



AMENDED 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 f/k/a Town 44 North LLC
Mailing Address 111 Lyon Street, NW, 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	Township Name	Section(s)	Town	Range
Unknown	Mackinac and Luce	See attached	See attached	43, 44 & 45	7, 8 & 9
Description See Exhibit A on attached proposed form of Land Transaction Agreement, with Addendum and Exhibits ("Proposed LTA"), incorporated by reference in this Application, and attached map. Tracts A and D are to be purchased. Tracts B, C and E are to be exchanged for the land offered in exchange below. Transaction also includes option to purchase up to 50 acres of roadway, railway, utility and conveyer easement across the land described on attached Exhibit B.					
Acres: <u>See Ex. A</u>					

LAND OFFERED IN EXCHANGE (IF ANY)

County	Township Name	Section(s)	Town	Range
Description See attached Proposed LTA, incorporated by reference in this Application. Land offered in exchange for Tracts B, C and E to be identified and acquired for exchange in accordance with DNR policies.				
Acres: <u>Unknown</u>				
Minerals to be conveyed to the State? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other (Explain in Section B.)				

**** 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:

For the exploration, mining and processing of limestone, and other uses identified in Proposed LTA.

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

1. How is the land presently being used?

Unknown, as Lands Offered for Exchange have yet to be identified.

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

Will be lands on DNR's "wish list" or approved by DNR and meeting DNR objectives of acquiring lands within existing state parks and forests boundaries or adjoining/infilling existing state lands.

3. If improved, describe briefly.

Unknown, as Lands Offered for Exchange have yet to be identified.

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

Yes No Don't know Other, please explain.

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

Title will likely be subject to easements, restrictions and reservations of record and survey matters.

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

This Application amends the Application dated 4/30/2012, as amended 9/6/2012.

If you have questions regarding the completion of this Application, please contact Michigan Department of Natural Resources, Finance and Operations, Real Estate Services Section, telephone 517-284-5941.

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 F/H/A TOWN 44 NORTH

By William W. Hall

10/8/2014

Signature of Applicant

AUTHORIZED AGENT

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



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

FOR DNR USE ONLY	
Case No.	
Land Class	File:

TYPE OF TRANSACTION: **EXCHANGE** **PURCHASE** **PRIVATE EASEMENT**

DESIRED STATE-OWNED LAND: I (We) hereby agree to pursue by exchange/purchase interest in the land described below with the indicated restrictions and reservations:

Project Area Lake Superior State Forest	Acres	Fair Market Value of Desired State Land \$
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The State deed will be subject to the following reservations:
 Minerals Antiquities Ingress & Egress to Watercourses Other:

Property Description: See attached Exhibit A. Tracts A and D are to be purchased. Tracts B, C and E are to be exchanged for the land offered in exchange below. Transaction also includes option to purchase up to 50 acres of roadway, railway, utility and conveyor easement across the land described on attached Exhibit B. Purchase and exchange are subject to the provisions set forth in the attached Addendum.

LAND OFFERED IN EXCHANGE: None

I (we) hereby agree to exchange the following private land which is under (my) (our) ownership or control:

Project Area	Acres	Minerals <input type="checkbox"/> Conveyed <input type="checkbox"/> Reserved	Fair Market Value of Offered Private Land \$
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Property Description: See attached Exhibit C. Exchange is subject to the provisions set forth in the attached Addendum.

CERTIFICATION: I (We) have read and also agree with the enclosed requirements and conditions.

	<u>NAME OF OWNER(S) (PRINT OR TYPE)</u>	<u>SIGNATURE OF OWNER(S)</u>	<u>DATE</u>
1.	GRAYMONT (MI) LLC		
	STATE OF MICHIGAN		
2.	DEPARTMENT OF NATURAL RESOURCES		
3.			
4.			

Mailing Address 111 Lyon Street NW, #900	City Grand Rapids	State MI	Zip Code 49503-2487
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Requirements and Conditions at Page 2.

REQUIREMENTS AND CONDITIONS

As the purchaser I (we) understand:

1. That updated proof of the State's title claim to the desired land is not available and if desired must be obtained at my (our) expense.
2. That values reported include mineral values, unless otherwise specifically stated. The exchange or purchase of mineral rights, together with the surface rights, is dependent upon ownership of the mineral rights, which will be verified by title review.
3. That the "In Lieu of tax" payments on the State-owned land due during the year of completion of the exchange/sale will be made by the Michigan Department of Natural Resources in accordance with existing statutes.
4. That I (we) have read the accompanying *brochure* which explains the procedures.

I (We) further understand that if providing land in exchange that I (we) must:

1. Submit proof of title to the offered land for review by the Attorney General in form of:
 - a) Full Abstract of Title certified to the then current date including 10-year property tax history and State and Federal Tax Lien Search, **OR**
 - b) Commitment for "Owners" Title Insurance Policy insuring title to the STATE OF MICHIGAN in the amount of the appraised value of the desired State land.
(Title information must include matters pertinent to mineral rights unless "Surface title only" to be conveyed.)
2. Pay and provide receipts for taxes assessed on the offered land for the year in which the State Deed is issued to complete the exchange, and any delinquent taxes.
3. Pay closing costs in connection with the completion of the real estate transaction which may include but not be limited to, recording fees for documents to establish title in the applicant's name and Real Estate Transfer Tax based on value consideration shown on conveyance to State.
4. All owners of interest in the property being exchanged must sign the Agreement.
5. Questions or concerns may be addressed by contacting the Michigan Department of Natural Resources, Real Estate Services Section at 517-241-3455, or TTY/TTD: 711 (Michigan Relay Center)

MAIL SIGNED AGREEMENT TO: REAL ESTATE SERVICES
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30448
LANSING MI 48909-7948

ADDENDUM TO LAND TRANSACTION AGREEMENT

THIS ADDENDUM ("Addendum") supplements and amends the offer to purchase and exchange of GRAYMONT (MI) LLC, a Michigan limited liability company, of 111 Lyon Street, N.W., Suite 900, Grand Rapids, Michigan 49503-2487 ("Buyer"), set forth in the attached Land Transaction Agreement ("Agreement") regarding certain interests in lands owned by the State of Michigan ("State") legally described on the attached **Exhibit A**. If Buyer's offer is accepted by State, the term "Agreement" shall be deemed to include this Addendum, and the provisions of this Addendum shall be part of the Agreement and shall control in the event of any inconsistency.

The following additional provisions are added to the Agreement:

1. **Scope of Interest Conveyed by State.** Buyer owns the rights to explore for and mine the limestone and other minerals under the land described as the "**Buyer Land**" on the attached **Exhibit A**. State owns the surface and other rights in the Buyer Land, including a reversionary interest at the end of 99 years in the limestone and other minerals underlying the Buyer Land. State owns the surface and the subsurface mineral rights in the "**State Land**" described on the attached **Exhibit A**, and broken down as "**Tract A**", "**Tract B**", "**Tract C**", "**Tract D**" and "**Tract E**", and in the "**Optioned State Land**" described in the attached **Exhibit B**. State shall convey to Buyer State's entire fee simple interest in Tracts A (North Hendricks Quarry Area), B (South Hendricks Quarry Area), C (East Hendricks Township Area) and E (Southeast Hendricks Township Area) and the Buyer Land. State shall also convey to Buyer State's entire fee simple interest in the subsurface of Tract D (Subsurface Only Area), together with the easement rights for mineral exploration, mining and production, reserving ownership of the surface of Tract D and the oil and gas that may be produced from Tract D, all as described in **Paragraph 8** below.

2. **Negotiated Purchase and Exchange.**

a. As to Tracts A and D, this transaction constitutes a negotiated sale of surplus land pursuant to MCL Sections 324.2131 and 324.2132. Pursuant to applicable statutes, regulations and Michigan Department of Natural Resources ("DNR") policies, appraisals have been performed, and the purchase price for Tract A has been set at \$_____ and the purchase price for Tract D has been set at \$_____. As Buyer will pay to Seller a royalty as set forth in **Paragraph 3** below, such appraisals excluded any consideration of the value of limestone and dolomite that may be present on those Tracts. Buyer shall pay the purchase price owing at each closing by wire transfer of collected funds or cashier's check.

b. As to Tracts B, C and E, this transaction constitutes an exchange of land pursuant to MCL Section 324.2104. Pursuant to applicable statutes, regulations and DNR policies, appraisals have been performed of Tracts B, C and E, and of the land offered by Buyer in exchange, described on the attached **Exhibit C** ("**Exchange Land**"). As Buyer will pay to Seller the royalty described in **Paragraph 3** below, such appraisals of Tracts B, C and E excluded any consideration of the value of limestone and dolomite

that may be present on those Tracts. Those appraisals have confirmed that the fair market value of the Exchange Land equals or exceeds the fair market value of Tracts B, C and E.

BUYER'S COVENANTS

3. **Limestone Royalty to State.** State reserves a royalty equal to eighteen and three-quarters (18.75) cents per ton of limestone and dolomite mined from and transported away from the State Land, but only for parcels where State conveyed good and marketable title to the limestone and dolomite, and not for Buyer Land. The royalty shall be adjusted annually on each December 31, commencing December 31, 2015, for each succeeding calendar year, to reflect any change in the Producer Price Index-Commodities, series ID:WPUSOP3000 since the date of this Agreement, using Annual Index values. If such index is discontinued, then the parties shall use the replacement index offered by the Bureau of Labor Statistics, or a reasonable substitute inflation adjusted index for similar goods. The royalty shall be paid annually for the calendar year just ended, within sixty (60) days following the end of such calendar year.

4. **Forest Management.** For Tracts A, B and C not actively in use by Buyer at various times, and not yet mined or developed with mine infrastructure, Buyer will develop and implement a forest management plan providing for the harvesting of timber in accordance with prudent forest management practices and prudent economic management of the timber resources, given Buyer's schedule for its intended uses of those Tracts. Such plan shall be designed to reflect that Buyer will be harvesting timber in areas to be mined prior to commencing mining operations and to reflect management of timber production in mining buffer areas, areas not yet mined, and areas of those Tracts that Buyer does not intend to mine. Buyer shall consult with State regarding the principal components of Buyer's forest management plan, but Buyer is not required to obtain approval of the plan or amendments to the plan.

5. **Public Hunting, Fishing and Recreational Rights** Buyer may from time to time designate by written notice to State portions of Tracts A, B and C for Buyer's active operations and buffer area as provided on the attached **Exhibit D** (individually, an "**Operating Area**", and collectively, "**Operating Areas**") and shall conspicuously post the same as Operating Areas. Those portions of Tracts A, B and C that are not Operating Areas will be "**Recreational Areas**". Buyer will permit the public to enter the Recreational Areas for hunting, fishing and recreational purposes, as specified on the attached **Exhibit E**. Buyer will also permit the continued use of existing snowmobile, off-road vehicle, hiking, mountain biking and pedestrian trails ("**Recreational Trails**") located in Recreational Areas. In order to protect the public and ensure the security of its operations, Buyer will close Recreational Trails in the Operating Areas and when it does so it will provide alternative routes in the Recreational Areas for closed Recreational Trails. All persons who enter the Recreational Areas pursuant to this paragraph are not invitees, but are non-paying outdoor recreational users. Any persons who enter the Recreational Areas for any other purpose are trespassers unless Buyer has invited such person to enter the Recreational Areas. No person shall leave litter in the Recreational Area.

6. **Reclamation Activities.** Though not required by law, Buyer will perform appropriate reclamation of the surface of the portion of Tracts A, B and C mined by Buyer as mining activities are completed, as described in the attached **Exhibit D**. If the State enacts laws and/or

regulations in the future governing reclamation activities at limestone quarries, then this **Paragraph 6** and the provisions of the attached **Exhibit D** governing reclamation activities shall cease to apply to those portions of the State Land subject to those laws and/or regulations.

7. **Right of First Offer to State.** Buyer shall grant to State at the closing for each such Tract a recordable right of first offer with respect to the sale, exchange, lease or transfer of all, part or any interest in Tracts A, B, C and D purchased or exchanged from the State (collectively, "**ROFO Land**"), in substantially the form attached to this Addendum as **Exhibit F** ("**Right of First Offer to State**").

OTHER PROVISIONS

8. **Tract D.**

a. State shall convey to Buyer pursuant to a separate deed the subsurface of Tract D, expressly including, without limitation, all limestone, dolomite, and other metallic and nonmetallic minerals under or that may be produced from Tract D (collectively, the "**Minerals**"), retaining the surface of Tract D. With respect to Tract D, "**Minerals**" shall not be deemed to include unconsolidated sand, gravel and other deposits of aggregates that can be mined from the surface, or oil and gas under or that may be produced from Tract D, and State shall covenant in its deed to not explore for, develop or produce such oil and gas from Tract D. State shall convey to Buyer Tract D, subject to and together with those easements and restrictive covenants set forth on the attached **Exhibit G** ("**Surface Easement**"). The Surface Easement is designed to grant to the Buyer the right to use the surface of Tract D, to the extent reasonably necessary for use and development of an underground mine for the Minerals.

b. State shall grant to Buyer at the closing of Buyer's purchase of Tract D a recordable right of first offer with respect to the sale, exchange, lease or transfer of all, part or any interest in the surface of Tract D retained by the State, in substantially the form attached to this Addendum as **Exhibit H**.

