noise from its Nonmetallic Mining Operations at or below 80 dB at the Mine Site boundaries; provided that such limits shall not apply to blasting activities, haul trucks entering or leaving the Mine Site, site preparation work, construction of site improvements, repairs, or work pursuant to the Reclamation Plan.

(e) Dust. Chieftain will ensure the effects of dust from its mining and processing operations are minimized through the implementation of best management practices, new technology and industry standards that include:

- (1) Watering of road and travel-ways;
- (2) Use of dust collection/suppression and emission control equipment throughout mining and processing facilities;
- (3) Use of berms and vegetative barriers along sensitive property boundaries; and
- (4) Concurrent reclamation practices as mining progresses.

ARTICLE 6 - TOWN ROADS.

Section 6.1 Use Restrictions. Use of the Town roads by Chieftain for the hauling of sand mined in the Town is subject to the following conditions:

(a) Chieftain may use Town roads unless it is unusable to do so because of road maintenance or repairs, detours, accidents, or other matters beyond the reasonable control of the Town. Such use shall be limited to Mondays through Saturdays and not more than twelve (12) hours per day, commencing not earlier than 6:00 a.m. Notwithstanding the foregoing, such use is not permitted on the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve Day, and Christmas Day. Chieftain shall take reasonable measures to ensure that trucks traveling to and from its Mine Sites do not interfere with the safety of children being taken to or returned from school. The Town reserves the right to impose reasonable time-of-day use restrictions so as to avoid conflicts between trucks used for hauling by Chieftain and school buses.

(b) Chieftain will observe load limits set by law, including reduced load limits during the spring thaw season.

(c) In the event Chieftain has caused damage to a Town road of a magnitude sufficient to create a hazard to the general public, which in the Town's opinion warrants an immediate repair or road closure, the Town may upon 24 hours notice to Chieftain close portions of the road so affected and repair the same at Chieftain's expense.

(d) Chieftain will observe all posted speed limits.

(e) Compression release engine brakes, commonly known as Jake Brakes, will not be used.

(f) Each load of sand shall be covered.

(g) Mud flaps are required on all haul trucks.

(h) Prior to beginning regular use of any additional Town roads, Chieftain will give the Town written notice. The Town and Chieftain will then confer, and Chieftain may then use the road unless the Town requires use of alternative roads. Prior to commencing use Chieftain will obtain an engineering report required in Section 6.3.

(i) Chieftain will regularly remove all sand spillage and debris from Town roads used by it, and will be responsible for any extraordinary snow removal, over and above snow removal routinely performed by the Town, from Town roads used by it.

Section 6.2 Responsibility for Damage. Chieftain shall be responsible for all Exceptional Maintenance costs that are attributable to damage to Town roads from the hauling of sand mined in the Town by or for Chieftain. In the event of such damage to a Town road, Chieftain will, at the option of the Town, either reimburse the Town for the cost to repair the damage to the road or will contract to repair the road.

Section 6.3 Base line road studies. To establish the current or baseline conditions of the Town roads used by Chieftain for the hauling of sand mined in the Town, Chieftain will obtain an independent engineering assessment of the condition of such roads and will deliver a copy to the Town. Chieftain will be financially responsible for the replacement, repair and maintenance of Town roads to the extent that damages, wear and tear, or shortened expected lifespan of the Town roads are caused by the hauling of sand by Chieftain. Upon permanent completion of the use of any Town road by it, if the road is not then in at least as good of condition as when such use commenced, Chieftain will at the Town's request either: (a) restore the road to such condition; or (b) reimburse the Town for doing so.

ARTICLE 7 - ANNUAL REPORT OF OPERATIONS. Chieftain will, if requested to do so by the Town, provide the Town with an annual report and presentation at a scheduled Town board meeting, which shall report as to a summary of its Nonmetallic Mining Operations in the Town in the prior year and plans for the upcoming year.

ARTICLE 8 - BREACH OF AGREEMENT RESOLUTION PROCEDURE. In the event the Town claims that Chieftain has breached this Agreement, the exclusive means of resolving the matter (the "Dispute"), shall be as follows:

