Michigan Department of Natural Resources - Finance and Operations Division
Real Estate Services Section

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)	Organization
William W. Hall	Graymont (MI) LLC f/k/a Town 44 North LLC
Mailing Address	**Telephone**
111 Lyon Street, NW, Suite 900	(616) 752-2143
City, State, ZIP	**E-mail Address**
Grand Rapids, Michigan 49503-2487	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, D, and E are to be purchased. Tracts B and C are to be exchanged for the land offered in exchange below. Transaction also includes option to purchase up to 55 ares of roadway, railway, utility and conveyor easement across the land described on attached Exhibit B.

Acres: See Ex. A.

LAND OFFERED IN EXCHANGE (IF ANY)

County	Township Name	Section(s)	Town	Range

Description

See attached Proposed LTA, incorporated by reference in this Application. Possible Land Offered in Exchange for Tracts B and C set forth on attached Exhibit C is to be identified and acquired for exchange in accordance with Proposed LTA.

Acres: Unknown

Minerals to be conveyed to the State? ☐Yes ☐No ☑Other (Explain in Section B.)

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

Complete reverse side also

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 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?

   As recreational and/or timber lands.

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

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

3. If improved, describe briefly.

   Some may contain de minimis improvements.

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.

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

   Describe their comments:

   This application amends Application of 4/30/2012, amended 9/6/12, 10/8/14, 1/5/15, 1/9/15, 1/30/15 and 3/6/15.

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/k/a Town 44 North LLC

William W Hall — 3/19/2015

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

Michigan Department of Natural Resources
Finance & Operations, Real Estate Services Section

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	Acres	Fair Market Value of Desired State Land
Lake Superior State Forest		$

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, D and E are to be purchased. Tracts B and C are to be exchanged for the land offered in exchange below. Transaction also includes option to purchase up to 55 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	Fair Market Value of Offered Private Land
		☐ Conveyed ☐ Reserved	$

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.**

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

Mailing Address	City	State	Zip Code
111 Lyon Street NW, #900	Grand Rapids	MI	49503-2487

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 ("**Graymont**"), 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 Graymont'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**. Graymont owns the rights to explore for and mine the limestone and other minerals under the land described as the "**Graymont Land**" on the attached **Exhibit A**, which Graymont Land is included in "**Tract A**" described below. State owns the surface and other rights in the Graymont Land, including a reversionary interest in the limestone and other minerals underlying the Graymont 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**" (surface and reversionary interest only as to the Graymont Land), "**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 Graymont State's entire fee simple interest in Tracts A (North Hendricks Quarry Area), B (South Hendricks Quarry Area) and C (East Quarry Area) and E (East Rexton Area) and the Graymont Land. State shall also convey to Graymont State's entire fee simple interest in the subsurface of Tract D (Subsurface Only Area), together with the rights to access the surface of Tract D as reasonably necessary for mineral exploration, mining and production, reserving to State ownership of the surface of Tract D, all as described below. State shall grant nonexclusive easements for a transportation corridor across portions of the Optioned State Land, as described below.

PROVISIONS APPLYING TO TRACT A

2. **Negotiated Sale**. As to Tract A, this transaction constitutes a disposition and sale under MCL Section 324.503 and 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 were performed of Tract A. State and Graymont have agreed that the purchase price for Tract A is $1,107,480, minus a fifteen percent discount of $166,122 in consideration of the public access provided in **Paragraphs 4** and **7** below, plus a ten percent administration fee of $94,136, plus $10,068 for consideration of non-limestone and dolomite minerals, plus the net present value of the timber of $1,346,770, for a total of $2,392,332, plus the limestone royalty and Graymont's covenants set forth below. Graymont will pay the cash purchase price owing at closing by wire transfer of collected funds or cashier's check.

3. **Limestone Royalty to State**. State reserves a royalty at a rate (the "**Royalty Rate**") equal to thirty (30) cents per ton of limestone and dolomite transferred to Graymont by State mined from Tract A and transported away from the State Land, but not for Graymont Land, with no deductions allowed, and on the additional terms set out in **Exhibit L**.

GRAYMONT'S COVENANTS APPLYING TO TRACT A

4. **Public Hunting, Fishing and Recreational Rights**. Graymont may from time to time designate by written notice to State portions of Tract A for Graymont'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 Tract A that are not Operating Areas will be "**Recreational Areas**". Graymont will permit the public to enter the Recreational Areas for hunting, fishing and recreational purposes, as specified on the attached **Exhibit E**. Graymont will also permit the continued use of existing snowmobile, off-road vehicle, hiking, mountain biking and pedestrian trails ("**Recreational Trails**") located in Recreational Areas of Tract A. As it deems necessary to protect the public and ensure the security of its operations, Graymont 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 Graymont has invited such person to enter the Recreational Areas.

5. **Reclamation Activities**. Graymont will perform reclamation of the surface of the portion of Tract A mined by Graymont 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 5** and the provisions of the attached **Exhibit D** governing reclamation activities shall cease to apply to those portions of Tract A subject to those laws and/or regulations.

6. **Right of First Offer to State**. Graymont shall grant to State at the closing for Tract A a recordable right of first offer with respect to the sale, exchange, lease or transfer of all, part of, or any interest in Tract A purchased from the State, in substantially the form attached to this Addendum as **Exhibit F-1** (a "**Right of First Offer to State**").

OTHER PROVISIONS APPLYING TO TRACT A

7. **Reserved Named Trail Easement**. State shall convey to Graymont Tract A, reserving those easements set forth on the attached **Exhibit I** ("**Reserved Named Trail Easement**"). The Reserved Named Trail Easement is designed to reserve to the State the perpetual right to the nonexclusive use of the existing Cranberry Lake Road and McLeod Road across Tract A, subject to relocation and other terms described in the Reserved Named Trail Easement. The reserved rights set forth in the Reserved Named Trail Easement are in addition to those rights described in **Paragraph 4** of this Addendum.

8. **Termination of State Limestone Lease**. Graymont was the successful bidder for a limestone mineral lease with respect to the Hendricks Quarry, which is included within Tract A. While Graymont paid to State annual minimum rent under the lease, Graymont and State never actually signed a written lease. Graymont and State acknowledge that effective as of the closing of Graymont's purchase of Tract A under this Agreement, Graymont's lease is terminated, no rent paid with respect to the lease is refundable to Graymont, and neither Graymont nor State have any remaining liability under the lease.

PROVISIONS APPLYING TO TRACT B

9. **Exchange**. As to Tract B, this transaction constitutes a disposition and exchange under MCL Section 324.503 and an exchange of land pursuant to MCL Section 324.2104. Pursuant to applicable statutes, regulations and DNR policies, appraisals were performed of Tract B. State and Graymont have agreed that the fair market value of Tract B is $738,309, minus a fifteen percent discount of $110,746 in consideration of the public access provided in **Paragraphs 11** and **14** below, plus $6712 for consideration of non-limestone and dolomite minerals, for a total of $634,275, giving consideration to the limestone royalty and Graymont's covenants set forth below. Pursuant to applicable statutes, regulations and DNR policies, one or more appraisals will also be performed of the land proposed to be exchanged by Graymont, descriptions of which are included in the list of land on the attached **Exhibit C** or other land proposed by Graymont ("**Exchange Land**"). Based on those appraisal(s), and subject to the State's agreement as to the suitability of the Exchange Land, including forest values, as set forth in **Paragraph 34** below, Graymont will exchange for Tract B a portion of the Exchange Land or other land for which the fair market value (as determined by State) at least equals the value determined for Tract B and set out above. For such purposes, State and Graymont agree that if the Exchange Land to be exchanged for Tract B includes non-limestone and dolomite minerals, they will ascribe to those minerals a value of $10/acre, in addition to the appraised value established for the Exchange Land to be exchanged for Tract B.

10. **Limestone Royalty to State**. State reserves a royalty at the Royalty Rate on limestone and dolomite transferred to Graymont by State mined from Tract B and transported away from the State Land, with no deductions allowed, and on the additional terms set out in **Exhibit L**.

GRAYMONT'S COVENANTS APPLYING TO TRACT B

11. **Public Hunting, Fishing and Recreational Rights**. Graymont may from time to time designate by written notice to State portions of Tract B as provided on the attached **Exhibit D** as Operating Area or Operating Areas and shall conspicuously post the same as Operating Areas. Those portions of Tract B that are not Operating Areas will be "**Recreational Areas**". Graymont will permit the public to enter the Recreational Areas for hunting, fishing and recreational purposes, as specified on the attached **Exhibit E**. Graymont will also permit the continued use of Recreational Trails located in Recreational Areas of Tract B. As it deems necessary to protect the public and ensure the security of its operations, Graymont 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 Graymont has invited such person to enter the Recreational Areas.

12. **Reclamation Activities**. Graymont will perform reclamation of the surface of the portion of Tract B mined by Graymont 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 12** and the provisions of the attached **Exhibit D** governing reclamation activities shall cease to apply to those portions of Tract B subject to those laws and/or regulations.

13. **Right of First Offer to State**. Graymont shall grant to State at the closing for Tract B a recordable Right of First Offer to State in substantially the form attached to this Addendum as **Exhibit F-1**.

OTHER PROVISIONS APPLYING TO TRACT B

14. **Reserved Named Trail Easement**. State shall convey to Graymont Tract B, reserving the Reserved Named Trail Easement affecting Tract B set forth on the attached **Exhibit I**. The Reserved Named 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 and Cranberry Lake Road across Tract B, subject to relocation and other terms described in the Reserved Named Trail Easement. The reserved rights set forth in the Reserved Named Trail Easement are in addition to those rights described in **Paragraph 11** of this Addendum.

PROVISIONS APPLYING TO TRACT C

15. **Exchange**. As to Tract C, this transaction constitutes a disposition and exchange under MCL Section 324.503 and an exchange of land pursuant to MCL Section 324.2104. Pursuant to applicable statutes, regulations and DNR policies, appraisals were performed of Tract C. State and Graymont have agreed that the fair market value of Tract C is $83,795, plus $1,596 for consideration of non-limestone and dolomite minerals, for a total of $85,391, giving consideration to the limestone royalty and Graymont's covenants set forth below. Pursuant to applicable statutes, regulations and DNR policies, one or more appraisals will also be performed of the Exchange Land proposed to be exchanged by Graymont, descriptions of which are included in the list of land on the attached **Exhibit C** or other land proposed by Graymont (Exchange Land). Based on those appraisal(s), and subject to the State's agreement as to the suitability of the Exchange Land, including forest values, as set forth in **Paragraph 34** below, Graymont will exchange for Tract C a portion of the Exchange Land or other land for which the fair market value (as determined by State) at least equals the value determined for Tract C and set out above. For such purposes, State and Graymont agree that if the Exchange Land to be exchanged for Tract C includes non-limestone and dolomite minerals, they will ascribe to those minerals a value of $10/acre, in addition to the appraised value established for the Exchange Land to be exchanged for Tract C.

16. **Limestone Royalty to State**. State reserves a royalty at the Royalty Rate on limestone and dolomite transferred to Graymont by State mined from Tract C and transported away from the State Land, with no deductions allowed, and on the additional terms set out in **Exhibit L**.

GRAYMONT'S COVENANTS APPLYING TO TRACT C

17. **Public Hunting, Fishing and Recreational Rights**. Graymont may from time to time designate by written notice to State portions of Tract C as provided on the attached **Exhibit D** as Operating Area or Operating Areas and shall conspicuously post the same as Operating Areas. Those portions of Tract C that are not Operating Areas will be "**Recreational Areas**". Graymont will permit the public to enter the Recreational Areas for hunting, fishing and recreational purposes, as specified on the attached **Exhibit E**. Graymont will also permit the continued use of Recreational Trails located in Recreational Areas of Tract B. As it deems necessary to protect the public and ensure the security of its operations, Graymont 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 Graymont has invited such person to enter the Recreational Areas.

18. **Reclamation Activities**. Graymont will perform reclamation of the surface of the portion of Tract C mined by Graymont 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 18** and the provisions of the attached **Exhibit D** governing reclamation activities shall cease to apply to those portions of Tract C subject to those laws and/or regulations.

19. **Right of First Offer to State**. Graymont shall grant to State at the closing for Tract C a recordable Right of First Offer to State in substantially the form attached to this Addendum as **Exhibit F-1**.

OTHER PROVISIONS APPLYING TO TRACT C

20. **Restriction on Surface Quarrying**. The State's deed to Graymont for Tract C shall prohibit Graymont from surface quarrying Tract C, unless the owner of the S/2 NE/4 and S/2 of Section 13 and the N/2 NE/4 and SE/4 NE/4 of Section 24, T44N, R7W, first consents to such surface quarrying in writing, and Graymont provides to State a copy of that consent prior to commencing surface quarrying.

PROVISIONS APPLYING TO TRACT D

21. **Negotiated Sale**. As to Tract D, this transaction constitutes a disposition and sale under MCL Section 324.503 and a negotiated sale of surplus land pursuant to MCL Sections 324.2131 and 324.2132. Pursuant to applicable statutes, regulations and DNR policies, appraisals were performed of Tract D. State and Graymont have agreed that the purchase price for Tract D (subsurface and surface use rights as described in the attached **Exhibit G**) is $70,266 for

consideration of non-limestone and dolomite minerals, plus a ten percent administration fee of $7,027, for a total of $77,293, plus the limestone royalty and Graymont's covenants set forth below, plus payment for use areas as set forth in the attached **Exhibit G**. Graymont will pay the cash purchase price owing at closing by wire transfer of collected funds or cashier's check.

22. **Limestone Royalty to State**. State reserves a royalty at the Royalty Rate on limestone and dolomite transferred to Graymont by State mined from Tract D and transported away from the State Land, with no deductions allowed, and on the additional terms set out in **Exhibit L**.

GRAYMONT'S COVENANT APPLYING TO TRACT D

23. **Right of First Refusal to State**. Graymont shall grant to State at the closing for Tract D a recordable right of first refusal to State in substantially the form attached to this Addendum as **Exhibit H-1**.

OTHER PROVISIONS APPLYING TO TRACT D

24. **Deed; Surface Use Rights; Right of First Refusal.**

a. State shall convey to Graymont 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 include sand, gravel and other unconsolidated deposits above the bedrock. State shall covenant for the benefit of Graymont in its deed that the conveyance to Graymont is subject to and together with those terms and conditions set forth on the attached **Exhibit G** ("**Surface Use Rights**").

b. State shall grant to Graymont at the closing of Graymont's purchase of Tract D a recordable right of first refusal with respect to the sale, exchange, lease or transfer of all, part of, or any interest in the surface of Tract D retained by the State, in substantially the form attached to this Addendum as **Exhibit H-2**.

25. **Restriction on Surface Quarrying**. The State's deed to Graymont for Tract D shall prohibit Graymont from surface quarrying Tract D, unless State first consents.

PROVISIONS APPLYING TO TRACT E

26. **Negotiated Sale**. As to Tract E, this transaction constitutes a disposition and sale under MCL Section 324.503 and a negotiated sale of surplus land pursuant to MCL Sections 324.2131 and 324.2132. Pursuant to applicable statutes, regulations DNR policies, appraisals were performed of Tract E. State and Graymont have agreed that the purchase price for Tract E is $700,371, plus a ten percent administration fee of $70,037, plus $7,782 for consideration of non-limestone and dolomite minerals, plus the net present value of the timber of $562,117, for a total of $1,340,307, plus the limestone royalty and Graymont's covenants set forth below. Graymont

will pay the cash purchase price owing at closing by wire transfer of collected funds or cashier's check.

27. **Limestone Royalty to State**. State reserves a royalty at the Royalty Rate on limestone and dolomite transferred to Graymont by State mined from Tract E and transported away from the State Land, with no deductions allowed, and on the additional terms set out in **Exhibit L**.

28. **Restriction on Use of Surface of Tract E Wetlands Bog.** Graymont will not conduct any surface activities or construct any surface improvements, except as provided below, within the approximately 100-acre wetlands "bog" area located in the northern and northeastern parts of Tract E ("**Tract E Wetlands Bog**"). Within six (6) months following the date State conveys Tract E to Graymont, Graymont will engage a qualified person to delineate the regulated wetlands comprising the Tract E Wetlands Bog (including a legal description of the Tract E Wetlands Bog using current GPS technology), and prepare and record a restrictive covenant for State's benefit in a form reasonably satisfactory to the State embodying the provisions of this **Paragraph 28**. Subject to the requirements of applicable law, including without limitation, wetland permitting requirements of Part 303 of the Natural Resources and Environmental Protection Act, MCL 324.30301 *et seq.,* Graymont may do the following within the surface of the Tract E Wetlands Bog:

a. Construct, maintain and use roads, rail spurs, conveyors, utility lines and pipelines connecting across the Tract E Wetlands Bog to adjoining property owned by Graymont or its affiliates or public or private rights of way accommodating such uses and other infrastructure relating to mining operations, so long as the same within the Tract E Wetlands Bog do not exceed a total of 15 acres in size. The design and location of such projects within the Tract E Wetlands Bog will be established from time to time, in one or more applications, using the same consultative, mediation and arbitration process as is set forth in paragraphs 3 through 7, inclusive, and the first two sentences of paragraph 8, of the Option Agreement attached as **Exhibit B** to this Agreement for development and approval of an Easement Plan, with the exception that the "Exercise Notice" at the end of such process shall be Graymont's notice to State of its final plan for the indicated project;

b. Construct, maintain and use fences, signage and other barriers to restrict public access to all or any portion of Tract E in a manner that will minimize barriers to wildlife use or wildlife migration across the Tract E Wetlands Bog, while still meeting air permitting requirements for a plant for processing limestone or dolomite constructed on adjacent property owned by Graymont or a company controlled by or under common control with Graymont;

c. Relocate and use trails pursuant to **Paragraph 29** below; and

d. Engage in other activities or construct, maintain and use other improvements as approved by State.

29. **Tract E Trail Easement.**

a. State shall convey to Graymont Tract E, subject to an easement ("**Tract E Trail Easement**") for the portions of the Tract E Trails (as defined in the attached **Exhibit K**) located on Tract E on the terms set forth on the attached **Exhibit K**. The Tract E Trail Easement is designed to provide the State with the perpetual right to the nonexclusive use of the Tract E Trails, subject to the relocation and other terms described in the Tract E Trail Easement.

b. Currently, the Tract E Trail for snowmobile use connects to a snowmobile trail crossing land owned by Graymont's affiliate, Graymont (RP) LLC, surrounded by Tract E, and Graymont (RP) LLC permits use of that snowmobile trail pursuant to a revocable license. Prior to Graymont (RP) LLC revoking that license, Graymont will construct a relocated snowmobile trail to fill in the gap created by termination of the snowmobile trail license and meeting the standards for a Tract E Trail set forth in the attached **Exhibit K** and grant (or cause an affiliate to grant) a nonexclusive perpetual easement across Tract E and/or Graymont property for use of that snowmobile trail. The easement will be in form reasonably satisfactory to State, and shall be conformed to contain provisions consistent with the attached **Exhibit K**.

c. As provided in **Exhibit K**, Graymont may relocate all or part of the Tract E Trail for motorcycle use. For any such Tract E Trail for motorcycle use relocated to Graymont property, Graymont will grant (or cause an affiliate to grant) a nonexclusive perpetual easement across the Graymont property for use of that motorcycle trail. The easement will be in form reasonably satisfactory to State, and shall be conformed to contain provisions consistent with the attached **Exhibit K**.

