As filed with the Securities and Exchange Commission on July 18, 2011

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

U.S. Silica Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1446	26-3718801
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

8490 Progress Drive, Suite 300
Frederick, Maryland 21701
(800) 345-6170

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Brian Slobodow
Chief Executive Officer
U.S. Silica Holdings, Inc.
8490 Progress Drive, Suite 300
Frederick, Maryland 21701
(800) 345-6170

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Robert M. Hayward, P.C.	**Michael Kaplan**
Kirkland & Ellis LLP	**Davis Polk & Wardwell LLP**
300 North LaSalle	**450 Lexington Avenue**
Chicago, Illinois 60654	**New York, New York 10017**
(312) 862-2000	**(212) 450-4000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[1][2]	Amount of Registration Fee[1]
Common Stock, $0.01 par value per share	$200,000,000	$23,220

(1) Includes shares of common stock that the underwriters may purchase from the selling stockholders pursuant to the option to purchase additional shares.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS (Subject to Completion)
Issued July 18, 2011

SHARES

U.S. Silica Holdings, Inc.

COMMON STOCK

U.S. Silica Holdings, Inc. is offering shares of its common stock and the selling stockholders are offering shares. This is our initial public offering and no public market exists for our shares. We anticipate that the initial public offering price will be between $ and $ per share.

We will list the common stock on the New York Stock Exchange under the symbol " ."

Investing in the common stock involves risks. See "Risk Factors" beginning on page 15.

PRICE $ PER SHARE

	Price to Public	***Underwriting Discounts and Commissions***	***Proceeds to Company***	***Proceeds to Selling Stockholders***
Per share	*$*	*$*	*$*	*$*
Total	*$*	*$*	*$*	*$*

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option for a period of 30 days from the date of this prospectus to purchase up to an additional shares from the selling stockholders at the initial public offering price less the underwriting discount.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on , 2011.

MORGAN STANLEY

, 2011


Bakken
Antrim
Rockwood, MI
Piceance
Niobrara
Ottawa, IL
Marcellus
Mapleton Depot, PA
Frederick, MD (Headquarters)
Mauricetown, NJ
Berkeley Springs, WV
Montpelier VA
Utica
New Albany
Granite Wash
Fayetteville
Jackson, TN
Columbia, SC
Mill Creek
OK
Permian
Barnett
Dubberly LA
Haynesville
Kosse, TX
Tuscaloosa
Hurtsboro, AL
Eagleford
U.S. SILICA.
Shale Basins
Current Shale Plays
Prospective Shale Plays
U.S. Silica Locations with Frack Capabilities
U.S. Silica Transloads
U.S. Silica Locations
Rail Transit Route
Barge Transit Route
Truck Transit Route

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We, the selling stockholders and the underwriters have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the selling stockholders take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus or a free writing prospectus is accurate only as of its date, regardless of its time of delivery or of any sale of shares of our common stock offered hereby. Our business, financial condition, results of operations and prospects may have changed since that date.

Through and including , 2011 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

BASIS OF PRESENTATION

Unless otherwise indicated, all of the financial data presented in this prospectus is presented on a combined basis for U.S. Silica Holdings, Inc. and its subsidiaries.

As a result of our acquisition by an affiliate of Harvest Partners, LLC in August 2007, by an affiliate of Harbinger Capital Partners in October 2007 and by an affiliate of Golden Gate Private Equity, Inc. ("Golden Gate Capital" and the "Golden Gate Capital Acquisition") in November 2008, our financial data is presented on a predecessor and successor basis. We refer to USS Holdings, Inc. as it existed prior to the acquisition by Harvest Partners, LLC on August 9, 2007 as "Predecessor 3." We refer to USS Holdings, Inc. for the period from August 9, 2007 until October 17, 2007 as "Predecessor 2." We refer to USS Holdings, Inc. for the period from October 18, 2007 until November 24, 2008 as "Predecessor 1." We refer to U.S. Silica Holdings, Inc. for the period from and after November 25, 2008 as the "Successor."

The Predecessor 3 period financial data reflects the accounting basis in our assets and liabilities existing prior to August 9, 2007. The Predecessor 2 period financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Harvest Partners, LLC. The Predecessor 1 period combined financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Harbinger Capital Partners. The Successor period combined financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Golden Gate Capital.

Prior to the registration statement of which this prospectus forms a part being declared effective, our sister company, GGC RCS Holdings, Inc., will be merged and consolidated into us. GGC RCS Holdings, Inc. represents the resin-coated sand business and historically did not have significant operations. For financial reporting purposes, the transaction will be reflected as a consolidation of entities under common control, with GGC RCS Holdings, Inc. becoming a wholly owned subsidiary of us. Although the actual consolidation of GGC RCS Holdings, Inc. will not become effective until immediately prior to the completion of this offering, its assets, liabilities and operations have been included as part of our combined financial statements in this prospectus as though the consolidation had already taken place.

MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data throughout this prospectus from our own internal estimates and research as well as from industry and general publications and research, surveys and studies conducted by third parties. We have relied upon publications of the United States Geological Survey (the "USGS") and The Freedonia Group, Inc. ("Freedonia") as our primary sources for third-party market and industry data. Industry publications, surveys and studies generally state that the information contained therein has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these publications, surveys and studies is reliable, we have not independently verified market and industry data from third-party sources. While we believe our internal company research is reliable and the definitions of our market and industry are appropriate, neither such research nor these definitions have been verified by any independent source.

The Minerals Yearbook produced by the USGS is the only comprehensive third-party publication of which we are aware that compiles data on the U.S. commercial silica industry as a whole. The data in the Minerals Yearbook is voluntarily self-reported by U.S. silica producers and there can be no assurance that all major U.S. silica producers have reported data or that the data that has been reported is reliable. The most recent Minerals Yearbook contains historical data from 2009, and, based on our internal estimates and consultations with third parties, we believe that such data is accurate at the reasonable assurance level and we have included it throughout this prospectus. However, the USGS has provided only preliminary estimates of commercial silica demand in 2010. The USGS estimates that 26.5 million tons of commercial silica were consumed in 2010 and that the

oil and natural gas industry was accountable for 25% of this total consumption. In 2010, we saw unprecedented demand for our frac sand products from our customers in the oil and natural gas industry. Based on our experience and results of operations in 2010, we believe that our internal estimates of market demand, compiled through consultation with independent third parties, more accurately represent 2010 demand for commercial silica than the USGS preliminary estimates. As a result, while we have relied on data produced by the USGS for years prior to 2010, the 2010 data included in this prospectus represents our internal estimates, compiled through consultation with third parties, of market demand of 39 million tons.

TRADEMARKS AND TRADE NAMES

This prospectus includes our trademarks such as "U.S. Silica," which are protected under applicable intellectual property laws and are the property of us or our subsidiaries. This prospectus also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names.