- a. Mediation. The parties agree to negotiate in good faith regarding the Dispute. Any Dispute that cannot be resolved through good faith negotiations shall be subject to mediation. Mediation shall be conducted by one mediator who shall be selected by the Town within ten (10) days after notice of the request for mediation; provided that the mediator shall be a person knowledgeable in the general subject(s) of the dispute. The mediation shall be non-binding and shall commence within 30 days after the selection of the mediator. Each party shall attend the mediation personally and with any representatives they desire. The expenses of the mediator shall be shared equally by the parties. The mediation shall continue until the Dispute is settled or the mediator declares an impasse.
- b. Arbitration. If the mediator declares impasse or if the Dispute cannot be resolved through mediation, the remaining issue(s) shall be submitted to binding arbitration. Except as expressly provided otherwise in this Agreement, the arbitration shall be conducted in accordance with the rules for the resolution of commercial Dispute of the American Arbitration Association ("AAA") but need not be conducted by the AAA or its arbitrators. The arbitrator shall be selected jointly by the parties within ten (10) days after notice of the submittal to arbitration, but if the parties cannot agree on an arbitrator, each party shall select one arbitrator within five (5) days after the parties' failure to agree upon a arbitrator and the two arbitrators so selected shall jointly appoint a single arbitrator to conduct the mediation. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Arbitration shall take place in Barron County, Wisconsin, with the location of any such proceeding within such County shall be as selected by the arbitrator.

ARTICLE 9 - AMENDMENT OF ORDINANCE. If the Town amends the Ordinance after the execution of this Agreement, Chieftain's Nonmetallic Mining Operations in the Town shall not be subject to any inconsistent or more restrictive conditions as to the matters governed by this Agreement that those contemplated herein as a result of the adoption of such amendment.

ARTICLE 10 - BINDING EFFECT; TRANSFER. This Agreement is be binding on the parties' successors and assigns. Chieftain may, without the consent of the Town, sell, transfer, or assign its obligations hereunder to a third party or parties; provided, however, that no such sale, transfer, or assignment shall relieve Chieftain of any liability to the Town arising prior to the date of such sale, transfer, or assignment, and provided further that such third party or parties may be required by the Town to execute an agreement by which such third party or parties recognize that they are bound by all of the terms and conditions of this Agreement.

ARTICLE 11 - SUBSTITUTE FOR LICENSE. Pursuant to Section 4.1 of the Ordinance, this Agreement is a complete substitute for a license granted under the Ordinance, and Chieftain shall

not be required to comply with any other provisions of the Ordinance. In the event of a conflict between the provisions of this Agreement and the Ordinance, this Agreement shall control.

If in the future the Town enacts restrictions which have an adverse financial impact on Chieftain's operations, Chieftain may notify the Town that the restrictions do have such an impact and in that event the parties will renegotiate the royalties to be paid by Chieftain so that they are reduced by the amount of such impact. If the parties are not able to agree upon such a reduction, the matter will be resolved as provided in Article 8.

ARTICLE 12 - DEFINITIONS. The following definitions shall apply to and govern interpretation of the terms:

Section 12.1 "Adjoining Property" means all legally-described parcels of real estate that are situated within 1/4 mile of the border of a legally-described parcel on which Chieftain operates a Mine Site and upon which a single or multi-family residence is situated, but excluding any parcels of land situated across US Highway 53 when considered from the property in question.

Section 12.2 "County" means Barron County, Wisconsin.

Section 12.3 "DNR" means the Wisconsin Department of Natural Resources.

Section 12.4 "Exceptional Maintenance" means maintenance above and beyond normal maintenance which is occasioned by the use of Town roads by motor vehicles.

Section 12.5 "Mine Site" means all contiguous areas of where mining is actually conducted, including the following:

(a) The location where the extraction from the earth of nonmetallic minerals for sale is conducted;

(b) Storage and processing areas whether contiguous or not to areas excavated for nonmetallic mining;

(c) Areas where nonmetallic mining refuse is deposited;

(d) Areas affected by activities such as the construction or improvement of private roads or haulage ways for nonmetallic mining; and

(e) Areas where nonmetallic mining reclamation activities are carried out or structures needed for nonmetallic mining reclamation, such as topsoil stockpile areas, revegetation test plots, or channels for surface water diversion, are located.

Section 12.6 "Nonmetallic Minerals" means a product, commodity or material consisting principally of naturally occurring, organic, inorganic, nonmetallic, nonrenewable

materials. Nonmetallic minerals include but are not limited to stone, rock, gravel, sand, asbestos, beryl, diamond, clay, coal, feldspar, silica, peat and talc.

Section 12.7 “Nonmetallic Mining Operations” means any or all of the activities, processes, methods of approach, applications and means utilized, both mechanically and otherwise, including but not limited to blasting, grading, crushing, screening and scalping to cause the occurrence of one or more of the following:

(a) Extraction or excavation from the earth of nonmetallic minerals for off-site use or sale;

(b) Manufacturing or processing operations that may involve the use of equipment for the washing, drying and loading of or the crushing, screening, separating or blending of or other related processing of nonmetallic minerals obtained in the extraction process from the earth or using nonmetallic materials or other materials transferred to the site at which the operations are taking place;

(c) Manufacturing processes whose aim or goal is the production of nonmetallic products for sale or use by the Operator;

(d) Stockpiling of nonmetallic minerals for sale or use off-site and stockpiling of waste materials;

(e) Disposal of waste materials; and

(f) Reclamation of a Mine Site.