30. **Restriction on Surface Quarrying**. The State's deed to Graymont for Tract E shall prohibit Graymont from surface quarrying Tract E, unless State first consents.

31. **Discovery of Archeological Site.** The State's deed to Graymont for Tract E shall provide that if Graymont discovers indications of an archeologically significant site located on Tract E, then Graymont shall take appropriate measures with respect to such site or the culturally significant artifacts located on such site in accordance with the archeological plan attached as **Exhibit J** to the Addendum to the Land Transaction Agreement.

GRAYMONT'S COVENANT APPLYING TO TRACT E

32. **Right of First Offer to State**. Graymont shall grant to State at the closing for Tract E a recordable Right of First Offer to State in substantially the form attached to this Addendum as **Exhibit F-2**.

PROVISIONS APPLYING TO EASEMENT FOR TRANSPORT CORRIDOR

33. **Option to Purchase Easement**. State shall grant to Graymont at the first closing of the sale or exchange of any of the State Land a ten (10) year option to purchase an easement for roadways, rail spurs, conveyors and/or utility accesses and the location of other transportation facilities and related facilities, over and across any part of the Optioned State Land, in one or

more parcels not to exceed a total of 55 acres in the aggregate, in substantially the form attached to this Addendum as **Exhibit B.**

34. **Negotiated Sale**. As to the Optioned State Land, this transaction constitutes a disposition and sale under MCL Section 324.503 and a negotiated sale of surplus land pursuant to MCL Sections 324.2131 and 324.2132. Pursuant to applicable statutes, regulations, DNR policies, State has determined that the fair market value and purchase price for such option will be $20,000, and Graymont has agreed to pay that purchase price. Graymont will pay the cash purchase price owing at closing by wire transfer of collected funds or cashier's check.

GENERAL PROVISIONS

35. **Title and Other Contingencies.**

a. The obligations of Graymont under this Agreement are subject to the contingency, to be satisfied or waived prior to each closing date for such land, that Graymont satisfy itself, at Graymont's sole cost and expense, that it will receive good and marketable title to the State Land and the State's interest in the Graymont Land, subject only to the matters referenced in this Agreement, and easements and restrictions of record not impairing Graymont's intended use of the State Land and the State's interest in the Graymont Land, for the mining, managing, storing, transporting and processing of limestone and/or dolomite. If Graymont is not so satisfied with respect to any portion of such State Land, then Graymont may drop such portion of the State Land from this Agreement by written notice to State, given prior to closing, and the purchase price or exchange value shall be adjusted to reflect the change.

b. Graymont shall give State written notice describing each parcel of the Exchange Land that Graymont proposes to acquire and exchange with State, together with an appraisal of the fair market value of the parcel ("**Identification Notice**"). State shall notify Graymont within one hundred twenty (120) days after State's receipt of the Identification Notice, or such shorter period to which State may agree, whether or not State determines the parcel proposed is a suitable replacement for the Tract for which such parcel would be exchanged. If State notifies Graymont that the proposed parcel of Exchange Land is suitable, then Graymont may proceed to order a Title Commitment that is subject to review as set forth in **Paragraph 35(c)** below. If, after review of the Title Commitment State agrees to accept the proposed parcel of Exchange Land, then Graymont may proceed to a closing of an exchange of the proposed parcel of Exchange Land, as described in and subject to the further contingencies set forth in this Agreement. If State notifies Graymont that the proposed parcel of Exchange Land is not suitable, then Graymont will propose an alternate parcel of Exchange Land.

c. As to each parcel of the Exchange Land to be conveyed to State, Graymont 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, and must disclose no other easements, restrictions, reservations and interests of record that would conflict with the State's intended use of the parcel of Exchange Land or negatively affect the value of the parcel of Exchange Land (individually and collectively, a "**Defect**"). State shall notify Graymont within ninety (90) days after State's receipt of the Title Commitment, or such shorter period to which State may agree, if the Title Commitment discloses any such Defect and if, in its sole discretion, State decides to reject any parcel which is the subject of a Defect. In the alternative, State may request Graymont to remove each Defect. Graymont may, but shall not be obligated to, remove each Defect at Graymont's expense on or before the closing date for such land. If Graymont fails or refuses to remove any Defect, then State may: (i) proceed to closing, waiving the Defect at issue; or (ii) terminate this Agreement as to the particular Exchange Land as to which title is defective by a written notice to Graymont, in which case neither Graymont nor State shall have any further liability to the other under this Agreement with respect to that Exchange Land, and Graymont will propose an alternate parcel of Exchange Land.

d. The obligations of State under this Agreement to accept a particular parcel of Exchange Land, are subject to the contingency, to be satisfied or waived prior to each closing date for such parcel of Exchange Land, that the State satisfy itself, at State's sole cost and expense, that the Exchange Land is free of "recognized environmental conditions," as such term is defined under applicable law and practice. If State is not so satisfied with respect to any portion of such Exchange Land, then State will notify Graymont in writing, given prior to closing, and Graymont will propose an alternate parcel of Exchange Land.

36. **Closing.**

a. State and Graymont 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. State and Graymont will close the sale and purchase of Tracts A and E and the subsurface of Tract D, first, followed as soon as practicable by closings of the exchanges for the other Tracts. 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 Graymont. At each closing, Graymont 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, Graymont 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 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. Graymont shall pay the closing fee charged by the title company conducting each closing. Graymont shall pay the recording fee for the deed(s) delivered in connection with the closing(s).

b. At each closing, State shall sign and deliver to Graymont one or more quit claim deeds (with the number of deeds and the grantee Graymont or Graymont affiliate

specified by Graymont) for the State 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: (a) transfer, 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 Graymont's legal counsel; and (b) recite that it conveys all oil, gas, limestone, dolomite, sand, gravel, clay, marl and other metallic and nonmetallic minerals (excepting, as to the deed for the subsurface of Tract D, the surface and sand, gravel and other unconsolidated deposits above the bedrock).

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 are payable in the calendar year of closing or prior calendar years shall be paid by Graymont or the current owner of the Exchange Land, without proration. All payments in lieu of property taxes and special assessments with respect to the State Land payable in the calendar year of closing or prior years shall be paid by State, without proration. No Exchange Land will be enrolled in the Commercial Forest Program, Part 511 of PA 1994 as amended or similar program when conveyed to the State.

d. Graymont shall, unless otherwise agreed by State, convey title to any Exchange Land titled in Graymont to State by a warranty deed. State may, in its sole discretion, agree as to particular parcel(s) of Exchange Land to instead accept a covenant deed from Graymont, covenanting solely against the acts and neglects of Graymont and those holding under Graymont, and the exceptions disclosed by the Title Commitment accepted by State. As to any Exchange Land to be conveyed to State by a current owner of the Exchange Land other than Graymont, Graymont will exercise reasonable efforts to negotiate a conveyance by warranty deed, subject only to the exceptions disclosed by the Title Commitment accepted by State.

37. **Community Development Fund**. As used in this Agreement, "**Fund**" means a fund or funds established in cooperation with organizations in the Eastern Upper Peninsula of Michigan to provide opportunities for enhanced economic growth and support for regional initiatives and projects which can benefit those living and working in the communities in and around the State Land by providing funding to organizations for small business support, assistance for schools and educators, human services, road and infrastructure improvements, conservation and the enhancement of recreational opportunities, health and wellness. Graymont will provide evidence reasonably satisfactory to State of Graymont's annual $100,000 contributions to the Fund and of the Fund's disbursements. None of Graymont, a company controlled by or under common control with Graymont (a "**Graymont Company**") or any of their employees will be eligible to receive any refund of contributions, grant, loan or other disbursement from the Fund. Graymont will contribute $100,000 to the Fund within thirty (30) days after the later of (i) completion of the conveyance of Tract E to Graymont and (ii) issuance of a federal and state tax identification numbers for the Fund, and will contribute $100,000 each year thereafter within thirty (30) days following the anniversary date of the first contribution. The obligation to make such contributions will terminate on the later of:

a. the date on which the total contributions made to the Fund by Graymont or a Graymont Company are at least $500,000; and

b. the earlier of

i. the first date on which limestone or dolomite are processed at a plant for processing limestone or dolomite owned by Graymont or a Graymont Company located in Mackinac County, MI; and

ii. the date on which Graymont's Covenants to State have been released in connection with the conveyance of all interests acquired from State pursuant to this Addendum in Tracts A through E, inclusive, to the extent permitted by the Right of First Offer Agreements and Right of First Refusal Agreement attached to this Agreement as **Exhibits F-1**, **F-2**, and **H-1**.

38. **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, Graymont's activities and operations referenced in this Addendum and such Exhibits shall also be subject to all applicable laws, ordinances and regulations applying to those activities and operations, including, without limitation, Michigan Department of Environmental Quality drilling and wetland permitting requirements, and local zoning and land use ordinance permitting requirements.

39. **Application of Graymont's Promises**. The provisions of this Addendum shall survive the closing(s). Except as expressly provided in the Right of First Offers and Right of First Refusal to State, Graymont's covenants (including, without limitation, Graymont's Covenants with respect to each Tract) are intended to run with the State Land and bind Graymont and its successors and assigns. Except as expressly provided in the Right of First Offers and Right of First Refusal to State, Graymont and any successor or assign of Graymont shall be automatically released from such covenants following the date Graymont 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 Graymont or such successor or assign owned the land. Graymont may freely assign this Agreement in whole or in part to a company controlled by or under common control with Graymont.

40. **Severability**. If any provision of this Addendum is held to be illegal, unenforceable or invalid, such provision(s) shall be severed and the remaining provisions of this Addendum shall not be affected thereby and shall remain in full force and effect.

41. **Miscellaneous**.

a. The DNR is the authorized representative of the State for all purposes under this Agreement. All notices under this Agreement shall be in writing and shall be delivered to the DNR, for the 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. State and Graymont may mutually agree to an amendment or waiver of any provision of this Agreement; provided that 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. This Agreement contains all of the representations and statements by State and Graymont to one another and expresses 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.

[Signatures follow on next page.]

State and Graymont 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: _____

Graymont

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

By: _____

Its: _____

State

11692717-41

Exhibit A
Graymont Land and State Land

GRAYMONT LAND: [Part of Tract A]

In T44N, R9W, Garfield Twp., Mackinac County (40.08 acres, more or less):

NE/4 SE/4 (40.08 acres) of Section 1*

In T44N, R8W, Hudson Twp., Mackinac County (79.62 acres, more or less):

W/2 SW/4 (79.62 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 (Total 1,006.8 acres):

In T44N, R9W, Garfield Twp., Mackinac County (770.39 acres, more or less):

All (629.40 acres) of Section 1 (subject to Graymont's interest in NE/4 SE/4 referenced above)

E/2 SE/4 NE/4 (20.01 acres); E/2 E/2 SE/4 (39.96 acres) of Section 2

N/2 NE/4 (81.02 acres) of Section 12

In T45N, R9W, Pentland Twp., Luce County (40.35 acres, more or less):

SW/4 SW/4 (40.35 acres) of Section 36

In T44N, R8W, Hudson Twp., Mackinac County (196.06 acres, more or less):

W/2 NW/4 (76.31 acres) of Section 6

W/2 SW/4 (79.62 acres) of Section 6 (subject to Graymont's interest referenced above)

NW/4 NW/4 (40.13 acres) of Section 7

Tract B (Total 671.19 acres):

In T44N, R9W, Garfield Twp., Mackinac County (671.19 acres, more or less):

SE/4 NE/4 (40.12 acres); NE/4 SE/4 (40.08 acres) of Section 11

SE/4 (162.95 acres); S/2 NE/4 (81.15 acres); S/2 NW/4 (81.69 acres); NE/4 NW/4 (40.68 acres); N/2 SW/4 (81.77 acres); SE/4 SW/4 (40.85 acres); N/2 SW/4 SW/4 (20.33 acres) of Section 12

N/2 NE/4 (81.57 acres) of Section 13

Tract C (Total 159.61 acres):

In T44N, R7W, Hendricks Twp., Mackinac County (159.61 acres, more or less):

NE/4 SE/4 (39.79 acres); SW/4 NE/4 (39.88 acres); E/2 NW/4 (79.94 acres) of Section 24

Tract D (Total 7,026.57 acres):

In T43N, R7W, Hendricks Twp., Mackinac County (472.77 acres, more or less):

N/2 N/2 (155.21 acres) of Section 4

N/2 N/2 (159.58 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 (157.98 acres)

In T44N, R7W, Hendricks Twp., Mackinac County (1,743.42 acres, more or less):

S/2 S/2 (160.46 acres) of Section 28

S/2 S/2 (159.74 acres) of Section 29

S/2 (318.09 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) (469.76 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 (0.24 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) (549.28 acres)

N/2 SW/4 SE/4 south of the centerline of Hiawatha Trail (10.92 acres); SW/4 SW/4 SE/4 (10.09 acres); NE/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (64.84 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 (4,810.38 acres, more or less):

E/2 SE/4 (80.65 acres) of Section 20

S/2 (322.77 acres) of Section 21

S/2 (321.55 acres) of Section 22

W/2 SW/4 (79.95 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) (318.37 acres)

S/2 (316.70 acres); W/2 NW/4 (79.46 acres) of Section 26

All (except NE/4 SW/4) (604.48 acres) of Section 27

All (637.65 acres) of Section 28

E/2 SE/4 (78.92 acres); NE/4 NE/4 (39.58 acres) of Section 29

E/2 NE/4 (80.26 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; 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 (592.80 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) (632.52 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) (388.21 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 (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 (236.26 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 (0.25 acre)

Tract E (Total 778.19 acres):

In T43N, R7W, Hendricks Twp., Mackinac County (309.19 acres, more or less):

N/2 (309.19 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 (469.00 acres, more or less):

N/2 SE/4 (except SE/4 NE/4 SE/4) (70.35 acres); N/2 SW/4 SE/4 north of the centerline of Hiawatha Trail (9.04 acres); NE/4 south of the right of way of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (89.91 acres) of Section 33

E/2 SE/4 (79.97 acres); N/2 NW/4 SE/4 (20.04 acres); S/2 N/2 (159.60 acres); N/2 N/2 SW/4 (40.09 acres) of Section 34

Exhibit B
<u>Option Agreement</u>
(Affects Easement Area)

OPTION AGREEMENT

THIS OPTION AGREEMENT ("**Agreement**") is entered into on _____ _____, 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 _____, 2015 ("**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 sum of Twenty Thousand Dollars ($20,000), the receipt of which State acknowledges, 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, utilities, other transportation facilities and related equipment, over, under and across up to a total of fifty-five (55) 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 Wisconsin Central, Ltd., a Delaware corporation, successor to the Minneapolis, St. Paul and Sault Ste. Marie Railway Company in Hendricks Township, Mackinac County, Michigan (collectively, "**Existing Roads**") (each, an "**Easement**", and collectively, "**Easements**"). Each Easement will be drafted in a form consistent with **Schedule B** attached to this Agreement.

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 on _____, 2025, ten (10) years from the date of this Agreement ("**Option Period**"). The Option Period shall be automatically extended as necessary to permit the: (a) completion of any mediation or arbitration proceedings elected below, and Graymont's preparation and submission of a revised Easement Plan; and (b) issuance of any regulatory permits for which applications have been filed, including, without limitation, wetlands, zoning, soil erosion, inland lakes and streams and air quality permits. Such extended Option Period shall expire thirty (30) days after, as applicable: (c) the Easement Plan becomes final pursuant to **Paragraphs 6** or **7** below; or (d) such permits have been issued, and have become non-appealable. 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. **Proposed Easement Designation Notice**. Before Graymont delivers an Exercise Notice to State, Graymont will deliver written notice (each a "**Proposed 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) preliminary design drawings of the proposed infrastructure, and a description of its proposed use; and

(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 restoring the site to a safe and useable condition. The construction plan shall address measures to reasonably accommodate the passage of wildlife, pedestrians, heavy equipment similar to the types used for wildland fire suppression and the harvesting and transportation of timber products; and

(c) a description of the portions of the Existing Roads for which Graymont proposes to acquire an easement, including:

(i) preliminary design drawings of any proposed alterations or improvements to the Existing Roads; and

(ii) a proposed construction and maintenance plan for any proposed alterations or improvments to the Existing Roads, which will include plans for removal of any pavement when it is no longer needed and restoring the Existing Roads to a safe and useable condition.

4. **Consultation Period**. State will have a period (each a " **Consultation Period**") of ninety (90) days after delivery of the Proposed Easement Designation Notice in which to review and consult with Graymont on the information included with the Proposed Easement Designation Notice. State may, in its sole discretion, agree in writing to shorten a Consultation Period. Each 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 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. **Easement Plan**. At any time within two hundred seventy (270) days after the end of the Consultation Period applicable to a particular Proposed Easement Designation Notice, Graymont may deliver to State an easement plan ("**Easement Plan**") for the easement ("**Easement Area**"), which may be for all or a portion of the Proposed Easement Area proposed in the Proposed Easement Designation Notice, together with:

(a) a staked land survey of the Easement Area;

(b) a wetlands delineation of the 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 in close proximity to the 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 or alterations to Existing Roads, to be constructed within the Easement Area, including design drawings, and a description of its proposed use; and

(e) a construction and maintenance plan for any infrastructure or alterations to Existing Roads to be constructed within the Easement Area, which will include plans for decommissioning and removing the infrastructure and any pavement when it is no longer needed and restoring the site to a safe and useable condition.