9. **Restriction on Surface Quarrying.** The State's deed to Buyer for Tracts D and E shall prohibit Buyer from surface quarrying Tracts D and E, unless the DNR first consents. For such purposes, the excavation of underground mine portals and ventilation shafts for the operation of an underground mine shall not be "surface quarrying."

10. **Option to Purchase Easement.** State shall grant to Buyer at the first closing of the sale of any of the State Land an option to purchase an easement for roadways, rail spurs, conveyors and/or utility accesses over and across any part of the Optioned State Land, in one or more parcels not to exceed a total of 50 acres in the aggregate, in substantially the form attached to this Addendum as **Exhibit B**.

11. **Reserved Trail Easement.** State shall convey to Buyer Tracts A and B, reserving those easements set forth on the attached **Exhibit I** ("**Reserved Trail Easement**"). The Reserved Trail Easement is designed to reserve to the State the perpetual right to the

nonexclusive use of the existing Dollar Lake Truck Trail a/k/a Hemlock Ridge Trail, Cranberry Lake Road and McLeod Road across Tracts A and B, subject to relocation and other terms described in the Reserved Trail Easement. The reserved rights set forth in the Reserved Trail Easement are in addition to those rights described in **Paragraph 5** of this Addendum.

12. Title and Other Contingencies.

a. The obligations of Buyer under this Agreement are subject to the contingency, to be satisfied or waived prior to the closing date for such land, that the Buyer satisfy itself, at Buyer's sole cost and expense, that the State Land and the State's interest in the Buyer Land is free of any waste, environmental contamination and recognized environmental conditions, and it will receive good and marketable title to the State Land and the State's interest in the Buyer Land, subject only to the matters referenced in this Agreement, and easements and restrictions of record not impairing Buyer's intended use of the State Land and the State's interest in the Buyer Land, for the mining, managing, storing, transporting and processing of limestone and/or dolomite. If Buyer is not so satisfied, then Buyer may terminate this Agreement by written notice to State, given prior to closing. Buyer was the successful bidder for a limestone mineral lease with respect to the Hendricks Quarry, which is included within the State Land. While Buyer paid to State annual minimum rent under the lease, Buyer and State never actually signed a written lease. Buyer and State acknowledge that effective as of the closing of Buyer's purchase of Tract A under this Agreement, Buyer's lease is terminated, no rent paid with respect to the lease is refundable to Buyer, and neither Buyer nor State have any remaining liability under the lease.

b. As to the Exchange Land, Buyer shall obtain at its expense, a commitment ("**Title Commitment**") to issue an owner's title insurance policy insuring State in the amount of the appraised value, which shall be in a form approved by the American Land Title Association. The title commitment must show good and marketable title to the Exchange Land to be in the name of the party who contracted to sell the same, subject only to easements, restrictions, reservations and interests of record, and such matters as an accurate survey would show (collectively, "**Permitted Exceptions**"), and the requirements to be satisfied set forth in the Title Commitment and shall disclose no other title exceptions whatsoever. State shall notify Buyer within sixty (60) days after State's receipt of the Title Commitment if the Title Commitment discloses any exceptions not permitted by this Agreement, (individually and collectively, a "**Defect**"). Buyer shall remove each Defect at Buyer's expense on or before the closing date for such land. In addition, Buyer shall satisfy the requirements set forth in the Title Commitment on or before the closing date for such land. If Buyer fails or refuses to remove any Defect, then as its only remedies State may: (i) proceed to closing, waiving the Defect at issue; (ii) terminate this Agreement as to the particular Exchange Land as to which title is defective by a written notice to State, in which case neither Buyer nor State shall have any further liability to the other under this Agreement with respect to that Exchange Land, and Buyer shall diligently proceed to obtain replacement Exchange Land that

meets the requirements of this Agreement; or (iii) proceed to closing, accepting title subject to the Defect.

13. Closing.

a. State and Buyer may elect to close the transactions described in this Agreement in one or more closings, as they deem convenient to facilitate the exchanges provided for in this Agreement. The closing(s) shall take place as soon as reasonably possible following the date the Director of the DNR accepts the offer set forth in this Agreement, on such date as is mutually agreed upon by State and Buyer. In addition to any other remedy Buyer may have, Buyer reserves the right to withdraw its offer if such acceptance fails to occur within 90 days following the date Buyer signed this Agreement. At each closing, Buyer and State shall execute and deliver a closing statement setting forth the purchase price or exchange value and closing adjustments and any other documents reasonably necessary or legally required to evidence the transaction. At each closing of Exchange Land, Buyer shall pay or cause to be paid all recording and filing costs in connection with curing title to the Exchange Land, the transfer taxes with respect to the covenant deed(s) for the Exchange Land and the title insurance premium(s) for State's owner's policy(ies) of title insurance for the Exchange Land. Buyer and State shall share equally the closing fee charged by the title company conducting each closing. State shall pay the recording fee for the covenant deed(s) and Buyer shall pay the recording fee for the quit claim deed(s) delivered in connection with the closing(s).

b. At each closing, State shall sign and deliver to Buyer one or more quit claim deeds (with the number of deeds and the grantee Buyer or Buyer affiliate specified by Buyer) for the State Land and the Buyer Land, with separate deeds for any land located in different counties. Each quit claim deed shall be in State's standard form, but shall also recite that it: (a) transfers, without warranty, a number of division rights for each parcel described in the deed equal to the number of division rights allocated to a tract of that size under the Land Division Act, such number to be verified by Buyer's legal counsel; and (b) conveys all oil, gas, limestone, dolomite, sand, gravel, clay, marl and other metallic and nonmetallic minerals (excepting, as to Tract D, the surface and unconsolidated sand, gravel and other deposits of aggregates that can be mined from the surface).

c. All real estate and personal property taxes and special assessments with respect to the Exchange Land, whether or not payable in installments or deferrable without penalty or interest to a later date, that first become due and payable (or in the case of special assessments, a lien upon the Exchange Land) on or before the closing date for such land, shall be paid by Buyer or the current owner of the Exchange Land, and prorated to the closing date for such land on the basis they are paid for the calendar year in which they first become due and payable. Buyer shall cause title to the Exchange Land to be conveyed to State by a covenant deed, covenanting solely against the acts and neglects of the grantor and those holding under grantor, and the Permitted Exceptions, with a separate deed given for each parcel of the Exchange Land acquired from a different party.

14. Legal Compliance. Notwithstanding any provision of this Addendum (including, without limitation, any Exhibit to this Addendum) which might be read to imply to the contrary, Buyer's activities and operations referenced in this Addendum and such Exhibits shall also be subject to all applicable drilling and wetland permitting requirements, local zoning and land use ordinance permitting requirements, and other laws, ordinances and regulations applying to those activities and operations.

15. Application of Buyer's Promises. The provisions of this Addendum shall survive the closing(s). Except as expressly provided in the Right of First Offer to State, the Buyer's covenants are intended to run with the State Land and ROFO Land, as applicable, and bind Buyer and its successors and assigns. Except as expressly provided in the Right of First Offer to State, Buyer and any successor or assign of Buyer shall be automatically released from such covenants following the date Buyer or such successor or assign transfers title to the burdened State Land, but shall remain liable for any liability incurred under such covenants during the time period Buyer or such successor or assign owned the land. Buyer may freely assign this Agreement in whole or in part to an entity controlled by or under common control with Buyer.

State and Buyer have signed this Addendum as of the date of the Agreement, and ratify and confirm the Agreement, subject to the terms of this Addendum.

GRAYMONT (MI) LLC, a Michigan limited liability company

By: _____

Its: _____

Buyer

DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES for the STATE OF MICHIGAN

By: _____

Its: _____

State

11299821-16

Exhibit A
Buyer Land and State Land

BUYER LAND:

In T44N, R9W, Garfield Twp., Mackinac County (40 acres, more or less):

NE/4 SE/4 (40 acres) of Section 1*

In T44N, R8W, Hudson Twp., Mackinac County (76.88 acres, more or less):

W/2 SW/4 (76.88 acres) of Section 6*

*State currently owns surface rights (excluding limestone), and reversionary interest in limestone and other mineral rights effective December 10, 2033

STATE LAND:

Tract A:

In T44N, R9W, Garfield Twp., Mackinac County (773.77 acres, more or less):

All (633.77 acres) of Section 1 (subject to Buyer's interest in NE/4 SE/4 referenced above)

E/2 SE/4 NE/4 (20 acres); E/2 E/2 SE/4 (40 acres) of Section 2

N/2 NE/4 (80 acres) of Section 12

In T45N, R9W, Pentland Twp., Luce County (40 acres, more or less):

SW/4 SW/4 (40 acres) of Section 36

In T44N, R8W, Hudson Twp., Mackinac County (191.93 acres, more or less):

W/2 NW/4 (76.68 acres) of Section 6

W/2 SW/4 (76.88 acres) of Section 6 (subject to Buyer's interest referenced above)

NW/4 NW/4 (38.37 acres) of Section 7

Tract B:

In T44N, R9W, Garfield Twp., Mackinac County (660 acres, more or less):

SE/4 NE/4 (40 acres); NE/4 SE/4 (40 acres) of Section 11

SE/4 (160 acres); S/2 NE/4 (80 acres); S/2 NW/4 (80 acres); NE/4 NW/4 (40 acres); N/2 SW/4 (80 acres); SE/4 SW/4 (40 acres); N/2 SW/4 SW/4 (20 acres) of Section 12

N/2 NE/4 (80 acres) of Section 13

Tract C:

In T44N, R7W, Hendricks Twp., Mackinac County (160 acres, more or less):

NE/4 SE/4 (40 acres); SW/4 NE/4 (40 acres); E/2 NW/4 (80 acres) of Section 24

Tract D:

In T43N, R7W, Hendricks Twp., Mackinac County (481.37 acres, more or less):

N/2 N/2 (159.22 acres) of Section 4

N/2 N/2 (161.26 acres) of Section 5

N/2 NE/4; NW/4 NW/4 (except the S 200 feet of the N 605 feet of the W 233 feet and except beginning 605 feet S of NW corner of NW/4 NW/4, on E boundary of Township highway, thence E 50 feet, then S 50 feet, then W 50 feet, thence N 50 feet to POB); and NE/4 NW/4 of Section 6 (160.89 acres)

In T44N, R7W, Hendricks Twp., Mackinac County (1,734.93 acres, more or less):

S/2 S/2 (160 acres) of Section 28

S/2 S/2 (160 acres) of Section 29

S/2 (317.29 acres) of Section 30

W/2 SE/4; N/2; E/2 SW/4 (except commencing at the NW corner of the SE/4 of the SW/4 of Section 31, T44N, R7W, thence E 12 rods, thence S 16 rods, thence W 12 rods, thence North 16 rods to POB) of Section 31 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, across the NW/4 SE/4 and NE/4 SW/4) (469.89 acres)

Beginning at a point 33 feet North of the Northeast corner of the Southwest quarter of the Southwest quarter of Section 31, thence West 39 feet, thence South 264 feet, thence East 39 feet, thence North 264 feet to point of beginning (.24 acre)

W/2 SE/4; N/2; SW/4 of Section 32 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, across the S/2 NE/4, SE/4 NW/4 and N/2 SW/4) (547.55 acres)

N/2 SW/4 SE/4 south of the centerline of Hiawatha Trail (10 acres); SW/4 SW/4 SE/4 (10 acres); NE/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (60 acres) (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company) of Section 33

In T44N, R8W, Hudson Twp., Mackinac County (5,040.13 acres, more or less):

E/2 SE/4 (80 acres) of Section 20

S/2 (320 acres) of Section 21

S/2 (320 acres) of Section 22

W/2 SW/4 (80 acres) of Section 23

S/2 of Section 25 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the Rexton Branch of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across E/2 SE/4) (313.63 acres)

S/2 (320 acres); W/2 NW/4 (80 acres) of Section 26

All (except NE/4 SW/4) (600 acres) of Section 27

All (640 acres) of Section 28

E/2 SE/4 (80 acres); NE/4 NE/4 (40 acres) of Section 29

E/2 NE/4 (80 acres) of Section 32

N/2 SE/4; SE/4 SE/4 (except Village of Garnet, according to the plat thereof, recorded in Liber 1 of Plats, Page 38, and subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company); NE/4 (160 acres); E/2 E/2 SW/4 SE/4 of Section 33 (except Village of Garnet, according to the plat thereof, recorded in Liber 1 of Plats, Page 38); W/2 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company across the S/2 S/2 of Section 33 and except a strip of land commencing 2 rods E and 14 feet 6 inches N of SW corner of Section

33, thence N 66 feet, thence E 158 rods, thence S 66 feet, thence W 158 rods to POB) of Section 33 (587.52 acres)