Section 12.8 “Operator” means any person who engages in Nonmetallic Mining Operations in the Town.

Section 12.9 “Ordinance” means the Town’s Nonmetallic Mining Permits; Nonmetallic Mine Operation Ordinance adopted on December 19, 2012.

Section 12.10 “Reclamation Plan” means a DNR or County-approved nonmetallic mining reclamation plan for a Mine Site.

Section 12.11 Capitalized words and terms not otherwise defined herein shall have the same meanings as in the Ordinance.

ARTICLE 13 - MISCELLANEOUS.

Section 13.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

Section 13.2 Modification. No modification of this Agreement or of any covenant, condition or limitation herein contained shall be valid unless in writing and duly executed by both Parties.

Section 13.3 Notices. All notices to be given under the terms of this Agreement shall be in writing and signed by the person serving the notice and shall be sent via registered or certified mail, return receipt requested, postage prepaid, or hand delivered to the addresses of the parties listed below. Notice shall be deemed to have been received on the date of receipt as shown on the return receipt or other written evidence of receipt.

To the Town: Town of Dovre
 Attention Town Clerk
 2894A 3-1/2 Ave
 New Auburn, WI 54757

To Chieftain: Chieftain Sand & Proppant Barron, LLC
 Attention Mike Perry, President/COO
 331 27th Street
 New Auburn, WI 54757

Section 13.4 Savings/Severability. In the event any provisions of this Agreement is determined by any court of law of competent jurisdiction to be unconstitutional, invalid, illegal or unenforceable in any respect, it is the intention of the parties that such unconstitutionality, invalidity, illegality or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such unconstitutionality, invalidity, illegality or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such unconstitutional, invalid, illegal or unenforceable provision has never been contained in this Agreement.

Section 13.5 Due Authorization. Chieftain represents that this Agreement has been duly authorized, executed and delivered on behalf of Chieftain. The Town represents that this Agreement has been duly authorized, executed and delivered on behalf of the Town.

Section 13.6 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

Section 13.7 Multiple Sites. This Agreement applies to all of Mine Sites operated by Chieftain in the Town during the term of this Agreement.

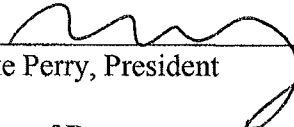
Section 13.8 Ordinance Identified. For purposes of this Agreement, "Ordinance" shall mean the Town of Dovre "Nonmetallic Mining Permits; Nonmetallic Mine Operations" Ordinance adopted on December 12, 2012.

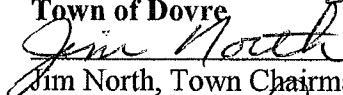
Section 13.9 Copy of Agreement May be Recorded. The parties agree that a memorandum of this agreement may be recorded against real estate on which mine operations are maintained by Chieftain.

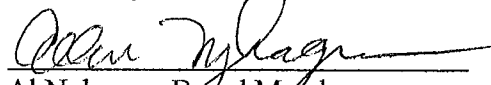
Section 13.10 Indemnification; Insurance Coverage. Chieftain shall indemnify and hold the Town harmless from any personal injury or property damage sustained due to its use of Town highways or that of its contracted truck haulers and provide to the Town a Certificate of Insurance to this effect, naming the Town, in amounts and types of coverage as are provided by Chieftain to Barron County.

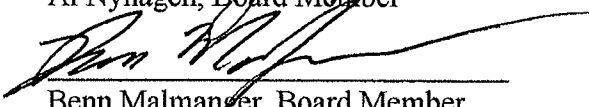
IN WITNESS WHEREOF, the parties have entered into this Agreement.

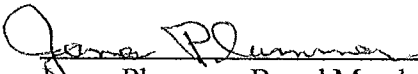
Chieftain Sand & Proppant Barron, LLC

By: 
Mike Perry, President

Town of Dovre
By: 
Jim North, Town Chairman

By: 
Al Nyhagen, Board Member

By: 
Benn Malmanger, Board Member

By: 
James Plummer, Board Member

By: 
Bruce Tegels, Board Member

EXHIBIT 1
LEGAL DESCRIPTION OF PARCELS SUBJECT TO THE AGREEMENT

Tract 1:

NE 1/4-SW 1/4;

SW 1/4-SW 1/4;

SE 1/4-SW 1/4 EXCEPT Lot 1 of CSM 33-53, Map No. 4751;

All in Section 17, Township 32 North, Range 10 West (in the Township of Dovre).

