

## DEVELOPER'S AGREEMENT

**THIS DEVELOPER'S AGREEMENT** ("Agreement") is made and entered into effective as of the Effective Date (defined below) by and between SUPERIOR SILICA SANDS LLC, a Texas limited liability company ("SSS") and the TOWN OF ARLAND, a Wisconsin Town located in Barron County ("Town").

### RECITALS

A. SSS desires to engage in nonmetallic mining activities as defined by the Town's Nonmetallic Mine Operator's License Ordinance ("Ordinance"), on the property ("Property") located in the Town of Arland, Barron County, Wisconsin, and described in the attached Exhibit A.

B. The Property is owned by the following:

<i>Property Owners</i>	<i>Estimated Acreage</i>
David and Marlys Lundequam	80
Cory and Janelle Picknell	80

SSS has a lease agreement with each property owner.

C. SSS desires certain exceptions from and modifications of the requirements of the Town's Ordinance.

D. The Town is willing to grant such exceptions and modifications under the conditions set forth below.

### AGREEMENT

THEREFORE, SSS and the Town agree as follows:

#### 1. License

1.1 The Town acknowledges that SSS has made good faith efforts to fulfill the application requirements of the Ordinance and is submitting the Operator's license application and application fees concurrently with this developer's agreement.

1.2 The Town agrees that upon signing this Agreement, SSS may begin site preparation and construction of their mining facilities as soon as they have received permission to begin from Barron County. SSS may not begin excavation of nonmetallic minerals until the County reclamation permit and the Township operator's license have been granted.

The Town Board will review the Operator's license application to determine if additional information or expertise is necessary for proper evaluation of the application. If the application is deemed complete, the Town shall hold a public hearing on the application during the next

regular meeting of the Town board. If the Town Board finds that no significant dangers to the health, safety and welfare of the public were raised by the Town's review or the public hearing, the Town Board shall grant the final license to begin excavation. If the Town Board finds that their retained expert's report or the public hearing have raised significant issues regarding dangers to the health, safety and welfare of the public, SSS shall have 15 days to respond in writing to such issues, at which time the Town Board shall meet as soon as reasonably practicable to review the SSS response. If the Town Board finds that SSS has adequately addressed said issues, the Town Board shall grant the final license to begin excavation.

1.3 By signing this Developer's Agreement ("Agreement"), the Town grants a license to operate the mine site in the manner set forth and described in SSS's application for a mine Operator's license under the Ordinance for the term of this Agreement ("License"). This Agreement is adopted pursuant to Section 14 of the Ordinance and the provisions of this Agreement shall modify the provisions of the Ordinance specifically referenced in this Agreement in the manner specifically referenced in this Agreement.

## **2. Term**

2.1. This Agreement shall be effective upon the later of (i) signing by all parties; (ii) the effective date of the Ordinance.

2.2. This Agreement shall terminate at 11:59 p.m. on December 31, 2023; and thereafter, will be renewed for one (1) additional ten (10) year term if the renewal License is issued for such term pursuant to Section 3.1.1 below.

## **3. Operation**

3.1. Except as provided in this Section 3, SSS shall comply with the requirements, obligations and provisions set forth in the Ordinance:

3.1.1. License Term. The Term of the License set forth in Section (4)(2) of the Ordinance shall be modified to commence on the date of this Agreement and shall expire at 11:59 p.m. on December 31, 2023. Section 8(2)(g) of the Ordinance is modified so that the Town is required to renew the License for an additional ten (10) years if: (i) SSS timely submits the materials and the renewal fee described in Section 8(2) of the Ordinance; (ii) SSS meets the requirements set forth in Section (8)(2)(g)(i)-(iv); and (iii) SSS is then in compliance with all of the terms and conditions of this Agreement, the Ordinance, the License and all other applicable laws, rules, regulations and orders.

3.1.2. Hours of Operation. The Hours of Operation set forth in Section 7(2)(e) of the Ordinance shall be modified to be 24 hours per day, 7 days per week. Trucking to and from the site will be limited to between the hours of 6 a.m. and 8 p.m. Monday through Friday, and 6 a.m. to 3 p.m. on Saturday. There will be no trucking on Sunday.