SUMMARY

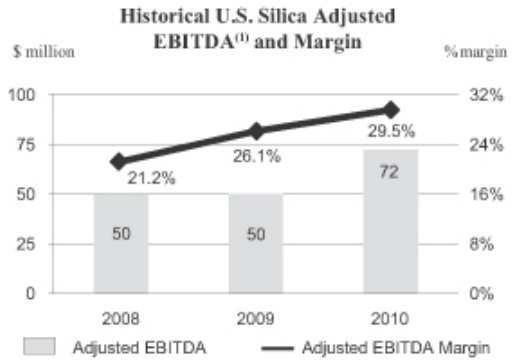
This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. For a more complete understanding of us and this offering, you should read and carefully consider the entire prospectus, including the more detailed information set forth under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the related notes. Some of the statements in this prospectus are forward-looking statements. See "Forward-Looking Statements." Unless we state otherwise or the context otherwise requires, the terms "we," "us," "our," "U.S. Silica," "our business" and "our company" refer to U.S. Silica Holdings, Inc. and its consolidated subsidiaries as a combined entity.

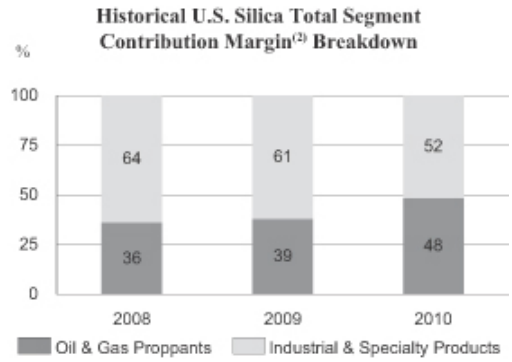
Our Company

We are the second largest domestic producer of commercial silica, a specialized mineral that is a critical input into a variety of attractive end markets. During our 111-year history, we have developed core competencies in mining, processing, logistics and materials science that enable us to produce and cost-effectively deliver over 200 products to customers across these end markets. In our largest end market, oil and gas proppants, our "frac sand" is used to stimulate and maintain the flow of hydrocarbons in horizontally drilled oil and natural gas wells. This segment of our business is experiencing rapid growth due to recent technological advances in the hydraulic fracturing process, which have made the extraction of large volumes of oil and natural gas from U.S. shale formations economically feasible. Our commercial silica is also used as an economically irreplaceable raw material in a wide range of industrial applications, including glassmaking and chemical manufacturing. Additionally, in recent years a number of attractive new end markets have developed for our high-margin, performance silica products, including solar panels, specialty coatings, wind turbines, polymer additives and geothermal energy systems.

We operate 13 facilities across the United States and control 283 million tons of reserves, including approximately 138 million tons of reserves that can be processed to meet American Petroleum Institute ("API") frac sand size specifications. We produce a wide range of frac sand sizes and are one of the few commercial silica producers capable of rail delivery of large quantities of API grade frac sand to each of the major U.S. shale basins. We believe that due to a combination of these favorable attributes and robust drilling activity in the oil and natural gas industry, we have become a preferred commercial silica supplier to our customers in the oil and gas proppants end market and, consequently, are experiencing high demand for our frac sand. To meet this demand, we are investing significant resources to increase our proppant production, including expanding our frac sand capabilities by approximately 1.2 million tons, or approximately 75% above tons sold in 2010, and constructing a new facility to produce resin-coated sand, which significantly expands our addressable proppant market.

Our operations are organized into two segments based on end markets served: (1) Oil & Gas Proppants and (2) Industrial & Specialty Products. Our segments are complementary because our ability to sell to a wide range of customers across end markets allows us to maximize recovery rates in our mining operations, optimize our asset utilization and reduce the cyclicality of our earnings. In 2010, we generated approximately $245.0 million of sales, $72.2 million of Adjusted EBITDA and $11.4 million of net income. These figures represent increases of 28%, 44% and 106%, respectively, compared to 2009. In particular, the Oil & Gas Proppants segment contribution margin grew by 83% in 2010 and represented approximately 48% of total segment contribution margin, compared to 39% for the prior year.





(1) See note 2 to "—Summary Historical Combined Financial and Operating Data" for a discussion of Adjusted EBITDA, an accompanying presentation of the most directly comparable GAAP financial measure, net income, and a reconciliation of the differences between Adjusted EBITDA and net income.

(2) Total segment contribution margin is the sum of the Oil & Gas Proppants segment contribution margin and the Industrial & Specialty Products segment contribution margin. Total segment contribution margin is not a financial measure presented in accordance with GAAP. See note R to our audited combined financial statements and note I to our unaudited condensed combined financial statements included elsewhere in this prospectus for a discussion of segment contribution margin, an accompanying presentation of the most directly comparable GAAP financial measure, income (loss) before income taxes, and a reconciliation of the differences between segment contribution margin and income (loss) before income taxes.

Our Competitive Strengths

We attribute our success to the following strengths:

- *Large-scale producer with a diverse and high-quality reserve base.* Our 13 geographically dispersed facilities control 283 million tons of reserves, including API size frac sand and large quantities of silica with distinct characteristics, giving us the ability to sell over 200 products to over 1,400 customers. Our large-scale production capabilities and long reserve life make us a preferred commercial silica supplier to our customers. A consistent, reliable supply of large quantities of silica gives our customers the security to customize their production processes around our commercial silica. Furthermore, our scale provides us earnings diversification and a larger addressable market.
- *Geographically advantaged footprint with intrinsic transportation advantages.* The strategic location of our facilities and our logistics capabilities enable us to enjoy high customer retention and a larger addressable market. In our Oil & Gas Proppants segment, our network of frac sand producing plants with access to on-site rail and the strategic locations of our transloads serve to expand our addressable market to every major U.S. shale basin. We believe we are one of the few frac sand producers capable of delivering API grade frac sand cost-effectively to each of the major U.S. shale basins by on-site rail. Additionally, due to the high weight-to-value ratio of many silica products in our Industrial & Specialty Products segment, the proximity of our facilities to our customers' facilities often results in us being their sole supplier. This advantage has enabled us to enjoy strong customer retention in this segment, with our top five Industrial & Specialty Products segment customers purchasing from us for an average of over 50 years.

- *Low-cost operating structure.* We believe the combination of the following factors contributes to our low-cost structure and our high margins:
  - our ownership of the vast majority of our reserves, resulting in mineral royalty rates that were less than 0.5% of our sales in 2010;
  - the close proximity of our mines to their respective processing plants, which allows for a cost-efficient and highly automated production process;
  - our processing expertise, which enables us to create over 200 products with unique characteristics while minimizing waste material;
  - our integrated logistics management expertise and geographically advantaged facility network, which enables us to reliably ship products by the most cost-effective method available, whether by truck, rail, ship or barge;
  - our large customer base across numerous end markets, which allows us to maximize our mining recovery rate and asset utilization; and
  - our large overall and plant-level operating scale.
- *Strong reputation with our customers and the communities in which we operate.* We believe that we have built a strong reputation during our 111-year operating history. Our customers know us for our dependability and our high-quality, innovative products, as we have a long track record of timely delivery of our products according to customer specifications. We also have an extensive network of technical resources, including materials science and petroleum engineering expertise, that enables us to collaborate with our customers to develop new products and improve the performance of their existing applications. We are also well known in the communities in which we operate as a preferred employer and a responsible corporate citizen, which serves us well in hiring new employees and securing difficult-to-obtain permits for expansions and new facilities.
- *Experienced management team.* The members of our senior management team bring significant experience to the dynamic environment in which we operate. Their expertise covers a range of disciplines, including industry-specific operating and technical knowledge as well as experience managing high-growth businesses. We believe we have assembled a flexible, creative and responsive team with a mentality that is particularly well suited to the rapidly evolving unconventional oil and natural gas drilling landscape, which is the principal driver of our growth.