AKA

A parcel of land being the NE 1/4-SW 1/4, the SW 1/4-SW 1/4 and the SE 1/4-SW 1/4 except those parcels conveyed in Deeds 20-515, Deeds 32-482, Deeds 48-180, and Deeds 45-546, all in Section 17, Township 32 North, Range 10 West (in the Township of Dovre) described as follows:

Beginning at the SW corner of Section 17;

Thence N.01°06'44"E. along the west line of the SW 1/4-SW 1/4, 1290.60 feet to the NW corner of the SW 1/4-SW 1/4;

Thence S.87°09'35"E. along the north line of the SW 1/4-SW 1/4, 1335.75 feet to the SW corner of the NE 1/4-SW 1/4;

Thence N.01°03'20"E. along the west line of the NE 1/4-SW 1/4, 1311.01 feet to the NW corner of the NE 1/4-SW 1/4;

Thence S.88°02'02"E. along the north line of the NE 1/4-SW 1/4, 1334.00 feet to the NE corner of the

NE 1/4-SW 1/4;

Thence S.01°00'02"W. along the east line of the NE 1/4-SW 1/4 and the east line of the SE 1/4-SW 1/4, 2186.86 feet to the NE corner of Lot 1 of CSM 33-53, Map No. 4751, also being the NE corner of Deeds 45-546;

Thence N.86°17'06"W. along the north line of said Lot 1 and north line of Deeds 45-546, 280.47 feet to the NW corner of said Lot 1 and Deeds 45-546;

Thence S.00°59'01"W. along the west line of said Lot 1 and west line of Deeds 45-546, 310.99 feet to the north line of Deeds 48-180;

Thence N.86°12'31"W. along the west line of Lot 1 of CSM 33-53, Map No. 4751, and the north line of Deeds 48-180, 5.28 feet to the NW corner of Deeds 48-180;

Thence S.00°59'48"W. along the west line of Lot 1 of CSM 33-53, Map No. 4751, and west line of Deeds 48-180 and west line of Deeds 32-482, 165.02 feet to the south line of the SE 1/4-SW 1/4;

Thence N.86°17'16"W. along the south line of the SE 1/4-SW 1/4 and south line of the SW 1/4-SW 1/4, 2390.00 feet to the point of beginning.

Said description from Plat of Survey by Jon M. Nelson, Land Surveyor, dated December 29, 2011.

Tax Parcel Nos. 022-1700-13-000, 022-1700-15-000 & 022-1700-16-000

Tract 2:

NE 1/4-SE 1/4 of Section 16, Township 32 North, Range 10 West (in the Township of
Dovre) except that part for highway in Records 374-542.

Tax Parcel No. 022-1600-23-000

Tract 3:

NW 1/4-SW 1/4 except:

a) Railroad right-of-way:

b) Highway right-of-way in Deeds 132-349:

c) Lots 2 & 3 of CSM 39-45, Map No. 5785:

SW 1/4 SW 1/4 except:

a) Railroad right-of-way:

b) Highway right-of-way in Deeds 132-349:

All in Section 15, Township 32 North, Range 10 West (in the Township of Dovre).

That part of the SE 1/4-SE 1/4 of Section 16, Township 32 North, Range 10 West (in the
Township of Dovre) lying northeasterly of USH 53 right-of-way as conveyed by Records
376-378.

That part of the NE 1/4-NE 1/4 of Section 21, Township 32 North, Range 10 West (in the
Township of Dovre) lying northeasterly of USH 53 right-of-way as conveyed by Records
376-78.

Tax Parcel Nos. 022-1500-19-000, 022-1500-20-000
2011 & 2012: 022-1600-29-000P, 2013: 022-1600-29-000
2011 & 2012 : 022-2100-02-000P, 2013: 022-2100-02-000

Tract 4:

SE 1/4-NW 1/4 of Section 17, Township 32 North, Range 10 West (in the Township of
Dovre), including Lot 1 of CSM 9-76, Map No. 1148.

Tax Parcel Nos. 022-1700-11-000 & 022-1700-12-000

Tract 5:

That part of the NW-NW of Section 22, Township 32 North, Range 10 West (in the
Township of Dovre) lying easterly of USH 53 described as:

The westerly 650 feet of the northerly 267 feet EXCEPT the southerly 77 feet of the
easterly 310 feet thereof.

Tax Parcel No. 2011: 022-2200-10-000P

This parcel will attach to and become a part of
Tax Parcel No. 022-1500-20-000 (Tract 3.)

Tract 6:

SE 1/4-SE 1/4 of Section 17, Township 32 North, Range 10 West (in the Township of
Dovre), EXCEPT CSM 6-177, Map No. 753.

Tax Parcel No. 022-1700-22-000

Tract 7:

CSM 6-177, Map No. 753, a part of the SE 1/4-SE 1/4 of Section 17, Township 32 North,
Range 10 West (in the Township of Dovre).

Tax Parcel No. 022-1700-23-000