6. **Mediation**. If any objections made by State to the Proposed Easement Designation Notice have not been resolved to State's satisfaction in the Easement Plan, then State may deliver written notice ("**Mediation Notice**") to Graymont that State will submit those unresolved objections to mediation and specifying the unresolved objections of State and the reasons therefor. Such Mediation Notice shall be delivered to Graymont within sixty (60) days after the date Graymont delivers the Easement Plan to State. If State delivers a Mediation Notice to Graymont within the time specified above, State and Graymont shall choose by mutual agreement an independent third party mediator with experience dealing with the particular issues specified in the Mediation Notice to assist the parties in resolving the objections specified in the

Mediation Notice. If Graymont and State are unable to agree upon a mediator within fifteen (15) days following the Mediation Notice, then no mediation shall occur and State may deliver an Arbitration Notice (as defined below) for arbitration of the unresolved objections specified in the Mediation Notice. The fee and costs of the mediator shall be shared equally by Graymont and State. The mediation will occur within the thirty (30) day period ("**Mediation Period**") immediately following date the mediator is appointed. Within thirty (30) days of the end of the Mediation Period, Graymont shall deliver to State an Easement Plan reflecting revisions agreed upon during mediation or a notice stating that the Easement Plan has not been changed. If State does not deliver a Mediation Notice to Graymont within the time specified above, then the Easement Plan will be final and Graymont may proceed to exercise its option as provided below. The final Easement Plan shall include a recordable survey of the area covered by the Easement.

7. **Arbitration**. If any objections specified by State in a Mediation Notice have not been resolved to State's satisfaction in the post-mediation Easement Plan, then within sixty (60) days after Graymont submits its post-mediation Easement Plan, State may deliver written notice ("**Arbitration Notice**") to Graymont specifying the unresolved objections and the reasons therefor. If State delivers an Arbitration Notice to Graymont within the time specified above, State and Graymont shall choose by mutual agreement an independent third party arbiter with experience dealing with the particular issues specified in the Arbitration Notice from a list provided by the American Arbitration Association ("**AAA**"), to consider and adjudicate a resolution of the unresolved objections specified in the Arbitration Notice. If Graymont and State are unable to agree upon such an arbiter within fifteen (15) days immediately following delivery of the Arbitration Notice, then either may request that the Chief Judge of the Circuit Court for the area where the Optioned State Land is located select an arbiter from such list who most closely meets such qualifications. The fee and costs of the arbiter shall be shared equally by Graymont and State. Arbitration shall be conducted in accordance with the rules of the AAA and shall accord with the terms and conditions of this instrument and applicable law. State and Graymont will instruct the arbiter to render the final written decision resolving the unresolved objections within sixty (60) days after the date the arbiter is appointed. The arbiter's decision shall be final and binding upon State and Graymont, and judgment on the arbiter's decision may be entered in a court of competent jurisdiction. Within one hundred twenty (120) days after receipt of the arbiter's decision, Graymont will deliver to State a final Easement Plan reflecting any revisions prescribed in the arbiter's decision, and such final Easement Plan will be final and Graymont may exercise its option as provided below. If State does not deliver an Arbitration Notice to Graymont within the time specified above or, after a failure of State and Graymont to agree on an arbiter, neither State nor Graymont requests the Court to appoint an arbiter within the time specified above, the Easement Plan (with any revisions agreed upon during mediation) will become final and Graymont may exercise its option as provided below. The final Easement Plan shall include a recordable survey of the area covered by the Easement.

8. **Exercise of Option**. Within two (2) years after an Easement Plan has become final pursuant to **Paragraphs 6** or **7** above, Graymont may exercise the Option with respect to the applicable part of the Optioned State Land or Existing Roads by providing written notice to State

("**Exercise Notice**"), that identifies the Easement and the part of the Optioned State Land and Existing Roads ("**Selected State Land**") for which there is a final Easement Plan. The Exercise Notice may be for all or a portion of a Proposed Easement Area identified in the final Easement Plan. If Graymont does not submit an Exercise Notice within two (2) years after a final Easement Plan has been established through the process set forth above, then, unless State otherwise agrees in writing, the final Easement Plan will become void and Graymont will be required to submit a new Proposed Easement Designation Notice and Easement Plan through the process specified above for a proposed Easement. 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 fifty-five (55) acres (not including Existing Roads) 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 fifty-five (55) acres (not including Existing Roads) of the Optioned State Land, whether exercised at one or more times.

9. **Delivery of Graymont Appraisal**. Graymont shall include with the Exercise Notice an appraisal of the Selected State Land so identified, performed at Graymont's expense ("**Graymont Appraisal**").

10. **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. State may, in its sole discretion, agree to a shorter period for review. 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 11** below, if State fails to deliver the State Acceptance Notice to Graymont on or before such day, then State shall be deemed to have accepted the value for the Selected State Land established by the Graymont Appraisal.

11. **State's Right to Appraise**. During the review period described in **Paragraph 10** 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.

12. **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 following the date the State Appraisal is delivered, 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.

13. **Appraisal Standards**. Any appraisal provided under this Agreement must be performed by a licensed appraiser experienced in appraisals of real estate corridors for easements similar to the easement being conveyed. 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.

14. **Title**. During the term of this Agreement, State shall not take any action that would impair State's ability to grant good and marketable title to an Easement to Graymont as provided in 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 Selected State Land 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 Title Commitment. Graymont shall notify State within sixty (60) days after Graymont's receipt of the Title Commitment if the Title Commitment discloses any exceptions that indicate that the State does not have the ability to grant good and marketable title to an Easement as provided in this Agreement (individually and collectively, a "**Defect**"). State may remove any Defect arising after the date of this Agreement at State's expense on or before the closing date. In addition, State may 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 set forth in the Title Commitment Graymont may: (i) proceed to closing, waiving the Defect or failure at issue; or (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 Easement.

15. **Closing.**

(a) Each closing shall take place within sixty (60) days following the date the value of the Selected State Land is conclusively determined as provided in **Paragraphs 10** or **12** above, 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. 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 also pay the then standard published timber consideration fee of the Michigan Department of Natural Resources ("**DNR**") for the number of acres covered by the Selected State Land which are then the site of standing timber, or would be suitable for future timber growth absent the Easement; provided that Graymont shall not be required to pay any timber consideration fee with respect to the Existing Roads. Graymont shall pay the closing fee charged by the title company conducting the closing and all recording fees.

(b) At each closing, State shall sign and deliver to Graymont an agreement for each Easement in the form attached to this Agreement as **Schedule B**. The form shall be appropriately modified to reflect the types and locations of the easements described in the Easement Plan for which the Exercise Notice was given and the closing will occur.

16. **Discovery of Archeological Site**. If Graymont discovers indications of an archeologically significant site located on the Selected State Land that was not addressed in an archeological report delivered as provided above, then Graymont shall take appropriate measures with respect to such site or the culturally significant artifacts located on such site in accordance with the archeological plan attached to the Acquisition Agreement addendum as **Exhibit J**.

17. **Right to Enter**. During the term of this Agreement, Graymont may enter the Optioned State Land to perform such non-invasive inspections and land surveys of the Optioned State Land as Graymont desires.

18. **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 lands benefitted by one or more

of the Easement(s) granted under this Agreement.

19. **Termination of Easement**. Graymont may elect by written notice to State to terminate any Easement following decommissioning and removing infrastructure from such Easement and restoring the site to a safe and useable condition in accordance with the applicable Easement Plan. If Graymont fails to use an Easement for its intended purpose for a period of five (5) years, State may give Graymont written notice that State desires to terminate the unused Easement. The Easement shall terminate one hundred and eighty (180) days following the date State gives notice of State's desire to terminate the Easement, unless Graymont gives written notice to State before such termination date that Graymont intends to resume use of the Easement in the future. In connection with any termination, State and Graymont will sign and deliver such recordable evidence of such termination as either State or Graymont may reasonably request.

20. **Miscellaneous**.

(a) The DNR is the authorized representative of the State for all purposes under this Agreement. All notices under this Agreement shall be in writing and shall be delivered to the DNR, for the 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) State and Graymont may mutually agree to an amendment or waiver of any provision of this Agreement; provided that 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 Acquisition 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 and the Acquisition Agreement.

[Signatures follow on next page.]

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

9206443-31

SCHEDULE A

Optioned State Land

In T44N, R7W, Hendricks Twp., Mackinac County (535.67 acres, more or less):

E/2 SE/4 (79.61 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 (18.49 acres); NE/4 (158.98 acres); S/2 SE/4 NW/4 (19.79 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 (9.88 acres); W/2 SW/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (40.13 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 (78.92 acres); S/2 N/2 SE/4 (39.99 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 (10.17 acres); S/2 NE/4 SW/4 (19.84 acres) of Section 26

S/2 SE/4 SE/4 (19.90 acres) of Section 27

W/2 NE/4 NE/4 (20.01 acres); E/2 NW/4 NE/4 (19.97 acres) of Section 34

SCHEDULE B

Form of Easement

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("**Agreement**") is entered into on _____ _____, 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, GRAYMONT (RP) LLC, and GRAYMONT (UP) LLC, Michigan limited liability companies, of 181 W. County Road 432, Gulliver, Michigan 49840 (collectively, "**Graymont**"). State and Graymont agree as follows:

This Agreement is based upon the following facts:

A. State owns the Easement Area, subject to any easements and restrictions of record.

B. State desires to grant to Graymont certain easements and rights to construct, use, repair and maintain roadways, railroad spur tracks, conveyors, utilities, other transportation facilities and related equipment, over, under and across the Easement Area as specified in the Easement Plan(s) attached as **Exhibits 1-A** through **1-E**, inclusive.

C. This Agreement is given for the consideration of _____ Dollars ($_____) paid by Graymont, the receipt of which State acknowledges.

State and Graymont agree:

1. **Definitions**. As used in this Agreement, the terms below shall have the following meanings:

(a) "**Easement**" shall mean an easement established under this Agreement and "**Easements**" shall mean more than one, or all, of the easements established under this Agreement.

(b) "**Easement Area**" shall mean the lands described on **Exhibits 1** attached to this Agreement.

(c) "**Graymont Lands**" shall mean the lands described on **Exhibit 2** attached to this Agreement.

(d) "**Improvement**" shall mean any of the Existing Roadway, New Roadway, Railroad Spur, Conveyor, Utility Line (as such capitalized terms are defined below) and other transportation facilities and related equipment installed on the Easement Area by Graymont, its designees and contractors.

(e) "**Utilities**" shall mean public and private utilities, including, but not limited to, water, electrical, natural gas, telecommunications, cable television, broadband, sanitary sewer, and storm sewer utilities.

2. **Grant of Existing Roadway Easement**. State grants to Graymont an easement as specified in the Easement Plan attached to this Agreement as **Exhibit 1-A**, benefiting the Graymont Lands for vehicular and pedestrian ingress and egress over and across the existing Molly Gibson and Caffey Roads located North of the railroad line of Wisconsin Central, Ltd., a Delaware corporation, successor to the Minneapolis, St. Paul and Sault Ste. Marie Railway Company in Hendricks Township, Mackinac County, Michigan ("**Existing Roadways**"), over the "**Existing Roadways Easement Area**" legally described and depicted on **Exhibit 1-A** attached to this Agreement, such Existing Roadways to be used in common by the State, Graymont and their respective designees. Except as provided in below in this **Paragraph 2**, and in **Paragraphs 8(b)** and **(q)** below, such easement shall also entitle, but shall not require, Graymont and its designees and contractors to enter upon the Existing Roadways Easement Area to construct, maintain, tie into, plow snow from, pave, repair and replace all or any part of the Existing Roadways within the Existing Roadway Easement Area, at their sole cost and expense. If Graymont paves any roadway it shall be responsible for all repairs to and maintenance of the pavement. If Graymont's activities damage any Existing Roadways it shall repair the damage.

3. **Grant of New Roadway Easement**. State grants to Graymont an easement, as specified in the Easement Plan attached to this Agreement as **Exhibit 1-B**, benefiting the Graymont Lands for vehicular and pedestrian ingress and egress over and across the "**New Roadway Easement Area**" legally described and depicted on **Exhibit 1-B** attached to this Agreement, to be used in common by the State, Graymont and their respective designees. Except as provided in below in this **Paragraph 2** and in **Paragraphs 8(b)** and **(q)** below, such easement shall also entitle, but shall not require, Graymont and its designees and contractors to enter upon the New Roadway Easement Area to construct, maintain, tie into, plow snow from, pave, repair and replace all or any part of a new roadway ("**New Roadway**") within the New Roadway Easement Area, at their sole cost and expense. If Graymont paves any roadway it shall be responsible for all repairs to and maintenance of the pavement.

4. **Grant of Easement for Railroad Spur**. State grants to Graymont an easement, as specified in the Easement Plan attached to this Agreement as **Exhibit 1-C**, benefiting the Graymont Lands for railroad purposes over and across the "**Railroad Easement Area**" legally described and depicted on **Exhibit 1-C** attached to this Agreement, to be used by Graymont and its designees. Such easement shall also entitle, but shall not require, Graymont and its designees and contractors to enter upon the Railroad Easement Area to install, maintain, tie into, repair and replace any railroad spur ("**Railroad Spur**") now or in the future located within the Railroad Easement Area, at their sole cost and expense.

5. **Grant of Easement for Conveyor**. State grants to Graymont an easement, as specified in the Easement Plan attached to this Agreement as **Exhibit 1-D** , benefiting the Graymont Lands for conveying ores and minerals, including, without limitation, limestone and dolomite, over and across the "**Conveyor Easement Area**" legally described and depicted on **Exhibit 1-D** attached to this Agreement, to be used by Graymont and its designees. Such easement shall also entitle, but shall not require, Graymont and its designees and contractors to enter upon the Conveyor Easement Area to install, maintain, tie into, repair and replace any conveyor for such purposes ("**Conveyor**") now or in the future located within the Conveyor Area, at their sole cost and expense.

6. **Grant of Utility Easement**. State grants to Graymont an easement, as specified in the Easement Plan attached to this Agreement as **Exhibit 1- E**, benefiting the Graymont Lands for the construction, maintenance and use of Utilities over, under and across the "**Utility Easement Area**" legally described and depicted on **Exhibit 1-E** attached to this Agreement, to be used by Graymont and its designees. Such easement shall also entitle, but shall not require, Graymont and its designees and contractors to enter upon the Utility Easement Area to install, maintain, tie into, repair and replace any utility lines (each, a "**Utility Line**") now or in the future located within the Utility Easement Area and owned by them, at their sole cost and expense.

7. **Allocation of Costs of Maintenance and Repair of Improvements**. Graymont or its designated successors or assigns may, in its sole discretion, allocate the responsibilities and costs of maintaining and repairing the Improvements among the then-owners of the Graymont Lands, and may record in the real estate records a document outlining such allocation.

8. **Miscellaneous**.

(a) The State retains its right to develop and use the Easement Area in a manner that is consistent with its mission as outlined in Part 5, Section 503 of Public Act 451 of 1994, as amended, and is not inconsistent and does not interfere with the purpose or use of the Easements granted by this Agreement. This includes the right to develop, use and maintain new forest roads and new recreational trails which may be adjacent to, include and/or cross the Easement Area.

(b) Graymont shall comply with the terms of the Easement Plans attached to this Agreement as **Exhibits 1-A** through **1-E**, inclusive.

(c) Graymont shall obtain all necessary permits and approvals of regulatory agencies prior to starting construction. Graymont is responsible for obtaining all required state, local and federal permits and to follow the permit requirements as specified in them. Before any construction may proceed, Graymont is required to give notice to the public utilities under Act 53, P.A. 1974 (460.701 et seq. M.C.L.) as amended and to comply with all provisions of that Act as well as the Natural Resources and Environmental Protection Act, being Act 451, P.A. 1994 as amended. If this project crosses floodplains, wetlands, rivers, streams, or designated critical dunes, permits may be required under the land/water interface statutes. A copy of all required permits shall be provided to the Michigan Department of Natural Resources ("**DNR**"), upon request.

(d) All underground non-detectable facilities must be buried with detectable underground utility marking tape meeting the applicable industry and governmental standards.

(e) Graymont must preserve all established survey corners on or adjacent to the Easement Area. All witness or bearing trees for such survey corners must be plainly identified through use of green paint, and preserved from destruction during the construction of the Easement infrastructure. If a witness or corner needs to be removed during construction, the corner shall be properly witnessed and re-established as soon as construction is completed. If a witness is removed during construction, a new witness will be established as required by the Corner Recordation Act, 1970 P.A. 74, as amended. This information shall be recorded at the county courthouse within six (6) months of construction of the Easement infrastructure. In addition, two (2) copies of this same information must be provided to the DNR within six (6) months after construction is completed.

(f) Graymont agrees to report to the DNR any release or spills of hazardous substance that results from an activity for which Graymont is responsible, and to evaluate the nature and extent of the release. Graymont agrees to undertake appropriate measures consistent with NREPA Act 451, Part 201 to abate the release and promptly develop and implement a work plan approved by the DNR to address the release.

(g) In addition to reporting to the DNR any release or spills of hazardous substances resulting from an activity for which the Graymont is responsible, Graymont shall also keep a written log of all spills resulting from an activity for which Graymont is responsible and all situations Graymont investigates for releases or spills, even if it is determined that no release or spill has occurred.

(h) Except for emergency situations or unless otherwise approved in writing by the DNR, the clearing, cutting or pruning of oak trees is not permitted from April 15 to July 15. This is necessary to reduce the spread of oak wilt.

(i) Graymont agrees that no herbicides shall be used on the Easement Area without first securing written permission from the DNR.

(j) It is understood that all slash and forest growth cut resulting from operations under this Agreement shall be handled in accordance with the provisions of Part 519, Act 451, P.A. 1994, as amended, and the rules and regulations pertaining thereto.

(k) Any soils brought into the Easement Area by Graymont or its contractors must be weed free, and all equipment is to arrive clean to each work site (free of mud, debris, weeds and any vegetative material). This will help minimize the risk of spreading invasive species between sites.

(l) When constructing, maintaining and using infrastructure within an Easement Area, Graymont shall comply with the best management practices and other requirements described in the "Sustainable Soil and Water Quality Practices on Forest Land" manual. This manual was produced by the DNR and Michigan Department of Environmental Quality and has been assigned a publication number of IC4011.

(m) Graymont shall take care during and after construction, or maintenance, or upon abandonment activity to prevent any soil erosion. Any soil erosion occurrence that occurs as a result of Graymont's use of this Easement must be corrected immediately by Graymont.

(n) Graymont shall dispose of all excavated materials not used as backfill as a part of the construction process outside of the Easement Area according to all applicable laws. Disposal of excavated materials within the Easement Area shall only occur with the DNR's consent and in a manner and location approved by the DNR.

(o) Unless resulting from the gross negligence of the State, Graymont hereby releases, waives, discharges and covenants not to sue the State of Michigan, its departments, officers, employees and agents, from any and all liability to Graymont, its officers, employees and agents, for all losses, injury, death or damage, and any claims or demands thereto, on account of injury to person or property, or resulting in death of Graymont, its officers, employees or agents, in reference to the activities authorized by this Agreement.