Our Growth Strategy

The key drivers of our growth strategy include:

- *Expand our proppant production capacity and product portfolio.* We are currently executing several initiatives to increase our frac sand production capacity and augment our proppant product portfolio. At our Ottawa, Illinois facility, we are currently implementing operating improvements and installing a new dryer with six mineral separators to increase our annual frac sand production capacity by 900,000 tons. At our Rockwood, Michigan facility, we are in the process of adding 250,000 tons of annual frac sand production capacity by installing an entirely new processing circuit to run on a continuous basis alongside our existing state-of-the-art low-iron silica circuit. We anticipate that these two projects will be completed in 2012. We are also in the initial stages of building a new facility to produce resin-coated sand that will be designed to coat up to 400 million pounds annually, which is scheduled for start-up in 2013. We expect to fund all of these projects through a combination of cash on our balance sheet and cash generated from our operations.

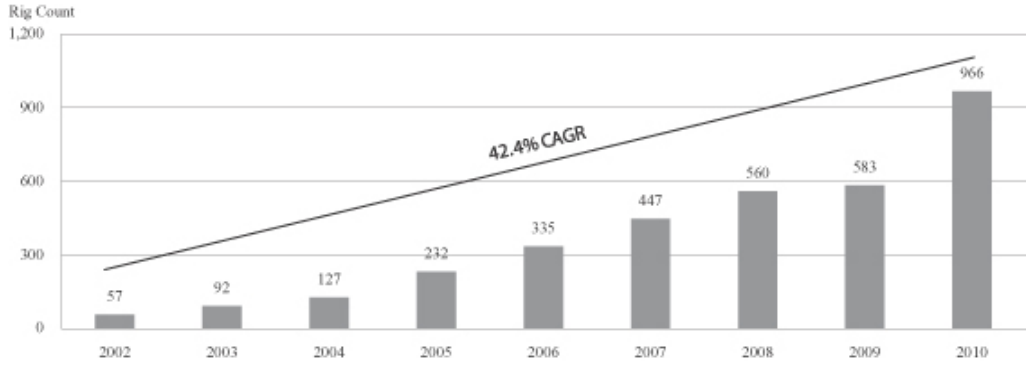
- *Increase our exposure to attractive industrial and specialty products end markets.* We intend to increase our exposure and market share in certain industrial and specialty products end markets that we believe are poised for growth. For example, at our Rockwood facility, we have doubled our production capacity for low-iron silica, which is used to maximize light transmission in ultra-clear architectural glass and solar panels. In addition, we recently opened a representative office in Shanghai, China to market our fine ground silica products across the Asia Pacific region for use in specialty end markets. We are also exploring opportunities to grow our presence in the specialty coatings and polymer additives end markets, where our ultra-fine ground silica is used to enhance strength, scratch resistance and stability.
- *Optimize product mix and further develop value-added capabilities to maximize margins.* We will continue to actively manage our product mix at each of our plants to ensure we are maximizing our profit margins. This requires us to use our proprietary expertise in balancing key variables, such as mine geology, processing capacities, transportation availability, customer requirements and pricing. In 2010, while our tons sold increased by 17%, we believe this expertise helped enable us to increase our gross profit by 57%. We also expect to continue investing in ways to increase the value we provide to our customers by expanding our product offerings, increasing our transportation assets, improving our supply chain management and upgrading our information technology. We hope to use these strategies to increase our gross profit faster than our tons sold into the future.
- *Evaluate both greenfield and brownfield expansion opportunities.* We will continue to leverage our reputation, processing capabilities and infrastructure to increase production, as well as explore other opportunities to expand our reserve base. We may accomplish this by developing greenfield projects, where we can capitalize on our technical knowledge of geology, mining and processing and our strong reputation within local communities. Additionally, we may pursue “bolt on” and other opportunistic acquisitions, taking advantage of our asset footprint, our management’s experience with high-growth businesses and our strong customer relationships. We may also evaluate international acquisitions as unconventional oil and natural gas drilling expands globally.
- *Maintain financial strength and flexibility.* We intend to maintain financial strength and flexibility to enable us to pursue acquisitions and new growth opportunities as they arise. As of March 31, 2011, we had $54.6 million of cash on hand and $20.0 million of available borrowings under our credit facilities.

Industry Trends

Demand

We believe that commercial silica consumption increased at an average annual rate of 9.9% from 2008 to 2010 and that this growth was principally driven by the acceleration in the growth of frac sand demand. This demand growth is primarily due to technological developments, such as improvements in horizontal drilling that have made the extraction of oil and natural gas increasingly cost-effective in areas that historically would have been economically impractical to develop. Frac sand is an essential component in the efficient exploitation of these reservoirs, and as more of these reservoirs have been developed, the demand for frac sand has correspondingly increased. The following chart identifies trends in the number of horizontal drill rigs from 2002 to 2010 and the compound annual growth rate ("CAGR") over such period.

North American Horizontal Drill Rig Count(1)



Data Source: Baker Hughes, Inc.

(1) Data reported as year-end rig count for each period (2002-2010). As of June 30, 2011, the horizontal drill rig count was 1,073.

In addition to the increase in the number of horizontal drill rigs, the growth in demand for frac sand is also the product of an increase in the amount of frac sand used per rig, which is growing as a result of the following factors:

- improved drill rig productivity, resulting in more wells drilled per year per rig;
- the increase in the number of fracturing sites, or "stages," within each well where fracturing occurs and proppant is needed;
- the increase in the length of the horizontal distance covered in each stage of the well due to advances in horizontal drilling technologies; and
- the increase in proppant use per foot completed in each fracturing stage.

According to Freedonia, based on the above factors, demand for all proppants is projected to increase approximately 16% per year to $5.1 billion in 2015, and, more specifically, demand for frac sand and resin-coated sand in the United States and Canada is projected to increase 15% per year to $1.9 billion in 2015.

We have also seen an increase in demand for commercial silica from our industrial and specialty products customers. From 1980 to 2008, U.S. commercial silica industry volumes generally grew in line with U.S

industrial production, primarily influenced by the manufacture of glass, building materials, foundry moldings and chemicals. The economic downturn of 2008 and 2009 decreased demand for commercial silica products, particularly in the glassmaking, foundry, specialty coatings and building products end markets. Since 2010, as the general economy has continued to recover, demand has once again begun to grow in these end markets. We have also seen increased demand for commercial silica products for certain new specialty applications, such as solar panels, specialty coatings, wind turbines, polymer additives and geothermal energy systems.