All of Section 34 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the main track of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across the S/2 S/2 of Section 34) (627.65 acres)

N/2 SE/4; SE/4 SE/4; S/2 NE/4; NW/4; NE/4 SW/4 of Section 35 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the main track of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across the E/2 SE/4 of Section 35) (396.97 acres)

NW/4 SE/4 of Section 36 lying South of Soo Line Railway; E/2 NE/4 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Rexton Branch of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company); SW/4 NW/4; E/2 SW/4 lying South of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company right of way; W/2 SW/4 (80 acres) (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company) of Section 36 (234.12 acres)

Beginning 235 feet W of SE corner of NE/4 of SE/4; thence N to Soo Line R/W; thence W along Railway 60 ft.; thence S to 1/8 line; thence E to POB, Section 36 (0.24 acre)

Tract E:

In T43N, R7W, Hendricks Twp., Mackinac County (321.78 acres, more or less):

N/2 (321.78 acres) of Section 3**

**Subject to 50% undivided mineral interest, if any, of others, in NE/4 of Section 3

In T44N, R7W, Hendricks Twp., Mackinac County (480 acres, more or less):

N/2 SE/4 (except SE/4 NE/4 SE/4) (70 acres); N/2 SW/4 SE/4 north of the centerline of Hiawatha Trail (10 acres); NE/4 south of the right of way of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (100 acres) of Section 33

E/2 SE/4 (80 acres); N/2 NW/4 SE/4 (20 acres); S/2 N/2 (160 acres); N/2 N/2 SW/4 (40 acres) of Section 34

Exhibit B
Option Agreement

OPTION AGREEMENT

THIS OPTION AGREEMENT ("Agreement") is entered into _____, by the **DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES** for the **STATE OF MICHIGAN**, of P.O. Box 30452, Lansing, Michigan 48909-79528 ("**State**") and **GRAYMONT (MI) LLC**, a Michigan limited liability company, of 111 Lyon Street, N.W., Suite 900, Grand Rapids, Michigan 49503-2487 ("**Graymont**"), pursuant to the terms of a certain Land Transaction Agreement, with Addendum, between State and Graymont dated _____, 2014 ("**Acquisition Agreement**"). State and Graymont agree as follows:

State owns the real estate, and the improvements, fixtures, easements, division rights, hereditaments and appurtenances associated with that real estate, legally described on the attached **Schedule A ("Optioned State Land")**. State has determined that it has full power and authority under applicable laws, ordinances and regulations, including, without limitation, Part 5 of the Natural Resources Protection Act, to grant easements on the Optioned State Land as described in this Agreement.

1. **Grant of Option.** State, in consideration of the Acquisition Agreement, gives and grants to Graymont, subject to the terms and conditions of this Agreement, the exclusive right and option ("**Option**") to acquire, in one or more transactions, nonexclusive perpetual easements for (a) the construction, maintenance and use of roadways, railroad spur tracks, conveyors and/or utilities, over, under and across up to a total of fifty (50) acres of the Optioned State Land; and (b) the improvement, maintenance and use of the existing Molly Gibson and Caffey Roads located North of the railroad line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company in Hendricks Township, Mackinac County, Michigan (each, an "**Easement**", and collectively, "**Easements**").

2. **Term of Option.** The time period during which Graymont may exercise the Option commences on the date of this Agreement and expires automatically at 11:59 p.m. Eastern time five (5) years from the date of this Agreement ("**Option Period**"). If Graymont fails to timely exercise the Option, then Graymont shall sign and deliver to State such recordable evidence of the expiration of the Option as State may reasonably request.

3. **Easement Designation Notice.** At least one hundred fifty (150) days before Graymont delivers an Exercise Notice to State, Graymont will deliver written notice (each an "**Easement Designation Notice**") to State together with:

(a) a description of an area proposed for location of an Easement (each a "**Proposed Easement Area**"), including:

(i) a map and legal descriptions;

(ii) a wetlands delineation of the Proposed Easement Area and proposed measures to be taken for the mitigation, protection and/or preservation of any such wetlands; and

(iii) a report prepared by a professional archeologist identifying any archeologically significant sites located on or near the Proposed Easement Area and proposing appropriate measures for the protection and/or preservation of any such sites or the culturally significant artifacts located on any such sites;

(b) a description of any infrastructure proposed within the Proposed Easement Area, including:

(i) a map and legal descriptions, and its proposed use;

(ii) a proposed construction plan for any infrastructure proposed to be located within the Proposed Easement Area, which will include plans for decommissioning and removing the infrastructure when it is no longer needed; and

(iii) an outline describing the steps and schedule proposed for the consultation process to occur between the Easement Designation Notice and the Exercise Notice within the parameters set out in this Agreement.

4. State Consultation Period. State will have a period (each a "State Consultation Period") of ninety (90) days after delivery of the Easement Designation Notice in which to review and consult with Graymont on the information included with the Easement Designation Notice. Each State Consultation Period must occur between March 31 and August 31 in the same calendar year to provide time for field review by State. During each State Consultation Period, Graymont will take into consideration all comments received from State and may revise any of the information it has provided to State to reflect such comments.

5. Provision of Information to Public. Within thirty (30) days after the end of each State Consultation Period, Graymont will provide public access to the information included with the applicable Easement Designation Notice, as revised to reflect comments received from State during such State Consultation Period, and a method for the public to submit comments to Graymont on the proposed designation of the Proposed Easement Area and/or infrastructure to be constructed and such information.

6. Community Consultation Period. Graymont will receive comments from the public during the period (each a "Community Consultation Period") of sixty (60) days after the date on which the public access referred to in the preceding paragraph is provided. During each

Community Consultation Period, Graymont will take into consideration all comments received and may revise any of the information it has provided to the public.

7. Easement Plan. At any time after the end of the Community Consultation Period applicable to a particular Easement Designation Notice, Graymont may deliver to State a final easement plan for the Proposed Easement Area ("**Easement Plan**"), which may be for all or a portion of the Proposed Easement Area proposed in the Easement Designation Notice, together with:

(a) a description of the Proposed Easement Area, including a map and legal descriptions;

(b) a wetlands delineation of the Proposed Easement Area and measures to be taken for the mitigation, protection and/or preservation of any such wetlands;

(c) a report prepared by a professional archeologist identifying any archeologically significant sites located on or near the Proposed Easement Area and measures to be taken for the protection and/or preservation of any such sites and the culturally significant artifacts located on any such sites;

(d) a description of any infrastructure to be constructed within the Proposed Easement Area, including a map and legal descriptions, and its proposed use; and

(e) a construction plan for any infrastructure to be constructed within the Proposed Easement Area, which will include plans for decommissioning and removing the infrastructure when it is no longer needed.

8. Exercise of Option. At any time after the delivery of an Easement Plan and before the end of the Option Period, Graymont may exercise the Option with respect to the applicable part of the Optioned State Land by providing written notice to State ("**Exercise Notice**"), which identifies the Easement and the part of the Optioned State Land ("**Selected State Land**") for which an Easement Plan has been provided. The Exercise Notice may be for all or a portion of a Proposed Easement Area identified in the Easement Plan. The Option shall continue in full force and effect for the entire Option Period with respect to any portion of the Optioned State Land with respect to which Graymont has yet to exercise the Option. Except as expressly provided below, the Option shall expire automatically if not exercised or extended in accordance with these provisions within the Option Period or once State has transferred Easements covering a total of 50 acres of Optioned State Land to Graymont. Upon exercise of the Option, this Agreement shall constitute a binding agreement for the disposition and acquisition of an Easement on the Selected State Land, subject to the terms and conditions of this Agreement. As provided above, Graymont may not exercise the Option with respect to more than a total of 50 acres of the Optioned State Land, whether exercised at one or more times.

9. **Mediation.** If any objections made by State to the location of the Proposed Easement Area have not been resolved to State's satisfaction by the end of the Community Consultation Period, then State shall notify Graymont in writing ("**State Mediation Notice**") within ten (10) days following the date Graymont gives the Exercise Notice that State desires to submit those objections to mediation. State and Graymont shall proceed to choose a mutually agreeable neutral third party mediator with experience dealing with the issues of concern, to consider and report on his or her recommendation for resolution of the concerns. If Graymont and State are unable to agree upon a mediator within ten (10) days following the Mediation Notice, then either may request that the Chief Judge of the Circuit Court for the area where the Optioned State Land is located select the mediator. The fee and costs of the mediator shall be shared equally by Graymont and State. The final decision with respect to such locations shall be made by Graymont, after review and consideration of the State's concerns and the report of any mediator, and communicated by Graymont's in an appropriately revised Exercise Notice and Easement Plan. The Option Period shall be automatically extended, as necessary for Graymont to provide an appropriately revised Exercise Notice.

10. **Delivery of Graymont Appraisal.** If State has made no unresolved objections to the location of the Selected State Land identified in the Exercise Notice, then Graymont shall include with the Exercise Notice an appraisal of the Selected State Land so identified, performed at Graymont's expense ("**Graymont Appraisal**"). If State has made unresolved objections to the location of the Selected State Land identified in the Exercise Notice, then Graymont will defer delivery of the Graymont Appraisal to State until on or after the later of the expiration of the 10-day period for State to give the State Mediation Notice (if State does not give such notice), or delivery of the new Exercise Notice.

11. **State's Review of Graymont Appraisal of Selected State Land.** State shall have a period of one hundred twenty (120) days following the date Graymont gives the Graymont Appraisal to State to review it. If State is willing to exchange the Selected State Land for the value established by the Graymont Appraisal, then State will so advise Graymont by written notice ("**State Acceptance Notice**") to Graymont delivered on or before the 120th day following the day Graymont gives the Graymont Appraisal to State. Subject to **Paragraph 12** below, if State fails to deliver the State Acceptance Notice to Graymont on or before such day, then State shall be deemed to have irrevocably accepted the value for the Selected State Land established by the Graymont Appraisal.

12. **State's Right to Appraise.** During the 120-day period described in **Paragraph 11** above, State may elect to perform its own appraisal of the Selected State Land, at State's expense ("**State Appraisal**"). In lieu of the State Acceptance Notice, State may deliver to Graymont a written notice that it elected to obtain a State Appraisal of the Selected State Land ("**State Appraisal Notice**"), together with a copy of the State Appraisal. State must deliver the State Appraisal Notice on or before the 120th day following the day Graymont gives the Graymont Appraisal to State.

13. **Value of Selected State Land Established by Appraisals.** If the value of the Selected State Land established by the Graymont Appraisal and the State Appraisal are equal or are within ten percent (10%) of the lower of the two values, then the value of the Selected State Land shall be conclusively deemed to be the mid-point between those two values. If the preceding sentence does not apply, then Graymont and State shall promptly instruct their respective appraisers to mutually agree upon a third appraiser, who shall be retained jointly by State and Graymont to perform an appraisal of the Selected State Land within ninety (90) days ("**Third Appraisal**"), with the Third Appraisal cost to be shared equally by Graymont and State. If the two appraisers are unable to agree upon and appoint a third appraiser within thirty (30) days, then either State or Graymont may request that the Chief Judge of the Circuit Court for the area where the Optioned State Land is located select the third appraiser. Upon receipt of the Third Appraisal, the value of the Selected State Land established by it shall be compared with the values established by the Graymont Appraisal and State Appraisal, respectively, and then the value of the Selected State Land shall be conclusively deemed to be the value established by whichever of the Graymont Appraisal or State Appraisal established a value closest to the value established by the Third Appraisal or, if the value established by the Third Appraisal is equal to the mid-point between the values established by the Graymont Appraisal and State Appraisal, respectively, then the value of the Selected State Land shall be conclusively deemed to be the value of the Third Appraisal.

14. **Appraisal Standards.** Any appraisal provided under this Agreement must be performed by a licensed appraiser experienced in appraisals of real estate similar to the property to be exchanged. If State at the time publishes standards for appraisals of real estate to be purchased or sold by the State of Michigan, then the appraisal must conform to those standards. Each appraisal shall determine the fair market value of fee simple title to the Selected State Land identified, notwithstanding the fact that Graymont's use is only as a nonexclusive easement holder.

15. **Title.** State shall not take any action that would impair State's title to the Optioned State Land from and after the date of this Agreement. If an Exercise Notice is given, then as evidence of State's title to the Selected State Land, Graymont shall obtain at Graymont's expense, a commitment ("**Title Commitment**") to issue an owner's title insurance policy insuring Graymont as Easement holder in the amount of the purchase price, which shall be in a form approved by the American Land Title Association. The Title Commitment must show good and marketable title to the Affected Property to be in State's name, subject only to matters existing on the date of this Agreement, and such matters as an accurate survey would show (collectively, "**Permitted Exceptions**"), and the requirements to be satisfied set forth in the SSL Title Commitment and shall disclose no other title exceptions whatsoever. Graymont shall notify State within sixty (60) days after Graymont's receipt of the Title Commitment if the Title Commitment discloses any exceptions not permitted by this Agreement, (individually and collectively, a "**Defect**"). State shall remove each Defect at State's expense on or before the closing date. In addition, State shall satisfy the requirements set forth in the SSL Title Commitment on or before the closing date. If State fails or refuses to remove any Defect or

satisfy any requirement, then in addition to any other remedy Graymont may have, Graymont may: (i) proceed to closing, waiving the Defect or failure at issue; (ii) terminate this Agreement by a written notice to State, in which case neither State nor Graymont shall have any further liability to the other under this Agreement to close the sale and purchase of the Selected State Land; or (iii) proceed to closing and cure any Defect or requirement such as for payment of a mortgage or lien that is capable of being cured or satisfied by the payment of a sum certain, using sale proceeds otherwise payable to State.