(p) Graymont hereby covenants and agrees to indemnify and save harmless the State of Michigan, its departments, officers, employees and agents, from any and all claims and demands, for all loss, injury, death or damage, that any person or entity may have or make, in any manner, arising out of any occurrence related to (1) issuance of this Agreement; (2) the activities authorized by this Agreement; and (3) the use or occupancy of the Easement Area by Graymont, its employees, contractors, or its authorized representatives.

(q) If an Easement terminates as provided in this Agreement, unless otherwise agreed to between State and Graymont, Graymont agrees to remove its property and to restore the surface of the applicable Easement Area to a safe and usable condition.

(r) Invalidation of any of the covenants, conditions or limitations of this Agreement shall not affect the validity of the remaining covenants, conditions or limitations.

(s) The failure of a party to or beneficiary of this Agreement to enforce any covenant or condition of this Agreement shall not be deemed a waiver of the covenant or condition or of the right of the party or beneficiary to enforce each and every covenant and condition of this Agreement in the future. No provision of this Agreement shall be deemed to have been waived unless such waiver shall be in writing and signed by the person against whom the waiver is claimed. All rights and remedies of a party to or beneficiary of this Agreement shall be cumulative, and none shall exclude any other rights or remedies allowed by law.

(t) State makes no representation or warranty concerning its title to the Easement Area. Graymont acknowledges that it has independently investigated and verified to Graymont's satisfaction the quality of such title.

(u) The DNR is the authorized representative of the State for all purposes under this Agreement. All notices under this Agreement shall be in writing and shall be delivered to the DNR, for the 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.

(v) State and Graymont may mutually agree to an amendment or waiver of any provision of this Agreement; provided that 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.

(w) The Easements shall continue in effect perpetually and shall constitute easements and covenants running with the land. Graymont may elect by written notice to State to terminate any Easement following decommissioning and removing the infrastructure from such Easement and restoring the site to a safe and useable condition in accordance with the applicable plan pursuant to which the Easement was issued. If Graymont fails to use an Easement for its intended purpose for a period of five (5) years, State may give Graymont written notice that State desires to terminate the unused Easement. The Easement shall terminate one hundred and eighty (180) days following the date State gives notice of State's desire to terminate the Easement, unless Graymont gives written notice to State before such termination date that Graymont intends to resume use of the Easement in the future. In connection with any termination, State and Graymont will sign and deliver such recordable evidence of such termination as either State or Graymont may reasonably request.

(x) This Agreement shall benefit and burden the Easement Area and shall bind, be enforceable by and benefit State, Graymont, and their respective designees, successors and assigns.

[signatures follow on succeeding pages]

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

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

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: _____

GRAYMONT (MI) LLC, a Michigan limited liability company

By: _____

Its: _____

STATE OF MICHIGAN)
)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, State of Michigan, County of _____
My commission expires _____
Acting in the County of _____

GRAYMONT (RP) LLC, a Michigan limited liability company

By: _____

Its: _____

STATE OF MICHIGAN)
)ss:
COUNTY OF _____)

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

_____

Notary public, State of Michigan, County of _____
My commission expires _____
Acting in the County of _____

GRAYMONT (UP) LLC, a Michigan limited liability company

By: _____

Its: _____

STATE OF MICHIGAN)
)ss:
COUNTY OF _____)

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

_____

Notary public, State of Michigan, County of _____
My commission expires _____
Acting in the County of _____

PREPARED BY AND RETURN TO:

William W. Hall, Esq.
WARNER NORCROSS & JUDD LLP
900 Fifth Third Center
111 Lyon Street, N.W.
Grand Rapids, Michigan 49503-2487
Telephone: (616) 752-2143

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EXHIBIT 1

Easement Area

See attached exhibits.

EXHIBIT 2

Graymont Lands

The Southeast Quarter of the Northeast Quarter of the Southeast Quarter (SE 1/4 of NE 1/4 of SE 1/4); AND the Southeast Quarter of the Southwest Quarter of the Southeast Quarter (SE 1/4 of SW 1/4 of SE 1/4); AND the Southeast Quarter of the Southeast Quarter (SE 1/4 of SE 1/4); all in Section 33, Township 44 North, Range 7 West.

AND

The South Half of the North Half of the Southwest Quarter (S 1/2 of N 1/2 of SW 1/4); AND the South Half of the Southwest Quarter (S 1/2 of SW 1/4); AND the South Half of the Northwest Quarter of the Southeast Quarter (S 1/2 of NW 1/4 of SE 1/4); AND the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4); all in Section 34, Township 44 North, Range 7 West.

AND

Such other lands located in Hendricks, Hudson and/or Garfield Townships of Mackinac County, Michigan, Trout Lake Township of Chippewa County, Michigan, and/or Pentland Township of Luce County, Michigan, now or in the future owned by any entity constituting Graymont, or its successors and assigns, and for which Graymont records in the real estate records for such County(ies) an instrument declaring that such lands will be benefitted by this Agreement.

Exhibit C
Exchange Land

Graymont may, giving consideration to any preferences or priorities for parcels of Exchange Land expressed by State, acquire any of the parcels of real estate identified below for use as Exchange Land, subject to the terms and conditions of the attached Addendum, including, without limitation, State's approval rights under **Paragraph 34** of the Addendum. Graymont may also identify and propose to State other parcels of real estate for use as Exchange Land, which will be subject to State's approval. Graymont and State intend that Graymont will only acquire so much of such real estate for use as Exchange Land as is necessary to meet the criteria that the fair market value of the Exchange Land at least equal the fair market value of the State Land for which such Exchange Land is exchanged.

A. Approximately 2,130.43 acres of land, plus certain easement rights, located in the Upper Peninsula of Michigan:

T45N, R23W, Marquette County
Access easement through Sections 15 & 16

T43N-R26W, Marquette County
Access easement through Section 22

T38N-R24W, Delta County
S/2 SE/4 of Section 14 (80 acres)
NE/4 of Section 23 (160 acres)
E/2 of NE/4 of Section 26 (80 acres)
SE/4 of Section 26 except the SE/4 SE/4 (120 acres)

T45N-R08W, Luce County
W/2 W/2 except the NW/4 NW/4 of Section 5 (120 acres)
W/2 of Section 6 except the E/2 NW/4 (224 acres)
NW/4 of Section 7 (155 acres)

T44N-R16W, Schoolcraft County
SE/4 of Section 34 except the NE/4 SE/4 (120 acres)
E/2 of SW/4 of Section 34 (80 acres)
NW/4 of Section 34 except the NE/4 NW/4 (120 acres)

T46N, R7W, Chippewa County
SW/4 except NW/4 SW/4; and all of the SW/4 SE/4, Section 20 (160 acres)
W/2 except NW/4 NW/4 and except the SE/4 SW/4; and all of the NW/4 NE/4, Section 29 (280 acres)
NE/4 NE/4, Section 31 (40 acres)

T49N, R10W, Luce County
W/2 except NE/4 NW/4; SE/4 except the NW/4 SE/4 and except the SE/4 SE/4, Section 28 (360 acres)

T50N, R8W, Luce County
Govt. Lot 1, Section 16 (31.43 acres)

B. Approximately 480 acres of land within the DNR project boundaries for the Van Riper State Forest in Marquette County, Michigan:

T48N, R30W
W/2 of Section 7 (320 acres)
NE/4 of Section 7 (160 acres)

C. Approximately 640 acres of land contiguous to the DNR project boundaries for the Van Riper State Forest in Marquette County, Michigan:

T48N, R29W
Entire Section 5 (640 acres)

D. Approximately 440 acres of land within the DNR project boundaries for the Copper Country State Forest in Iron County, Michigan:

T43N, R31W
E/2 of Section 20 except the NW/4 NE/4 (280 acres)
NE/4 of Section 29 (160 acres)

E. Approximately 1,200 acres of land contiguous to the DNR project boundaries for the Copper Country State Forest in Iron County, Michigan:

T43N, R31W
W/2 NW/4 of Section 21 (80 acres)
SW/4 SW/4 of Section 21 (40 acres)
NW/4 of Section 27 (160 acres)
N/2 SW/4 of Section 27 (80 acres)
S/2 of Section 28 (320 acres)
W/2 NE/4 of Section 28 (80 acres)
SE/4 NW/4 of Section 28 (40 acres)
SE/4 of Section 29 (160 acres)
NE/4 of Section 32 except the SW/4 NE/4 (120 acres)
W/2 NW/4 of Section 33 (80 acres)
NW/4 SW/4 of Section 33 (40 acres)

F. Approximately 480 acres of land within the DNR project boundaries for the Escanaba State Forest in Marquette County, Michigan:

T45N, R30W
All of Section 21 except the NE/4 (480 acres)

G. Approximately 1,120 acres of land contiguous to the DNR project boundaries for the Escanaba State Forest in Marquette County, Michigan:

T45N, R30W
All of Section 15 (640 acres)

T49N, R25W
E/2 of Section 31 (320 acres)
SW/4 of Section 31 (160 acres)

H. Approximately 160 acres of land contiguous to the DNR project boundaries for the Escanaba River State Forest in Marquette County, Michigan:

T41N, R24W, Delta County
SE/4 NW/4 of Section 5 (40 acres)
S/2 NE/4 of Section 5 (80 acres)
NE/4 NE/4 of Section 5 (40 acres)

I. Approximately 1,800 acres of land in Baraga County, Michigan:

T51N, R31W, Baraga County
All of Section 28, except N/2 NW/4 and except SW/4 NW/4 (520 acres)
All of Section 33 (640 acres)
All of Section 34 (640 acres)

Exhibit D
Operating Areas and Reclamation
(Affects Tracts A, B & C)

1. Before Graymont delivers a notice (each a "**Designation Notice**") to State designating an Operating Area pursuant to the Addendum, Graymont 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 Named Trails (as defined in **Exhibit I** to this Addendum) in the proposed area in accordance with this Addendum;

        iii. a report prepared by a professional hydrologist identifying the hydrological 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 archeologically significant sites, if any, located on or in close proximity to the proposed Operating Area and proposing appropriate measures for the protection and/or preservation of such sites or the culturally significant artifacts located on 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, or such shorter period to which State may agree, in which to review and consult with Graymont 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, Graymont will take into consideration all comments received from State in connection with the Advance Notice 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, Graymont 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 Graymont on the proposed designation of the Operating Area and such information.

4. Graymont 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, Graymont 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 Graymont to initiate limestone extraction operations in 2015, Graymont 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, Graymont 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 Named Trails in the Operating Area in accordance with this Addendum. As an independent process applies under **Exhibit I** of this Addendum for the relocation of Named Trails, the parties intend that process may proceed independently from the process for developing a mining plan for the Operating Area, with no relocation of the Named Trail to occur until that **Exhibit I** process is complete, though Graymont may in the meantime implement the balance of its mining plan for the Operating Area under this **Exhibit D**;

iii. a report prepared by a professional hydrologist identifying the hydrological 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 archeologically significant sites, if any, located on or in close proximity to the Operating Area and recommending appropriate measures for the protection and/or preservation of such sites and the culturally significant artifacts located on 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. If Graymont discovers indications of an archeologically significant site located on or near the Operating Area that was not addressed in an archeological report delivered as provided above, then Graymont shall take appropriate measures with respect to such site or the culturally significant artifacts located on such site in accordance with the archeological plan attached to the Addendum as **Exhibit J**.

8. On or before January 31 of each year in which Graymont has had active operations or is required to complete reclamation in any Operating Area, Graymont 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.

9. Graymont 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.

10. 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 Graymont 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 Graymont;

    d. where sustainable hydrological 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;

    e. measures to address significant risks to public safety in the former quarry posed by quarry walls or slopes;

    f. measures to minimize the introduction of invasive plant species during quarry operations and reclamation; and

    g. such other treatments or preparations as are agreed by Graymont and State during or after the Initial Consultation Period or Public Consultation Period for the applicable Operating Area.

11. 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 10(e)** above provides flexibility to achieve a broader range of stakeholder objectives in reclamation planning and execution.

12. In addition to the reclamation procedures set out in **Section 10** of this Exhibit,

    a. quarry walls within each Reclamation Area will be modified by Graymont 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. Graymont shall allow natural vegetation local to the area to passively and naturally re-vegetate the Reclamation Areas after the reclamation activities are completed. Graymont may supplement the passive and natural re-vegetation by actively adding vegetation or seeding, but is not obligated to do so.

d. Graymont 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 Graymont.

13. For the purposes of **subparagraph 10(d)** above, the determination as to whether sustainable hydrological conditions exist to create and sustain a wetland, pond, lake or stream within a Reclamation Area shall be made by Graymont, in consultation with the State, within the two (2) year period after the Confirmation of such Reclamation Area. Graymont will have no obligation to create, maintain, or monitor a wetland, pond, lake or stream as part of Graymont's reclamation activities in a Reclamation Area.

14. When Graymont 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 Reclamation Area, which report will contain a certification by a licensed professional mining engineer or geologist (which may be an employee of Graymont) of such completion and a revised estimate of the Reclamation Costs for the remainder of that Operating Area, if any. A completed Reclamation Area identified in a Reclamation Completion Report will no longer be a Reclamation Area or part of an Operating Area and will return to the status of a Recreational Area.

15. At any time during the calendar months of May, June, and July and after delivery to State of a Reclamation Completion Report, Graymont 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.

16. State will, within sixty (60) days after delivery of a Release Notice, release the amount of security requested in the Release Notice.

17. If the State enacts laws and/or regulations in the future governing reclamation activities at limestone quarries, then State will release to Graymont the security then held by State for Reclamation Costs for any Operating Area subject to those new laws and/or regulations.

Exhibit E
<u>Uses under Paragraphs 4, 11 and 17</u>
(Affects Tracts A, B & C)

1. All uses shall be reasonable in scope and Graymont 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 Graymont; 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 Graymont and designated by Graymont as available for entry by the public, subject to conditions and warnings that Graymont chooses to impose for safety purposes;

   h. Boating;

   i. Bear and deer baiting, in accordance with applicable 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 Named Trail Easement;

   o. Such other similar uses as are requested from time to time by State and approved by Graymont; and

p. Such other uses as are specified in writing by Graymont to State in the sole discretion of Graymont. 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. Graymont shall have no duty or obligation to enforce the legal requirements against users on the Recreational Area. Graymont may limit trails for particular uses in **subparagraph 2(d)** above by marking them for such uses.

Graymont and its successors and assigns and their respective employees, agents, tenants and invitees, may use Recreational Areas open to public use under the Addendum for any purpose including, without limitation, drilling, obtaining access to Operating Areas and forest management. In doing so, Graymont 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 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 the Addendum and this **Exhibit E**, and shall comply with all applicable laws and regulations governing such use.

Exhibit F-1
Right of First Offer to State
(Affects Tracts A, B & C)

RIGHT OF FIRST OFFER AGREEMENT
[Tract A, B or C]

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 _____, 2015 ("**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 ____ through ____, inclusive **[insert Graymont's Covenants paragraph numbers 4 through 6 for Tract A, numbers 11 through 13 for Tract B, or numbers 17 through 19 for Tract C]**, of the Addendum to the Acquisition Agreement (collectively, "**Graymont'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 Graymont'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, a mortgage, or an easement or license for roadway or utility purposes, where Graymont's interest in the Property otherwise remains subject to Graymont's Covenants and 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. Graymont shall give State at least thirty (30) days advance written notice of its intention to complete a sale, exchange, lease or transfer permitted by **subparagraphs (a), (b)** or **(c)** of the preceding sentence, describing the interest to be sold, leased, exchanged or transferred. State shall sign and deliver to Graymont such recordable evidence of a final waiver and release of Graymont's Covenants and this Agreement as they pertain to the portion of the Property conveyed as permitted under **subparagraph (c)** above, as Graymont may reasonably request.

2. **Offer Notice by Graymont**. If Graymont intends to sell, exchange, lease or transfer all, part of, or any interest in the Property, except as permitted by **subparagraphs 1(a), (b)** or **(c)** above, 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 sold, leased, exchanged or 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.

3. **State's Exercise of Right**. State shall have a period of two hundred seventy (270) days following the date Graymont gives the Graymont Offer Notice, or such shorter period to which State may agree, 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 270th 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.

4. **State's Right to Counteroffer**. During the review 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 270th 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, or such shorter period to which Graymont may agree, 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 Graymont'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.

5. **Disposition to Transferee Other Than State**. If State fails to deliver the Exercise Notice or State Counteroffer Notice to Graymont on or before the 270th day following the day Graymont gives the Graymont Offer Notice, 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 Graymont's Covenants, except as provided below, and in connection with a such a sale, exchange, lease or transfer, State shall sign and deliver to Graymont such recordable evidence of a final waiver and release of Graymont's Covenants (except as provided below) and this Agreement as they pertain to the Affected Property, as Graymont may reasonably request. The Affected Property shall continue to be subject to the covenant, which shall run with the Affected Property, that the transferee, its successors and assigns, must from time to time designate by written notice to State any portions of the Affected Property to be used for surface mining operations and related buffer area (individually, an "**Operating Area**", and collectively, "**Operating Areas**"), and such Operating Area or Operating Areas will be subject to the provisions of Exhibit D attached to the Addendum to the Acquisition Agreement for designation, consultation and reclamation; provided that those provisions of Exhibit D pertaining State or public recreational or other use of the surface of the Affected Property (other than pursuant to any easements expressly reserved to State in its original deed to Graymont covering the Affected Property) shall be deemed deleted, as such surface use rights are intended to be released.

6. **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; provided that it shall reflect the fair market value of the real estate appraised, and also the value of any timber then standing on the real estate. Each appraisal shall determine the fair market value of the Affected Property and reflect that any transferee will take free of Graymont's Covenants, except as provided above, but that Graymont shall not be released from its responsibility for any uncompleted reclamation required by 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.

7. **Title; Funding Contingency**.

(a) 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 may remove each Defect at Graymont's expense on or before the closing date. In addition, Graymont may 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, State may: (i) proceed to closing, waiving the Defect or failure at issue; or (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 Graymont's Covenants as provided in **Paragraph 3** above.

(b) The obligation of State under this Agreement to close the purchase of each Affected Property is subject to the contingency that the State obtain funding for such purchase at or before closing. If State fails to obtain funding for such purchase at or before closing, then either State or Graymont may terminate this Agreement as to the Affected Property by a written notice to the other, 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 Graymont's Covenants as provided in **Paragraph 3** above, the same as if State had elected not to give the Exercise Notice.

8. **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, any closing fee charged by the title company conducting the closing and 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; provided that Graymont shall not be released from its responsibility for any uncompleted reclamation required by 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.

9. **Miscellaneous**.

