



LAND TRANSACTION APPLICATION

By authority of Part 21 of Act 451, P.A. 1994, as amended

This application provides the opportunity to propose an Exchange or Purchase of State-owned land or rights in land. Fair market value of the privately-owned land offered in exchange must be approximately equal to or greater than the fair market value of the State-owned land desired. The public use potential or natural resource value of the offered lands must be greater than that of the desired lands. Each application will be evaluated on its own merits.

Please provide full legal description or identify the DNR Parcel ID Number of the lands you desire to exchange or purchase. Attach map(s). Include additional pages, if necessary. Complete all requested information and sign and date on page 2. If this application is recommended for approval you will be notified of the next steps.

Payment of \$300 (for State land totaling up to 320 acres) or \$500 (for 320 acres or more) must accompany this application to cover the cost of reviewing this application. Please enclose a check or money order made payable to "State of Michigan." Applications will NOT be reviewed without payment.

Name of Applicant(s) William W. Hall	Organization Graymont (MI) LLC
Mailing Address 111 Lyon Street, N.W., Suite 900	Telephone (616) 752.2143
City, State, ZIP Grand Rapids, MI 49503-2487	E-mail Address whall@wnj.com

Please check one of the following: EXCHANGE PURCHASE

DESIRED STATE-OWNED LAND

DNR Parcel ID Number	County Chippewa	Township Name Trout Lake	Section(s) 7, 8, 16-21	Town 44N	Range 6W
Description See attached Term Sheet					
					Acres: <u>1,712.68</u>

LAND OFFERED IN EXCHANGE (IF ANY)

County Mackinac	Township Name Hendricks	Section(s) 9, 15, 17-20, 22	Town 44N	Range 7W
Description See attached Term Sheet				
Minerals to be conveyed to the State? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other (Explain in Section B.)				Acres: <u>1,717.66</u>

**** DO NOT WRITE BELOW - FOR CASHIER'S USE ONLY ****

Complete reverse side also

LAND TRANSACTION APPLICATION (CONT'D)

Please answer the following questions. Attach additional pages, if necessary.

A. STATE-OWNED LANDS DESIRED BY APPLICANT

Does the desired state-owned land adjoin your present ownership? Yes No
Explain your need for the desired State land:

See attached Statement 1.

B. LANDS OFFERED FOR EXCHANGE TO THE STATE (IF ANY):

1. How is the land presently being used?

See attached Statement 2.

2. List public benefits of offered land, if acquired by the State.

See attached Statement 3.

3. If improved, describe briefly.

n/a

4. Does Applicant own the mineral rights associated with the land(s) offered to the State?

Yes No Don't know Other, please explain.

See attached Statement 4.

5. Will Applicant provide title without reservation or exceptions to the State? Yes No - If No, explain.

See attached Statement 5.

6. Have you discussed this proposal with the local DNR land manager? Yes No

Describe their comments:

If you have questions regarding the completion of this Application, please contact Michigan Department of Natural Resources, Land and Facilities, Real Estate Services Section, telephone 517-241-3455.

I have I have not received the "Land Exchanges and Sales Guide."

I certify that all information provided is true and correct to the best of my knowledge.
Graymont (MI) LLC

By William W. Hall
Signature of Applicant

MAY 30, 2014
Date

Mail completed application and check or money order made payable to the "State of Michigan" to:

**CASHIER'S OFFICE
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30451
LANSING MI 48909-7951**

**ADDENDUM TO
LAND TRANSACTION APPLICATION
OF GRAYMONT (MI) LLC**

Statement 1:

As described in the attached Term Sheet, Graymont (MI) LLC or an affiliate designated by it ("**Graymont**") desires to acquire the State Land for use for the exploration, mining and processing of Limestone. Note that the State Land consists of approximately 1,712.68 acres of severed mineral rights located under the Hiawatha National Forest.

Statement 2:

As described in the attached Term Sheet, Graymont proposes to deed to the State the Graymont Land in exchange, which consists of severed mineral rights under lands the surface of which are used by the State as part of the Lake Superior State Forest. Graymont is not currently using the severed mineral rights which comprise the Graymont Land.

Statement 3:

As described in the Term Sheet, Graymont proposes to deed to the State the Graymont Land. The Graymont Land consists of approximately 1,717.66 acres of severed mineral rights, identified by the Minerals Division of the DNR as land the State is particularly interested in acquiring in order to fill gaps in the State's subsurface ownership of the Lake Superior State Forest. Acquiring this land will insure that the State's goals for habitat management, timber production and recreational use of these and adjacent portions of the Lake Superior State Forest will not be disturbed by mineral development.

Statement 4:

Graymont has not reviewed title to all the Graymont Land and proposes to quitclaim the Graymont Land to the State, without warranty of title. For the Graymont Land for which Graymont has reviewed title, it appears that the mineral rights include metallic and nonmetallic mineral rights, including limestone that would be subject to surface mining. Title to the Graymont Land is subject to the existing obligation to pay a royalty to The Cleveland-Cliffs Iron Company if Limestone is produced from the Graymont Land. Title to one 40-acre parcel of the Graymont Land appears to revert to the surface owner (currently the State) on December 10, 2033.

