



St Marys Cement Inc. (U.S.) - Charlevoix, Michigan Plant

St Marys Cement Land Swap Concept

April 2014

Community Members,

Since St Marys Cement bought the plant in 2005, we have consistently sought input from the community on how our operations affect them, attempted to address real concerns and in the process we have built strong relationships with the community. We have over one hundred thirty full time employees, are one of the largest tax payers in the county, are a major economic contributor to the area, and we expect to be here for the foreseeable future.

We also recognize that our area is a community with a certain character and charm that we all must work together to preserve and protect. St Marys decisions should ultimately enhance that character in the long term, while taking intermediate steps along the way that will make our operations as discreet and as low-profile as possible. With this in mind we envisioned the 'land swap'.

To get a feel for what the 'land swap' concept is please see Map 1 which represents actual, current St Marys property boundaries, and Map 2 which represents a post land swap conceptual boundary. In both maps the area within the yellow boundary is a mining area within which we intend to completely recover reclaimable minerals. In other words - 'doing nothing' means we would not move forward to swap property with the State and instead would mine the area within the yellow boundary in Map 1.

For a concept as broad and long-term as the 'land swap', a meaningful conversation is needed where real issues can be identified, then discussed by objective people working together for the overall benefit to the community, the park, our company and our employees. That kind of open dialogue has not yet occurred; as a result St Marys has not prepared or submitted an application to the Michigan Department of Natural Resources for a land swap.

St Marys proposes a working committee be formed to objectively challenge existing assumptions and determine if practical solutions can be crafted. The findings and conclusions could then be reported to the broader community.

We will facilitate the discussion and ask that respected leaders in the community, business, and the environment, consider participating. This will include people from Charlevoix Township, Norwood Township and the City of Charlevoix.

An open, direct, and fact based dialogue which leads to a constructive solution is the best way forward. In the following pages you will find a description of the concept, some of the benefits and some of the unedited comments that people have had. Our contact information can be found at the end of this brochure. Please feel free to use it.

Dirk Cox
Operations Manager
St Marys Cement Inc.