(a) The Michigan Department of Natural Resources ("**DNR**") is the authorized representative of the State for all purposes under this Agreement. All notices under this Agreement shall be in writing and shall be delivered to the DNR, for the 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) State and Graymont may mutually agree to an amendment or waiver of any provision of this Agreement; provided that 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 either record this Agreement or prepare, sign and record in the Office of the Register of Deeds for the County in which the Property is located, a "short form" of this Agreement, summarizing its terms, at Graymont's expense.

(d) This Agreement and the Acquisition 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 and the Acquisition Agreement.

[Signatures follow on next page.]

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

GRAYMONT (MI) LLC, a Michigan limited liability company

By_____

A Manager

Graymont

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: _____

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

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Exhibit F-2
<u>Right of First Offer to State</u>
(Affects Tract E)

RIGHT OF FIRST OFFER AGREEMENT
(Tract E)

THIS RIGHT OF FIRST OFFER AGREEMENT ("**Agreement**") is entered into _ _____, 2015, 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 _____, 2015 ("**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 a certain covenant described in Paragraph 32 of the Addendum to the Acquisition Agreement ("**Graymont's Covenant**").

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 Graymont's Covenant, 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, a mortgage, or an easement or license for roadway or utility purposes, where Graymont's interest in the Property otherwise remains subject to Graymont's Covenant and 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. Graymont shall give State at least thirty (30) days advance written notice of its intention to complete a sale, exchange, lease or transfer permitted by **subparagraphs (a), (b)** or **(c)** of the preceding sentence, describing the interest to be sold, leased, exchanged or transferred. State shall sign and deliver to Graymont such recordable evidence of a final waiver and release of Graymont's Covenant and this Agreement as they pertain to the portion of the Property conveyed as permitted under **subparagraph (c)** above, as Graymont may reasonably request.

2. **Term**. This Agreement shall terminate automatically on the first date on which Graymont or a company controlled by or under common control with Graymont starts construction of a plant located in Mackinac County, Michigan for processing limestone or dolomite. Upon the happening of that event, State shall sign and deliver to Graymont such recordable evidence of a final waiver and release of Graymont's Covenant and this Agreement, as Graymont may reasonably request.

3. **Offer Notice by Graymont**. If Graymont intends to sell, exchange, lease or transfer all, part of, or any interest in the Property, except as permitted by **subparagraphs 1(a), (b)** or **(c)** above, 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 sold, leased, exchanged or 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.

4. **State's Exercise of Right**. State shall have a period of two hundred seventy (270) days following the date Graymont gives the Graymont Offer Notice, or such shorter period to which State may agree, 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 270th 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.

5. **State's Right to Counteroffer**. During the review 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 270th 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, or such shorter period to which Graymont may agree, 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 Graymont's Covenant, and this Agreement shall continue in full force and effect as if no Graymont Offer Notice or State Counteroffer Notice had been given.

6. **Disposition to Transferee Other Than State**. If State fails to deliver the Exercise Notice or State Counteroffer Notice to Graymont on or before the 270th day following the day Graymont gives the Graymont Offer Notice, 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 Graymont's Covenant and in connection with a such a sale, exchange, lease or transfer, State shall sign and deliver to Graymont such recordable evidence of a final waiver and release of Graymont's Covenant and this Agreement as they pertain to the Affected Property, as Graymont may reasonably request.

7. **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; provided that it shall reflect the fair market value of the real estate appraised, and also the value of any timber then standing on the real estate. Each appraisal shall determine the fair market value of the Affected Property and reflect that any transferee will take free of Graymont's Covenant.

8. **Title; Funding Contingency**.

(a) 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 may remove each Defect at Graymont's expense on or before the closing date. In addition, Graymont may 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, State may: (i) proceed to closing, waiving the Defect or failure at issue; or (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 Graymont's Covenant as provided in **Paragraph 3** above.

(b) The obligation of State under this Agreement to close the purchase of each Affected Property is subject to the contingency that the State obtain funding for such purchase at or before closing. If State fails to obtain funding for such purchase at or before closing, then either State or Graymont may terminate this Agreement as to the Affected Property by a written notice to the other, 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 Graymont's Covenant as provided in **Paragraph 3** above, the same as if State had elected not to give the Exercise Notice.

9. **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, any closing fee charged by the title company conducting the closing and 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; provided that Graymont shall not be released from its responsibility for any uncompleted reclamation required by 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.

10. **Miscellaneous.**

(a) The Michigan Department of Natural Resources ("**DNR**") is the authorized representative of the State for all purposes under this Agreement. All notices under this Agreement shall be in writing and shall be delivered to the DNR, for the 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) State and Graymont may mutually agree to an amendment or waiver of any provision of this Agreement; provided that 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 either record this Agreement or prepare, sign and record in the Office of the Register of Deeds for the County in which the Property is located, a "short form" of this Agreement, summarizing its terms, at Graymont's expense.

(d) This Agreement and the Acquisition 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 and the Acquisition Agreement.

[Signatures follow on next page.]

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

GRAYMONT (MI) LLC, a Michigan limited liability company

By_____

A Manager

Graymont

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____ _____, 2015, by _____, as Manager of GRAYMONT (MI) LLC, a Michigan limited liability company, for the company.

_____

Notary Public, _____County, _____.
My commission expires: _____

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES

By_____

Its_____

State

STATE OF MICHIGAN)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____ _____, 2015, 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

12536236-2

EXHIBIT 1

Tract E (Total 778.19 acres):

In T43N, R7W, Hendricks Twp., Mackinac County (309.19 acres, more or less):

N/2 (309.19 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 (469.00 acres, more or less):

N/2 SE/4 (except SE/4 NE/4 SE/4) (70.35 acres); N/2 SW/4 SE/4 north of the centerline of Hiawatha Trail (9.04 acres); NE/4 south of the right of way of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (89.91 acres) of Section 33

E/2 SE/4 (79.97 acres); N/2 NW/4 SE/4 (20.04 acres); S/2 N/2 (159.60 acres); N/2 N/2 SW/4 (40.09 acres) of Section 34

Exhibit G
<u>Surface Use Rights</u>
(Affects Tract D)

The deed delivered by State to Graymont for the subsurface of Tract D shall include the language set forth in this **Exhibit G**, with such minor definitional and formatting changes as are reasonably required for such language to make logical sense in the context of the deed.

The deed will recite that it is intended to transfer to Graymont, its successors and assigns, not only the subsurface of Tract D, but the right to enter upon and make use of the surface of Tract D as reasonably necessary to explore for, conduct drilling and geophysical surveys to characterize and define, mine and transport from Tract D all Minerals, as provided by common and statutory law. To record certain of these rights and a process for Graymont to exercise such rights appurtenant to its estate in Tract D, the deed will recite that it is given subject and together with the following terms and conditions, which shall run with the land, bind and benefit State, its successors and assigns, and bind and benefit Graymont and Tract D:

1. Graymont may enter on the surface of Tract D as reasonably necessary to explore for, conduct drilling and geophysical surveys to characterize and define, mine and transport the Minerals from Tract D, and to transport minerals extracted from Tracts A and B and lands contiguous with Tracts A, B or D now or in the future owned or leased by Graymont or its affiliates, subject to the following:

    a. Any surface quarrying of Tract D by Graymont is prohibited, unless the State first consents.

    b. Before entering on the surface of Tract D to perform drilling ("**Drilling**"), Graymont must complete the process described in **Section 2** below.

    c. Subject to **Section 3** below, Graymont may construct, maintain and use new infrastructure and improve, maintain and/or use existing infrastructure (collectively, "**Infrastructure**") on the surface and within the subsurface above the bedrock of Tract D as reasonably necessary to support mining activities on Tracts A, B or D and/or on lands contiguous with Tracts A, B or D now or in the future owned or leased by Graymont or its affiliates, including:

        i. Areas used for mining and related operations from which Graymont may exclude State and the public, including, without limitation, underground mine portals and shafts and adjacent areas for access, stone removal, crushing, screening, storage, handling and ventilation; roads; conveyors; railroads and rail transport lines; water holding basins; and electric substations, and related pipelines, utility lines, fencing, security systems and other barriers to maintain security and/or safety (individually, an "**Exclusive Use Area**," and collectively, "**Exclusive Use Areas**"). Such Exclusive Use Areas on Tract D shall not exceed four hundred (400) acres in total.

ii. Roads (other than roads used for hauling minerals) providing access to drill sites, Exclusive Use Areas and other Infrastructure; utility lines; monitoring wells; and facilities to manage, pump, collect, discharge, dewater and direct/redirect water flow on the State's surface or to the State's surface which results from infiltration, precipitation, snow melt or migration of ground water, including, without limitation, water in the underground mine (individually, a "**Non-Exclusive Use Area**," and collectively, " **Non-Exclusive Use Areas**").

d. Subject to **Sections 2** and **3** below, Graymont may alter the Tract D surface for Drilling, improvement, maintenance and use of existing Infrastructure, and construction, maintenance and use of new Infrastructure, including timber removal, subject to all applicable laws, ordinances and regulations applying to those activities and operations, including, without limitation, Michigan Department of Environmental Quality drilling and wetland permitting requirements, and local zoning and land use ordinance permitting requirements applying to Tract D, provided that Graymont's exercise of its rights on the surface of Tract D in accordance with the terms of this **Exhibit G** will not be subject to any additional use permit, lease, easement, consent, approval or other authorization from State in its capacity as the owner of the surface of Tract D.

e. In performing actions under **Section 2** below, Graymont will compensate State for the actual fair market value of any timber destroyed or removed by Graymont. In performing actions under **Section 3** below, Graymont will pay to State the then standard published timber consideration fee of the Michigan Department of Natural Resources ("**DNR**") for the number of acres covered by the Exclusive Use Areas, Non-Exclusive Use Areas, and Infrastructure which are then the site of standing timber, or would be suitable for future timber growth absent the actions under **Section 3** below.

f. Roads, conveyors, railroads and rail transport lines for transporting Minerals, which are constructed in corridors designated as Exclusive Use Areas, will be designed to maintain reasonable public access to each side of the corridor, including periodic crossings for other roads, and to minimize barriers to wildlife use and wildlife migration.

g. The surface use rights of Graymont on Tract D are nonexclusive, except for Exclusive Use Areas, which shall be exclusive.

2. The following process will apply to Graymont's Drilling activities on Tract D:

a. Before Graymont commences Drilling that has not previously been included in a Drilling Plan (as defined below) in respect of which Graymont is authorized under this **Section 2** to commence Drilling, Graymont will deliver written notice (each a "**Drilling Plan Notice**") to State together with:

i. a description, including legal descriptions, of the area proposed for Drilling ("**Proposed Drilling Area**");
ii. a map showing the proposed drill hole locations and access routes to those locations; and
iii. a report prepared by a professional archeologist identifying archeologically significant sites, if any, located on or in close proximity to the Proposed Drilling Area and proposing appropriate measures for the protection and/or preservation of such sites or the culturally significant artifacts located on such sites.

b. State will have a period (each a "**Drilling Consultation Period**") of sixty (60) days after delivery of the Drilling Plan Notice in which to review and consult with Graymont on the information included with the Drilling Plan Notice. During each Drilling 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.

c. At any time after the end of the Drilling Consultation Period applicable to a particular Drilling Plan Notice, Graymont may deliver to State a Drilling plan ("**Drilling Plan**") for the planned Drilling area ("**Drilling Area**"), which may be for all or a portion of the Proposed Drilling Area, together with:
   i. a description, including legal descriptions, of the Drilling Area;
   ii. a map showing the drill hole locations; and
   iii. a report prepared by a professional archeologist identifying archeologically significant sites located on or near the Drilling Area and recommending appropriate measures for the protection and/or preservation of such sites and the culturally significant artifacts located on such sites.

d. If any objections made by State to a Drilling Plan Notice have not been resolved to State's satisfaction in the Drilling Plan, then State may deliver written notice ("**Drilling Mediation Notice**") to Graymont that State will submit those unresolved objections to mediation and specifying the unresolved objections and the reasons therefor. Such Drilling Mediation Notice shall be delivered to Graymont within sixty (60) days after the date Graymont delivers the Drilling Plan to State. If State delivers a Drilling Mediation Notice to Graymont within the time specified above, State and Graymont shall choose by mutual agreement an independent third party mediator with experience dealing with the particular issues specified in the Drilling Mediation Notice to assist the parties in resolving the objections specified in the Drilling Mediation Notice. If Graymont and State are unable to agree upon a mediator within fifteen (15) days following delivery of the Drilling Mediation Notice, then no mediation shall occur and State may deliver a Drilling Arbitration Notice (as defined below) for arbitration of the unresolved objections specified in the Drilling Mediation Notice. The fee and costs of the mediator shall be shared equally by Graymont and State. The mediation will occur within the thirty (30) day period ("**Drilling Mediation Period**") immediately following the date the mediator is appointed. Within thirty

(30) days of the end of the Drilling Mediation Period, Graymont shall deliver to State a post-mediation Drilling Plan reflecting any revisions agreed upon during mediation or a notice indicating the Drilling Plan has not been changed.

e. If State fails to deliver a Drilling Mediation Notice to Graymont within the time specified in **subparagraph d** above, then the Drilling Plan will be final and Graymont may commence Drilling as provided in the Drilling Plan, subject to **subparagraph h** below.

f. If any objections made by State specified in a Drilling Mediation Notice have not been resolved to State's satisfaction in the post-mediation Drilling Plan then within sixty (60) days after receipt of the post-mediation Drilling Plan the State will deliver written notice ("**Drilling Arbitration Notice**") to Graymont, specifying the unresolved objections and the reasons therefor. If State delivers a Drilling Arbitration Notice to Graymont within the time specified above, State and Graymont shall choose by mutual agreement an independent third party arbiter with experience dealing with the particular issues specified in the Drilling Arbitration Notice from a list provided by the American Arbitration Association ("**AAA**"), to consider and adjudicate a resolution of the unresolved objections specified in the Drilling Arbitration Notice. If Graymont and State are unable to agree upon such an arbiter within fifteen (15) days immediately following delivery of the Drilling Arbitration Notice, then either may request that the Chief Judge of the Circuit Court for the area where the drilling is located select an arbiter from such list who most closely meets such qualifications. The fee and costs of the arbiter shall be shared equally by Graymont and State. Arbitration shall be conducted in accordance with the rules of the AAA and shall accord with the terms and conditions of this instrument and applicable law. State and Graymont will instruct the arbiter to render the final written decision resolving the unresolved objections within sixty (60) days after the date the arbiter is appointed. The arbiter's decision shall be final and binding upon State and Graymont, and judgment on the arbiter's decision may be entered in a court of competent jurisdiction. Within one hundred twenty (120) days after receipt of the arbiter's decision, Graymont will deliver to State a final Drilling Plan reflecting any revisions prescribed in the arbiter's decision, and such final Drilling Plan will then take effect and Graymont may exercise its right to commence Drilling as provided in the revised Drilling Plan, subject to **subparagraph h** below.

g. If State does not deliver a Drilling Arbitration Notice to Graymont within the time specified in **subparagraph f** above or, after a failure of State and Graymont to agree on an arbiter, neither State nor Graymont requests the Court to appoint an arbiter within the time specified in **subparagraph f** above, then the Drilling Plan will become final and Graymont may commence Drilling as provided in the Drilling Plan, subject to **subparagraph h** below.

h. Graymont may commence Drilling as provided in a final Drilling Plan, as it may have been updated following consultation, mediation or arbitration, within two (2)

years after delivery of the final Drilling Plan as provided above. If Graymont does not commence Drilling within two (2) years after a final Drilling Plan has been agreed to or finalized pursuant to the procedures set forth in **subparagraphs a** through **g** above, then, unless State otherwise agrees in writing, the final Drilling Plan will be void and Graymont will be required to submit a new Drilling Plan for DNR review and approval in accordance with the procedures outlined in **subparagraphs a** through **g** above for any proposed Drilling.

3. The following process will apply to Graymont's use of the surface of Tract D for the construction and operation of new Infrastructure:

    a. Graymont will deliver written notice (each a "**Development Notice**") to State if Graymont desires to designate an Exclusive Use Area or proposes to install or construct any new Infrastructure on the surface (or above the bedrock) in any area of Tract D that has not previously been included in a Development Plan (as defined below), together with:

        i. if a new area is being proposed for underground mine development, a description of that area (each a "**Development Area**"), including:
            1. a map and legal descriptions for the Development Area;
            2. a report prepared by a professional hydrologist identifying the hydrological conditions (including a description of the capacities for and locations of surface water discharges by Graymont) in the Development Area and proposing monitoring and mitigation measures appropriate to such conditions; and
            3. a report prepared by a professional mining engineer addressing issues of mine roof support and possible subsidence in the Development Area and proposing monitoring and mitigation measures appropriate to address the same;

        ii. a description of any Infrastructure proposed, whether in an Exclusive Use Area or Non-Exclusive Use Area, including:
            1. a map and legal descriptions, and its proposed use;
            2. proposed access routes and an assessment of the probable impact on the surface of Tract D, including any required relocation of existing trails;
            3. a proposed construction plan for any Infrastructure proposed, which will include plans for decommissioning and removing the Infrastructure when it is no longer needed and restoring the surface to a safe and useable condition; and
            4. a report prepared by a professional archeologist identifying archeologically significant sites, if any, located on or in close proximity to the Exclusive Use Area and/or Non-Exclusive Use Area proposed and proposing appropriate measures for the protection and/or preservation of such sites or the culturally significant artifacts located on such sites; and

iii. an outline describing the steps and schedule proposed for the consultation process to occur between the Development Notice and the Construction Notice within the parameters set out in this exhibit.

b. State and Graymont will have a period (each a "**State Consultation Period**") of sixty (60) days after delivery of the Development Notice, or such shorter period to which State and Graymont may agree, in which to review and consult on the information included with the Development 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.

c. Within thirty (30) days after the end of each State Consultation Period, Graymont will provide public access to the information included with the applicable Development 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 Exclusive Use Area and/or Non-Exclusive Use Area and Infrastructure to be constructed and such information.

d. Graymont 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 **subparagraph c** above is provided. During each Public Consultation Period, Graymont will take into consideration all comments received and may revise any of the information it has provided to the public.

e. Within ninety (90) days after the end of the Public Consultation Period applicable to a particular Development Notice, Graymont shall deliver to State a plan for the Development Area ("**Development Plan**"), which may be for all or a portion of any Development Area proposed in the Development Notice. The Development Plan shall include:
   i. a description of any Development Area proposed, including a map and legal descriptions;
   ii. a report prepared by a professional hydrologist identifying the hydrological conditions (including a description of the capacities for and locations of surface water discharges by Graymont) in the Development Area and recommending monitoring and mitigation measures appropriate for such conditions;
   iii. a report prepared by a professional archeologist identifying archeologically significant sites located on or near the Development Area and recommending appropriate measures for the protection and/or preservation of such sites and the culturally significant artifacts located on such sites;
   iv. a description of any Exclusive Use Area and Non-Exclusive Use Area proposed, including a map and legal descriptions, and their proposed use;

v. access routes and an assessment of the probable impact on the surface of Tract D, including any required relocation of existing trails;
vi. a staked land survey of any Exclusive Use Area and any other Infrastructure which, upon installation, would not be visible from the surface of Tract D; and
vii. a construction plan for any Infrastructure proposed, which will include plans for decommissioning and removing the Infrastructure when it is no longer needed and restoring the site to a safe and useable condition.

