

**NONMETALLIC MINING LICENSE ISSUED BY THE TOWN OF
HOWARD TO NORTHERN SANDS WISCONSIN, LLC**

RECITALS/GENERAL CONDITIONS

A. This Nonmetallic Mining License (“**License**”) is issued by the Town of Howard, Wisconsin (“**Town**”), to Northern Sands Wisconsin, LLC (“**NSW**”), with an effective date of January 8, 2019 (“**Effective Date**”).

B. This License is conditioned on NSW’s adherence to the plans, requirements, and obligations related to this project as described in the Non-Metallic Mining Reclamation Plan initially submitted by the predecessor in interest of NSW to Chippewa County in January of 2015, as supplemented and modified on November 17, 2015 (the “**Reclamation Plan**”), the County Nonmetallic Mining Reclamation License issued on November 18, 2015 to the predecessor in interest to NSW and transferred to NSW on May 18, 2018 (the “**Reclamation License**”), and the requirements of chapter 17 of the Town’s code of ordinances, titled “Nonmetallic Mine Operator’s Licenses.” (the “**Mine Ordinance**”). This License is also conditioned on adherence to the plans, requirements, and obligations related to this project as described in the Nonmetallic Mine Operator’s License Application submitted to the Town on May 24, 2018, which includes any additional submittals from NSW to the Town or its consultants between May 24, 2018, and the effective date of this License (the “**License Application**”), except that the Town declines to grant any special exceptions or variances expressly requested or implied in the License Application.

C. The Town has reviewed the proposed NSW operation as set forth in the Reclamation Plan, the Reclamation License, and the License Application. The Town finds that the application requirements in the Mine Ordinance, and in particular under Sections 17.05 and 17.06, are or will be satisfied by the License Application, the conditions in Section B. above, and the contingencies contained in this License. Any remaining submittals to the Town that are required under the background data collection and reporting requirements in the Mine Ordinance shall be submitted prior to the commencement of nonmetallic mining activities.

D. This License is issued pursuant to Section 17.05 (4) of the Mine Ordinance and grants and constitutes an approval authorizing NSW to conduct nonmetallic mining operations on the Property under the terms and conditions set forth herein. The Town finds that the operation of the mine pursuant to the terms and conditions in this License will be consistent with the minimum standards and purposes of the Mine Ordinance.

E. The obligations of NSW and the Town’s rights under this License shall survive termination of the License.

F. As used herein, the term “**Property**” refers to those certain parcels of land located in Chippewa County, Wisconsin and described in the License Application and approved for nonmetallic mining in the Reclamation License. NSW represents that it owns, leases, or has contractual rights over all of the land comprising the Property.

G. Capitalized terms not specifically defined in this License shall have the meaning defined in the Mine Ordinance.

LICENSE TERMS AND CONDITIONS

1. Term

1.1 The term of this License shall commence on the Effective Date, and shall terminate, subject to License renewal under Section 17.08 (2) of the Mine Ordinance, as provided under Section 17.04 (2) of the Mine Ordinance.

1.2 The term of this License is subject to compliance by NSW with the requirements and conditions in this License and the applicable provisions of the Town ordinances. Nothing in this License should be interpreted as a limitation of the authority of the Town to revoke the license for violations of this License or applicable provisions of the Town ordinances by NSW, including, without limitation, revocation of the license because operations have been abandoned pursuant to Section 17.09 (5) of the Mine Ordinance.

2. Highway Use Agreement/Financial Assurance

Pursuant to Section 17.10 (1) of the Mine Ordinance and Wis. Stat. §. 349.16 (1) (c), this license is conditioned on the execution and maintenance of a highway use agreement that includes financial assurance that the obligations of NSW under that agreement will be completed. The highway use agreement is attached to this License as Exhibit A.

3. Reclamation Materials Testing

Pursuant to Section 17.07 (6) (b) of the Mine Ordinance, condition 10. a. (i) in the Reclamation License also applies to reject materials generated at on-site processing facilities.

4. Initial Well Testing

Pursuant to Section 17.07 (3) (a) (i) of the Mine Ordinance, all private wells within ½ mile of the mine site, for which NSW can obtain permission, shall be sampled for the potential contaminants listed in Section 17.07 (3) (a) (i) of the Mine Ordinance and for water quantity, prior to the commencement of nonmetallic mining operations.

5. Financial Assurance

5.1 NSW will provide, and thereafter maintain, financial assurance in a form acceptable to the Town in an amount sufficient to cover the cost of providing an alternative water supply to those qualified under Section 17.10 (1) (b) and 17.11 of the Mine Ordinance, prior to commencing nonmetallic mining operations, by subsequent agreement with the Town. The amount of this financial assurance may change over the life of the mining operation, at the Town's discretion, and the amount of this financial assurance must be modified by NSW upon notification from the Town that modification is necessary.

5.2 NSW shall maintain commercial general liability insurance in the amount of no less than \$5,000,000 during the entire term of this License and shall name the Town as an additional insured. The amount of commercial general liability insurance required to be maintained by NSW may be increased from time to time due to inflation, upon notice to NSW from the Town.

The foregoing license was duly adopted by the town Board of the Town of Howard at a meeting held on January 8, 2019.