Map 1 - "DO NOTHING" Scenario

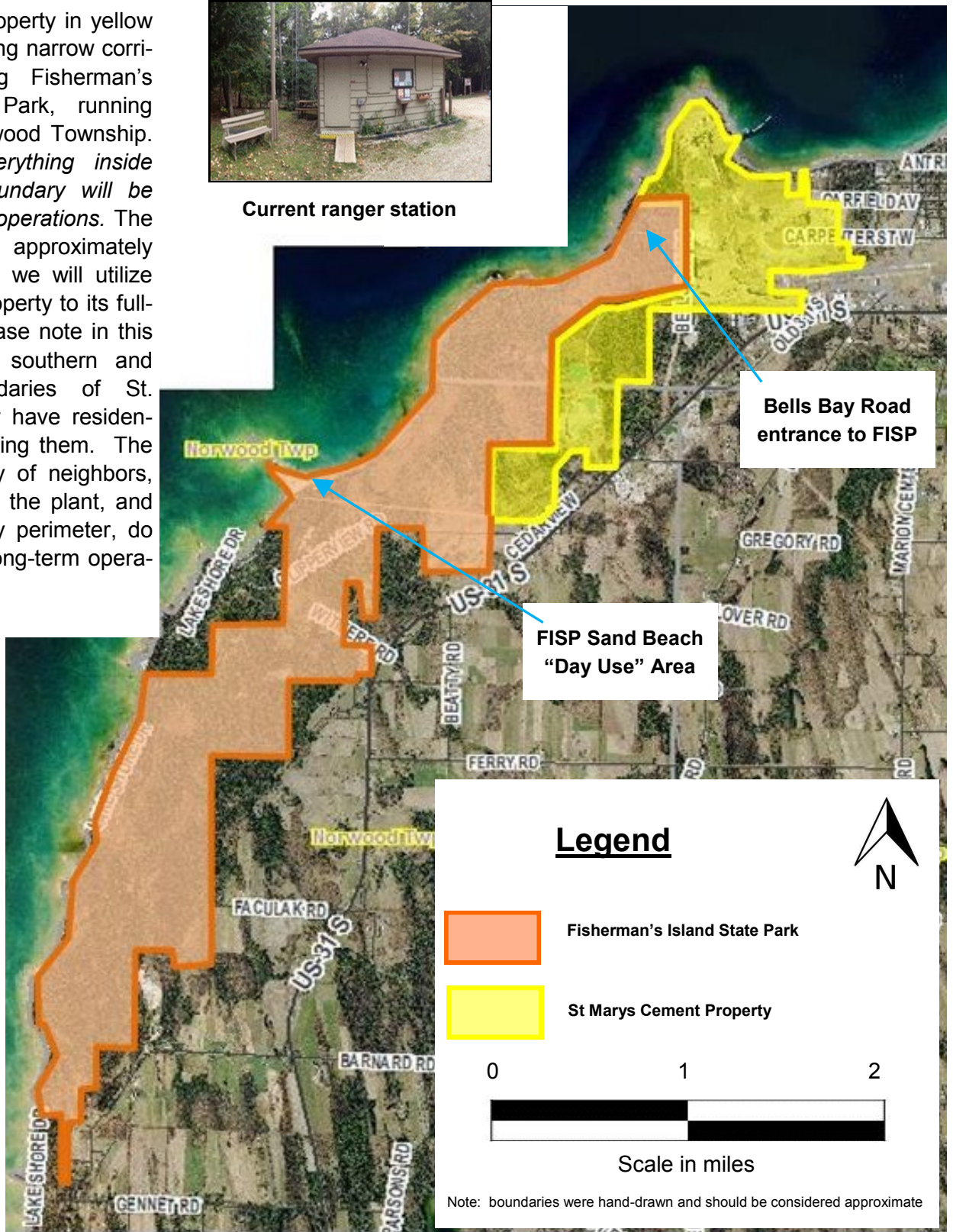
Current Property Boundaries

St Marys Cement and Fisherman's Island State Park

Map 1: Our property in yellow extends in a long narrow corridor, paralleling Fisherman's Island State Park, running deep into Norwood Township. *Ultimately, everything inside the yellow boundary will be part of mining operations.* The quarry life is approximately 100 years and we will utilize our existing property to its fullest extent. Please note in this map that the southern and eastern boundaries of St. Marys property have residential areas abutting them. The future proximity of neighbors, the distance to the plant, and the long quarry perimeter, do not meet our long-term operational goals.



Current ranger station



Map 2 - Land Swap Concept Proposed Property Boundaries St Marys Cement and Fisherman's Island State Park

