



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

201414034

JAN 09 2014

T:EP:RA:T2

Re:

EIN:

Company =

Dear \_\_\_\_\_ :

This letter constitutes notice that your requests for waivers of the minimum funding standard for the Plan for the plan years ending December 31, 2011, and December 31, 2012, have been granted subject to the following conditions:

- (1) Collateral acceptable to the Pension Benefit Guaranty Corporation ("PBGC") is provided to the Plan for the full amount of the 2011 and 2012 waivers by the later of (a) 120 days from the date of the ruling letter or (b) the earlier of (i) the date the PBGC notifies the Service in writing that this condition has not been met or (ii) 360 days from the date of the ruling letter;
- (2) Starting with the contribution due on April 15, 2014, the Company makes the required quarterly contributions to the Plan in a timely fashion while the Plan is subject to a waiver of the minimum funding standard. For this purpose, the total amount of each quarterly contribution will be determined in accordance with section 430(j)(3)(D) and section 430(j)(3)(E) of the Internal Revenue Code ("Code"), and can be comprised of several installments made prior to the respective due date of the quarterly contribution;
- (3) The Company makes contributions to the Plan in amounts sufficient to meet the minimum funding requirements for the Plan for the plan years ending December 31, 2013, through 2017, by September 15, 2014, through 2018, respectively;
- (4) Under section 412(c)(7) of the Code, the Company is restricted from amending the Plan to increase benefits or plan liabilities while any portion of the waived funding deficiency remains unamortized;

- (5) The Company provides proof of payment of all contributions described above in a timely manner to the Internal Revenue Service and to the PBGC using the fax numbers or addresses below:

IRS-EP Classification

Corporate Finance and Restructuring Department

You agreed to these conditions in a letter dated November 15, 2013. If any one of these conditions is not met, the waivers of the minimum funding standard granted for the Plan for the plan years ending December 31, 2011, and December 31, 2012, are retroactively null and void.

The conditional waivers granted for the Plan for the plan years ending December 31, 2011, and December 31, 2012, have been approved in accordance with section 412(c) of the Code and section 303 of Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which these waivers have been granted is equal to the amount that is needed to satisfy minimum funding standard for the plan years ending December 31, 2011, and December 31, 2012. However, the portion of the minimum funding standard attributable to the waived funding deficiency for the plan year ending December 31, 2011, cannot and has not been waived for the plan year ending December 31, 2012, in accordance with section 412(c)(1)(C) of the Code.

The Company is a privately held corporation and has been in business since 1933. The Company operates four major divisions: mining and materials, construction supply, precast group and transportation.

The current financial hardship was brought on by the financial effects of two key factors: the decline in the construction market caused by the 2008 economic crisis, and higher financing costs due to the downgrading of the Company's credit rating. After a record profit in 2008, the Company experienced four consecutive years of losses for the first time in its history. Sales for one of the major products fell almost 80% from 2008 to 2011. The Company suspended all dividend payments to shareholders and implemented across the board salary cuts. Simultaneously, the Company's effective rates on a significant portion of long-term debt have risen to over 10%. Moreover, the amortization periods for the long term debt are aggressive and have been difficult for

the Company to maintain within the current credit structure. During 2011, the Company began to pursue a project to reduce its dependence on the construction market. However, no financing options were available to the Company. The Company represents that it cannot continue to pursue this project, make debt service payments, and contribute to the pension plan. These facts, along with the financial information provided by the Company, showed that the Company has experienced a substantial business hardship.

In response to its business hardship, the Company has taken steps to reduce operating costs, invest in products that meet market demand, and negotiate with its lender to lower financing costs. In particular, the Company finished a project which gives it the capability to not only manufacture sand for hydraulic fracturing, but also produce high quality industrial sands that it was not able to make before. The Company also hired external consultants to restructure the Company's debt structure. The restructuring plan is comprehensive and is designed to reduce the high financing cost.

The Company believes, and its financial projections illustrate, that its cash flows will improve adequately to satisfy its funding obligation to the Plan in the near future. Accordingly, it appears that the Company's business hardship is temporary, and granting the funding waivers supports the continuation of the Plan and is in the best interest of plan participants.

Your attention is called to section 412(c)(7) of the Code and section 302(c)(7) of the ERISA, which describe the consequences that would result in the event the Plan is amended to increase benefits, change the rate in the accrual of benefits, or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to a profit sharing plan or any other retirement plan (covering employees covered by this Plan) maintained by the Company, to increase, or any action by the Company or its authorized agents or designees (such as the Board of Directors or the Board of Trustees) that has the effect of increasing the liabilities of those plans would be considered an amendment for purposes of section 412(c) of the Code and section 302(c)(7) of the ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Company (covering employees covered by this Plan) would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) of the ERISA.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan years ending December 31, 2011, and December 31, 2012, the date of this letter should be entered on Schedule SB (Actuarial Information). For this reason, we suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule SB.

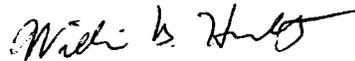
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We have sent a copy of this letter to the Manager, EP Classification in Baltimore, Maryland, to the Manager, EP Compliance Unit in Chicago, Illinois, and to your authorized representative pursuant to a power of attorney on file in this office.

If you require further assistance in this matter, please contact \_\_\_\_\_ (Badge No. \_\_\_\_\_) at \_\_\_\_\_

Sincerely,



William Hulteng, Manager  
Employee Plans Technical

cc:

Manager, EP Classification  
Baltimore, Maryland

Manager, EP Compliance Unit  
Chicago, Illinois