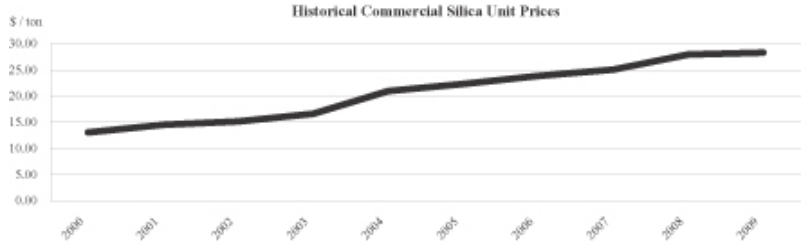
Supply

Supplies of commercial silica have failed to keep pace with demand for approximately the past 18 months. During the economic downturn of 2008 and 2009, demand for commercial silica from customers in various industrial and specialty products end markets decreased. As a result, there was no significant expansion of domestic commercial silica supply. This, combined with the continued growth in demand for frac sand and the rebound in industrial and specialty products end markets in 2010, has created a supply-demand disparity. We believe that if the present level of demand growth continues for the foreseeable future, a significant expansion in the supply of commercial silica will be needed to balance the market. However, there are several key constraints to increasing production on an industry-wide basis, including:

- the difficulty of finding silica reserves suitable for use as frac sand, which, according to the API, must meet stringent technical specifications, including, among others, sphericity, grain size, crush resistance, acid solubility, purity and turbidity;
- the difficulty of securing contiguous reserves of silica large enough to justify the capital investment required to develop a mine and processing plant;
- the lack of industry-specific geological, exploration, development and mining knowledge and experience needed to enable the identification, acquisition and development of high-quality reserves;
- the difficulty of identifying reserves with the above characteristics that either are located in close proximity to oil and natural gas reservoirs or have the rail access needed for low-cost transportation to major shale basins;
- the difficulty of securing mining, production, water, air, refuse and other federal, state and local operating permits from the proper authorities, a process that can require up to three years; and
- the difficulty of assembling a large, diverse portfolio of customers to optimize operations.

Pricing

Historically, commercial silica has been characterized by regional markets created by the high weight-to-value ratio of silica. The increased demand for commercial silica from our customers in both the oil and gas proppants end market and industrial and specialty products end markets has resulted in favorable pricing trends in both of our operating segments. If demand for frac sand continues to rise, and if the general economic recovery continues to result in increased demand from our customers in industrial and specialty products end markets, we expect the prices that our products command will continue to increase. As illustrated in the chart below, between 2000 and 2009, commercial silica prices increased at an average annual rate of 9.0%.



Source: USGS

Recent Developments

On June 8, 2011, we amended and restated our term loan facility (the "Term Loan Facility") to, among other things, (1) increase the aggregate principal amount available thereunder from $165.0 million to $260.0 million, (2) increase the maximum aggregate principal amount under the incremental term loan facility from $25.0 million to $50.0 million, (3) reprice the interest rate to LIBOR plus 375 basis points and (4) extend the maturity date from May 7, 2016 to June 8, 2017. On June 8, 2011, we also amended our revolving credit facility (the "ABL Facility") to permit the foregoing transaction. A portion of the proceeds of this refinancing were used to prepay the term loans outstanding under our former term loan facility and to repay in full our mezzanine loan facility (the "Mezzanine Loan Facility"), and the remainder of the proceeds were used for general corporate purposes. For more information regarding the Term Loan Facility, the ABL Facility and the Mezzanine Loan Facility, see "Certain Relationships and Related Party Transactions—Historical Credit Agreement" and "Description of Certain Indebtedness."

Risks Associated with Our Business

There are a number of risks related to our business, this offering and our common stock that you should consider before you decide to participate in this offering. You should carefully consider all the information presented in the section entitled "Risk Factors" in this prospectus. Some of the principal risks related to our business include the following:

- The demand for commercial silica fluctuates due to the cyclical nature of our customers' businesses and the overall level of activity in the oil and natural gas industries, which could adversely affect our results of operations.
- There is no assurance that we will be able to successfully implement our capacity expansion plans within our current timetable, that the actual costs of the capacity expansion will not exceed our current estimated costs or that we will be able to secure offtake agreements for the incremental production capacity, and we cannot provide any assurance as to actual operating costs once we have completed the capacity expansion.

- A significant portion of our sales is produced at two of our plants. Any adverse developments at either of those plants or in the end markets those plants serve could have a material adverse effect on our financial condition and results of operations.
- We may be adversely affected by decreased demand for frac sand or the development of either effective alternative proppants or new processes to replace hydraulic fracturing.
- Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing and the potential for related regulatory action or litigation could result in increased costs and additional operating restrictions or delays for our customers, which could negatively impact our business, financial condition and results of operations.

These and other risks are more fully described in the section entitled “Risk Factors” in this prospectus. If any of these risks actually occurs, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. As a result, you could lose all or part of your investment in our common stock.

Our Equity Sponsor

Golden Gate Private Equity, Inc. is a San Francisco-based private equity investment firm with approximately $8 billion of capital under management. Golden Gate Capital is dedicated to partnering with world class management teams and targets investments in situations where there is a demonstrable opportunity to significantly enhance a company’s value. The principals of Golden Gate Capital have a long history of investing with management partners across a wide range of industries and transaction types, including leveraged buyouts and recapitalizations, corporate divestitures and spin-offs, build-ups and venture stage investing.

Corporate History Information

We were incorporated as a Delaware corporation in 2008 in connection with the Golden Gate Capital Acquisition. We began operations 111 years ago in Ottawa, Illinois. Since that time, we have merged with and acquired many additional commercial silica mining and production facilities. Our corporate headquarters is located at 8490 Progress Drive, Suite 300, Frederick, Maryland 21701. Our telephone number is (800) 345-6170. Our website address is http://www.u-s-silica.com. The information on our website is not deemed to be part of this prospectus.