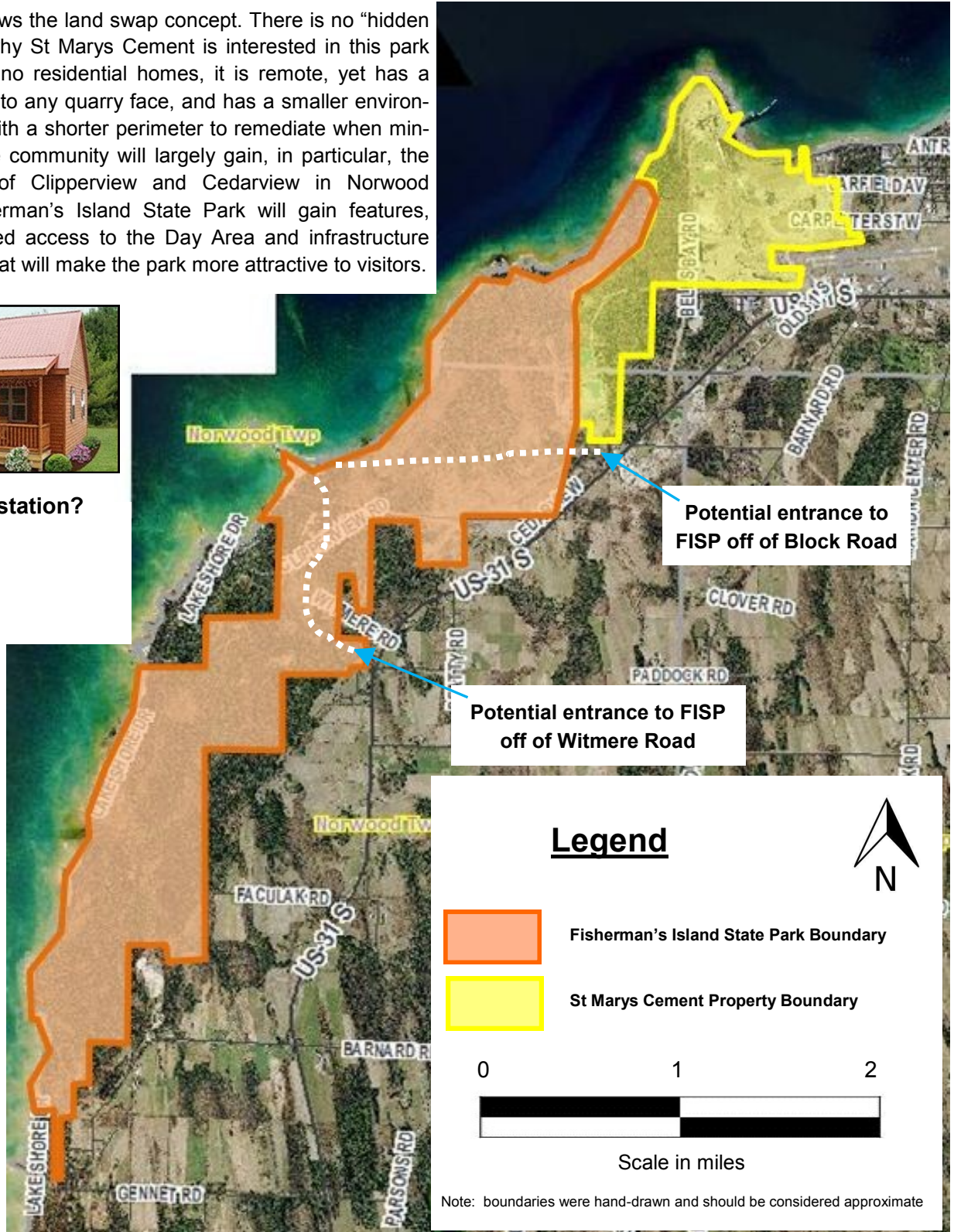
Map 2: This shows the land swap concept. There is no "hidden agenda" as to why St Marys Cement is interested in this park property. It has no residential homes, it is remote, yet has a shorter distance to any quarry face, and has a smaller environmental impact with a shorter perimeter to remediate when mining is done. The community will largely gain, in particular, the neighborhoods of Clipperview and Cedarview in Norwood Township. Fisherman's Island State Park will gain features, such as improved access to the Day Area and infrastructure improvements that will make the park more attractive to visitors.



New ranger station?