3.1.3. Fencing. In lieu of the fencing of the borders of the entire site described in Section 7(1)(a) of the Ordinance, SSS shall provide the buffer described in Section 7(2)(c) of the Ordinance, construct an earthen berm in the manner described in Section 7(2)(d) of the Ordinance (with gaps for road access) and place a gate across the main entrance to the facility off



of 7<sup>th</sup> Avenue. Earthen berms will be built in a manner to provide a substantial reduction of sound at the property boundary. Should the aforementioned measures fail to keep noise levels at the property boundary at or below 70 decibels, SSS will plant small trees or shrubs along the top of the berm to further reduce noise levels. SSS will also meet with Town officials and work towards reducing any other noise levels which are determined to be above the 70 dba level. The earthen berms shall be constructed prior to the commencement of operation and during 2014-2015, analysis will be conducted to determine if other vegetation including small trees should be planted on the berms to improve sound barriers and dust migration.

3.1.4. Annual Report. The requirement for an annual report set forth in Section 8(1)(a) of the Ordinance is modified so that such an annual report shall only be required if the Town board requests SSS to provide such a report.

3.1.5. Penalties. Section 9(6)(a) of the Ordinance is modified so that each day does not constitute a separate violation so long as SSS is taking diligent action to remedy the violation and such violation is not putting the health or safety of the Town or its residents at risk.

3.2. SSS shall use best management practices to keep noise from nonmetallic mining activity at or below seventy (70) decibels (dba) at the property boundary. These practices include the use of mining, safety and health administration (MSHA) approved “white noise”, back up alarms, and properly maintained mufflers on mining equipment and the earthen berms described above. Exceptions to this section are haul trucks entering and leaving the site and work projects done on the screening berms, drainage ditches or road ditches.

3.3. SSS shall comply with all governmental permits.

3.4. All trucks entering or leaving the Property carrying sand shall be covered at all times during the transport process and shall take all actions within reason to prevent the release of excessive diesel emissions by taking actions such as turning off engines when not in use. SSS will cooperate with Barron County in order to design an entrance and exit plan for trucks that is as safe as possible and causes as little disruption as possible to traffic flow and neighboring properties.

No Township roads will be used by trucks travelling to or from the mine site. If any SSS or subcontractor trucks use Town roads, SSS agrees to pay the Township \$300 per occurrence. If it becomes necessary to use Town roads, SSS will negotiate a road use agreement with the Township.

3.5 Section 7 (3)(a)(i) of the Ordinance is modified to require a total of three (3) groundwater monitoring wells on the mine site.

3.6. Section (7)(1)(c) of the Ordinance is amended to state that SSS will notify the Town Chair or another board member 24 hours prior to any blasting or “bumping”. SSS will also provide such notice via telephone to any area resident requesting to be placed on a call list for blasting notification.

3.7 Section 10 (1) (b) of the Ordinance is modified such that financial assurance for alternative water supply is not required. SSS will be monitoring groundwater in site monitoring



wells. If data from those monitoring wells shows impact to groundwater quality or quantity due to mining activities, SSS will meet with the Town board to discuss results and determine what steps need to be taken. SSS will provide water and, if necessary, replacement wells to residences and agricultural operations within ½ mile of the mine if and when those water supply wells have been shown to be adversely affected by SSS mining activities.

#### **4. Storm Water Management**

4.1. SSS shall comply with any Storm Water Management and Erosion Control plan to which it is subject.

4.2. SSS shall repair any damage to, and remove sediment from town road ditches and other drainage ways adjacent the Property.

#### **5. Laws to be Observed**

5.1. SSS shall at all times comply with all federal, state, county, and local laws, regulations and ordinances applicable to SSS's operations on the Property which are in effect or which may become effective in the future.

5.2 This Agreement modifies certain requirements of the Mine Ordinance. Any sections of the Ordinance not specifically modified by this Agreement remain in effect.

5.3 SSS shall provide the Town with copies of all such permits or licenses and all related application materials and reports submitted by or on behalf of SSS and all documents and other materials provided to SSS by such federal, state or local authorities.

#### **6. Enforcement**

6.1 Notice of Default. In the event that SSS fails to perform any of its obligations under this Agreement, the Town shall provide a notice of default and the parties shall hold an initial meeting within ten (10) days following notice of such default for purposes of attempting to resolve the default on an amicable basis unless the Town determines that threats to health, safety or property require a shorter notice period. If the parties cannot so resolve the matter the Town may elect to enforce the remedies provided for in the Ordinance.