16. Closing.

(a) Each closing shall take place within sixty (60) days following the date Graymont gives the Exercise Notice, on such date as is mutually agreed upon by State and Graymont, or in the absence of such agreement, on the last business day of such 60-day period. At each closing, Graymont and State shall execute and deliver a closing statement setting forth the purchase price and closing adjustments and any other documents reasonably necessary or legally required to evidence the transaction. At each closing, State shall pay or cause to be paid all recording and filing costs in connection with curing title to the Selected State Land. Graymont shall pay the purchase price for the Easement, which shall equal the appraised price for the Selected State Land subject to the Easement as determined above, plus ten percent (10%). Graymont shall not be required to pay any consideration with respect to an Easement granted for use of the existing roadways for those purposes described in **Paragraph 1(b)** above. Graymont and State shall share equally the closing fee charged by the title company conducting the closing. Graymont shall pay the recording fee for the Easement agreement(s).

(b) At each closing, State shall sign and deliver to Graymont an agreement for each Easement. The agreement shall be in State's standard form, but shall also include provisions reflecting the terms and conditions of this Agreement, and be in form reasonably satisfactory to Graymont. The agreement shall expressly state that it benefits and shall run with the lands described as the E/2 SE/4, NW/4 SE/4 and S/2 NE/4 of Section 33, T44N, R7W; S/2 and S/2 N/2 of Section 34, T44N, R7W; and N/2 of Section 3, T43N, R7W (collectively, "**Benefitted Lands**").

17. Application of Graymont's Promises. The provisions of this Agreement shall bind State and Graymont and their respective successors and assigns. Graymont may freely assign this Agreement, in whole or in part, to a company owned by or under common control with Graymont, and any company that acquires all or any part of the Benefitted Lands.

18. Miscellaneous.

(a) All notices under this Agreement shall be in writing and shall be delivered to State and Graymont at their respective addresses set forth above, or at another address designated by like notice to one another. Personal delivery, fax, or mailing of a notice by

certified mail, postage prepaid, or delivery by recognized overnight service shall be sufficient notice. Notice shall be effective upon receipt, if personally delivered or faxed, upon mailing, if mailed, or upon deposit with the overnight delivery service.

(b) This Agreement may not be amended, altered or modified unless done so in writing by the person against whom enforcement of any waiver, change, modification, or discharge is sought. This Agreement shall run with the land, and bind and benefit State and Graymont and their respective successors and assigns.

(c) Upon the signature of this Agreement, State and Graymont shall also prepare, sign and record in the Office of the Register of Deeds for the County in which the Optioned State Land is located, a "short form" of this Agreement, summarizing its terms, at Graymont's expense.

(d) This Agreement and the exhibits to this Agreement contain all of the representations and statements by State and Graymont to one another and express the entire understanding between State and Graymont with respect to the transaction. All prior and contemporaneous communications concerning the transaction are merged in and replaced by this Agreement.

State and Graymont have signed this Agreement as of the date set forth above.

GRAYMONT (MI) LLC, a Michigan limited liability company

By: _____

Its: _____

Graymont

DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES for the STATE OF MICHIGAN

By: _____

Its: _____

State

9206443-17

SCHEDULE A

Optioned State Land

Surface and Mineral Rights, including limestone and dolomite:

In T44N, R7W, Hendricks Twp., Mackinac County (475 acres, more or less):

SE/4 SE/4 (40 acres) of Section 24

NE/4 SE/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (15 acres); NE/4 (160 acres); S/2 SE/4 NW/4 (20 acres); S/2 SW/4 NW/4, except that portion thereof lying north of a line extending from the SW corner thereof to the NE corner thereof (10 acres); W/2 SW/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (40 acres) of Section 25

S/2 S/2 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (80 acres); S/2 N/2 SE/4 (40 acres); N/2 NE/4 SE/4, except that portion thereof lying north of a line extending from the SW corner thereof to the NE corner thereof (10 acres); S/2 NE/4 SW/4 (20 acres) of Section 26

S/2 SE/4 SE/4 (20 acres) of Section 27

W/2 NE/4 NE/4 (10 acres); E/2 NW/4 NE/4 (10 acres) of Section 34

Exhibit C
Exchange Land

[Descriptions to be added prior to signature of Land Transaction Agreement]

Exhibit D
Operating Areas and Reclamation

1. At least one hundred fifty (150) days before Buyer delivers a notice (each a "**Designation Notice**") to State designating an Operating Area pursuant to **Paragraph 5** of the Addendum, Buyer will deliver written notice (each an "**Advance Notice**") to State together with:
 - a. a description of the area proposed for designation, including a map and legal descriptions;
 - b. a mining plan proposed for the proposed Operating Area, which will provide an outline of the operations proposed for the Operating Area including:
 - i. the proposed mining sequence for the extraction of limestone from the Operating Area;
 - ii. the proposed closing and relocation of Recreational Trails and truck trails in the proposed area in accordance with this Addendum;
 - iii. a report prepared by a professional hydrologist identifying the hydrologic conditions in the proposed Operating Area and proposing monitoring and mitigation measures appropriate to such conditions; and
 - iv. a report prepared by a professional archeologist identifying any archeologically significant sites located on or near the proposed Operating Area and proposing appropriate measures for the protection and/or preservation of any such sites or the culturally significant artifacts located on any such sites;
 - c. a plan proposed for the completion of reclamation (as prescribed by this Exhibit) in the proposed Operating Area;
 - d. an estimate of the cost that State would incur to complete reclamation as prescribed by this Exhibit and in accordance with the proposed reclamation plan for the Operating Area at the point in the proposed mining sequence at which those costs would be the highest; and
 - e. an outline describing the steps and schedule proposed for the consultation process to occur between the Advance Notice and the Designation Notice within the parameters set out in this Exhibit.
2. State will have a period (each an "**Initial Consultation Period**") of ninety (90) days after delivery of the Advance Notice in which to review and consult with Buyer on the

information included with the Advance Notice. Each Initial Consultation Period must occur between March 31 and August 31 in the same calendar year to provide time for field review by State. During each Initial Consultation Period, Buyer will take into consideration all comments received from State and may revise any of the information it has provided to State to reflect such comments.

3. Within thirty (30) days after the end of each Initial Consultation Period, Buyer will provide public access to the information included with the applicable Advance Notice, as revised to reflect comments received from State during such Initial Consultation Period, and a method for the public to submit comments to Buyer on the proposed designation of the Operating Area and such information.
4. Buyer will receive comments from the public during the period (each a "**Public Consultation Period**") of sixty (60) days after the date on which the public access referred to in **Section 3** of this Exhibit is provided. During each Public Consultation Period, Buyer will take into consideration all comments received and may revise any of the information it has provided to the public.
5. In order to enable Buyer to initiate limestone extraction operations in 2015, Buyers may designate on or before December 31, 2015 an Operating Area on Tract A adjacent to the existing Hendricks Quarry and comprising no more than 50 acres without complying with **Sections 1 through 4**, inclusive, of this Exhibit, provided that it complies with all other requirements of this Exhibit with respect to the designation of such Operating Area.
6. At any time after the end of the Public Consultation Period applicable to a particular Operating Area, Buyer may deliver to State a Designation Notice for the Operating Area, which may be for all or a portion of the area proposed in the Advance Notice, together with:
 - a. a description of the Operating Area, including a map and legal descriptions;
 - b. a mining plan for the Operating Area, which will provide an outline of the operations proposed for the Operating Area including:
 - i. the mining sequence for the extraction of limestone from the Operating Area; and
 - ii. the closing and relocation of Recreational Trails and truck trails in the Operating Area in accordance with this Addendum;
 - iii. a report prepared by a professional hydrologist identifying the hydrologic conditions in the Operating Area and recommending monitoring and mitigation measures appropriate for such conditions; and
 - iv. a report prepared by a professional archeologist identifying any archeologically significant sites located on or near the Operating

Area and recommending appropriate measures for the protection and/or preservation of any such sites and the culturally significant artifacts located on any such sites;

- c. a plan (each a "**Reclamation Plan**") for reclamation (as prescribed by this Exhibit) in the Operating Area,
- d. an estimate of the cost ("**Reclamation Cost**") that State would incur to complete reclamation as prescribed by this Exhibit and in accordance with the Reclamation Plan for such Operating Area at the point in the mining sequence at which those costs would be the highest; and
- e. delivery of security in the form of a cash deposit, surety bond, bank letter of credit or other instrument reasonably acceptable to State in the amount equal to the amount by which
 - i. the total of:
 - A. the aggregate of the then current estimated Reclamation Cost for each previously designated Operating Area, and
 - B. the estimated Reclamation Cost for the Operating Area being designated

exceeds

- ii. the total amount of security then held by State for Reclamation Costs.
7. On or before January 31 of each year in which Buyer has had active operations or is required to complete reclamation in any Operating Area, Buyer will confirm by written notice delivered to State ("**Confirmation**") the boundaries and acreage for each area (each a "**Reclamation Area**") within an Operating Area on which it has completed all stone extraction, processing, storage and transportation activities and the status of reclamation on each existing Reclamation Area.
8. Buyer will commence reclamation on each Reclamation Area no later than two (2) years after Confirmation of such Reclamation Area and will complete reclamation on each Reclamation Area no later than four (4) years after Confirmation of such Reclamation Area.
9. Reclamation of each Reclamation Area will consist of the following, as appropriate for the particular Reclamation Area:
- a. placement in the Reclamation Area of overburden removed by Buyer in its quarry operations;

- b. placement in the Reclamation Area of borrow material obtained from an Operating Area to supplement overburden;
 - c. placement in the Reclamation Area of stone that is not suitable for processing or sale by Buyer;
 - d. where sustainable hydrologic conditions exist, placement of the materials referred to in the preceding **subparagraphs (a), (b) and (c)** to enhance the formation of wetland conditions, ponds, lakes or streams in that Reclamation Area; and
 - e. such other treatments or preparations as are agreed by Buyer and State during or after the Initial Consultation Period or Public Consultation Period for the applicable Operating Area.
10. The objective of reclamation is to achieve "rolling" reclamation of Reclamation Areas with sufficient margins for continuing quarrying and related operations. As overburden is removed from areas to expose limestone for quarrying, it will be used or stored for reclamation. In addition, **subparagraph 9(e)** above provides flexibility to achieve a broader range of stakeholder objectives in reclamation planning and execution.
11. In addition to the reclamation procedures set out in **Section 9** of this Exhibit,
- a. quarry walls within each Reclamation Area will be modified by Buyer in areas where access trails and/or roads enter the quarry. These modified walls may be either blasted or filled with overburden or other suitable material.
 - b. The placement of material in Reclamation Areas will be designed to minimize erosion and slope instability.
 - c. Buyer shall allow natural vegetation local to the area to passively and naturally re-vegetate the Reclamation Areas after the reclamation activities are completed. Buyer may supplement the passive and natural re-vegetation by actively adding vegetation or seeding, but is not obligated to do so.
 - d. Buyer is not required to maintain the material placed in the Reclamation Area, the reconfigured walls, the passively and naturally re-generated vegetation, or any vegetation added by Buyer.
12. For the purposes of **subparagraph 9(d)** above, the determination as to whether sustainable hydrologic conditions exist to create and sustain a wetland, pond, lake or stream within a Reclamation Area shall be made by Buyer, in consultation with the State, within the two (2) year period after the Confirmation of such Reclamation Area. Buyer will have no obligation to create, maintain, or monitor a wetland, pond, lake or stream as part of Buyer's reclamation activities in a Reclamation Area.

13. When Buyer has completed reclamation obligations within a Reclamation Area as set out in the Reclamation Plan for the Operating Area in which such Reclamation Area is located, it will deliver to State a report (each a "**Reclamation Completion Report**") describing the reclamation treatments completed in such Completed Area, which report will contain a certification by a licensed professional mining engineer or geologist (which may be an employee of Buyer) of such completion and a revised estimate of the Reclamation Costs for the remainder of that Operating Area, if any, within the Operating Area.
14. At any time during the calendar months of May, June, and July and after delivery to State of a Reclamation Completion Report, Buyer may deliver written notice (each, a "**Release Notice**") to State requesting the release of the amount of security then held by State for Reclamation Costs equal to the amount by which
 - a. the security then held by State for Reclamation Costs in such Operating Area
exceeds
 - b. the amount of the estimated Reclamation Costs set forth in such Reclamation Completion Report.
15. State will, within sixty (60) days after delivery of a Release Notice, release the amount of security requested in the Release Notice.