The Offering

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
	shares if the underwriters exercise their option to purchase additional shares in full
Common stock to be outstanding immediately after this offering	shares
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ million, assuming the shares are offered at $ per share, the midpoint of the initial public offering price range set forth on the cover of this prospectus. We intend to use the net proceeds from the sale of common stock by us in this offering for general corporate purposes, including for working capital and capital expenditures, and the financing of acquisitions or other business combinations and other business opportunities complementary to our business and growth strategy. See “Use of Proceeds.” We will not receive any proceeds from the sale of shares by the selling stockholders.
Dividend policy	We currently intend to retain all available funds and any future earnings to fund the development and growth of our business and to repay indebtedness and, therefore, we do not anticipate paying any cash dividends in the foreseeable future. Our ability to pay dividends on our common stock is limited by our existing credit agreements, and may be further restricted by the terms of any of our future debt or preferred securities. See “Dividend Policy.”
Risk factors	Investing in our common stock involves a high degree of risk. See “Risk Factors” elsewhere in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed symbol for trading on the New York Stock Exchange	“ ”

Unless otherwise indicated, all information in this prospectus relating to the number of shares of our common stock to be outstanding immediately after this offering:

- excludes 1,285,965 shares of our common stock issuable upon the exercise of options granted in July 2011 pursuant to the 2011 Incentive Compensation Plan (the "2011 Plan"), of which no options to purchase shares are currently exercisable;
- excludes 3,714,035 shares of our common stock reserved for future grants under the 2011 Plan;
- assumes (1) no exercise by the underwriters of their option to purchase up to additional shares from the selling stockholders and (2) an initial public offering price of $ per share, the midpoint of the initial public offering price range set forth on the cover of this prospectus; and
- assumes the filing of our amended and restated certificate of incorporation, which will occur at or prior to the completion of this offering.

Summary Historical Combined Financial and Operating Data

The following tables summarize our historical combined financial and operating data as of the dates and for the periods indicated. We have derived the summary historical combined financial and operating data for the periods from January 1, 2008 through November 24, 2008, and from November 25, 2008 through December 31, 2008, and for the years ended December 31, 2009 and 2010 from our combined financial statements that are included elsewhere in this prospectus, which were audited by Grant Thornton LLP, an independent registered public accounting firm. We have derived the summary historical combined financial and operating data as of March 31, 2011 and for the quarters ended March 31, 2010 and 2011 from our unaudited condensed combined financial statements included elsewhere in this prospectus. Our unaudited condensed combined financial statements have been prepared on the same basis as our audited combined financial statements and, in our opinion, include all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and results of operations for such periods. Operating results for the quarter periods are not necessarily indicative of results for a full year or for any other period.

As a result of our acquisition by an affiliate of Harvest Partners, LLC in August 2007, by an affiliate of Harbinger Capital Partners in October 2007 and the Golden Gate Capital Acquisition in November 2008, our financial data is presented on a predecessor and successor basis. We refer to USS Holdings, Inc. for the period from October 18, 2007 until November 24, 2008 as "Predecessor 1." We refer to U.S. Silica Holdings, Inc. for the period from and after November 25, 2008 as the "Successor."

The Predecessor 1 period financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Harbinger Capital Partners. The Successor period combined financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Golden Gate Capital.

The presentation of the year ended December 31, 2008 includes the combined results of the Predecessor 1 and Successor periods. We have presented the combination of these periods because we believe it provides an easier to read discussion of the results of operations and provides the investor with information from which to analyze our financial results in a manner that is consistent with the way management reviews and analyzes our results of operations. In addition, the combined results provide investors with the most meaningful comparison between our results for prior and future periods. See note 2 to "Selected Historical Combined Financial and Operating Data" and our historical combined financial statements and the related notes for the year ended December 31, 2008 included elsewhere in this prospectus for a separate presentation of the results for the Predecessor 1 and Successor periods in accordance with U.S. generally accepted accounting principles ("GAAP").

The summary historical combined data presented below should be read in conjunction with "Risk Factors," "Selected Historical Combined Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the related notes and other financial data included elsewhere in this prospectus.

	Predecessor 1/ Successor Combined (Non-GAAP)[1]	Successor			
		Year Ended December 31,		Quarter Ended March 31,	
	2008	2009	2010	2010	2011
	(amounts in thousands, excluding per ton figures)				
Statement of Operations Data:					
Sales	$ 233,583	$191,623	$244,953	$ 55,311	$ 64,432
Gross profit	65,362	55,423	86,959	17,612	21,157
Operating income	26,573	25,614	45,991	8,207	10,432
Income before income taxes	24,061	2,280	13,721	1,616	5,157
Net income	17,277	5,539	11,392	341	3,510
Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 38,256	$ 13,863	$ 36,738	$ 1,006	$ (2,782)
Investing activities	(332,206)	(13,308)	(15,163)	(4,211)	(5,239)
Financing activities	303,719	(288)	28,451	763	(1,841)
Other Financial Data:					
Adjusted EBITDA[2]	$ 49,560	$ 50,013	$ 72,152	$ 14,693	$ 16,729
Capital expenditures	(10,042)	(13,350)	(15,241)	(4,271)	(5,299)
Operating Data:					
Total tons sold	6,389	5,089	5,965	1,389	1,468
Average realized price (per ton)	$ 36.56	$ 37.65	$ 41.07	$ 39.82	$ 43.89
Production costs (per ton)[3]	26.33	26.76	26.49	27.14	29.48
Oil & Gas Proppants:					
Sales	$ 37,875	$ 35,836	$ 69,556	$ 14,651	$ 19,238
Segment contribution margin	23,557	23,515	43,118	9,120	11,490
Industrial & Specialty Products:					
Sales	$ 195,708	$155,787	$175,397	$ 40,660	$ 45,194
Segment contribution margin	41,688	37,419	46,031	9,430	9,933

	As of March 31, 2011	
	Actual	As Adjusted[4]
	(amounts in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 54,638	
Total assets	501,756	
Long-term debt (including current portion)	238,064	
Total liabilities	400,564	
Total stockholders' equity	101,192	

(1) The Golden Gate Capital Acquisition established a new basis of accounting that primarily affected inventory, intangible assets, goodwill, taxes, debt and equity. The combined data is not presented in

accordance with GAAP and Article 11 of Regulation S-X. Except for purchase accounting adjustments primarily relating to depreciation, depletion and amortization, the results for the two combined periods are comparable. Therefore, we believe that combining the two periods into a single period for comparative purposes gives the most meaningful comparison for the users of this financial information. See note 2 to "Selected Historical Combined Financial and Operating Data" and our historical combined financial statements and the related notes for the year ended December 31, 2008 included elsewhere in this prospectus for a separate presentation of the results for the Predecessor 1 and Successor periods in accordance with GAAP.

(2) Adjusted EBITDA has been presented in this prospectus and is a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP. Adjusted EBITDA is defined as net income (loss) before depreciation and amortization, interest expense (net) and amortization of debt issuance costs and discounts and provision for income taxes ("EBITDA"), adjusted to exclude the items set forth in the table below.

Adjusted EBITDA is included in this prospectus because it is a key metric used by management to assess our operating performance and by our lenders to evaluate our covenant compliance. Our target performance goals under our incentive compensation plan are tied, in part, to our Adjusted EBITDA. See "Executive Compensation—Compensation Discussion and Analysis—Elements of Compensation—Equity and Cash Incentives—Summary of Our New Plan." In addition, the ABL Facility contains a fixed charge coverage ratio covenant that we must meet if our excess availability (as defined in the ABL Facility) falls below $10.0 million, and the Term Loan Facility contains a consolidated leverage ratio covenant that we must meet at the end of each fiscal quarter, both of which are calculated based on our Adjusted EBITDA. Non-compliance with the financial ratio covenants contained in the ABL Facility and the Term Loan Facility could result in the acceleration of our obligations to repay all amounts outstanding under those agreements. Moreover, the ABL Facility and the Term Loan Facility contain covenants that restrict, subject to certain exceptions, our ability to make permitted acquisitions, incur additional indebtedness, make restricted payments (including dividends) and retain excess cash flow based, in some cases, on our ability to meet leverage ratios calculated based on our Adjusted EBITDA. See "Description of Certain Indebtedness."