Statement 5:

Title to the Graymont Land will be quitclaimed to the State, and is subject to easements, restrictions, reservations and oil, gas and mineral interests of record, and such matters as an accurate survey would show. The deed will not reserve oil, gas and other minerals, but will be subject to the existing obligation to pay a royalty to The Cleveland-Cliffs Iron Company if Limestone is produced from the Graymont Land.

10594843-3

TERM SHEET

This Term Sheet outlines the terms and conditions under which Graymont is interested in acquiring via a land exchange certain severed mineral rights underlying the Hiawatha National Forest owned by the State of Michigan. This Term Sheet is for discussion purposes only, is not an offer, and is not intended to create any legally binding obligations.

Graymont:	Graymont (MI) LLC or an affiliate designated by it.
State:	State of Michigan.
Party or Parties:	Graymont and/or the State.
State Land:	The State Land Graymont desires to acquire is described on Exhibit A attached to this Term Sheet. The State will quitclaim the State Land to be acquired to Graymont, expressly including Limestone, sand, gravel, clay, marl and other nonmetallic minerals. Each deed shall transfer a number of division rights equal to the number of division rights allocated to a tract of that size under the Land Division Act.
Graymont Land:	Graymont will deed to the State the Graymont Land described on Exhibit A attached to this Term Sheet. Graymont will quitclaim the Graymont Land to the State, expressly including Limestone, sand, gravel, clay, marl and other nonmetallic minerals, but subject to the existing obligation to pay a royalty to the Cleveland-Cliffs Iron Company if Limestone is produced from the Graymont Land. Each deed shall transfer a number of division rights equal to the number of division rights allocated to a tract of that size under the Land Division Act.
Limestone:	Limestone and dolomite.
Land or Lands:	Any or all of the State Land or Graymont Land.
Purchase Price:	As the State Land and Graymont Land are similar in character and location, the Parties have determined in discussions and from available references and appraisals that the fair market value of the Graymont Land at least equals the fair market value of the State Land.
Contingencies:	The Exchange Agreement will provide that the obligations of each Party under the Exchange Agreement will be subject to the contingency, to be satisfied or waived prior to closing, that each Party has satisfied itself that it will receive good and marketable title to the Land such Party is acquiring, subject only to the matters

	referenced in this Term Sheet, such matters as an accurate survey would show, and easements and restrictions of record, and that each Party is satisfied with the environmental condition of the Land such Party is acquiring.
Closing Date:	The closing of the exchange shall occur no later than 30 days following the date both Parties sign the Exchange Agreement.
Transaction Costs:	Transaction costs will be paid by the Parties as provided in the State's Land Exchanges and Sales Guide (" Guide "); provided that neither Party shall be obligated to obtain or provide a survey or title evidence with respect to ownership of oil, gas and other mineral interests, and each Party shall bear its own costs of inspecting the Lands.
Title Evidence:	As provided in the Guide, Graymont shall be responsible for obtaining title evidence for the State Land to be acquired by Graymont. Graymont shall also assist the State in obtaining title evidence for the Graymont Land by providing, without warranty, any title evidence Graymont has with respect to the Graymont Land.
Condition:	Each Party shall take the Land it is acquiring in its then "AS IS" condition, with no representations or warranties regarding its condition or permitted use.
Exchange Agreement	Upon approval of the transaction and required appraisals, the provisions of this Term Sheet shall be embodied in an Exchange Agreement in form mutually agreeable to the Parties.
Prior Application	Much of the State Land is the subject of a prior application for land transaction filed by Graymont on April 30, 2012. Upon the closing of the proposed exchange, the State Land shall be deemed deleted from the prior application and any agreement signed pursuant to it.

10595607-5

EXHIBIT A

[See attached map for depiction of parcels to be exchanged.]

State Land

In T44N, R6W, Trout Lake Twp., Chippewa County (1712.68 acres, more or less):

S/2 S/2 (157.06 acres) of Section 7

S/2 S/2 (160 acres) of Section 8

E/2 SW/4 (80 acres) of Section 16

E/2 SE/4 (80 acres); N/2 (320 acres); N/2 SW/4 (80 acres) of Section 17

E/2 E/2 (160 acres); NW/4 NE/4 (40 acres); NW/4 NW/4 (37.68 acres) of Section 18

E/2 (320 acres); SE/4 NW/4 (40 acres); S/2 SW/4 (77.94 acres) of Section 19

NW/4 SW/4 (40 acres); S/2 SW/4 (80 acres) of Section 20

NE/4 NW/4 (40 acres) of Section 21

Graymont Land

In T44N, R7W, Hendricks Twp., Mackinac County (1717.66 acres, more or less):

N/2 SE/4 (80 acres); SE/4 SE/4 (40 acres); NE/4 (160 acres) of Section 9

E/2 SE/4 (80 acres); NW/4 SE/4 (40 acres) of Section 15

W/2 E/2 (160 acres); S/2 NW/4 (80 acres); SW/4 (160 acres) of Section 17

SE/4 (160 acres); NE/4 NE/4 (40 acres); S/2 NE/4 (80 acres); NE/4 NW/4 (40 acres); S/2 NW/4 (79.38 acres); SE/4 SW/4 (40 acres); W/2 SW/4 (78.28 acres) of Section 18

NE/4 (160 acres) of Section 19

NE/4 SE/4 (40 acres); SE/4 NE/4 (40 acres); W/2 NW/4 (80 acres) of Section 20

E/2 NE/4 (80 acres) of Section 22