Exhibit E
Uses under Paragraph 5

1. All uses shall be reasonable in scope and Buyer shall not charge a fee to users for the uses described in this **Exhibit E**.
2. Uses allowed:
 - a. Hunting, but (i) no construction of blinds, shooting lanes, or other structures without prior written permission from Buyer; and (ii) no planting of any type of plants;
 - b. Trapping, provided trapping equipment is safely placed and used in accordance with generally accepted trapping methods;
 - c. Fishing;
 - d. Use of snowmobiles, all-terrain vehicles, and motorcycles on marked trails;
 - e. Bicycle riding;
 - f. Hiking and bird watching;
 - g. Entry into caves identified by Buyer and designated by Buyer as available for entry by the public, subject to conditions and warnings that Buyer chooses to impose for safety purposes;
 - h. Boating;
 - i. Bear baiting, in accordance with DNR regulations;
 - j. Gathering wild herbs and medicinal plants, and edible wild fruits, nuts and mushrooms, for personal use;
 - k. Wildlife and nature photography;
 - l. Snowshoeing and cross country skiing;
 - m. Geocaching;
 - n. Those uses permitted by the Reserved Trail Easement;
 - o. Such other similar uses as are requested from time to time by the DNR and approved by Buyer; and
 - p. Such other uses as are specified in writing by Buyer to the DNR in the sole discretion of Buyer. Such other uses shall be described in a posting of a sign or signs on the Recreational Area for the public to read.

3. Uses in (2), above, on the Recreational Area shall be performed in a manner that complies with federal, state and local laws, ordinances, rules and regulations ("legal requirements"), including all legal requirements that would apply as if the use and its associated equipment and activities were being performed on public land or waters. Law enforcement officers may enter on the Recreational Area open for such public use to enforce those legal requirements. This paragraph is intended to address matters such as licensing, age restrictions, training requirements, equipment specifications, manner of use of equipment, environmental and safety restrictions and the like. Buyer shall have no duty or obligation to enforce the legal requirements against users on the Recreational Area. Buyer may limit trails for particular uses in **subparagraph 2(d)** above by marking them for such uses.

Buyer and its successors and assigns and their respective employees, agents, tenants and invitees, may use Recreational Areas open to public use under **Paragraph 5** of the Addendum for any purpose including, without limitation, drilling, obtaining access to Operating Areas and forest management. In doing so, Buyer and its successors and assigns and their respective employees, agents, tenants and invitees shall not be subject to the public use limitations set forth in **Paragraph 5** of the Addendum and this **Exhibit E**; but they shall take care not to unreasonably interfere with the public's use of such Recreational Area under **Paragraph 5** of the Addendum and this **Exhibit E**, and shall comply with all applicable laws and regulations governing such use.

Exhibit F
Right of First Offer to State

RIGHT OF FIRST OFFER AGREEMENT

THIS RIGHT OF FIRST OFFER AGREEMENT ("**Agreement**") is entered into _____, by GRAYMONT (MI) LLC, a Michigan limited liability company, of 111 Lyon Street, N.W., Suite 900, Grand Rapids, Michigan 49503-2487 ("**Graymont**") and the DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES for the STATE OF MICHIGAN, of P.O. Box 30452, Lansing, Michigan 48909-79528 ("**State**"), based on the following facts:

A. State and Graymont entered into a certain Land Transaction Agreement, with Addendum, dated _____, 2014 ("**Acquisition Agreement**").

B. The Acquisition Agreement provided for Graymont's acquisition from State of certain real estate, which real estate included the property described on **Exhibit 1** attached to this Agreement ("**Property**"), subject to certain covenants described in Paragraphs 3 through 7, inclusive, of the Addendum to the Acquisition Agreement (collectively, "**Buyer's Covenants**").

C. The Acquisition Agreement also provided for Graymont to grant to State a right of first offer on the terms set out in this Agreement.

D. Graymont has acquired the Property from State.

In consideration of State's transfer of the Property to Graymont, Graymont and State agree:

1. **Grant of Right of First Offer.** Graymont grants to State a right of first offer with respect to the intended sale, exchange, lease or transfer by Graymont of all, part of, or any interest in the Property, from time to time and in one or more transactions, subject to the terms and conditions set forth below. Graymont agrees that it will not sell, exchange, lease, or otherwise transfer or grant any interest, in the Property, or offer or agree to do so, or accept any offer related to such a transaction, except in accordance with this Agreement. Notwithstanding any provision of this Agreement to the contrary, Graymont reserves the right to freely sell, exchange, lease or transfer all, part of, or any interest in the Property (without first offering it to State): (a) to any person or entity who takes subject to and assumes Buyer's Covenants, including, without limitation, this Agreement, to the extent they apply to the Property sold or transferred; (b) pursuant to a lease or sale of limestone, dolomite, oil, gas or other minerals, a

timber cutting agreement, or an easement or license for roadway or utility purposes, where Graymont's interest in the Property otherwise remains subject to the terms of this Agreement; and (c) to settle claims arising from use or occupancy of or encroachment onto immaterial portions of the Property asserted to be for periods in excess of fifteen (15) years.

2. **Notice by Graymont.** If Graymont intends to sell, exchange, lease or transfer all, part of, or any interest in the Property as provided in **Paragraph 1** above, free of the Buyer's Covenants, Graymont shall deliver to State a written notice stating its intention to do so ("**Graymont Offer Notice**"), together with a legal description of the Property intended to be transferred ("**Affected Property**"), and an appraisal of the Affected Property, performed at Graymont's expense ("**Graymont Appraisal**"). The Affected Property must be at least 400 contiguous acres or comprise all of the Property then owned by Graymont in the Tract in which the Affected Property is included. The Graymont Offer Notice shall constitute an offer to sell the Affected Property to State for the price specified in the Graymont Appraisal, and on the other terms and conditions set forth in this Agreement. If the Affected Property includes all or any part of Graymont's interest in the subsurface of Tract D of the Property, then: (a) the Affected Property shall be deemed to automatically include that portion of the easement granted by State to Graymont across the surface of Tract D ("**Tract D Surface Easement**") having the same legal description as the Affected Property; and (b) prior to giving the Graymont Offer Notice, Graymont must remove and decommission its infrastructure on the surface of the portion of Tract D included within the Affected Property, in accordance with the Tract D Surface Easement.

3. **State's Exercise of Right.** State shall have a period of one hundred eighty (180) days following the date Graymont gives the Graymont Offer Notice to review it. State may only accept the offer constituted by the Graymont Offer Notice by written notice ("**Exercise Notice**") to Graymont delivered on or before the 180th day following the day Graymont gives the Graymont Offer Notice. State must do so with respect to all and not less than all of the Affected Property. Subject to **Paragraph 4** below, if State fails to deliver the Exercise Notice to Graymont on or before such day, then State shall be deemed to have irrevocably waived its right of first offer with respect to the Affected Property, and Graymont may proceed to sell, exchange, lease or transfer the Affected Property to any transferee at such time and on such price and terms as may be determined by Graymont and free of the Buyer's Covenants; provided that Graymont shall not be released from its responsibility for any uncompleted reclamation required by **Paragraph 6** and **Exhibit D** of the Addendum to the Acquisition Agreement with respect to any of the Affected Property surface mined by Graymont prior to closing the sale. In connection with a sale, exchange, lease or transfer complying with this process where State does not exercise its right of first offer, State shall sign and deliver to Graymont such recordable evidence of a final waiver and release of Buyer's Covenants and this Agreement as they pertain to the Affected Property, as Graymont may reasonably request.

4. **State's Right to Counteroffer.** During the 180-day period described in **Paragraph 3** above, State may elect to perform its own appraisal of the Affected Property, at State's expense ("**State Appraisal**"). In lieu of the Exercise Notice, State may deliver to Graymont a written notice offering to purchase the Affected Property, but for the price specified in the State Appraisal ("**State Counteroffer Notice**"), together with a copy of the State

Appraisal. State must deliver the State Counteroffer Notice on or before the 180th day following the day Graymont gives the Graymont Offer Notice. The State Counteroffer Notice shall constitute an offer to purchase the Affected Property to Graymont for the price specified in the State Appraisal, and on the other terms and conditions set forth in this Agreement. Graymont shall have a period of one hundred twenty (120) days following the date State gives the State Counteroffer Notice to review it. Graymont may only accept the offer constituted by the State Counteroffer Notice by written notice ("**Acceptance Notice**") to State delivered on or before the 120th day following the day State gives the State Counteroffer Notice. If Graymont fails to deliver the Acceptance Notice to State on or before such day, then Graymont shall be deemed to have rejected the State Counteroffer Notice, Graymont may not proceed to sell, exchange, lease or transfer the Affected Property free of the Buyer's Covenants, and this Agreement shall continue in full force and effect as if no Graymont Offer Notice or State Counteroffer Notice had been given. Notwithstanding any provision of this Agreement to the contrary, if the Affected Property comprises 100 acres or less, then the one hundred eighty (180) day periods referenced in **Paragraphs 3 and 4** of this Agreement shall be modified to be one hundred twenty (120) day periods.

5. **Appraisal Standards.** Any appraisal provided under this Agreement must be performed by a licensed appraiser experienced in appraisals of real estate similar to the Affected Property. If State at the time publishes standards for appraisals of real estate to be purchased or sold by the State of Michigan, then the appraisal must conform to those standards. Each appraisal shall determine the fair market value of the Affected Property and reflect that any transferee will take free of the Buyer's Covenants, but that Graymont shall not be released from its responsibility for any uncompleted reclamation required by Paragraph 6 and Exhibit D of the Addendum to the Acquisition Agreement with respect any of the Affected Property surface mined by Graymont prior to closing the sale. As to Tract D of the Property, the appraisal shall reflect that Tract D of the Property also includes the appurtenant benefits of the Tract D Surface Easement, including, without limitation, the Exclusive Use Areas identified under that easement for which Graymont paid additional consideration.

6. **Title.** If an Exercise Notice or Acceptance Notice is given, then as evidence of Graymont's title to the Affected Property, Graymont shall obtain at Graymont's expense, a commitment ("**Title Commitment**") to issue an owner's title insurance policy insuring State in the amount of the purchase price, which shall be in a form approved by the American Land Title Association. The Title Commitment must show good and marketable title to the Affected Property to be in Graymont's name, subject only to matters existing on the date State sold the Affected Property to Graymont, easements, restrictions, reservations and interests of record permitted by this Agreement and arising since that date, and such matters as an accurate survey would show (collectively, "**Permitted Exceptions**"), and the requirements to be satisfied set forth in the Title Commitment and shall disclose no other title exceptions whatsoever. State shall notify Graymont within sixty (60) days after State's receipt of the Title Commitment if the Title Commitment discloses any exceptions not permitted by this Agreement, (individually and collectively, a "**Defect**"). Graymont shall remove each Defect at Graymont's expense on or before the closing date. In addition, Graymont shall satisfy the requirements set forth in the Title Commitment on or before the closing date. If Graymont fails or refuses to remove any Defect or satisfy any requirement, then in addition to any other remedy State may have, State may:

(i) proceed to closing, waiving the Defect or failure at issue; (ii) terminate this Agreement by a written notice to Graymont, in which case neither Graymont nor State shall have any further liability to the other under this Agreement to close the sale and purchase of the Affected Property, and State shall release the Buyer's Covenants as provided in **Paragraph 3** above; or (iii) proceed to closing and cure any Defect or requirement such as for payment of a mortgage or lien that is capable of being cured or satisfied by the payment of a sum certain, using sale proceeds otherwise payable to Graymont.

7. Closing. At each closing, all real estate and personal property taxes and special assessments with respect to the Affected Property, whether or not payable in installments or deferrable without penalty or interest to a later date, that first become due and payable (or in the case of special assessments, a lien upon the Affected Property) on or before the closing date, shall be paid by Graymont, and prorated to the closing date on the basis they are paid for the calendar year in which they first become due and payable. Graymont shall convey title to the Affected Property to State by a covenant deed, covenanting solely against the acts and neglects of Graymont and those holding under Graymont, and the Permitted Exceptions, with a separate deed given for each County where the Affected Property is located. Each closing shall occur no later than ninety (90) days following the date the applicable Exercise Notice or Acceptance Notice is given, or on such later date as Graymont and State may agree. At each closing, Graymont and State shall also execute and deliver a closing statement setting forth the purchase price and closing adjustments and any other documents reasonably necessary or legally required to evidence the transaction. At each closing, Graymont shall pay all recording and filing costs in connection with curing its title to the Affected Property, the transfer taxes with respect to the covenant deed(s) and the title insurance premium for State's owner's policy of title insurance. Graymont and State shall share equally any closing fee charged by the title company conducting the closing. State shall pay the recording fee for the covenant deed(s). Graymont shall deliver possession of the Affected Property to State at the closing in its then "AS IS" condition, with no representations or warranties regarding its condition or permitted use.