Adjusted EBITDA is not a measure of our financial performance or liquidity under GAAP and should not be considered as an alternative to net income as a measure of operating performance, cash flows from operating activities as a measure of liquidity or any other performance measure derived in accordance with GAAP. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and cash costs to replace assets being depreciated and amortized, and excludes certain non-recurring charges that may recur in the future. Management compensates for these limitations by relying primarily on our GAAP results and by using Adjusted EBITDA only supplementally. Our measure of Adjusted EBITDA is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation.

The following table sets forth a reconciliation of net income, the most directly comparable GAAP financial measure, to Adjusted EBITDA.

	Predecessor 1/ Successor Combined (Non-GAAP)	Successor			
	Year Ended December 31,			Quarter Ended March 31,	
	2008	2009	2010	2010	2011
	(amount in thousands)				
Net income	$ 17,277	$ 5,539	$ 11,392	$ 341	$ 3,510
Total interest expense, net of interest income	3,628	28,153	22,989	6,770	5,441
Provisions for taxes (benefit)	6,784	(3,259)	2,329	1,275	1,647
Total depreciation, depletion and amortization expenses	17,067	17,887	19,305	4,720	5,089
EBITDA	44,756	48,320	56,015	13,106	15,687
Non-cash deductions, losses and charges[a]	(765)	(3,337)	1,364	602	
Non-recurring expenses[b]	2,587	(3,837)			
Transaction expenses[c]	2,122	4,263	10,669		
Permitted management fees and expenses[d]	100	1,250	1,250	313	313
Non-cash incentive compensation[e]		949	383	96	96
Post-employment expenses (excluding service costs)[f]	350	2,224	2,113	563	628
Other adjustments allowable under our existing credit agreements[g]	410	181	358	13	5
Adjusted EBITDA	$ 49,560	$ 50,013	$ 72,152	$ 14,693	$ 16,729

(a) Includes non-cash deductions, losses and charges arising from adjustments to estimates of a future litigation liability and the decision by our hourly workforce at our Rockwood facility to withdraw from a pension plan administered by a third party.

(b) Includes non-recurring expenses related to a former insurer's liquidation, the efforts of Predecessor 1 to monetize its investment in us and a one-time advertising and customer relations initiative relating to a prior owner.

(c) Includes natural gas hedging losses, purchase accounting adjustments, management bonuses and other expenses related to the Golden Gate Capital Acquisition, as well as unamortized transaction fees and expenses arising from the refinancing of our Term Loan Facility.

(d) Includes fees and expenses paid to Golden Gate Capital for ongoing consulting and management services provided pursuant to an Advisory Agreement entered into in connection with the Golden Gate Capital Acquisition. Prior to the completion of this offering, the Advisory Agreement will be terminated. See "Certain Relationships and Related Party Transactions—Golden Gate Capital Acquisition—Advisory Agreement."

(e) Includes vesting of incentive equity compensation issued to our employees.

(f) Includes net pension cost and net post-retirement cost relating to pension and other post-retirement benefit obligations during the applicable period, but in each case excluding the service cost relating to benefits earned during such period. See note O to our audited combined financial statements included elsewhere in this prospectus.

(g) Reflects miscellaneous adjustments permitted under our existing credit agreements, including such items as expenses related to reviewing potential acquisitions and costs associated with relocating the corporate headquarters.

(3) Production costs (per ton) equal cost of goods sold divided by total tons sold.

(4) As adjusted balance sheet data reflects (1) the filing of our amended and restated certificate of incorporation at or prior to the completion of this offering, (2) our credit facility refinancing described elsewhere in this prospectus and (3) this offering. See "Capitalization."

RISK FACTORS

This offering and an investment in our common stock involve a high degree of risk. You should carefully consider the risks described below, together with the financial and other information contained in this prospectus, before you decide to purchase shares of our common stock. If any of the following risks actually occurs, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. As a result, the trading price of our common stock could decline and you could lose all or part of your investment in our common stock.

Risks Related to Our Business

The demand for commercial silica fluctuates, which could adversely affect our results of operations.

Demand in the end markets served by our customers is influenced by many factors, including the following:

- global and regional economic, political and military events and conditions;
- fluctuations in energy, fuel, oil and natural gas prices and the availability of such fuels;
- demand for oil, natural gas and petroleum products;
- changes in residential and commercial construction demands, driven in part by fluctuating interest rates and demographic shifts;
- demand for automobiles and other vehicles;
- the substitution of plastic or other materials for glass;
- competition from offshore producers of glass products;
- changes in demand for our products due to technological innovations;
- changes in laws and regulations (or the interpretation thereof) related to the mining and hydraulic fracturing industries, silica dust exposure or the environment;
- prices, availability and other factors relating to our products;
- increases in costs of labor and labor strikes; and
- population growth rates.

We cannot predict or control the factors that affect demand for our products. Negative developments in the above factors, among others, could cause the demand for commercial silica or other minerals to decline, which could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our operations are subject to the cyclical nature of our customers' businesses, and we may not be able to mitigate that risk.

The substantial majority of our sales is to customers in industries that have historically been cyclical, such as glassmaking, building products, foundry and oil and natural gas recovery. These industries were adversely affected by the uncertain global economic climate in the second half of 2008 and in 2009. During periods of economic slowdown, our customers often reduce their production rates and also reduce capital expenditures and defer or cancel pending projects. Such developments occur even among customers that are not experiencing financial difficulties.

Demand in many of the end markets for commercial silica is driven by the construction and automotive industries. For example, the flat glass market depends on the automotive and commercial and residential construction and remodeling markets. The market for commercial silica used to manufacture building products is

driven primarily by demand in the construction markets. The demand for foundry silica depends on the rate of automobile, light truck and heavy equipment production as well as construction. In the automotive industry, North American car and truck production was up 39% in 2010, but remains well below pre-recession levels. Housing starts in 2010 were approximately 587,000 units, a 6% improvement over 2009, but still only a fraction of the peak rate of 2.1 million units in 2005. The frac sand market is driven by demand for oil and natural gas. In periods of lower economic productivity or recession, oil and natural gas prices tend to decrease, as they did during late 2008 and portions of 2009, which, in turn, causes exploration and production companies to reduce their exploration, development, production and well completion activities. The reduced level of such activities could result in a corresponding decline in the demand for frac sand. In addition, given that silica transportation represents one of our customers' largest costs, if, in response to economic pressures, our customers choose to move their production offshore, the increased logistics costs could reduce demand for our products.

