

My name is Marshall Thompson and I am the General Manager with responsibilities for our Cement Treated Materials Group (CTM). First, allow me to thank Collin County for their business. We appreciate the opportunity to work and grow with your group.

Texas has outpaced the rest of the country in growth and development. North Texas, and Collin County in particular, have led the way in this growth both in Texas and nationally. This activity has pushed the demand for materials used in construction to higher levels than the national average. In turn, the demand has pushed prices on materials, freight, labor, etc. to higher levels. The PPI for hydraulic cement is based on national trends. It does not take into account regional or local trends and nuances, and accounts for only one constituent in the cost to produce the products we provide to Collin County.

Although our costs for materials, labor, freight, etc. are proprietary, I will share that the cost to produce and ship our products has increased by more than 10% since April of 2016. We believe that costs will increase by over 10% again in early 2018. These figures provide our reasoning for the need to increase prices for our products to the levels indicated on our quote. On an FOB basis, the quoted prices represent increases of 12%-15%, depending on the product. On a delivered basis, the quoted prices represent a 4% or less increase. We feel the price increases are justified considering the production/delivery costs that we have absorbed already, and confidently anticipate to receive in 2018 or sooner.

Again, our thanks and appreciation to Collin County for allowing Martin Marietta's CTM division to service your needs.

Sincerely,
Marshall Thompson
General Manager
Martin Marietta

Attached are price increase notifications for cement from Martin Marietta from 2016-2018. I can share these with you because they were distributed to customers and therefore are public knowledge. These letters reflect price increase trends in the North Texas area that are greater than the PPI. I hope this helps the show foundation for our price increases.

Marshall Thompson



10/1/16

To our valued customers:

Martin Marietta appreciates the support that you and your company have afforded us over the years. We truly value your business, and will continue to focus on improvements to our customer experience.

In an effort to assist you in your planning and budgeting process, Martin Marietta is announcing the following price increase effective April 1, 2017.

All Types of Bulk Cements \$ 8.00/ton

This increase applies to all products produced at the Midlothian and Hunter Cement Plants, and to all products distributed through our various cement terminals.

Delivered prices will be furnished to your location(s) upon request and are subject to applicable fuel surcharges. All Martin Marietta sales are subject to our Standard Terms and Conditions of Sales. Due to the advance notice of this increase, no price protection will be allowed.

Thank you for your business, and we look forward to supplying your cement needs well into the future.

Sincerely,

A handwritten signature in cursive script that reads 'David Mitteis'.

David Mitteis
GM Sales



June 12, 2017

To our valued customers:

Martin Marietta appreciates the support that you and your company have afforded us over the years. We truly value your business, and will continue to focus on improvements to our customer experience.

In responding to your feedback to give you more notice to assist you in your planning and budgeting process, Martin Marietta is announcing the following price increases effective October 1, 2017 and April 1, 2018

October 1, 2017	All Types of Bulk Cements	\$5.00 per ton
April 1, 2018	All Types of Bulk Cements	\$12.00 per ton

This increase applies to all products produced at the Midlothian and Hunter Cement Plants, and to all products distributed through our various cement terminals.

Delivered prices will be furnished to your location(s) upon request and are subject to applicable fuel surcharges. All Martin Marietta sales are subject to our Standard Terms and Conditions of Sales. Due to the advance notice of this increase, no price protection will be allowed.

Thank you for your business, and we look forward to supplying your cement needs well into the future. If you have any questions, please do not hesitate to call either one of us.

Sincerely,

Handwritten signature of Karl H. Watson Jr. in black ink.

Karl H. Watson Jr.
Division President
Cement & Southwest Ready Mix
Office: (972) 647-3389
Mobile: (561) 312-0704

Handwritten signature of David Mitteis in black ink.

David Mitteis
General Manager - Sales
Cement Division
Office: (972) 647-3836
Mobile: (972) 989-2798