The vote was as followed Schindler _____ Zwiefelhofer _____ Dvoracek _____

APPROVED:

Vernon Schindler
ATTEST:

Town Clerk

Dated this 8th day of January 2019

EXHIBIT A
Highway Use Agreement

Pursuant to Section 17.10 (1) of the Mine Ordinance and Wis. Stat. §. 349.16 (1) (c), the parties agree to the following:

1. Use of Town highways by vehicles with a gross vehicle weight rating of no more than 48,000 pounds is not restricted by this Agreement. No use of town highways by NSW or their agents, contractors, and employees by vehicles with a gross vehicle weight rating of more than 48,000 pounds is allowed except as specifically provided in this Agreement.

2. NSW will upgrade the highway segments in Sections 3 and 4 of this Agreement to the “Class A” standard at soon as is practicable, but no later than 6 months after beginning construction of the processing facility, and maintain these highway segments in good repair during the term of the Nonmetallic Mining License issued by the Town to NSW. At the time that the term of the License expires or the License is revoked, NSW will leave these highway segments in new or equivalent condition and meeting a roadway class standard at least as high as the standard to which the road that exists on the Effective Date was built. NSW will coordinate with the Town regarding highway maintenance projects with respect to the scope of the work to be conducted, any required temporary highway closures, and other matters of public safety.

3. NSW may utilize the portion of Frazier Rd./13th St. from its intersection with County Highway N south and southeast to the primary and secondary access points into the processing area on the mine site for transporting equipment and construction materials to the processing site. The Town imposes no weight limits and waives any applicable vehicle weight license requirement related to these transportation activities.

4. Subject to Section 5 of this Agreement, NSW may utilize the portions of Frazier Rd./13th St. and Scenic Rd./20th St. proximate to where material will be conveyed over or under these highways from the proposed excavation area in Phase 1 to the processing facility and from the proposed excavation area in Phase 3 to Phase 2 to locate conveyance systems and to cross the highways at these locations with equipment or other vehicle traffic.

5. Prior to constructing conveyance systems over or under the highway segments in Section 4 of this Agreement, NSW must provide specific details to the Town about the proposed conveyance systems to be used, a plan for construction, repair, and maintenance of those systems, including timing of any necessary road closures, and a public safety plan for vehicles and other equipment crossing these highways at these locations. Construction of these conveyance systems may not commence until the Town has approved these details and plans. Approval may not be unreasonably withheld by the Town.

6. If the highway segments in Sections 3 and 4 of this Agreement are temporarily unusable to NSW, including because of maintenance being conducted on these segments, or NSW experiences a disruption of rail service to transport material from the mine site, the Town will authorize use of alternate Town highway segments as necessary for NSW to conduct its

operations pursuant to a subsequent agreement between the Town and NSW regarding maintenance costs and other relevant factors associated with the use of the alternate Town highway segments.

7. The Town will continue to perform snow and ice removal and roadside mowing in the manner and on a schedule similar to the manner in which it has conducted these activities prior to the Effective Date. If NSW desires that these activities be conducted at a different time or more regularly, NSW may engage in those activities at its own cost, and in a manner not inconsistent with or detrimental to the Town's activities.

8. The Town will notify NSW if the Town concludes that maintenance that is the responsibility of NSW under this Agreement must be completed. If NSW fails to complete its required maintenance following notification by the Town, the Town will cause the maintenance to be conducted and charge those costs to NSW. If NSW does not pay these costs, the Town may recoup its costs in performing the maintenance under the financial assurance provision noted below, and may terminate this Agreement and the License.

9. NSW will make reasonable efforts to keep the highways in Sections 3 and 4 of this Agreement, and any other highways maintained by another jurisdiction and used for mining-related purposes, clean and clear of dust, sand, or other debris, and free from mud tracked onto these highway segments from operations areas.

10. NSW is specifically required by this Agreement to maintain the portion of Frazier Rd./13th St. that is within the railroad right of way if any part of this portion of the highway is not maintained by the railroad. NSW will conduct the work requested by the Town. Any such requested work is conditioned on the railroad approving the proposed activities.

11. NSW will pay for and construct any railroad crossing safety upgrades on Frazier Rd./13th St. that may be required of the Town pursuant to a county, state, or federal requirement during the term of the Nonmetallic Mining License issued by the Town to NSW.

12. NSW will provide, and thereafter maintain, financial assurance in a form acceptable to the Town in an amount sufficient to cover the cost of complete replacement of the highway segments under Sections 3 and 4 of this Agreement, prior to commencing nonmetallic mining operations. The required amount of this financial assurance may change over the life of the mining operation, at the Town's discretion, and the amount of this financial assurance must be modified by NSW upon notification from the Town that modification is necessary.

[Signature Pages Follow]

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

TOWN OF HOWARD

Vernon Schindler _____, Chairperson

Tom Zwiefelhofer _____, Supervisor

Dennis Dvoracek _____, Supervisor

NORTHERN SANDS WISCONSIN

(Print Name, Signature, Title)

_____, _____, _____,

_____, _____, _____,

_____, _____, _____,

_____, _____, _____,

Attest: Susan Haake, _____, Town Clerk

Date: _____