8. Termination as to Tract D. State sold to Graymont the subsurface of Tract D of the Property, retaining title to the surface, but entering into a Right of First Offer Agreement for Graymont's benefit, with respect to State's sale, exchange, lease or transfer of all, part of, or any interest in such retained title to Tract D of the Property. If Graymont, or its successors or assigns, exercises its right of first offer to purchase an interest of State in the surface of Tract D, then this Agreement shall terminate as to that interest of Graymont in the subsurface of Tract D (and the appurtenant Tract D Surface Easement) having the same legal description, and State shall sign and deliver to Graymont such recordable evidence of the release of that interest of Graymont in the Affected Property included within Tract D from this Agreement, as Graymont may reasonably request.

9. Miscellaneous. All notices provided under this right of first offer shall be in writing, addressed to the recipient at its address set forth above, or such substitute address as the recipient may have given notice of, personally delivered or sent by certified mail, return receipt requested and postage prepaid. All notices shall be effective upon receipt. This Agreement shall run with the land, and bind and benefit Graymont and State and their respective successors and assigns.

STATE OF MICHIGAN
DEPARTMENT OF NATURAL
RESOURCES

By _____

Its _____

State

STATE OF MICHIGAN)
 : ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____
_____, by _____, the Director of the Department of Natural
Resources for the State of Michigan, for the State.

Notary Public, _____ County, Michigan.
My commission expires: _____

PREPARED BY AND RETURN TO:

William W. Hall, Esq.
WARNER, NORCROSS & JUDD, LLP
111 Lyon Street, N.W., Suite 900
Grand Rapids, Michigan 49503-2487
Telephone: (616) 752-2000

9552527-13

EXHIBIT 1

Property

STATE LAND:

Tract A:

In T44N, R9W, Garfield Twp., Mackinac County (773.77 acres, more or less):

All (633.77 acres) of Section 1 (subject to Buyer's interest in NE/4 SE/4 referenced above)

E/2 SE/4 NE/4 (20 acres); E/2 E/2 SE/4 (40 acres) of Section 2

N/2 NE/4 (80 acres) of Section 12

In T45N, R9W, Pentland Twp., Luce County (40 acres, more or less):

SW/4 SW/4 (40 acres) of Section 36

In T44N, R8W, Hudson Twp., Mackinac County (191.73 acres, more or less):

W/2 NW/4 (76.68 acres) of Section 6

W/2 SW/4 (76.88 acres) of Section 6 (subject to Buyer's interest referenced above)

NW/4 NW/4 (38.37 acres) of Section 7

Tract B:

In T44N, R9W, Garfield Twp., Mackinac County (660 acres, more or less):

SE/4 NE/4 (40 acres); NE/4 SE/4 (40 acres) of Section 11

SE/4 (160 acres); S/2 NE/4 (80 acres); S/2 NW/4 (80 acres); NE/4 NW/4 (40 acres); N/2 SW/4 (80 acres); SE/4 SW/4 (40 acres); N/2 SW/4 SW/4 (20 acres) of Section 12

N/2 NE/4 (80 acres) of Section 13

Tract C:

In T44N, R7W, Hendricks Twp., Mackinac County (160 acres, more or less):

NE/4 SE/4 (40 acres); SW/4 NE/4 (40 acres); E/2 NW/4 (80 acres) of Section 24

Tract D:

In T43N, R7W, Hendricks Twp., Mackinac County (481.37 acres, more or less):

N/2 N/2 (159.22 acres) of Section 4

N/2 N/2 (161.26 acres) of Section 5

N/2 NE/4; NW/4 NW/4 (except the S 200 feet of the N 605 feet of the W 233 feet and except beginning 605 feet S of NW corner of NW/4 NW/4, on E boundary of Township highway, thence E 50 feet, then S 50 feet, then W 50 feet, thence N 50 feet to POB); and NE/4 NW/4 of Section 6 (160.89 acres)

In T44N, R7W, Hendricks Twp., Mackinac County (1,888.77 acres, more or less):

S/2 S/2 (160 acres) of Section 28

S/2 S/2 (160 acres) of Section 29

S/2 (317.29 acres) of Section 30

W/2 SE/4; N/2; E/2 SW/4 (except commencing at the NW corner of the SE/4 of the SW/4 of Section 31, T44N, R7W, thence E 12 rods, thence S 16 rods, thence W 12 rods, thence North 16 rods to POB) of Section 31 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, across the NW/4 SE/4 and NE/4 SW/4) (469.89 acres)

Beginning at a point 33 feet North of the Northeast corner of the Southwest quarter of the Southwest quarter of Section 31, thence West 39 feet, thence South 264 feet, thence East 39 feet, thence North 264 feet to point of beginning (.24 acre)

W/2 SE/4; N/2; SW/4 of Section 32 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, across the S/2 NE/4, SE/4 NW/4 and N/2 SW/4) (547.55 acres)

N/2 SW/4 SE/4 south of the centerline of Hiawatha Trail (10 acres); SW/4 SW/4 SE/4 (10 acres); NE/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (60 acres) (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company) of Section 33

In T44N, R8W, Hudson Twp., Mackinac County (4,992.06 acres, more or less):

E/2 SE/4 (80 acres) of Section 20

S/2 (320 acres) of Section 21

S/2 (320 acres) of Section 22

W/2 SW/4 (80 acres) of Section 23

S/2 of Section 25 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the Rexton Branch of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across E/2 SE/4) (313.63 acres)

S/2 (320 acres); W/2 NW/4 (80 acres) of Section 26

All (except NE/4 SW/4) (600 acres) of Section 27

All (640 acres) of Section 28

E/2 SE/4 (80 acres); NE/4 NE/4 (40 acres) of Section 29

E/2 NE/4 (80 acres) of Section 32

N/2 SE/4; SE/4 SE/4 (except Village of Garnet, according to the plat thereof, recorded in Liber 1 of Plats, Page 38, and subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company); NE/4 (160 acres); E/2 E/2 SW/4 SE/4 of Section 33 (except Village of Garnet, according to the plat thereof, recorded in Liber 1 of Plats, Page 38); W/2 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company across the S/2 S/2 of Section 33 and except a strip of land commencing 2 rods E and 14 feet 6 inches N of SW corner of Section 33, thence N 66 feet, thence E 158 rods, thence S 66 feet, thence W 158 rods to POB) of Section 33 (587.52 acres)

All of Section 34 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the main track of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across the S/2 S/2 of Section 34) (627.65 acres)

N/2 SE/4; SE/4 SE/4; S/2 NE/4; NW/4; NE/4 SW/4 of Section 35 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the main track of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across the E/2 SE/4 of Section 35) (396.97 acres)

NW/4 SE/4 of Section 36 lying South of Soo Line Railway; E/2 NE/4 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Rexton Branch of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company); SW/4

NW/4; E/2 SW/4 lying South of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company right of way; W/2 SW/4 (80 acres) (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company) of Section 36 (234.12 acres)

Beginning 235 feet W of SE corner of NE/4 of SE/4; thence N to Soo Line R/W; thence W along Railway 60 ft.; thence S to 1/8 line; thence E to POB, Section 36 (0.24 acre)

Exhibit G
Surface Easement

This Deed is given to the Grantee under this Deed, its successors and assigns (collectively, "**Subsurface Owner**"), subject and together with the following terms and conditions, which shall run with the land, bind Grantor, its successors and assigns, and benefit Subsurface Owner and the Property:

1. Grantor grants to Subsurface Owner a perpetual easement appurtenant to the Property to enter on the surface of the Property to explore for, conduct geophysical operations on, drill, mine and transport the Minerals.

- a. Any surface quarrying of Minerals by Subsurface Owner is prohibited, unless the Grantor first consents. This does not prohibit activities under **subparagraphs (b) and (c)** below.
- b. Subsurface Owner may construct and use infrastructure on the surface of the Property that supports mining activities on the Property and/or adjacent lands now or in the future owned or leased by Subsurface Owner or its affiliates, including:
 - i. Drill sites and other facilities related to drilling.
 - ii. Underground mine portals and shafts for access, stone removal and ventilation and electric substations (individually, an "**Exclusive Use Area,**" and collectively, "**Exclusive Use Areas**").
 - iii. Roadways, railroads, pipelines and conveyors, affording access to drill sites and underground mine shafts and/or used to transport Minerals.
 - iv. Utility lines (above and below ground).
 - v. Fencing, security systems and other barriers to maintain the security and/or safety of mining operations and/or infrastructure.
 - vi. In exercising its right to install, operate and maintain infrastructure on the surface for the underground mining operations, Subsurface Owner may manage, pump, collect, discharge, dewater and direct/redirect water flow on the Grantor's surface or to the Grantor's surface which results from infiltration, precipitation, snow melt or migration of ground water, including, without limitation, water in the underground mine.

Prior to doing so, Subsurface Owner must engage in the consultative process described below, deliver a "**Final Plan**" and give a "**Location Notice**" for Exclusive Use Areas, as described below.

- c. Subsurface Owner may alter the Property surface for construction and use of the infrastructure described above, including timber removal, subject to applicable drilling and wetland permitting requirements, local zoning and land use ordinance permitting requirements and other laws, ordinances and regulations applying to the Property.
- d. In performing actions under **subparagraphs (a) – (c)**, inclusive, above, Subsurface Owner will at its option either compensate Grantor for the actual fair

market value of any timber destroyed or removed by Subsurface Owner, or cut and stack timber for sale and removal by Grantor; provided that Subsurface Owner shall not be required to pay for or provide timber cut from Exclusive Use Areas, as Subsurface Owner is already compensating Grantor for those areas as described below.

- e. The easements granted by this Deed are nonexclusive, except for Exclusive Use Areas, which shall be exclusive.
- f. At least one hundred fifty (150) days before Subsurface Owner delivers a Location Notice to Grantor designating an Exclusive Use Area or installs or constructs any infrastructure on the surface in any area of the Property that has not previously designated as a Development Area (as defined below), Subsurface Owner will deliver written notice (each a "Development Notice") to Grantor together with:
 - i. a description of an area proposed for underground mine development (each a "Development Area"), including:
 - 1. a map and legal descriptions;
 - 2. a report prepared by a professional hydrologist identifying the hydrologic conditions in the Development Area and proposing monitoring and mitigation measures appropriate to such conditions; and
 - 3. a report prepared by a professional archeologist identifying any archeologically significant sites located on or near the Development Area and proposing appropriate measures for the protection and/or preservation of any such sites or the culturally significant artifacts located on any such sites;
 - ii. a description of any Exclusive Use Area and other infrastructure proposed within the Development Area proposed for designation, including:
 - 1. a map and legal descriptions, and its proposed use; and
 - 2. a proposed construction plan for any infrastructure proposed to be located within the Development Area, which will include plans for decommissioning and removing the infrastructure when it is no longer needed; and
 - iii. an outline describing the steps and schedule proposed for the consultation process to occur between the Development Notice and the Location Notice within the parameters set out in this easement.
- g. Grantor will have a period (each a "Grantor Consultation Period") of ninety (90) days after delivery of the Development Notice in which to review and consult with Subsurface Owner on the information included with the Development Notice. Each Grantor Consultation Period must occur between March 31 and August 31 in the same calendar year to provide time for field review by Grantor. During each Grantor Consultation Period, Subsurface Owner will take into consideration all comments received from Grantor and may revise any of the information it has provided to Grantor to reflect such comments.

- h. Within thirty (30) days after the end of each Grantor Consultation Period, Subsurface Owner will provide public access to the information included with the applicable Development Notice, as revised to reflect comments received from Grantor during such Grantor Consultation Period, and a method for the public to submit comments to Subsurface Owner on the proposed designation of the Exclusive Use Area and/or infrastructure to be constructed and such information.
- i. Subsurface Owner will receive comments from the public during the period (each a "**Final Consultation Period**") of sixty (60) days after the date on which the public access referred to in the preceding subparagraph is provided. During each Final Consultation Period, Subsurface Owner will take into consideration all comments received and may revise any of the information it has provided to the public.
- j. At any time after the end of the Final Consultation Period applicable to a particular Development Notice, Subsurface Owner may deliver to State a final plan for the Development Area ("**Final Plan**"), which may be for all or a portion of the Development Area proposed in the Development Notice, together with:
 - i. a description of the Development Area, including a map and legal descriptions;
 - ii. a report prepared by a professional hydrologist identifying the hydrologic conditions in the Development Area and recommending monitoring and mitigation measures appropriate for such conditions; and
 - iii. a report prepared by a professional archeologist identifying any archeologically significant sites located on or near the Development Area and recommending appropriate measures for the protection and/or preservation of any such sites and the culturally significant artifacts located on any such sites;
 - iv. a description of any Exclusive Use Area and other infrastructure proposed within the Development Area proposed for designation, including a map and legal descriptions, and its proposed use; and
 - v. a construction plan for any infrastructure to be located within the Development Area, which will include plans for decommissioning and removing the infrastructure when it is no longer needed.
- k. At any time after Subsurface Owner delivers the Final Plan to Grantor, Subsurface Owner may exercise its right to commence exclusive use of an Exclusive Use Area by providing written notice to Grantor ("**Location Notice**"), which identifies the Exclusive Use Area. The Location Notice may be for all or a portion of an Exclusive Use Area identified in the Final Plan, and shall also include a description of the Exclusive Use Area, including a map and legal descriptions, and its intended use.
- l. If any objections made by Grantor to the location of the Exclusive Use Area have not been resolved to Grantor's satisfaction by the end of the Final Consultation

Period, then Grantor shall notify Subsurface Owner in writing ("**Mediation Notice**") within ten (10) days following the date Subsurface Owner gives the Location Notice that Grantor desires to submit those objections to mediation. Grantor and Subsurface Owner shall proceed to choose a mutually agreeable neutral third party mediator with experience dealing with the issues of concern, to consider and report on his or her recommendation for resolution of the concerns. If Subsurface Owner and Grantor are unable to agree upon a mediator within ten (10) days following the Mediation Notice, then either may request that the Chief Judge of the Circuit Court for the area where the Property is located select the mediator. The fee and costs of the mediator shall be shared equally by Subsurface Owner and Grantor. The final decision with respect to such locations shall be made by Subsurface Owner, after review and consideration of the Grantor's concerns and the report of any mediator, and communicated by Subsurface Owner's in an appropriately revised Location Notice and Final Plan.