We have taken steps to reduce our exposure to variations in our customers' businesses, including diversifying our portfolio of products and the end markets we serve and through geographic expansion. However, there can be no assurance that these efforts will mitigate the risks of our dependence on these industries. Continued weakness in the industries we serve has had, and may in the future have, an adverse effect on sales of our products and our results of operations. A continued or renewed economic downturn in one or more of the industries or geographic regions that we serve, or in the worldwide economy, could cause actual results of operations to differ materially from historical and expected results.

Our operations are subject to operating risks that are often beyond our control and could adversely affect production levels and costs, and such risks may not be covered by insurance.

Our mining, processing and production facilities are subject to risks normally encountered in the commercial silica industry. These risks include:

- changes in the price and availability of transportation;
- changes in the price and availability of natural gas or electricity;
- unusual or unexpected geological formations or pressures;
- cave-ins, pit wall failures or rock falls;
- unanticipated ground, grade or water conditions;
- inclement or hazardous weather conditions, including flooding, and the physical impacts of climate change;
- environmental hazards;
- industrial accidents;
- changes in laws and regulations (or the interpretation thereof) related to the mining and hydraulic fracturing industries, silica dust exposure or the environment;
- inability to acquire or maintain necessary permits or mining or water rights;
- restrictions on blasting operations;
- inability to obtain necessary production equipment or replacement parts;
- reduction in the amount of water available for processing;
- technical difficulties or failures;
- labor disputes;
- late delivery of supplies;

- fires, explosions or other accidents; and
- facility shutdowns in response to environmental regulatory actions.

Any of these risks could result in damage to, or destruction of, our mining properties or production facilities, personal injury, environmental damage, delays in mining or processing, losses or possible legal liability. Any prolonged downtime or shutdowns at our mining properties or production facilities could have a material adverse effect on us.

Although we evaluate our risks and carry insurance policies to mitigate the risk of loss where economically feasible, not all of these risks are reasonably insurable, and our insurance coverage contains limits, deductibles, exclusions and endorsements. We cannot assure you that our coverage will be sufficient to meet our needs in the event of loss. Any such loss may have a material adverse effect on us.

A significant portion of our sales is generated at two of our plants. Any adverse developments at either of those plants or in the end markets those plants serve could have a material adverse effect on our financial condition and results of operations.

A significant portion of our sales is generated at our plants located in Ottawa, Illinois and Mill Creek, Oklahoma. In 2010, these plants represented a combined 49% of our total sales. Any adverse development at either of these plants or in the end markets these plants serve, including adverse developments due to catastrophic events or weather, decreased demand for commercial silica products, a decrease in the availability of transportation services or adverse developments affecting our customers, could have a material adverse effect on our financial condition and results of operations.

Our business and financial performance depend on the level of activity in the natural gas and oil industries.

Our operations that produce frac sand are materially dependent on the levels of activity in natural gas and oil exploration, development and production. More specifically, the demand for the frac sand we produce is closely related to the number of natural gas and oil wells completed in geological formations where sand-based proppants are used in fracture treatments. These activity levels are affected by both short- and long-term trends in natural gas and oil prices. In recent years, natural gas and oil prices and, therefore, the level of exploration, development and production activity, have experienced significant fluctuations. Worldwide economic, political and military events, including war, terrorist activity, events in the Middle East and initiatives by the Organization of the Petroleum Exporting Countries (“OPEC”), have contributed, and are likely to continue to contribute, to price volatility. Additionally, warmer than normal winters in North America and other weather patterns may adversely impact the short-term demand for natural gas and, therefore, demand for our products. Reduction in demand for natural gas to generate electricity could also adversely impact the demand for frac sand. Natural gas and oil prices experienced a decline in the second half of 2008 and during portions of 2009, and natural gas prices continue to be low in 2011. A prolonged reduction in natural gas and oil prices would generally depress the level of natural gas and oil exploration, development, production and well completion activity and result in a corresponding decline in the demand for the frac sand we produce. Such a decline could have a material adverse effect on our results of operations and financial condition. In addition, any future decreases in the rate at which oil and natural gas reserves are discovered or developed, whether due to increased governmental regulation, limitations on exploration and drilling activity or other factors, could have a material adverse effect on our business, even in a stronger natural gas and oil price environment.

We may be adversely affected by decreased demand for frac sand or the development of either effective alternative proppants or new processes to replace hydraulic fracturing.

Frac sand is a proppant used in the completion and re-completion of natural gas and oil wells through the process of hydraulic fracturing. Frac sand is the most commonly used proppant and is less expensive than

ceramic proppant, which is also used in the hydraulic fracturing process to stimulate and maintain oil and natural gas production. A significant shift in demand from frac sand to other proppants, such as ceramic proppants, could have a material adverse effect on our financial condition and results of operations. The development and use of other effective alternative proppants, or the development of new processes to replace hydraulic fracturing altogether, could also cause a decline in demand for the frac sand we produce and could have a material adverse effect on our financial condition and results of operations.

Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing and the potential for related regulatory action or litigation could result in increased costs and additional operating restrictions or delays for our customers, which could negatively impact our business, financial condition and results of operations.

A significant portion of our business supplies frac sand to hydraulic fracturing operators in the oil and natural gas industry. Increased regulation of hydraulic fracturing may adversely impact our business, financial condition and results of operations.

The federal Safe Drinking Water Act (the "SDWA") regulates the underground injection of substances through the Underground Injection Control Program (the "UIC Program"). Hydraulic fracturing generally is exempt from regulation under the UIC Program, and the hydraulic fracturing process is typically regulated by governmental authorities. Although we do not directly engage in hydraulic fracturing activities, our customers purchase our frac sand for use in their hydraulic fracturing operations. The U.S. Environmental Protection Agency ("EPA") has recently taken the position that hydraulic fracturing with fluids containing diesel fuel is subject to regulation under the UIC Program, specifically as "Class II" UIC wells. At the same time, the EPA has commenced a study of the potential environmental impacts of hydraulic fracturing activities, and a committee of the U.S. House of Representatives (the "House") is also conducting an investigation of hydraulic fracturing practices. As part of these studies, both the EPA and the House committee have requested that certain companies provide them with information concerning the chemicals used in the hydraulic fracturing process. These studies, depending on their results, could spur initiatives to regulate hydraulic fracturing under the SDWA or otherwise. Legislation has been introduced before Congress to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. If this or similar legislation becomes law, the legislation could establish an additional level of regulation that may lead to additional permitting requirements or other operating restrictions, making it more difficult to complete natural gas wells in shale formations. This could increase our customers' costs of compliance and doing business or otherwise adversely affect the hydraulic fracturing services they perform, which may negatively impact demand for our frac sand products.