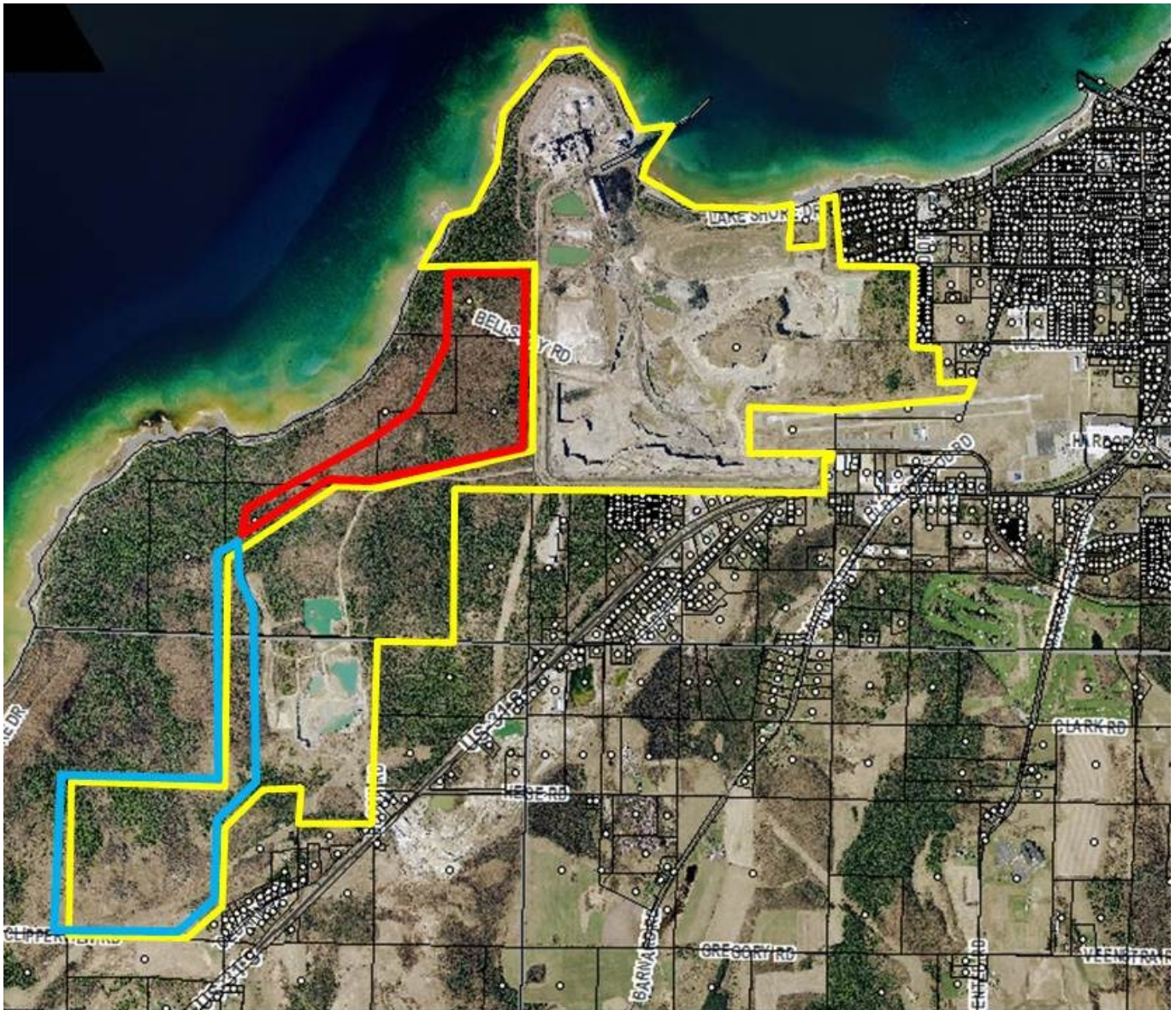
- WiFi?
- Modern restrooms?
- Electricity?
- Showers?
- Pavilion?
- Mini-cabins?
- Playground?
- Dog park?
- Other services?

These are all things to consider!



Note: boundaries were hand-drawn and should be considered approximate

Map 3 - Land Swap Concept Detail



Yellow Line — Current property boundary for St Marys Cement.

Blue Line — St Marys property which would be traded to the State of Michigan and become part of Fisherman's Island State Park.

Red Line — State of Michigan property which would be acquired by St Marys Cement.

NOTE: The proposed swap parcels are shown above at a slight offset so that the current property line is visible. The land swap would follow property boundaries. Boundaries were hand-drawn and should be considered approximate.

"Do Nothing" (No Land Swap)	Result of the Land Swap **
Mine abuts southern residential areas.	Mine will no longer abut southern residential areas.
Park shoreline extends ±6 miles.	No change to park shoreline—all remains accessible.
Park ±2,678 acres.	Park becomes larger (±2,720 acres).
SMC ±1,402 acres.	SMC mine becomes smaller (±1,360 acres).
Rustic campsites (81).	No change in campsites.
Park internal Lakeshore Drive.	Remains the same.
Natural wetlands on the SMC property will be removed and replaced elsewhere.	Natural wetlands will be preserved as part of Fisherman's Island State Park.
McGeach Creek will have to be moved.	McGeach Creek will remain as it is.
Park/mine boundary and berm (3.8 miles).	Boundary and berm reduced to 2.2 miles.
Park & SMC entrance shared.	Two entrances? New entrance phased in? To be discussed.
Bells Bay Road will change one day.	Bells Bay Road will change one day.
Park infrastructure - rustic.	Park infrastructure - improved and modernized (subject to MDNR).
Park internal trails (3 miles).	Trails will be the same or more could be added.
Lake to Lake Trail access down Bells Bay Road.	Lake to Lake Trail access will remain to the park through a slightly longer route.
Wheelway access - none on SMC property.	Wheelway access possible through SMC property.
South campground loop ±1,200 ft. to mine.	South campground loop ±3,300 ft. to mine.
North campground loop ±1,000 ft. to mine.	North campground loop ±700 ft. to mine.
No known archaeological impacts (based on study).	No known archaeological impacts (based on study).
Water table drawdown from quarry pumping will impact abutting residential wells.	Pumping operations will be further away from residential areas and will cause less well impacts.
"The interior terrain consists of rolling dunes covered with maple, birch and aspen broken up by bogs of cedar and black spruce."	The basic terrain remains the same but with more wetland habitat and the addition of 4,000 feet of McGeach Creek.