- m. If Grantor has made no unresolved objections to the location of the Exclusive Use Area identified in the Location Notice, then Subsurface Owner shall include with the Location Notice an appraisal of the Exclusive Use Area so identified, performed at Subsurface Owner's expense ("**Subsurface Owner Appraisal**"). If Grantor has made unresolved objections to the location of the Exclusive Use Area identified in the Location Notice, then Subsurface Owner will defer delivery of the Subsurface Owner Appraisal to Grantor until on or after the later of the expiration of the 10-day period for Grantor to give the Mediation Notice (if Grantor does not give such notice), or delivery of the new Location Notice.
- n. Grantor shall have a period of one hundred twenty (120) days following the date Subsurface Owner gives the Subsurface Owner Appraisal to Grantor to review it. If Grantor is willing to accept the value established by the Subsurface Owner Appraisal, then Grantor will so advise Subsurface Owner by written notice ("**Grantor Acceptance Notice**") delivered on or before the 120th day following the day Subsurface Owner gives the Subsurface Owner Appraisal to Grantor. Subject to the succeeding subparagraph, if Grantor fails to deliver the Grantor Acceptance Notice to Subsurface Owner on or before such day, then Grantor shall be deemed to have irrevocably accepted the value for the Exclusive Use Areas identified, as established by the Subsurface Owner Appraisal.
- o. During the 120-day period described in the preceding subparagraph, Grantor may elect to perform its own appraisal of the Exclusive Use Areas identified, at Grantor's expense ("**Grantor Appraisal**"). In lieu of the Grantor Acceptance Notice, Grantor may deliver to Subsurface Owner a written notice that it elected to obtain a Grantor Appraisal of the Exclusive Use Areas identified ("**Grantor Appraisal Notice**"), together with a copy of the Grantor Appraisal. Grantor must deliver the Grantor Appraisal Notice on or before the 120th day following the day Subsurface Owner gives the Subsurface Owner Appraisal to Grantor.

- p. If the value of the Exclusive Use Areas identified established by the Subsurface Owner Appraisal and the Grantor Appraisal are equal or are within ten percent (10%) of the lower of the two values, then the value of the Exclusive Use Areas identified shall be conclusively deemed to be the mid-point between those two values. If the preceding sentence does not apply, then Subsurface Owner and Grantor shall promptly instruct their respective appraisers to mutually agree upon a third appraiser, who shall be retained jointly by Subsurface Owner and Grantor to perform an appraisal of the Exclusive Use Areas identified within ninety (90) days ("**Third Appraisal**"), with the Third Appraisal cost to be shared equally by Subsurface Owner and Grantor. If the two appraisers are unable to agree upon and appoint a third appraiser within thirty (30) days, then either Subsurface Owner or Grantor may request that the Chief Judge of the Circuit Court for the area where the Property is located select the third appraiser. Upon receipt of the Third Appraisal, the value of the Exclusive Use Areas identified established by it shall be compared with the values established by the Subsurface Owner Appraisal and Grantor Appraisal, respectively, and then the value of the Exclusive Use Areas identified shall be conclusively deemed to be the value established by whichever of the Subsurface Owner Appraisal or Grantor Appraisal established a value closest to the value established by the Third Appraisal or, if the value established by the Third Appraisal is equal to the mid-point between the values established by the Subsurface Owner Appraisal and Grantor Appraisal, respectively, then the value of the Exclusive Use Areas identified shall be conclusively deemed to be the value of the Third Appraisal.
- q. Subsurface Owner may commence construction and use of the infrastructure identified in a Final Plan, but not located within an Exclusive Use Area designated in the Final Plan, at any time; so long as gives Grantor thirty (30) days advance written notice of the installation of any new infrastructure, or such shorter notice as is acceptable to Grantor. Subsurface Owner may commence construction and use of an Exclusive Use Area and the infrastructure within that Exclusive Use Area identified in the Final Plan at any time; so long as Subsurface Owner first pays to Grantor the value for the Exclusive Use Area identified by the Location Notice, as reflected in the Subsurface Owner Appraisal, plus ten percent (10%), and gives Grantor thirty (30) days advance written notice of the installation of any new infrastructure, or such shorter notice as is acceptable to Grantor. In addition, Subsurface Owner shall pay to Grantor any incremental appraised value, plus ten percent (10%), established pursuant to **subparagraph (p)** above, within thirty (30) days following the date the Grantor Appraisal Notice is given, or Third Appraisal is received, as applicable.
- r. Any appraisal provided under this Deed must be performed by a licensed appraiser experienced in appraisals of real estate similar to the Exclusive Use Areas. If the State of Michigan at the time publishes standards for appraisals of real estate to be purchased or sold by the State of Michigan, then the appraisal must conform to those standards. Each appraisal shall determine the fair market value of fee simple title to the Exclusive Use Areas identified, notwithstanding

the fact that Subsurface Owner's exclusive use is only as an easement holder and may not be perpetual.

- s. Upon final abandonment of underground mining operations, Subsurface Owner shall remove and decommission its infrastructure on the surface of the Property.
 - t. Grantor acknowledges Subsurface Owner's surface easement rights are perpetual, and not subject to Grantor requirements for issuance of surface leases or land use permits, or to payment of any additional consideration for the described use of the surface, with the exception of the Exclusive Use Areas.
2. Grantor imposes on its use and enjoyment of the surface of the Property the following building and use restrictions for the benefit of Subsurface Owner and the use by Subsurface Owner of the subsurface of the Property for mining operations:
- a. If any of the Property surface is ever transferred by the Grantor and property taxes become payable on it, the surface owner shall pay property taxes prior to delinquency. If the surface owner fails to do so, then Subsurface Owner may do so, the surface owner shall promptly reimburse Subsurface Owner, and the surface owner's obligation to reimburse Subsurface Owner will be secured by a lien on the Property surface, which Subsurface Owner may foreclose in the same manner as a mortgage.
 - b. Grantor may make no uses of the surface of the Property which interfere with Subsurface Owner's mining operations, other than in a purely *de minimus* way.

Exhibit H
Right of First Offer to Buyer

RIGHT OF FIRST OFFER AGREEMENT

THIS RIGHT OF FIRST OFFER AGREEMENT ("**Agreement**") is entered into _____, by the DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES for the STATE OF MICHIGAN, of P.O. Box 30452, Lansing, Michigan 48909-79528 ("**State**") and GRAYMONT (MI) LLC, a Michigan limited liability company, of 111 Lyon Street, N.W., Suite 900, Grand Rapids, Michigan 49503-2487 ("**Subsurface Owner**"), based on the following facts:

A. State and Subsurface Owner entered into a certain Land Transaction Agreement, with Addendum, dated _____, 2014 ("**Acquisition Agreement**").

B. The Acquisition Agreement provided for Subsurface Owner's acquisition from State of certain real estate. The real estate included the subsurface of the land described on **Schedule 1** attached to this Agreement, together with an appurtenant easement across the surface of that land ("**Surface Easement**"). State reserved ownership of the surface of the land described on **Schedule 1** attached to this Agreement, together with the unconsolidated sand, gravel and other deposits of aggregates that can be mined from its surface, and oil and gas under or that may be produced from such real estate (collectively, "**Property**").

C. The Acquisition Agreement also provided for State to grant to Subsurface Owner a right of first offer on the terms set out in this Agreement.

D. Subsurface Owner has purchased the subsurface of the Property and Surface Easement from State.

In consideration of Subsurface Owner's purchase of the subsurface of the Property and Surface Easement from State, State and Subsurface Owner agree:

1. **Grant of Right of First Offer.** State grants to Subsurface Owner a right of first offer with respect to the intended sale, exchange, lease or transfer by State of all, part of, or any interest in the Property, from time to time and in one or more transactions, subject to the terms and conditions set forth below. State agrees that it will not sell, exchange, lease, or otherwise transfer or grant any interest, in the Property, or offer or agree to do so, or accept any offer related to such a transaction, except in accordance with this Agreement. Notwithstanding any provision of this Agreement to the contrary, State reserves the right to freely sell, exchange, lease or transfer all, part of, or any interest in the Property (without first offering it to Subsurface

Owner): (a) to any department or agency of State which takes subject to and assumes this Agreement; (b) pursuant to a lease of unconsolidated sand, gravel and other deposits of aggregates that can be mined from the surface, a timber cutting agreement, or an easement or license for roadway or utility purposes (the latter not to below the top of bedrock depth), where the State's interest in the Property otherwise remains subject to the terms of this Agreement; and (c) to settle claims arising from use or occupancy of or encroachment onto immaterial portions of the Property asserted to be for periods in excess of fifteen (15) years.

2. **Notice by State.** If State intends to sell, exchange, lease or transfer all, part of, or any interest in the Property as provided in **Paragraph 1** above, State shall deliver to Subsurface Owner a written notice stating its intention to do so ("**State Offer Notice**"), together with a legal description of the Property intended to be transferred ("**Affected Property**"), and an appraisal of the Affected Property, performed at State's expense ("**State Appraisal**"). The State Offer Notice shall constitute an offer to sell the Affected Property to Graymont for the price specified in the State Appraisal, plus ten percent (10%), and on the other terms and conditions set forth in this Agreement.

3. **Subsurface Owner's Exercise of Right.** Subsurface Owner shall have a period of one hundred eighty (180) days following the date State gives the State Offer Notice to review it. Subsurface Owner may only accept the offer constituted by the State Offer Notice by written notice ("**Exercise Notice**") to State delivered on or before the 180th day following the day State gives the State Offer Notice. Subsurface Owner must do so with respect to all and not less than all of the Affected Property. Subject to **Paragraph 4** below, if Subsurface Owner fails to deliver the Exercise Notice to State on or before such day, then Subsurface Owner shall be deemed to have irrevocably waived its right of first offer with respect to the Affected Property, and State may proceed to sell, exchange, lease or transfer the Affected Property to any transferee at such time and on such price and terms as may be determined by State. In connection with a sale, exchange, lease or transfer complying with this process where Subsurface Owner does not exercise its right of first offer, Subsurface Owner shall sign and deliver to State such recordable evidence of a final waiver and release of this Agreement as it pertains to the Affected Property, as State may reasonably request.

4. **Subsurface Owner's Right to Counteroffer.** During the 180-day period described in **Paragraph 3** above, Subsurface Owner may elect to perform its own appraisal of the Affected Property, at Subsurface Owner's expense ("**Subsurface Owner Appraisal**"). In lieu of the Exercise Notice, Subsurface Owner may deliver to State a written notice offering to purchase the Affected Property, but for the price specified in the Subsurface Owner Appraisal ("**Subsurface Owner Counteroffer Notice**"), together with a copy of the Subsurface Owner Appraisal. Subsurface Owner must deliver the Subsurface Owner Counteroffer Notice on or before the 180th day following the day State gives the State Offer Notice. The Subsurface Owner Counteroffer Notice shall constitute an offer to purchase the Affected Property to State for the price specified in the Subsurface Owner Appraisal, plus ten percent (10%), and on the other terms and conditions set forth in this Agreement. State shall have a period of one hundred twenty (120) days following the date Subsurface Owner gives the Subsurface Owner Counteroffer Notice to review it. State may only accept the offer constituted by the Subsurface Owner Counteroffer Notice by written notice ("**Acceptance Notice**") to Subsurface Owner

delivered on or before the 120th day following the day Subsurface Owner gives the Subsurface Owner Counteroffer Notice. If State fails to deliver the Acceptance Notice to Subsurface Owner on or before such day, then State shall be deemed to have rejected the Subsurface Owner Counteroffer Notice, State may not proceed to sell, exchange, lease or transfer the Affected Property, and this Agreement shall continue in full force and effect as if no State Offer Notice or Subsurface Owner Counteroffer Notice had been given. Notwithstanding any provision of this Agreement to the contrary, if the Affected Property comprises 100 acres or less, then the one hundred eighty (180) day periods referenced in **Paragraphs 3 and 4** of this Agreement shall be modified to be one hundred twenty (120) day periods.