f. If any objections made by State to the Development Notice for the proposed Exclusive Use Area, Non-Exclusive Use Area and/or Infrastructure have not been resolved to State's satisfaction in the Development Plan, then State may deliver written notice ("**Mediation Notice**") to Graymont that State will submit those unresolved objections to mediation and specifying the unresolved objections of State and the reasons therefor. Such Mediation Notice shall be delivered to Graymont within sixty (60) days after the date Graymont delivers the Development Plan to State. If State delivers a Mediation Notice to Graymont within the time specified above, State and Graymont shall choose by mutual agreement an independent third party mediator with experience dealing with the particular issues specified in the Mediation Notice to assist the parties in resolving the objections specified in the Mediation Notice. If Graymont and State are unable to agree upon a mediator within fifteen (15) days following the Mediation Notice, then no mediation shall occur and State may deliver an Arbitration Notice (as defined below) for arbitration of the unresolved objections specified in the Mediation Notice. The fee and costs of the mediator shall be shared equally by Graymont and State. The mediation will occur within the thirty (30) day period ("**Mediation Period**") immediately following the date the mediator is appointed. Within thirty (30) days of the end of the Mediation Period, Graymont shall deliver to State a post-mediation Development Plan reflecting any revisions agreed upon during mediation or a notice indicating the Development Plan has not been changed.

g. If State does not deliver a Mediation Notice to Graymont within the time specified in **subparagraph f** above, then the Development Plan will be final and Graymont may commence construction and use of the Exclusive Use Area, Non-Exclusive Use Area and/or Infrastructure by delivering written notice ("**Construction Notice**") to State identifying such Exclusive Use Area, Non-Exclusive Use Area and/or Infrastructure, subject to **subparagraph j** below.

h. If any objections specified by State in a Mediation Notice have not been resolved to State's satisfaction in the post-mediation Development Plan, then within sixty (60) days after receipt of the post-mediation Development Plan the State will deliver written notice ("**Arbitration Notice**") to Graymont, specifying the unresolved objections and the reasons therefor. If State delivers an Arbitration Notice to Graymont within the time specified above, State and Graymont shall choose by mutual agreement an independent third party arbiter with experience

dealing with the particular issues specified in the Arbitration Notice from a list provided by the AAA, to consider and adjudicate a resolution of the unresolved objections specified in the Arbitration Notice. If Graymont and State are unable to agree upon such an arbiter within fifteen (15) days immediately following delivery of the Arbitration Notice, then either may request that the Chief Judge of the Circuit Court for the area where the development is to occur select an arbiter from such list who most closely meets such qualifications. The fee and costs of the arbiter shall be shared equally by Graymont and State. Arbitration shall be conducted in accordance with the rules of the AAA and shall accord with the terms and conditions of this instrument and applicable law. State and Graymont will instruct the arbiter to render the final written decision resolving the unresolved objections within sixty (60) days after the date the arbiter is appointed. The arbiter's decision shall be final and binding upon State and Graymont, and judgment on the arbiter's decision may be entered in a court of competent jurisdiction. Within one hundred twenty (120) days after receipt of the arbiter's decision, Graymont will deliver to State a final Development Plan reflecting any revisions prescribed in the arbiter's decision, and such final Development Plan will be final and Graymont may commence construction and use of the Exclusive Use Area, Non-Exclusive Use Area and/or Infrastructure by delivering a Construction Notice to State, subject to **subparagraph j** below.

i. If State does not deliver an Arbitration Notice to Graymont within the time specified in **subparagraph h** above or, after a failure of State and Graymont to agree on an arbiter, neither State nor Graymont requests the Court to appoint an arbiter within the time specified in **subparagraph h** above, the Development Plan (with any revisions agreed upon during mediation) will become final and Graymont may commence construction and use of the Exclusive Use Area, Non-Exclusive Use Area and/or Infrastructure by delivering a Construction Notice to State, subject to **subparagraph j** and **Section 4(a)** below.

j. If construction does not commence within sixty (60) days following delivery of a Construction Notice by Graymont, then Graymont shall deliver another copy of the Construction Notice to State prior to commencing any construction on Tract D. If construction does not commence within five (5) years following the date the applicable Development Plan becomes final under the process specified above, then, unless the State otherwise agrees in writing, the Development Plan will be void, and Graymont will submit a new Development Notice and Development Plan under the process specified above for any proposed development.

4. **Appraisal Process.**

a. Within one hundred twenty (120) days after the Development Plan becomes final pursuant to **Section 3** above, and before Graymont commences any activities in any Exclusive Use Area and Non-Exclusive Use Area identified in the final Development Plan, Graymont will deliver to State an appraisal of such Exclusive

Use Area and/or Non-Exclusive Use Area identified in the final Development Plan, performed at Graymont's expense ("**Graymont Appraisal**").

b. If State is willing to accept the value for the Exclusive Use Area and/or Non-Exclusive Use Area established by the Graymont Appraisal, then State will so advise Graymont by written notice ("**State Acceptance Notice**") delivered on or before the 120th day following the day Graymont delivers the Graymont Appraisal to State.

c. At any time before the end of the 120-day period described in **subparagraph a** above, State may deliver to Graymont a written notice ("**State Appraisal Notice**") that it has elected to obtain its own appraisal ("**State Appraisal**") of the Exclusive Use Area and/or Non-Exclusive Use Area, at State's expense, together with a copy of the State Appraisal. If State fails to deliver a State Appraisal Notice and State Appraisal to Graymont before the end of the 120-day period described in **subparagraph a** above, then State shall be deemed to have accepted the value for the Exclusive Use Area and/or Non-Exclusive Use Area established by the Graymont Appraisal.

d. If the value of the Exclusive Use Area and/or Non-Exclusive Use Area 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 Exclusive Use Area and/or Non-Exclusive Use Area identified 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 Graymont and State to perform an appraisal of the Exclusive Use Area and/or Non-Exclusive Use Area within ninety (90) days following the date the State Appraisal was delivered ("**Third Appraisal**"). The Third Appraisal cost will 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 following the date the State Appraisal was delivered, then either Graymont or State may request that the Chief Judge of the Circuit Court for the area where Tract D is located select the third appraiser. Upon receipt of the Third Appraisal, the value of the Exclusive Use Area and/or Non-Exclusive Use Area identified established by it shall be compared with the values established by the Graymont Appraisal and State Appraisal, respectively, and then the value of the Exclusive Use Area and/or Non-Exclusive Use Area 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 Exclusive Use Area and/or Non-Exclusive Use Area identified shall be conclusively deemed to be the value of the Third Appraisal.

e. Graymont may commence construction, improvement and use of an Exclusive Use Area, Non-Exclusive Use Area and the Infrastructure within those areas identified in the Development Plan at any time after delivery to State of the Graymont Appraisal, payment of the value for the Exclusive Use Area and/or Non-Exclusive Use Area established by the Graymont Appraisal, plus ten percent (10%), and payment of any timber consideration fee required by **Section 1(e)** above. In addition, Graymont shall pay to State any additional incremental appraised value, plus ten percent (10%), established pursuant to **subparagraph d** above, within thirty (30) days following the date the State Appraisal Notice is given, or Third Appraisal is received, as applicable.

f. Any appraisal provided must be performed by a licensed appraiser experienced in appraisals of real estate similar to the Exclusive Use Areas and Non-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. With respect to the Exclusive Use Areas, each appraisal shall determine the fair market value of fee simple title to the surface of the Exclusive Use Area, notwithstanding the fact that Graymont's exclusive use is only as a mineral interest holder and may not be perpetual. With respect to the Non-Exclusive Use Areas, each appraisal shall determine the fair market value of the nonexclusive right to occupy and use the surface of the Non-Exclusive Use Area, as provided in the applicable Construction Notice and Development Plan and this **Exhibit G**.

g. Graymont will give State notice when Graymont plans to finally abandon its underground mining operations. Before final abandonment of underground mining operations, Graymont will remove and decommission its infrastructure on the surface of Tract D and restore the site to a safe and useable condition in accordance with the applicable final Construction Notice(s) and Development Plan(s).

5. State and Graymont may, from time to time, agree to written amendments to Drilling Plans, Development Plans and Construction Notices as they deem appropriate.

6. If Graymont discovers indications of an archeologically significant site located on Tract D that was not addressed in an archeological report delivered as provided above, then Graymont shall take appropriate measures with respect to such site or the culturally significant artifacts located on such site in accordance with the archeological plan attached as **Exhibit J** to the Addendum to the Land Transaction Agreement.

7. State acknowledges Graymont's rights under this **Exhibit G** are perpetual, and will not require the payment by Graymont of any additional consideration for the described use of the surface, except as expressly provided under this **Exhibit G**.

8. State imposes on its use and enjoyment of the surface of Tract D the following covenants and building and use restrictions for the benefit of Graymont and the use by Graymont of the subsurface of Tract D for mining operations:

    a. If any of the Tract D surface is ever transferred by the State 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 Graymont may do so, the surface owner shall promptly reimburse Graymont, and the surface owner's obligation to reimburse Graymont will be secured by a lien on the Tract D surface, which Graymont may foreclose in the same manner as a mortgage.

    b. Subject to the succeeding sentence, State may make no uses of the surface of Tract D which materially interfere with Graymont's operations conducted in accordance with this **Exhibit G**. State may make no uses of the surface of Tract D which interfere with Graymont's operations conducted in the Exclusive Use Areas or subsurface of Tract D in accordance with this **Exhibit G**, other than in a purely *de minimus* way.

9. Notwithstanding any provision of this **Exhibit G** to the contrary, Buyer will not be entitled to designate an Exclusive Use Area pursuant to **Section 3** above if the total area of such Exclusive Use Area and all Exclusive Use Areas previously designated exceeds 400 acres, or such larger number of acres as is approved by State.

10. The DNR is the authorized representative of the State for all purposes under this **Exhibit G**. All notices under this **Exhibit G** shall be in writing and shall be delivered to the DNR, for the 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.

11. State and Graymont may mutually agree to an amendment or waiver of any provision of this **Exhibit G**; provided that this **Exhibit G** 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 **Exhibit G** shall run with the land, and bind and benefit State and Graymont and their respective successors and assigns.

Exhibit H-1
<u>Right of First Refusal to State</u>
(Affects Tract D)

RIGHT OF FIRST REFUSAL AGREEMENT
(Tract D Subsurface)

THIS RIGHT OF FIRST REFUSAL AGREEMENT ("**Agreement**") is entered into _____, 2015, 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 _____, 2015 ("**Acquisition Agreement**").

B. The Acquisition Agreement provided for Graymont's acquisition from State of certain real estate, which real estate included the subsurface, expressly including, without limitation, all limestone, dolomite, and other metallic and nonmetallic minerals under or that may be produced from the land described on **Schedule 1** attached to this Agreement, together with surface use rights as provided by law, in the Acquisition Agreement, and in the deed for such land ("**Property**"), subject to a certain covenant described in Paragraph 23 of the Addendum to the Acquisition Agreement ("**Graymont's Covenant**"). State reserved ownership of the surface of the land described on **Schedule 1** attached to this Agreement, together with the sand, gravel and other unconsolidated deposits above the bedrock.

C. The Acquisition Agreement also provided for Graymont to grant to State a right of first refusal 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 Refusal.** Graymont grants to State a right of first refusal with respect to the 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 Graymont's Covenant, including, without limitation, this Agreement, to the extent they apply to the Property sold or transferred; and (b) pursuant to a lease or sale of limestone, dolomite, oil, gas or other minerals, or a mortgage, where Graymont's interest in the Property otherwise remains subject to Graymont's Covenant and the terms of this Agreement. Graymont shall give State at least thirty (30) days advance written notice of its intention to complete a sale, exchange, lease or transfer permitted by **subparagraphs (a)** or **(b)** of the preceding sentence, describing the interest to be sold, leased, exchanged or transferred.

2. **Notice by Graymont**. If Graymont intends to sell, exchange, lease or transfer all, part of, or any interest in the Property, except as permitted by **subparagraphs 1(a)** or **(b)** above, and obtains a bona fide offer for the same that is acceptable to it ("**Offer**"), Graymont shall deliver to State a written notice stating its intention to do so ("**Graymont Offer Notice**"), together with a copy of the Offer identifying the interest to be sold, exchanged, leased or transferred ("**Affected Property**"). The Graymont Offer Notice shall constitute an offer to sell, exchange, lease or transfer the Affected Property to State on the terms set forth in the Offer, subject to the other terms and conditions set forth in this Agreement.

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, or such shorter period to which State agrees, 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.

4. **Disposition Pursuant to Offer**. If State fails to deliver the Exercise Notice to Graymont on or before the 180th day following the day State gives the Graymont Offer Notice, then State shall be deemed to have irrevocably waived its right of first refusal with respect to the Offer, and Graymont may proceed to sell, exchange, lease or transfer the Affected Property as provided in the Offer, and free of Graymont's Covenant and this Agreement, and in connection with the closing of such a sale, exchange, lease or transfer, State shall sign and deliver to Graymont such recordable evidence of a final waiver and release of Graymont's Covenant and this Agreement as they pertain to the Affected Property, as Graymont may reasonably request. If Graymont fails to close the sale pursuant to the Offer within six (6) months after the expiration of the time period for State to give the Exercise Notice or if the terms of the Offer are changed in any material respect, then Graymont shall be required to once again afford State the right to exercise its right of first refusal with respect to the Offer and Affected Property.

5. **Closing**. If State gives the Exercise Notice, then Graymont and State shall be bound to close the transaction upon the same price, terms and conditions as contained in the Offer; provided that State shall be substituted for the transferee under the Offer, the contingency for State's exercise of its rights under this Agreement shall be deemed deleted, the effective date of the Offer shall be deemed changed to the date State gives the Exercise Notice and any time

periods and deadlines set forth in the Offer shall be deemed adjusted to accommodate the later effective date of the Offer and any amendments set forth in this paragraph below. If the Offer proposes an exchange of real estate for the Affected Property, then State may close the Offer by conveyance to Graymont of the real estate proposed by the original buyer under the Offer for exchange to Graymont ("**Original Exchange Land**"). However, in lieu of doing so, State may elect to propose to Graymont alternative real estate for exchange ("**State Exchange Land**") in return for the Affected Property, and the Offer shall also be deemed amended to provide as follows:

(a) For such purpose, Graymont and State will be deemed to have agreed that the fair market value of the Affected Property is the amount established by the Offer. If the Offer does not establish such a value, the value for both the Affected Property and the State Exchange Land will be established as provided in the Offer. If the Offer established the fair market value of the Affected Property, but not the Original Exchange Land, then the value for the State Exchange Land will be established as provided in the Offer for the Original Exchange Land. State and Graymont intend that State will only acquire so much of such real estate for use as State Exchange Land as is necessary to meet the criteria that the fair market value of the State Exchange Land at least equal the fair market value of the Affected Property for which such State Exchange Land is exchanged.

(b) If the Offer established the value for both the Affected Property and the Original Exchange Land, then pursuant to applicable statutes, regulations and Michigan Department of Natural Resources ("**DNR**") policies, one or more appraisals will also be performed of the State Exchange Land. Based on those appraisal(s), and subject to Graymont's agreement as to the suitability of the State Exchange Land, as set forth in the succeeding subparagraph, State will exchange for the Affected Property State Exchange Land for which the fair market value (as determined by Graymont) at least equals the value determined for the Affected Property.

(c) State shall give Graymont written notice describing each parcel of the State Exchange Land that State proposes to acquire and exchange with Graymont, together with an appraisal of the fair market value of the parcel ("**Identification Notice**"). Graymont shall notify State within one hundred twenty (120) days after Graymont's receipt of the Identification Notice, or such shorter period to which Graymont may agree, whether or not Graymont determines the parcel proposed is a suitable replacement for the Affected Property for which such parcel would be exchanged. If Graymont notifies State that the proposed parcel of State Exchange Land is suitable, then State may proceed to order Title Evidence that is subject to review as set forth in in the succeeding subparagraph. If, after review of the Title Evidence Graymont agrees to accept the proposed parcel of State Exchange Land, then State may proceed to a closing of an exchange of the proposed parcel of State Exchange Land, as described in and subject to the further contingencies set forth in the Offer. If Graymont notifies State that the proposed parcel of State Exchange Land is not suitable, then State will propose an alternate parcel of State Exchange Land.

(d) As to each parcel of the State Exchange Land to be conveyed to Graymont, State shall obtain at its expense, the following title evidence ("**Title Evidence**") (i)

for each parcel of State Exchange Land that is a surface interest, a commitment to issue an owner's title insurance policy insuring Graymont in the amount of the appraised value, which shall be in a form approved by the American Land Title Association; and (ii) for each parcel of State Exchange Land that is a subsurface interest and/or severed minerals, an abstract of title to patent. The Title Evidence must show good and marketable title to the State Exchange Land to be in the name of the party who contracted to sell the same, and must disclose no other easements, restrictions, reservations and interests of record that would conflict with the Graymont's intended use of the parcel of State Exchange Land or negatively affect the value of the parcel of State Exchange Land (individually and collectively, a "**Defect**"). Graymont shall notify State within ninety (90) days after Graymont's receipt of the Title Evidence, or such shorter period to which Graymont may agree, if the Title Evidence discloses any such Defect and if, in its sole discretion, Graymont decides to reject any parcel which is the subject of a Defect. In the alternative, Graymont may request State to remove each Defect. State may, but shall not be obligated to, remove each Defect at State's expense on or before the closing date for such land. If State fails or refuses to remove any Defect, then Graymont may: (i) proceed to closing, waiving the Defect at issue; or (ii) terminate this Agreement as to the particular State Exchange Land as to which title is defective by a written notice to State, in which case neither State nor Graymont shall have any further liability to the other under this Agreement with respect to that State Exchange Land, and State will propose an alternate parcel of State Exchange Land.

(e) The obligations of Graymont under to accept a particular parcel of State Exchange Land, are subject to the contingency, to be satisfied or waived prior to each closing date for such parcel of State Exchange Land, that Graymont satisfy itself, at Graymont's sole cost and expense, that the State Exchange Land is free of "recognized environmental conditions," as such term is defined under applicable law and practice. If Graymont is not so satisfied with respect to any portion of such State Exchange Land, then Graymont will notify State in writing, given prior to closing, and State will propose an alternate parcel of State Exchange Land.