*** No discussions have yet been had with the MDNR regarding park features, and all final decisions on internal park features are under the jurisdiction of the MDNR .*

Land Swap Questions, Comments and Responses

1. “Why is SMC proposing this land swap?”

R: SMC will gain a more consolidated quarry footprint closer to the plant. This means a shorter property boundary that is more isolated from residential areas. A shorter distance to any quarry face means we will consume much less fuel hauling materials to the main plant. There will be less of an environmental impact and a shorter perimeter to remediate when quarrying is completed and the quarry is eventually turned into a lake. The impact on the neighborhoods of Clipperview and Cedarview in Norwood Township and the south campground area of the park will be substantially reduced.

2. “What would the State Park gain from the proposed land swap? Why would the State want to do this?”

R: The State frequently engages in land swaps and they are typically structured so that there is greater public benefit. The Michigan Department of Natural Resources would have to agree to this swap; however no proposal has yet been submitted. In this case, the Park would have a net gain of ±40 acres of land above the amount they would cede to SMC, the Park will acquire ±4,000 feet of the trout stream known as McGeach Creek, including a diverse habitat with fields, woods, and wetlands. In addition, the public would gain a new public access road to the Park which would not pass through an industrial setting. Additional improvements could include a new ranger station and other critically needed infrastructure improvements close to the

“Day Area”. Finally, Fisherman’s Island State Park stands to gain features that will attract more visitors.

3. How would the community benefit from the land swap?

The long-term aesthetics of the community will be improved by consolidating the footprint of the quarry area as well as making one of the area’s important job providers more sustainable. Furthermore, the enhancements and improvements to the Park will draw more visitors, which will in turn contribute to our local businesses.

4. “I heard this [the land swap] is a done deal.”

R: This is not true. St Marys has not submitted any application to the Michigan Department of Natural Resources. It is not a done deal. It is a just a concept and your input is important.

5. I heard St Marys make the comment that if the land swap doesn’t take place then they will do nothing. What does that mean? Why don’t you just do nothing instead of upsetting everyone?”

R: Please see Map 1. By “doing nothing” we will do nothing different from our original operational plan. The original operational plan means all property to the south of the plant, extending into Norwood Township, will eventually be fully quarried. The entire perimeter will be bermed and all minerals extracted.

Eventually the quarry, will be filled with water and turned into a lake. The land swap concept gives us the opportunity to envision how we want the final shape of the quarry and shoreline to be determined.

6. Will the expected “lifetime” of the plant be affected by the swap?”

R: Yes. The plant currently has enough materials for approximately 100 more years of operation. The proposed land swap will actually reduce the plant’s expected lifetime by a few years.

7. “Is it true that St Marys Cement eventually wants to close off access to the park through Bells Bay Road?”

R: Yes. If the swap takes place, it would necessitate relocating the park entrance. This would not be for many years and would be subject to discussions with the Michigan Department of Natural Resources.

8. “The entrance to Fisherman’s Island State Park would have to be moved from just outside the city of Charlevoix on Bell’s Bay Road to five miles south of Bell’s Bay Road on Clipper View Road.”

R: This is not true. No entrance direct from US-31 via Clipperview is being considered because this would mean routing park traffic through the Cedar Ridge residential subdivision. SMC envisions two other possible park entrances. Ultimately the Michigan Department of Natural Resources would

Land Swap Questions, Comments and Responses

decide on a new park entrance location.

9. "With a new entrance I will have to drive further to the park, and people will be reluctant to drive further."

R: This depends where you live. For some people it's closer and some it's further. From the city of Charlevoix the drive would be further, but from Norwood the drive would be shorter. An entrance off Block Road, for example, would add an additional 3.3 miles round trip (about four minutes) to and from the city of Charlevoix. An entrance off Witmere Road would be add an additional 6.9 miles round trip (about eight minutes) from the city of Charlevoix. In order to access the park Day Area, people are already driving to it south through the park. The overall distance to the Day Area remains approximately the same with all routes.

10. "Campers would be reluctant to travel to Charlevoix to shop and dine because of the extra distance in travel."

R: This is not true. The new entrance still puts Charlevoix as the nearest shopping and dining destination for anyone visiting the park. If people want to shop or dine, they would still likely go to Charlevoix.