5. **Appraisal Standards.** Any appraisal provided under this Agreement must be performed by a licensed appraiser experienced in appraisals of real estate similar to the Affected Property. If State at the time publishes standards for appraisals of real estate to be purchased or sold by the State of Michigan, then the appraisal must conform to those standards. Each appraisal shall determine the fair market value of the Affected Property and reflect that any transferee will take free of this Agreement, and that the Property is burdened by the Surface Easement, including, without limitation, the Exclusive Use Areas identified under that easement for which are, or may in the future be located on the Property.

6. **Title.** Except as permitted by **Paragraph 1** above, State shall not take any action that would impair State's title to the Property from and after the date of this Agreement. If an Exercise Notice or Acceptance Notice is given, then as evidence of State's title to the Affected Property, Subsurface Owner shall obtain at Subsurface Owner's expense, a commitment ("**Title Commitment**") to issue an owner's title insurance policy insuring Subsurface Owner in the amount of the purchase price, which shall be in a form approved by the American Land Title Association. The Title Commitment must show good and marketable title to the Affected Property to be in State's name, subject only to matters existing on the date of this Agreement, easements, restrictions, reservations and interests of record permitted by this Agreement and arising since that date, and such matters as an accurate survey would show (collectively, "**Permitted Exceptions**"), and the requirements to be satisfied set forth in the Title Commitment and shall disclose no other title exceptions whatsoever. Subsurface Owner shall notify State within sixty (60) days after Subsurface Owner's receipt of the Title Commitment if the Title Commitment discloses any exceptions not permitted by this Agreement, (individually and collectively, a "**Defect**"). State shall remove each Defect at State's expense on or before the closing date. In addition, State shall satisfy the requirements set forth in the Title Commitment on or before the closing date. If State fails or refuses to remove any Defect or satisfy any requirement, then in addition to any other remedy Subsurface Owner may have, Subsurface Owner may: (i) proceed to closing, waiving the Defect or failure at issue; (ii) terminate this Agreement by a written notice to State, in which case neither State nor Subsurface Owner shall have any further liability to the other under this Agreement to close the sale and purchase of the Affected Property, and Subsurface Owner shall release this Agreement as provided in **Paragraph 3** above; or (iii) proceed to closing and cure any Defect or requirement such as for payment of a mortgage or lien that is capable of being cured or satisfied by the payment of a sum certain, using sale proceeds otherwise payable to State.

7. **Closing.**

(a) Each closing shall occur no later than ninety (90) days following the date the applicable Exercise Notice or Acceptance Notice is given, or on such later date as Subsurface Owner and State may agree. At each closing, Subsurface Owner and State shall also execute and deliver a closing statement setting forth the purchase price and closing adjustments and any other documents reasonably necessary or legally required to evidence the transaction. At each closing, State shall pay all recording and filing costs in connection with curing its title to the Affected Property and Subsurface Owner shall pay the title insurance premium for Subsurface Owner's owner's policy of title insurance. Subsurface Owner and State shall share equally any closing fee charged by the title company conducting the closing. Subsurface Owner shall pay the recording fee for the quit claim deed(s). State shall deliver possession of the Affected Property to Subsurface Owner at the closing in its then "AS IS" condition, with no representations or warranties regarding its condition or permitted use.

(b) At each closing, State shall sign and deliver to Subsurface Owner a quit claim deed for the Affected Land. The quit claim deed shall be in State's standard form, but shall also recite that it: (a) transfers, without warranty, a number of division rights for each parcel described in the deed equal to the number of division rights allocated to a tract of that size under the Land Division Act, such number to be verified by Subsurface Owner's legal counsel; and (b) conveys all oil, gas, limestone, dolomite, sand, gravel, clay, marl and other metallic and nonmetallic minerals.

8. **Termination.** When State sold to Subsurface Owner the subsurface of the Property, retaining title to the surface, Subsurface Owner entered into a Right of First Offer Agreement for State's benefit, with respect to Subsurface Owner's sale, exchange, lease or transfer of all, part of, or any interest in such title to the subsurface of the Property free of certain covenants described in the right of first offer. In the event State exercises its right of first offer to purchase the interest of Subsurface Owner in the subsurface of the Property, then this Agreement shall terminate as to that interest of State in the surface of the Property having the same legal description, and Subsurface Owner shall sign and deliver to State such recordable evidence of the release of that interest of State in the Affected Property from this Agreement, as State may reasonably request.

9. **Miscellaneous.** All notices provided under this right of first offer shall be in writing, addressed to the recipient at its address set forth above, or such substitute address as the recipient may have given notice of, personally delivered or sent by certified mail, return receipt requested and postage prepaid. All notices shall be effective upon receipt. This Agreement shall run with the land, and bind and benefit Subsurface Owner and State and their respective successors and assigns. Subsurface Owner may freely assign this Agreement in whole or in part to a company owned by or under common control with Graymont, and to any person or company that acquires all, part of, or any interest in the subsurface of the Property.

Subsurface Owner and State have signed this Agreement as of the date set forth above.

GRAYMONT (MI) LLC, a Michigan limited liability company

By _____

A Manager

Subsurface Owner

STATE OF _____)

: ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, by _____, as Manager of GRAYMONT (MI) LLC, a Michigan limited liability company, for the company.

Notary Public, _____ County, _____.

My commission expires: _____

SCHEDULE 1

Tract D:

In T43N, R7W, Hendricks Twp., Mackinac County (481.37 acres, more or less):

N/2 N/2 (159.22 acres) of Section 4

N/2 N/2 (161.26 acres) of Section 5

N/2 NE/4; NW/4 NW/4 (except the S 200 feet of the N 605 feet of the W 233 feet and except beginning 605 feet S of NW corner of NW/4 NW/4, on E boundary of Township highway, thence E 50 feet, then S 50 feet, then W 50 feet, thence N 50 feet to POB); and NE/4 NW/4 of Section 6 (160.89 acres)

In T44N, R7W, Hendricks Twp., Mackinac County (1,888.77 acres, more or less):

S/2 S/2 (160 acres) of Section 28

S/2 S/2 (160 acres) of Section 29

S/2 (317.29 acres) of Section 30

W/2 SE/4; N/2; E/2 SW/4 (except commencing at the NW corner of the SE/4 of the SW/4 of Section 31, T44N, R7W, thence E 12 rods, thence S 16 rods, thence W 12 rods, thence North 16 rods to POB) of Section 31 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, across the NW/4 SE/4 and NE/4 SW/4) (469.89 acres)

Beginning at a point 33 feet North of the Northeast corner of the Southwest quarter of the Southwest quarter of Section 31, thence West 39 feet, thence South 264 feet, thence East 39 feet, thence North 264 feet to point of beginning (.24 acre)

W/2 SE/4; N/2; SW/4 of Section 32 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, across the S/2 NE/4, SE/4 NW/4 and N/2 SW/4) (547.55 acres)

N/2 SW/4 SE/4 south of the centerline of Hiawatha Trail (10 acres); SW/4 SW/4 SE/4 (10 acres); NE/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (60 acres) (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company) of Section 33

In T44N, R8W, Hudson Twp., Mackinac County (4,992.06 acres, more or less):

E/2 SE/4 (80 acres) of Section 20

S/2 (320 acres) of Section 21

S/2 (320 acres) of Section 22

W/2 SW/4 (80 acres) of Section 23

S/2 of Section 25 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the Rexton Branch of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across E/2 SE/4) (313.63 acres)

S/2 (320 acres); W/2 NW/4 (80 acres) of Section 26

All (except NE/4 SW/4) (600 acres) of Section 27

All (640 acres) of Section 28

E/2 SE/4 (80 acres); NE/4 NE/4 (40 acres) of Section 29

E/2 NE/4 (80 acres) of Section 32

N/2 SE/4; SE/4 SE/4 (except Village of Garnet, according to the plat thereof, recorded in Liber 1 of Plats, Page 38, and subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company); NE/4 (160 acres); E/2 E/2 SW/4 SE/4 of Section 33 (except Village of Garnet, according to the plat thereof, recorded in Liber 1 of Plats, Page 38); W/2 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company across the S/2 S/2 of Section 33 and except a strip of land commencing 2 rods E and 14 feet 6 inches N of SW corner of Section 33, thence N 66 feet, thence E 158 rods, thence S 66 feet, thence W 158 rods to POB) of Section 33 (587.52 acres)

All of Section 34 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the main track of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across the S/2 S/2 of Section 34) (627.65 acres)

N/2 SE/4; SE/4 SE/4; S/2 NE/4; NW/4; NE/4 SW/4 of Section 35 (subject to the railroad right of way 100 feet in width being 50 feet in width on each side of the center line of the main track of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company's railroad as the same is located across the E/2 SE/4 of Section 35) (396.97 acres)

NW/4 SE/4 of Section 36 lying South of Soo Line Railway; E/2 NE/4 (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Rexton Branch of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company); SW/4

NW/4; E/2 SW/4 lying South of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company right of way; W/2 SW/4 (80 acres) (subject to the railroad right of way 100 feet in width being 50 feet in width on either side of the centerline of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company) of Section 36 (234.12 acres)

Beginning 235 feet W of SE corner of NE/4 of SE/4; thence N to Soo Line R/W; thence W along Railway 60 ft.; thence S to 1/8 line; thence E to POB, Section 36 (0.24 acre)

Exhibit I
Reserved Trail Easement

This Deed is given to the Grantee under this Deed, reserving to the Grantor a nonexclusive perpetual easement for ingress and egress over and across the Dollar Lake Truck Trail a/k/a Hemlock Ridge Trail, Cranberry Lake Road and McLeod Road (each, a "Trail" and collectively, "Trails"), as they currently exist on the Property, or may be relocated in the future as provided below, subject the following terms and conditions:

1. This easement is for the purpose of maintaining the access by Grantor and its invitees (which may include the general public) to Grantor's land on the east and west sides of the Property, similar to that access currently available.
2. This easement shall run with the land, bind Grantor and Grantee, and their respective successors and assigns, burden the Property, and benefit Grantor and any property now or in the future owned by Grantor in Mackinac County, Michigan.
3. Each of Grantor and Grantee may improve, maintain and post signs along each Trail, at its respective sole cost and expense, but shall have no obligation to do so. Grantee and the general public shall use the Trails at their sole risk, in their "AS IS" condition.
4. Grantor may use the Trails for ingress and egress, and permit the general public to use the same, in the same manner as the Trails are currently used for ingress and egress. Grantee and its invitees may use the Trails in common with Grantor and the general public.
5. Grantee may relocate any of the Trails at Grantee's sole cost and expense, subject to the following:
 - a. Grantee shall give Grantor prior written notice of its intention to relocate a Trail, supported by a map describing the relocated route of the Trail.
 - b. Grantee shall not close or alter any Trail unless Grantee: (i) first constructs and provides access for commercial forestry users a replacement route of similar quality to connect the Trail where it intersects the west or north boundary (as applicable) of the Property, through the Property, to Borgstrom Road or the existing point at which the Trail intersects the east boundary of the Property; and (ii) provides a recreational trail of similar design and quality accessible to the public for snowmobiles, off-road vehicles, motorcycles, hikers, mountain bikers and pedestrians that connects the point at which the existing Trail intersects the west or north boundary (as applicable) of the Property and the point at which the existing Trail intersects the east boundary of the Property.
 - c. Grantee may construct and designate a single relocated Trail for use by both commercial and recreational users under **subparagraphs 5(b)(i) and (ii)** above; provided it meets the quality requirements of **subparagraph 5(b)(i)** and the

location requirements of **subparagraph 5(b)(ii)** above, and does not pass through any Operating Area (as defined in the Land Transaction Agreement and Addendum between Grantor and Grantee pursuant to which this Deed is given).

- d. Grantee may elect to continue to permit use of all or a portion(s) of an existing Trail within an Operating Area by Grantor and commercial forestry users in lieu of constructing a new Trail as provided in **subparagraph 5(b)(i)** above, while constructing a new relocated Trail for recreational users, i.e., snowmobiles, off-road vehicles, motorcycles, hikers, mountain bikers and pedestrians, as provided in **subparagraph 5(b)(ii)** above, but must post such a Trail with signage advising recreational users it is closed to their use.
- e. From time to time Grantee may, at its expense, contract for the preparation of a land survey of one or more existing or relocated Trail(s), and provide a copy to Grantor, together with an amendment to this easement that uses the survey to precisely locate such Trail(s), and releases rights in any prior Trail(s) since relocated. Grantor shall sign and return such amendment to Grantee for recording.