6. **Funding Contingency**. The obligation of State under this Agreement to close the purchase of each Affected Property is subject to the contingency that the State obtain funding for such purchase at or before closing. If State fails to obtain funding for such purchase at or before closing, then either State or Graymont may terminate this Agreement as to the Affected Property by a written notice to the other, 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 Graymont's Covenant as provided in **Paragraph 4** above, the same as if State had elected not to give the Exercise Notice.

7. **Termination**. State sold to Graymont the Property, retaining title to the surface, but entering into a Right of First Refusal 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 the Property. If Graymont, or its successors or assigns, exercises its right of first refusal to purchase an interest of State in the surface of the Property, then this Agreement shall terminate as to that interest of Graymont in the subsurface of the Property (and the appurtenant surface use rights) 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 from this Agreement, as Graymont may reasonably request.

8. **Miscellaneous.**

(a) The DNR is the authorized representative of the State for all purposes under this Agreement. All notices under this Agreement shall be in writing and shall be delivered to the DNR, for the 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) State and Graymont may mutually agree to an amendment or waiver of any provision of this Agreement; provided that 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. Graymont 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.

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

(d) This Agreement and the Acquisition 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 and the Acquisition Agreement.

[Signatures follow on next page.]

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

GRAYMONT (MI) LLC, a Michigan limited liability company

By_____

A Manager

Graymont

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____ _____, 2015, by _____, as Manager of GRAYMONT (MI) LLC, a Michigan limited liability company, for the company.

_____

Notary Public, _____County, _____.
My commission expires: _____

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES

By_____

Its_____

State

STATE OF MICHIGAN)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____ _____, 2015, 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

12519655-4

SCHEDULE 1

Tract D (Total 7,026.57 acres):

In T43N, R7W, Hendricks Twp., Mackinac County (472.77 acres, more or less):

N/2 N/2 (155.21 acres) of Section 4

N/2 N/2 (159.58 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 (157.98 acres)

In T44N, R7W, Hendricks Twp., Mackinac County (1,743.42 acres, more or less):

S/2 S/2 (160.46 acres) of Section 28

S/2 S/2 (159.74 acres) of Section 29

S/2 (318.09 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) (469.76 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 (0.24 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) (549.28 acres)

N/2 SW/4 SE/4 south of the centerline of Hiawatha Trail (10.92 acres); SW/4 SW/4 SE/4 (10.09 acres); NE/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (64.84 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 (4,810.38 acres, more or less):

E/2 SE/4 (80.65 acres) of Section 20

S/2 (322.77 acres) of Section 21

S/2 (321.55 acres) of Section 22

W/2 SW/4 (79.95 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) (318.37 acres)

S/2 (316.70 acres); W/2 NW/4 (79.46 acres) of Section 26

All (except NE/4 SW/4) (604.48 acres) of Section 27

All (637.65 acres) of Section 28

E/2 SE/4 (78.92 acres); NE/4 NE/4 (39.58 acres) of Section 29

E/2 NE/4 (80.26 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; 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 (592.80 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) (632.52 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) (388.21 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 (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 (236.26 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 (0.25 acre)

Exhibit H-2
<u>Right of First Refusal to Graymont</u>
(Affects Tract D)

RIGHT OF FIRST REFUSAL AGREEMENT

THIS RIGHT OF FIRST REFUSAL AGREEMENT ("**Agreement**") is entered into _____, 2015, 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**"), based on the following facts:

A. State and Graymont entered into a certain Land Transaction Agreement, with Addendum, dated _____, 2015 ("**Acquisition Agreement**").

B. The Acquisition Agreement provided for Graymont's acquisition from State of certain real estate. The real estate included the subsurface, expressly including, without limitation, all limestone, dolomite, and other metallic and nonmetallic minerals under or that may be produced from the land described on **Schedule 1** attached to this Agreement, together with surface use rights as provided by law, in the Acquisition Agreement, and in the deed for such land (collectively, the "**Minerals**"). State reserved ownership of the surface of the land described on **Schedule 1** attached to this Agreement, together with the sand, gravel and other unconsolidated deposits above the bedrock (collectively, "**Property**").

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

D. Graymont has purchased the Minerals from State.

In consideration of Graymont's purchase of the Minerals from State, State and Graymont agree:

1. **Grant of Right of First Refusal**. State grants to Graymont a right of first refusal with respect to the 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 Graymont): (a) to any department or agency of State which takes subject to and assumes this Agreement; (b) pursuant to a lease of sand, gravel and other unconsolidated deposits above the bedrock, a timber cutting agreement, or an easement or license for roadway or utility purposes (the latter not to be 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. State shall give Graymont at least thirty (30) days advance written notice of its intention to complete a sale, exchange, lease or transfer permitted by **subparagraphs (a), (b)** or **(c)** of the preceding sentence, describing the interest to be sold, leased, exchanged or transferred. Graymont shall sign and deliver to State such recordable evidence of a final waiver and release of this Agreement as it pertains to the portion of the Property conveyed as permitted under **subparagraph (c)** above, as State may reasonably request.

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, and obtains a bona fide offer for the same that is acceptable to it ("**Offer**"), State shall deliver to Graymont a written notice stating its intention to do so ("**State Offer Notice**"), together with a copy of the Offer identifying the interest to be sold, exchanged, leased or transferred ("**Affected Property**"). The State Offer Notice shall constitute an offer to sell, exchange, lease or transfer the Affected Property to Graymont on the terms set forth in the Offer, subject to the other terms and conditions set forth in this Agreement.

3. **Graymont's Exercise of Right**. Graymont shall have a period of thirty (30) days following the date State gives the State Offer Notice, or such shorter period to which Graymont agrees, to review it. Graymont may only accept the offer constituted by the State Offer Notice by written notice ("**Exercise Notice**") to State delivered on or before the 30th day following the day State gives the State Offer Notice. Graymont must do so with respect to all and not less than all of the Affected Property.

4. **Disposition Pursuant to Offer**. If Graymont fails to deliver the Exercise Notice to State on or before the 30th day following the day Graymont gives the State Offer Notice, then Graymont shall be deemed to have irrevocably waived its right of first refusal with respect to the Offer, and State may proceed to sell, exchange, lease or transfer the Affected Property as provided in the Offer, and in connection with the closing of such a sale, exchange, lease or transfer, Graymont 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. If State fails to close the sale pursuant to the Offer within six (6) months after the expiration of the time period for Graymont to give the Exercise Notice or if the terms of the Offer are changed in any material respect, then State shall be required to once again afford Graymont the right to exercise its right of first refusal with respect to the Offer and Affected Property.

5. **Closing**. If Graymont gives the Exercise Notice, then State and Graymont shall be bound to close the transaction upon the same price, terms and conditions as contained in the Offer; provided that Graymont shall be substituted for the transferee under the Offer, the

contingency for Graymont's exercise of its rights under this Agreement shall be deemed deleted, the effective date of the Offer shall be deemed changed to the date Graymont gives the Exercise Notice and any time periods and deadlines set forth in the Offer shall be deemed adjusted to accommodate the later effective date of the Offer and any amendments set forth in this paragraph below. If the Offer proposes an exchange of real estate for the Affected Property, then Graymont may close the Offer by conveyance to State of the real estate proposed by the original buyer under the Offer for exchange to State ("**Original Exchange Land**"). However, in lieu of doing so, Graymont may elect to propose to State alternative real estate for exchange ("**Graymont Exchange Land**") in return for the Affected Property, and the Offer shall also be deemed amended to provide as follows:

(a) For such purpose, State and Graymont will be deemed to have agreed that the fair market value of the Affected Property is the amount established by the Offer. If the Offer does not establish such a value, the value for both the Affected Property and the Graymont Exchange Land will be established as provided in the Offer. If the Offer established the fair market value of the Affected Property, but not the Original Exchange Land, then the value for the Graymont Exchange Land will be established as provided in the Offer for the Original Exchange Land. Graymont and State intend that Graymont will only acquire so much of such real estate for use as Graymont Exchange Land as is necessary to meet the criteria that the fair market value of the Graymont Exchange Land at least equal the fair market value of the Affected Property for which such Graymont Exchange Land is exchanged.

(b) If the Offer established the value for both the Affected Property and the Original Exchange Land, then pursuant to applicable statutes, regulations and Michigan Department of Natural Resources ("**DNR**") policies, one or more appraisals will also be performed of the Graymont Exchange Land. Based on those appraisal(s), and subject to State's agreement as to the suitability of the Graymont Exchange Land, including forest values, as set forth in the succeeding subparagraph, Graymont will exchange for the Affected Property Graymont Exchange Land for which the fair market value (as determined by State) at least equals the value determined for the Affected Property.

(c) Graymont shall give State written notice describing each parcel of the Graymont Exchange Land that Graymont proposes to acquire and exchange with State, together with an appraisal of the fair market value of the parcel ("**Identification Notice**"). State shall notify Graymont within one hundred twenty (120) days after State's receipt of the Identification Notice, or such shorter period to which State may agree, whether or not State determines the parcel proposed is a suitable replacement for the Affected Property for which such parcel would be exchanged. If State notifies Graymont that the proposed parcel of Graymont Exchange Land is suitable, then Graymont may proceed to order Title Evidence that is subject to review as set forth in in the succeeding subparagraph. If, after review of the Title Evidence State agrees to accept the proposed parcel of Graymont Exchange Land, then Graymont may proceed to a closing of an exchange of the proposed parcel of Graymont Exchange Land, as described in and subject to the further contingencies set forth in the Offer. If State notifies Graymont that the proposed parcel of Graymont Exchange Land is not suitable, then Graymont will propose an alternate parcel of Graymont Exchange Land.

(d) As to each parcel of the Graymont Exchange Land to be conveyed to State, Graymont shall obtain at its expense, the following title evidence ("**Title Evidence**") (i) for each parcel of Graymont Exchange Land that is a surface interest, a 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; and (ii) for each parcel of Graymont Exchange Land that is a subsurface interest and/or severed minerals, an abstract of title to patent. The Title Evidence must show good and marketable title to the Graymont Exchange Land to be in the name of the party who contracted to sell the same, and must disclose no other easements, restrictions, reservations and interests of record that would conflict with the State's intended use of the parcel of Graymont Exchange Land or negatively affect the value of the parcel of Graymont Exchange Land (individually and collectively, a "**Defect**"). State shall notify Graymont within ninety (90) days after State's receipt of the Title Evidence, or such shorter period to which State may agree, if the Title Evidence discloses any such Defect and if, in its sole discretion, State decides to reject any parcel which is the subject of a Defect. In the alternative, State may request Graymont to remove each Defect. Graymont may, but shall not be obligated to, remove each Defect at Graymont's expense on or before the closing date for such land. If Graymont fails or refuses to remove any Defect, then State may: (i) proceed to closing, waiving the Defect at issue; or (ii) terminate this Agreement as to the particular Graymont Exchange Land as to which title is defective by a written notice to Graymont, in which case neither Graymont nor State shall have any further liability to the other under this Agreement with respect to that Graymont Exchange Land, and Graymont will propose an alternate parcel of Graymont Exchange Land.

(e) The obligations of State under to accept a particular parcel of Graymont Exchange Land, are subject to the contingency, to be satisfied or waived prior to each closing date for such parcel of Graymont Exchange Land, that State satisfy itself, at State's sole cost and expense, that the Graymont Exchange Land is free of "recognized environmental conditions," as such term is defined under applicable law and practice. If State is not so satisfied with respect to any portion of such Graymont Exchange Land, then State will notify Graymont in writing, given prior to closing, and Graymont will propose an alternate parcel of Graymont Exchange Land.

6. **Termination**. When State sold to Graymont the subsurface of the Property, retaining title to the surface, Graymont entered into a Right of First Refusal Agreement for State's benefit, with respect to Graymont'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 refusal. In the event State exercises its right of first refusal to purchase the interest of Graymont 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 Graymont 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.

7. **Miscellaneous**.

(a) The DNR is the authorized representative of the State for all purposes under this Agreement. All notices under this Agreement shall be in writing and shall be delivered to the DNR, for the 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) State and Graymont may mutually agree to an amendment or waiver of any provision of this Agreement; provided that 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. Graymont 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.

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

(d) This Agreement and the Acquisition 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 and the Acquisition Agreement.

[Signatures follow on next page.]

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

GRAYMONT (MI) LLC, a Michigan limited liability company

By_____

A Manager

Graymont

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 2015, by _____, as Manager of GRAYMONT (MI) LLC, a Michigan limited liability company, for the company.

_____

Notary Public, _____County, _____.
My commission expires: _____

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES

By_____

Its_____

State

STATE OF MICHIGAN)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 2015, 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

12513315-3

SCHEDULE 1

<u>Tract D (Total 7,026.57 acres)</u>:

In T43N, R7W, Hendricks Twp., Mackinac County (472.77 acres, more or less):

N/2 N/2 (155.21 acres) of Section 4

N/2 N/2 (159.58 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 (157.98 acres)

In T44N, R7W, Hendricks Twp., Mackinac County (1,743.42 acres, more or less):

S/2 S/2 (160.46 acres) of Section 28

S/2 S/2 (159.74 acres) of Section 29

S/2 (318.09 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) (469.76 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 (0.24 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) (549.28 acres)

N/2 SW/4 SE/4 south of the centerline of Hiawatha Trail (10.92 acres); SW/4 SW/4 SE/4 (10.09 acres); NE/4 north of the southerly right of way line of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (64.84 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 (4,810.38 acres, more or less):

E/2 SE/4 (80.65 acres) of Section 20

S/2 (322.77 acres) of Section 21

S/2 (321.55 acres) of Section 22

W/2 SW/4 (79.95 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) (318.37 acres)

S/2 (316.70 acres); W/2 NW/4 (79.46 acres) of Section 26

All (except NE/4 SW/4) (604.48 acres) of Section 27

All (637.65 acres) of Section 28

E/2 SE/4 (78.92 acres); NE/4 NE/4 (39.58 acres) of Section 29

E/2 NE/4 (80.26 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; 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 (592.80 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) (632.52 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) (388.21 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 (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 (236.26 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 (0.25 acre)

Exhibit I
Reserved Named Trail Easement
(Affects Tracts A & B)

The deeds delivered by State to Graymont for Tract A and Tract B shall include the language set forth in this **Exhibit I**, with such minor definitional and formatting changes as are reasonably required for such language to make logical sense in the context of the deeds.

Each deed will recite that it reserves to the State 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 "**Named Trail**" and collectively, "**Named Trails**"), as they currently exist on the relevant Tract A or Tract B, 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 State and its invitees (which may include the general public) to State's land on the east and west sides of the relevant Tract A or Tract B and the following land adjoining that Tract (collectively, "**Hendricks Quarry Tract**"), similar to that access currently available:

   [insert legal description of [Tract A or Tract B] adjoining the Tract]

2. This easement shall run with the land, bind State and Graymont, and their respective successors and assigns, burden the Tract, and benefit State and any property now or in the future owned by State in Mackinac County, Michigan.

3. Each of State and Graymont may improve, maintain and post signs along each Named Trail, at its respective sole cost and expense, but shall have no obligation to do so, except as provided below. Graymont and the general public shall use the Named Trails at their sole risk, in their "AS IS" condition.

4. State may use the Named Trails for ingress and egress, and permit the general public to use the same, in the same manner as the Named Trails are currently used for ingress and egress. Graymont and its invitees may use the Named Trails in common with State and the general public. State and the general public will not be deemed invitees of Graymont.

5. Graymont may relocate all or any portion of the Named Trails at Graymont's sole cost and expense, subject to the following:

   a. Graymont shall give State prior written notice of its intention to relocate a Named Trail, supported by a map showing the relocated route of the Named Trail. The relocated route will be subject to State's approval, which will not be unreasonably withheld or delayed.

   b. Graymont shall not close or alter any Named Trail unless Graymont: (i) first provides access for commercial forestry users a replacement route of similar

quality to connect the Named Trail where it intersects the west or north boundary (as applicable) of the Hendricks Quarry Tract, through the Hendricks Quarry Tract, to Borgstrom Road or the existing point at which the Named Trail intersects the east boundary of the Hendricks Quarry Tract; and (ii) first provides access for the public a recreational trail of similar design and quality that connects the point at which the existing Named Trail intersects the west or north boundary (as applicable) of the Hendricks Quarry Tract and the point at which the existing Named Trail intersects the east boundary of the Hendricks Quarry Tract. See the attached map of connection points numbered and shown.

c. Access may be provided under **subparagraphs 5(b)(i)** and **(ii)** above using, in whole or in part, separate or combined Named Trail(s) for commercial and recreational users.

d. If Graymont relocates all or any portion of a Named Trail as permitted by this easement, then Graymont will post appropriate signage advising users of the changes made.

e. From time to time Graymont may, at its expense, contract for the preparation of a land survey of one or more existing or relocated Named Trail(s), and provide a copy to State, together with an amendment to this easement that uses the survey to precisely locate such Named Trail(s), and releases rights in all previous locations of such Named Trail(s) since relocated. State shall sign and return such amendment to Graymont for recording.

6. The Michigan Department of Natural Resources ("**DNR**") is the authorized representative of the State for all purposes under this **Exhibit I**. All notices under this **Exhibit I** shall be in writing and shall be delivered to the DNR, for the 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.

7. State and Graymont may mutually agree to an amendment or waiver of any provision of this **Exhibit I**; provided that this **Exhibit I** 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 **Exhibit I** shall run with the land, and bind and benefit State and Graymont and their respective successors and assigns.