6.2 Disputes Concerning Agreement. For any dispute concerning any provision of this Agreement, other than a default under 6.1, the parties agree to initially attempt to resolve disputes as follows: The party which asserts a dispute shall first give notice thereof to the other party and specify the nature of the dispute and shall meet with such other party, within 30 days of the event giving rise to the dispute. Such notice shall set forth all reasons supporting the basis of the dispute. Within 30 days following the date of the notice, a meeting between the Parties shall be held to attempt in good faith to negotiate a resolution of the dispute or controversy.

#### **7. Obligations to Run with the Land**

7.1 SSS and the persons signing for SSS warrant that SSS has full right and authority to enter into this Agreement.

7.2 The obligations of SSS under this Agreement shall run with the land and be binding on SSS and their heirs, grantees, representatives, successors and assigns.

7.3 The Town may record a copy of this Agreement or a memorandum of this Agreement with the Register of Deeds. The cost of recording shall be paid by SSS.

## 8. Miscellaneous Provisions

8.1 All parties participated in negotiating the terms of this Agreement. No party shall benefit from not having drafted this Agreement. If any term, section or other portion of this Agreement is reviewed by an administrative agency, court, mediator, arbitrator or other judicial or quasi-judicial entity, such entity shall treat this Agreement as having been jointly drafted by the parties.

8.2 No waiver of any provision of this Agreement shall be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both the Town and SSS, nor shall the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults of the same type. The Town's failure to exercise any right under this Agreement shall not constitute approval of any breach or wrongful act by SSS.

8.3 Any notice required or permitted by this Agreement shall be deemed effective when personally delivered in writing, or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, and addressed as follows:

If to SSS: Superior Silica Sands LLC  
Attn: Rick Shearer, CEO  
6000 Western Place, Suite 465  
Fort Worth, TX 76107

If to Town: Town Clerk, Town of Arland  
686 7<sup>th</sup> Ave.  
Clayton, WI 54004

Any party may change the address to which notices must be sent by giving notices as provided herein.

8.4 This Agreement shall be governed by and construed in accordance with the laws of the state of Wisconsin. All disputes arising under this Agreement shall be venued in a Wisconsin court of competent jurisdiction.

8.5 No changes, amendments, alterations or modifications to this Agreement shall be effective unless in writing and signed by both Parties and, if required, upon approval by competent governing authorities of each Party.

8.6 This agreement is entered into with SSS for the Property for the purposes of extracting, wet processing, and transporting silica sand. SSS may not assign or transfer its rights



and obligations under this Agreement or the License to any entity, person or trust without the prior written consent of the Town, which will not be unreasonably withheld. The Town will only consider approving such a request if (i) the assignee assumes in writing the obligations of SSS under this Agreement, (ii) SSS is then in compliance with this Agreement, the Ordinance, the License all other applicable laws, rules and regulations, and (iii) the assignee demonstrates that it has the financial wherewithal to fulfill the obligations of this Agreement and the License. If SSS and the proposed assignee fulfill the three items listed above to the reasonable satisfaction of the Town, there shall be presumption that it would be unreasonable for the Town to withhold its consent to the proposed assignment.

*(Signatures appear on following page)*

IN WITNESS WHEREOF, the undersigned have signed this Mining Agreement to be effective as of the date set forth below.

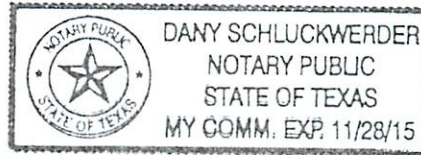
Dated: Nov. 16, 2013

SUPERIOR SILICA SANDS LLC,  
a Texas limited liability company

By: Richard J. Shearer  
Richard J. Shearer, CEO

Personally came before me to 16 day of November, 2013,  
the above-named Richard J. Shearer, CEO to me known to be the  
person executed the foregoing instrument and acknowledged the same.

Dany Schluckwerder  
Notary Public, State of TEXAS  
My commission expires: 11/28/2015



Dated: November 19, 2013

TOWN OF ARLAND  
A Wisconsin town

By: Maynard Hoff  
Maynard Hoff, Chairman  
Attest: Pamela Fall  
Pamela Fall, Clerk

Personally came before me to 19<sup>th</sup> day of November, 2013,  
the above-named Maynard Hoff, Chairman and Pamela Fall, Clerk,  
to me known to be the person executed the foregoing instrument and  
acknowledged the same.

Brandie L. Anderson  
Notary Public, State of WI County of Barron  
My commission expires: 5/13/17