11. "The Lake-to-Lake Trail would be lost. The trail goes from Ferry Beach on Lake Charlevoix to Bell's Bay Road. ...If the swap occurs, the trail would no longer go to Bells Bay and the current entrance to the park. The trail would be rerout-

ed around the quarry and/or along the highway. It would be a far longer distance to Lake Michigan."

R: This is not true. The trail would still go from Ferry Beach to the entrance of Bells Bay Road. Furthermore, in support of the Lake to Lake Trail, St Marys Cement gifted more than 15 acres of our former railroad spur towards the completion of the Lake to Lake Trail in 2013. The entire Lake to Lake Trail investment scheduled for 2014 is on the portion of the trail prior to Bells Bay Road. Nothing St Marys proposes affects this portion of the trail at all.

12. "I heard that St Marys Cement wants to trade land to the State Park which has already been mined by them and is a big hole."

R: This is not true. SMC has not conducted any quarry operations in areas that might be traded to the Michigan Department of Natural Resources. All areas we have quarried will stay within our property boundary. However, part of the property we propose to obtain is a former quarry area.

13. I heard that St Marys Cement is going to mine the beach.

R: This is not true. All current beachfront property in the park will remain unchanged and remain part of the park property. Map 2 shows the approximate property line setback from the beach area.

14. "The hiking trails and cross country ski trails on both sides of the road would be lost. Trails within the park will be destroyed if the land swap is allowed."

R: This is not true. St Marys will survey the main marked trails with respect to the proposed boundaries to be absolutely certain of where the trails are located. Furthermore, if needed or desired, SMC may repair or improve the trails in the future to the satisfaction of the Michigan Department of Natural Resources.

15. "Park access is free right now and I can go there and let my dogs run. "

R: This is not true. The Michigan Department of Natural Resources requires all dogs to be leashed and visitors to use their Michigan Department of Natural Resources annual Recreation Passports for access to the park. Perhaps a dog park could be created in the swapped property. Those year-round local residents who would experience a hardship by purchasing an \$11 recreation passport may ask for reimbursement from St Marys Cement.

16. "The buffer that the most sought-after sites next to Lake Michigan now have would be lost. A cement quarry would be within several hundred yards... campsites in the State Park will be lost if the proposed land swap goes through."

R: This is not true. No campsites will be lost or impacted. All current campsites will remain after the swap unless the MDNR decides

Land Swap Questions, Comments and Responses

to move them. St Marys Cement lands currently share a common boundary of ±3.8 miles with the state park. If the land swap occurs, the common boundary will be reduced to ±2.2 miles. This is a 40% reduction in the shared property boundary. Please refer to Map 1 versus Map 2.

17. “The land that St Marys is trading has sand dunes, scrub brush and wetlands. It is not the quality of forest the entrance to the park now sits on.”

R: The quality of the land is subjective to most; however the Michigan Department of Natural Resources has an established process for reviewing land transaction applications which involves in-depth scrutiny from the Wildlife,

Fisheries, Forest Resources, and Parks and Recreation Divisions. The scientists and environmental experts at the Michigan Department of Natural Resources will make determinations regarding land “quality”.

18. “The berms along the high-way and road into Fisherman’s Island State Park disguise the complete destruction of all green.”

R: The berms do exactly what they are designed to do. The berms provide a safety barrier, visual barrier, noise barrier and a convenient way to store topsoil for the future lakeshore remediation.

19. “SMC is going to be fracking’ in the park.”

R: This is not true. St Marys Cement does not engage in fracking. We only manufacture cement.

20. “We ask that the Charlevoix City Council and the Charlevoix Township Board also vote to oppose the land swap....”

R: It is premature to ask anyone to make a final judgment at this time. SMC has not submitted an application so that we could first have a meaningful dialogue on the land swap with the community. Please see our cover letter.

Land Swap Facts

Weigh the benefits:

- **Larger State Park** and a net increase in ecosystem habitat
- **New park entrance** farther from the plant
- **New ranger station** farther from the plant
- **No reduction** in park trails
- **No reduction** in campsites
- **No reduction in lake shoreline**
- **No impact** on tax base in the townships
- **New Lake to Lake Trail options** that currently do not exist
- Neighbors who can expect **future quarry activities to be farther away from their homes**

We welcome your questions and comments!

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