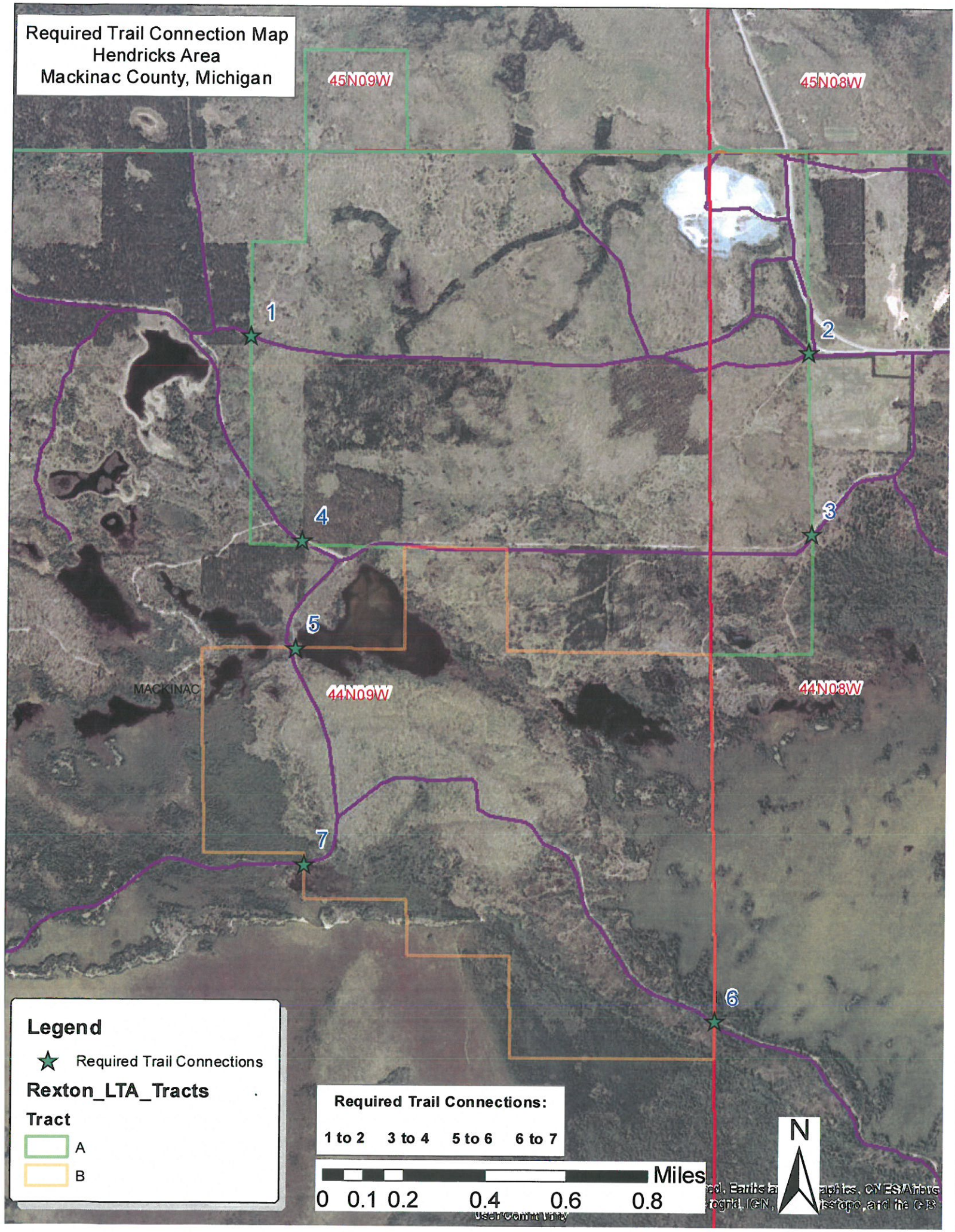
Required Trail Connection Map
Hendricks Area
Mackinac County, Michigan
45N09W
45N08W
44N09W
44N08W
MACKINAC
1
2
3
4
5
6
7
Legend
Required Trail Connections
Rexton_LTA_Tracts
Tract
A
B
Required Trail Connections:
1 to 2
3 to 4
5 to 6
6 to 7
Miles
0 0.1 0.2 0.4 0.6 0.8
N

Exhibit J
Archeological Plan for Unanticipated Discovery of Cultural Resources or Human Remains during Operations
(Affects All Tracts and Easement Area)

1. INTRODUCTION

In accordance with applicable laws, Graymont has established the following procedures to be used in the event that previously unreported or undiscovered cultural resources or human remains are found during ground-disturbing activities associated with construction and operation of the proposed Rexton Mine Project ("**Activities**"). This plan applies only to State Land for which Graymont acquires title or the right to surface use from the State under the attached Agreement.

Cultural resources include but are not limited to ruins, prehistoric and historic artifacts, other archaeological and cultural remains, and human remains. Graymont recognizes the importance of providing careful and respectful treatment for human remains.

2. PRE-CONSTRUCTION

Graymont or the Project Archaeologist ("**PA**"), who meets the *Secretary of the Interior's Standards for Archaeology,* will notify the State Archaeologist ("**SA**") prior to beginning Activities. Graymont will choose and contract with the PA to provide the services provided in this **Exhibit J**, at Graymont's expense. The PA will provide training or instruction for Graymont and contractor personnel as appropriate.

3. PROTECTIVE MEASURES AND TIMEFRAME

a. In the event that unanticipated cultural resources or human remains are discovered during Activities, Graymont will immediately secure and stop work in an appropriate zone around the find. In addition to compliance with reporting requirements in respect of human remains, Graymont will notify the PA of the find as soon as reasonably possible.

b. If the PA determines that the find has no potential to be historically or culturally significant, and informs Graymont of that fact, then Graymont may resume its Activities.

c. If the PA determines that the find is potentially significant, the PA will inform the SA within 48 hours of making such determination of potential significance and consult with the SA regarding the appropriate course of action.

d. If the find is determined to be potentially significant by the PA in consultation with the SA, and continuing Activities may cause damage to the find, the PA will request a recommendation from the SA regarding site treatment measures.

e. Graymont recognizes that consultation with Native American tribes may be appropriate with respect to identification and site treatment measures.

f. In addition to compliance with all legal requirements and directions of the SA, if the find has been determined to be potentially significant by the PA in consultation with

the SA, Graymont will not conduct any Activities that are reasonably expected to affect the find.

4. REPORTING

Graymont will submit to the DNR and the SA an annual report summarizing implementation of this plan once Activities have commenced and are continuing.

5. CURATION OF ARTIFACTS

All artifacts recovered prior to or during Activities will be made available to State for curation by State according to State procedures in consultation with the SA.

Exhibit K
<u>Tract E Trail Easements</u>
(Affects Tracts E)

The deed delivered by State to Graymont for Tract E shall include the language set forth in this **Exhibit K**, with such minor definitional and formatting changes as are reasonably required for such language to make logical sense in the context of the deed.

The deed will recite that it reserves to the State a nonexclusive perpetual easement for ingress and egress over and across the Caffey Truck Trail, the Brevort/Trout Lake Motorcycle/Off-Road Vehicle Trail and the Snowmobile Trail No. 2 crossing Tract E (each, a " **Tract E Trail**" and collectively, " **Tract E Trails**"), as they currently exist on Tract E and are shown on the attached map, 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 via the Brevort/Trout Lake Motorcycle/Off-Road Vehicle Trail and the Snowmobile Trail No. 2 crossing Tract E by State and its invitees (which may include the general public) to the existing Brevort/Trout Lake Motorcycle/Off-Road Vehicle Trail and the Snowmobile Trail No. 2 on the north and south sides of Tract E, and to the existing Caffey Truck Trail, similar to that access currently available.

2. This easement shall run with the land, bind State and Graymont, and their respective successors and assigns, burden Tract E, and benefit State and any property now or in the future owned by State in Mackinac County, Michigan.

3. Each of State and Graymont may improve, maintain and post signs along each Tract E Trail, at its respective sole cost and expense, but shall have no obligation to do so, except as provided below. Graymont and the general public shall use the Tract E Trails at their sole risk, in their "AS IS" condition.

4. State may use the Tract E Trails for ingress and egress, and permit the general public to use the same, in the same manner as the Tract E Trails are currently used for ingress and egress. Graymont and its invitees may use the Tract E Trails in common with State and the general public. State and the general public will not be deemed invitees of Graymont.

5. Graymont may relocate all or any portion of the Tract E Trails at Graymont's sole cost and expense, subject to the following:

a. Graymont shall give State prior written notice of its intention to relocate a Tract E Trail, supported by a map showing the relocated route of the Tract E Trail. Any relocated portion of the route included within the 500 feet of State land south of Tract E will be subject to State's approval, which will not be unreasonably withheld or delayed.

a. Graymont shall not close or alter any Tract E Trail unless Graymont first provides access for users to a replacement route of similar quality to connect each point of the Tract E Trail. Any portion of a Tract E Trail that is relocated shall be relocated within a corridor consisting of the westerly 100 feet of Tract E, the westerly 100 feet of land owned by Graymont or a company controlled by or under common control with Graymont (a "**Graymont Company**") surrounded on three sides by Tract E, and the southerly 100 feet of Tract E (for which relocated Tract E Trail a Graymont Company shall grant an easement to State) and/or State land within 500 feet of the south boundary of Tract E. See the attached map of such corridor.

b. Access may be provided under **subparagraph 5(b)** above using, in whole or in part, separate or combined Tract E Trail(s) for roadway, motorcycle and snowmobile/off-road vehicle users.

c. If Graymont relocates all or any portion of a Tract E Trail as permitted by this easement, then Graymont will post appropriate signage advising users of the changes made.

d. From time to time Graymont may, at its expense, contract for the preparation of a land survey of one or more existing or relocated Tract E Trail(s), and provide a copy to State, together with an amendment to this easement that uses the survey to precisely locate such Tract E Trail(s), and releases rights in all previous locations of such Tract E Trail(s) since relocated. State shall sign and return such amendment to Graymont for recording.

6. The Michigan Department of Natural Resources ("**DNR**") is the authorized representative of the State for all purposes under this **Exhibit K**. All notices under this **Exhibit K** shall be in writing and shall be delivered to the DNR, for the 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.

7. State and Graymont may mutually agree to an amendment or waiver of any provision of this **Exhibit K**; provided that this **Exhibit K** 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 **Exhibit K** shall run with the land, and bind and benefit State and Graymont and their respective successors and assigns.

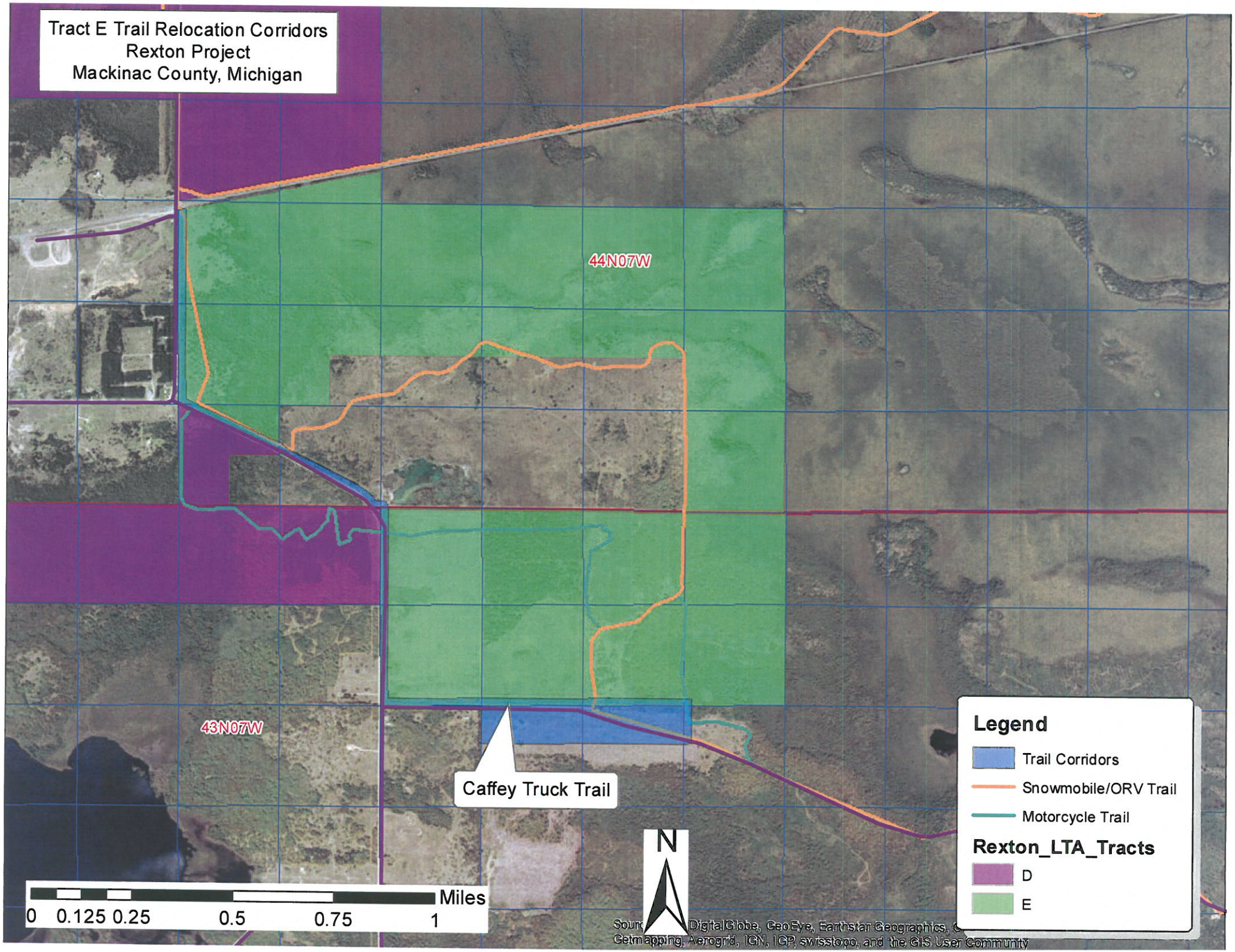
Tract E Trail Relocation Corridors
Rexton Project
Mackinac County, Michigan
44N07W
43N07W
Caffey Truck Trail
Legend
Trail Corridors
Snowmobile/ORV Trail
Motorcycle Trail
Rexton_LTA_Tracts
D
E
N
Miles
0 0.125 0.25 0.5 0.75 1
DigitalGlobe, GeoEye, Earthstar Geographics,
Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Exhibit L
Royalty Adjustment, Calculation and Reporting
(Affects Tracts A, B, C, D and E)

1. The Royalty Rate shall be adjusted, effective annually on each January 1, commencing January 1, 2016, for the ensuing calendar year, to reflect any change in the Producer Price Index-Commodities, series ID: WPU132101212 since the date of this Agreement, using Annual Index values; provided that the royalty rate will not be less than thirty (30) cents per ton at any time. 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.

2. Except as provided below, for each calendar year after the year in which State conveys Tracts A, B and C to Graymont, Graymont will pay to State a minimum royalty of $10,000 for Tracts A, B and C, in addition to any production royalties over $10,000 payable for limestone and dolomite mined and transported away from Tracts A, B and C. Graymont will not be required to pay such minimum royalty (a) for any calendar year after such conveyance in which Graymont contributes at least $100,000 to the Fund and the Fund disburses some money in the community supporting the purposes described in **Paragraph 36** of the Addendum, (b) for any calendar year in which Graymont transports limestone or dolomite from State Land to a plant for processing limestone or dolomite owned by Graymont or a Graymont Company and located in Mackinac County, Michigan, or (c) for any calendar year commencing after Graymont has made a declaration to State that it will not conduct limestone or dolomite mining operations on Tracts A, B or C in the future.

3. Except as provided below, for each calendar year after the year in which State conveys Tracts D and E to Graymont, Graymont will pay to State a minimum royalty of $10,000 for Tracts D and E, in addition to any production royalties over $10,000 payable for limestone and dolomite mined and transported away from Tracts D and E. Graymont will not be required to pay such minimum royalty (a) for any calendar year after such conveyance in which Graymont contributes at least $100,000 to the Fund and the Fund disburses some money in the community supporting the purposes described in **Paragraph 36** of the Addendum, (b) for any calendar year in which Graymont transports limestone or dolomite from State Land to a plant for processing limestone or dolomite owned by Graymont or a Graymont Company and located in Mackinac County, Michigan, or (c) for any calendar year commencing after Graymont has made a declaration to State that it will not conduct limestone or dolomite mining operations on Tracts D and E in the future.

4. The amounts payable in respect of each calendar year by Graymont to State under this **Exhibit L** shall be paid annually within sixty (60) days following the end of such calendar year. Any such amount not paid when due shall bear interest at the lesser of the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law ("**Default Rate**").

5. Graymont shall weigh all limestone and dolomite mined and transported away from State Land for which a royalty is payable to State ("**Royalty Production**") under this Agreement,

and shall submit to State at the time of each annual payment of royalties, an annual mining report certified by an officer of Graymont, showing the weight and dates of transport away from State Land of the Royalty Production for the past calendar year. All equipment used by Graymont to weigh limestone and dolomite mined and transported away from State Land shall be inspected and certified annually by a qualified person independent of Graymont. All Royalty Production that is to be further processed or combined with other materials shall be weighed before any such additional processing or combining with other materials. The annual mining report shall include maps showing the production area and the volumes mined.

6. State may make inspections of equipment for weighing Royalty Production and surveys of mined areas at any time on reasonable notice to Graymont. State, and any of its authorized employees or representatives, shall have the right to do the following, as reasonably necessary to determine the weight of the Royalty Production: (a) check the movement of limestone and dolomite from the quarries and mines on the State Land to storage and to the processing plant; (b) be present at all measuring, gauging, weighing and sampling stations for Royalty Production; and (c) observe the flow of minerals and mineral products from the State Land. In entering active mining areas, representatives of State shall comply with all MIOSHA regulations and other federal and state regulations and Graymont policies and procedures for the protection of health and safety.

7. State or its designated representatives may conduct audits of Graymont records related to the establishment of correctness of Royalty Production payments as expressed in an annual mining report, for a period of six (6) years following the delivery of such report to State, after which time State may not challenge the accuracy of such report, except as otherwise allowed by law. Except as provided in **Paragraph 9** below, audits and inspections will be performed by State at its sole cost and expense.

8. In connection with State audits, Graymont shall make available to State for review, upon State's reasonable request, any records within Graymont's possession or control that record volumes of severed limestone or dolomite inventory on State Land, surveys and other determinations of volumes of limestone or dolomite mined from State Land, and volumes of overburden and non-limestone and dolomite materials moved within, from and to the State Land, including, without limitation, records for inspections and testing of scales and any estimates used to correct weights for periods when scales were found to be not operating within commercially reasonable tolerances. Graymont may redact any sales prices, quality data or values included in records provided for audit. Graymont will have no obligation to maintain any records pertaining to Royalty Production payments as expressed in an annual mining report, for more than six (6) years following the later of: (a) the delivery of such report to State; or (b) the final resolution of any dispute between State and Graymont concerning the Royalty Production payments covered by the report.

9. If a State audit establishes an underpayment by Graymont of the amount of royalty payable, then Graymont shall promptly pay the underpayment to State, together with interest at the Default Rate from the date the underpayment should have originally been paid. If a State audit establishes a discrepancy in the amount of royalty payable in excess of three percent (3%) of the royalty paid for the audit period, then Graymont shall reimburse State, upon

demand, for the cost of the audit. If a State audit establishes an overpayment by Graymont of the amount of royalty payable, then the overpayment shall not be refunded, but shall be credited and set off against future amounts payable, without interest.