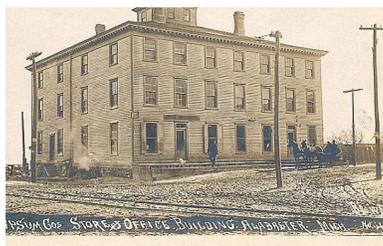


Building Our Future in Michigan: USG Alabaster

United States Gypsum Company proposes to purchase land and minerals adjacent to its existing operation in Alabaster Township, Michigan to continue its 116-year-old gypsum business.

The Alabaster quarry was one of the first locations that joined United States Gypsum Company when it was founded in 1902. Today, it remains one of only three original locations that have operated continuously for the past century and is a valued part of USG Corporation, which is United States Gypsum Company's parent company.

ABOUT USG



USG offices in Alabaster, circa 1910.

USG Corporation is a leading manufacturer of building supplies and innovative solutions, with 6,750 employees in North America and operations around the world. Even so, we have deep roots in Alabaster, Michigan.

The history of the community of Alabaster and USG are intertwined. In fact, Alabaster is named for the white gypsum deposits found in the area as early as 1836. A community church founded on USG property in 1902 still stands and meets today.

USG products have enabled the built environment as we know it today, allowing buildings to be safer, taller and more sustainable. Our iconic Sheetrock® brand drywall is among the most well-known building supplies around the world.

USG employs about 20 people in Alabaster and around 250 across Michigan. We take our commitment to our employees very seriously and embody core values of safety, innovation, quality, service, integrity, efficiency and diversity.

WHY GYPSUM IS IMPORANT

Gypsum is a subsurface mineral found in plentiful supply around the world. It's an essential raw material used in a long, wide-ranging list of products from drywall and cement to fertilizers, food and much more. The Alabaster quarry not only supports USG's other Michigan plants in Detroit and Otsego, it supplies gypsum to dozens of other manufacturers across the state. Our quarry is integral to thousands of jobs in Michigan's construction trades, agriculture, food processing and other industries.



Gypsum comes in many shapes and colors, including this sample from Alabaster.

Just a few of the Alabaster quarry's customers include LaFarge Cement in Alpena, Michigan Sugar in Bay City, St. Marys Cement in Detroit, and dozens of large farming operations around the region.

WHAT THIS PROPOSAL MEANS FOR MICHIGAN

The land USG seeks is 580 acres of state property immediately beside its existing quarry. This proposal brings significant benefit to the Tawas region and state's economy by ensuring USG can continue its quarry operations for many years to come.

The proposed acquisition will:

- **Extend the life span** of a key driver of Michigan's economy and allow it to continue supplying Michigan companies that depend on gypsum.
- **Support good jobs** in a rural part of the state.
- **Preserve the environment** by extending current quarry operations instead of opening a new quarry.
- **Put hundreds of acres of land back on the regular tax rolls** through a market-value purchase, and support critical public needs, such as police and fire protection, schools and more.
- **Provide the Department of Natural Resources with critical funds** to further its mission of managing the conservation, protection, use and enjoyment of the state's natural resources.
- **Meet the State of Michigan's goal** of supporting and strengthening the resource-based economy.

WE ARE STEWARDS

Caring For Our Employees

Our employees are the heart of our business, and we have been committed to their safety and well-being for more than 115 years. We are proud that the *Detroit Free Press* has named us a Top Workplace for four straight years, and we have also been recognized with the Alfred P. Sloan Award for Excellence in Workplace Effectiveness and Flexibility.



Employees from our Michigan plants celebrate four years of Top Workplace awards.

On average, we operate 16 times more safely than other manufacturers, largely because every member of our team is empowered to put safety above all else. Thanks to that focus, our employees in Alabaster haven't lost time due to an injury for 17 years. In 2016, we earned the National Safety Council's Robert W. Campbell Award for outstanding environmental, health and safety programs.

Caring for Our Community

As neighbors in the community, we are engaged. In 2015, USG granted an easement over its property to Alabaster Township for the Sunrise Side Path, an approximately 3.3-mile-long bike path along the shore of Lake Huron enjoyed by local residents and area tourists and visitors. We recently contributed to the Iosco County Historical Museum in East Tawas. Our employees are engaged in the community, attending local government meetings and supporting local businesses.



A portion of the Sunrise Side Bike Path travels across our property.

Caring For Our Environment



Our reclamation efforts include a variety of natural habitats and wildlife.

We care for the land we rely on, and Alabaster is a proud example. USG was honored to be named one of *Barron's* 2018 100 Most Sustainable Companies.

The process for quarrying gypsum at Alabaster is sustainable and safe, including reclamation of the land back to a natural state when our operations end. When we close a gypsum quarry, we work closely with state regulators to backfill the earth, create a natural landscape, plant native trees and welcome wildlife into the space.

We're already reclaiming more than 100 acres of our existing Alabaster quarry with habitat creation and enhancement, timber management and control of invasive species. A visitor to our property will immediately experience the care we take – coastal dunes, wetlands, inland waterways and forests support diverse wildlife and a healthy ecosystem.

The proof of our stewardship is further supported by the evolution of our operations. When mining began in 1902, gypsum was removed with explosives and hand tools. In the 1930s our operations were more industrial, including machinery, rail lines, ships and off-shore marine storage bins. Today, we are in the process of removing those bins at the request of our local government partners. The landscape that once was part of large scale operations now provides natural beauty as part of Michigan's Lake Huron coast.

WE STARTED HERE. WE ARE STILL HERE. WE WANT TO CONTINUE HERE.

Governor Snyder has signaled the state's interest in strengthening Michigan's natural resource-based economy. He called the first-ever Governor's Summit on Extractive Industries to showcase Michigan's existing companies and highlight the need to grow this segment of our economy. We are proud to be one of the state's oldest operating partners in the extractive industries, and this expansion will ensure we can continue.

While USG has branched out, our roots have remained firmly planted in the Sunrise coast. We propose a fair market-value plan to keep USG working in Michigan for years to come, supplying a key building block for dozens of Michigan companies and industries. Through this proposal, we are reaffirming USG's 116-year investment in the region, its celebrated history at Alabaster, and its active involvement in both the local community and the State of Michigan.



We are proud to be a high-quality employer, manufacturer and corporate citizen in Alabaster Township.

BUILDING OUR FUTURE IN MICHIGAN: USG ALABASTER

www.usgalabaster.com

