

Each Applicant for an Operations Agreement shall submit six (6) copies of the proposed Agreement together with all applicable Exhibits and Attachments as noted in the Table of Contents and all Permits/Plans noted above. The submission of the proposed Operations Agreement shall be accompanied by the payment of the Application Fee established in the Agreement (Twenty Five Thousand Dollars - \$25,000). The fee shall be made payable to "Treasurer, Town of Dovre" and shall be in the form of a cashier's check or bank certified check. There is no refund of the Application Fee.

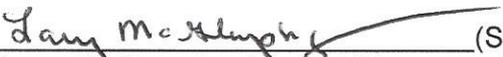
The Application Form must be signed by the Operator. In the event that the land or lands in the Town of Dovre on which the nonmetallic mine operation is proposed to take place is owned by someone other than the Operator, the land owner shall join in and sign the Application Form as evidence of the land owner's willingness to allow nonmetallic mining operations to take place on his or her property.

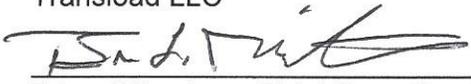
The Operator shall identify whether or not the Operator intends to use Town highways for purposes of hauling sand. If Town highway use is required, the Operator shall complete a Road Use Agreement. No Operations Agreement shall be finalized with any Operator who intends to use Town highways to haul sand until a Road Use Agreement is finalized and signed by the Operator and the Town of Dovre.

The Town Clerk shall forward the Application Form and the proposed Operations Agreement to the Town Board for review. If the Town Board, in its sole discretion, determines that professional analysis is required to evaluate the proposed Operations Agreement or Road Use Agreement, the Board shall retain such professional services.

If the Town Board determines that professional assistance is required, the Board shall give written notice to the applicant that an additional administrative fee will be charged to pay for the fees and expenses of the professional services. Failure of the Operator to pay the additional fees and expenses as directed by the Town shall constitute cause for denying the proposed Operations Agreement.

Application Fee: Twenty-Five Thousand Dollars (\$25,000)

Authorized Representative of the Operator:  (Signature)
Larry McGlumphy, General Manager of
Northern Industrial Sands & Northern Rail &
Transload LLC

Land Owner:  (Signature)
Brian Gilbertson, Chief Operating Officer and VP
Northern Rail & Transload, LLC
1000 Parkers Lake Road
Wayzata, MN 55

Section 18.15 Operations Agreement Not Inclusive of Highway Maintenance or Use. The Town and NIS have entered into a separate agreement regarding the use of Town highways for sand hauling.

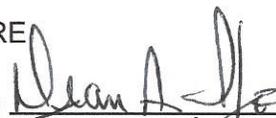
ARTICLE 19 – REIMBURSEMENT OF TOWN EXPENSES

NIS expressly agrees to reimburse the Town for all legal fees and expenses and consulting fees and expenses associated with the development and negotiation of this Operations Agreement. The total of such fees and expenses to be reimbursed to the Town shall not exceed \$15,000.

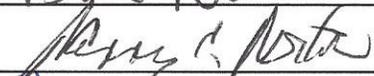
The Town shall provide an itemized accounting of all fees and expenses for which reimbursement is sought within sixty (60) days of the effective date of this Agreement. NIS shall pay such request for reimbursement within thirty (30) days of receipt of the request for reimbursement from the Town.

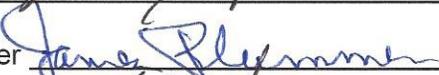
IN WITNESS WHEREOF, the parties have entered into this Agreement.

TOWN OF DOVRE

Dean Trowbridge 

Tim Nelson 

Danny North 

James Plummer 

Mitchell Hanson 

NORTHER INDUSTRIAL SANDS, LLC

BRIAN GILBERTSON 

LARRY MCGLUMPHY 