In addition, various state, local and foreign governments have implemented, or are considering, increased regulatory oversight of hydraulic fracturing through additional permitting requirements, operational restrictions, disclosure requirements and temporary or permanent bans on hydraulic fracturing in certain areas such as environmentally sensitive watersheds. Wyoming, Colorado and Pennsylvania have imposed disclosure requirements on hydraulic fracturing operators, and Texas has enacted a law that soon will impose such requirements. The availability of information regarding the constituents of hydraulic fracturing fluids could make it easier for third parties opposing the hydraulic fracturing process to initiate individual or class action legal proceedings based on allegations that specific chemicals used in the hydraulic fracturing process could adversely affect groundwater and drinking water supplies or otherwise cause harm to human health or the environment. Moreover, disclosure to third parties or to the public, even if inadvertent, of our customers' proprietary chemical formulas could diminish the value of those formulas and result in competitive harm to our customers, which could indirectly impact our results of operations.

The adoption of new laws or regulations at the federal, state, local or foreign levels imposing reporting obligations on, or otherwise limiting or delaying, the hydraulic fracturing process could make it more difficult to complete natural gas wells in shale formations, increase our customers' costs of compliance and doing business

and otherwise adversely affect the hydraulic fracturing services they perform, which could negatively impact demand for our frac sand products. In addition, heightened political, regulatory and public scrutiny of hydraulic fracturing practices could potentially expose us or our customers to increased legal and regulatory proceedings, and any such proceedings could be time-consuming, costly or result in substantial legal liability or significant reputational harm. Any such developments could have a material adverse effect on our business, financial condition and results of operations, whether directly or indirectly. For example, we could be directly affected by adverse litigation involving us, or indirectly affected if the cost of compliance limits the ability of our customers to operate in the geographic areas we serve.

Our operations are dependent on our rights and ability to mine our properties and on our having renewed or received the required permits and approvals from governmental authorities and other third parties.

We hold numerous governmental, environmental, mining and other permits, water rights and approvals authorizing operations at each of our facilities. A decision by a governmental agency or other third party to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations at the affected facility. Expansion of our existing operations is also predicated on securing the necessary environmental or other permits, water rights or approvals, which we may not receive in a timely manner or at all. In addition, our facilities are located near existing and proposed third-party industrial operations that could affect our ability to fully extract, or the manner in which we extract, the mineral deposits to which we have mining rights.

Title to, and the area of, mineral properties and water rights may also be disputed. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that we do not have title to one or more of our properties or lack appropriate water rights could cause us to lose any rights to explore, develop and extract any minerals on that property, without compensation for our prior expenditures relating to such property. Our business may suffer a material adverse effect in the event one or more of our properties are determined to have title deficiencies.

In some instances, we have received access rights or easements from third parties which allow for a more efficient operation than would exist without the access or easement. We currently do not believe any action will be taken to suspend these accesses or easements. However, a third party could take action to suspend the access or easement, and any such action could be materially adverse to our results of operations or financial condition.

There is no assurance that we will be able to successfully implement our capacity expansion plans within our current timetable, that the actual costs of the capacity expansion will not exceed our current estimated costs or that we will be able to secure offtake agreements for the incremental production capacity, and we cannot provide any assurance as to actual operating costs once we have completed the capacity expansion.

We are currently executing several initiatives to increase our frac sand production capacity and augment our proppant product portfolio. At our Ottawa, Illinois facility, we are increasing our frac sand production capacity by 900,000 tons per year. At our Rockwood, Michigan facility, we are in the process of adding 250,000 tons of annual frac sand production capacity by installing an entirely new processing circuit to run on a continuous basis alongside our existing state-of-the-art low-iron silica circuit. We are also in the initial stages of building a new facility to produce resin-coated sand in Rochelle, Illinois, that will be designed to coat up to 400 million pounds annually, a higher-strength alternative to traditional frac sand.

Under our current business plan, we expect to fund our expansion plan through a combination of cash on our balance sheet and cash generated from our operations. If the assumptions on which we based our estimated capital expenditures change or are inaccurate, we may require additional funding. Such funding may not be available on terms acceptable to us, or at all. Moreover, actual operating costs once we have completed the capacity expansion may be higher than initially anticipated. We also have not secured offtake commitments for

the incremental production from our capacity expansion plans, and we may not be able to secure such commitments. Furthermore, substantial investments in transportation infrastructure will be required to effectively execute the capacity expansion, and we may not be successful in expanding our logistical capabilities to accommodate the additional production capacity.

Any failure to successfully implement our capacity expansion plans due to insufficient funding, delays, unanticipated costs or other factors, or failure to realize the anticipated benefits of our capacity expansion plans, including securing offtake commitments for the incremental production, could have a material adverse effect on our business, financial condition and results of operations.

Our future performance will depend on our ability to succeed in competitive markets.

We operate in a highly competitive market that is characterized by a small number of large, national producers and a larger number of small, regional or local producers. Competition in the industry is based on price, consistency and quality of product, site location, distribution capability, customer service, reliability of supply, breadth of product offering and technical support. As transportation costs are a significant portion of the total cost to customers of commercial silica—in many instances transportation costs can represent more than 50% of delivered cost—the commercial silica market is typically local, and competition from beyond the local area is limited. Notable exceptions to this are the frac sand and fillers and extenders markets, where certain product characteristics are not available in all deposits and not all plants have the requisite processing capabilities, necessitating that some products be shipped for extended distances.

We compete with large, national producers such as Unimin Corporation, Fairmount Minerals, Ltd., Badger Mining Corporation and Carmeuse Industrial Sands. Our larger competitors may have greater financial and other resources than we do, may develop technology superior to ours or may have production facilities that are located closer to key customers than ours.

Because the markets for our products are typically local, we also compete with smaller, regional or local producers. For instance, in recent years there has been an increase in the number of small producers servicing the frac sand market due to an increased demand for hydraulic fracturing services. Should the demand for hydraulic fracturing services decrease, prices in the frac sand market could materially decrease as smaller, regional producers exit the market, selling frac sand at below market prices. In addition, oil and natural gas exploration and production companies and other providers of hydraulic fracturing services could acquire their own frac sand reserves, expand their existing frac sand production capacity or otherwise fulfill their own proppant requirements, which would negatively impact demand for our frac sand products. We cannot guarantee that we will be able to compete successfully against either our larger or smaller competitors in the future or that competition will not have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

A large portion of our sales is generated by our top ten customers, and the loss of, or a significant reduction in, purchases by our largest customers could adversely affect our operations.

During 2010, our top ten customers represented 45% of our sales from continuing operations, with no single customer accounting for more than 9%. We have long-term, competitively bid supply agreements with three of these customers in the oil and gas proppants end market, including our top customer, that have initial terms expiring between 2014 and 2016. We do not have long-term contracts in place with the remaining seven customers. These customers may not continue to purchase the same levels of our commercial silica products in the future due to a variety of reasons. For example, some of our top customers could go out of business or, alternatively, be acquired by other companies that purchase the same products and services provided by us from other third-party providers. Our customers could also seek to capture and develop their own sources of commercial silica. If any of our major customers substantially reduces or altogether ceases purchasing our commercial silica products, we could suffer a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In addition, the long-term supply agreements we have may negatively impact our results of operations. Certain of our long-term agreements are for sales at fixed prices that are adjusted only for certain cost increases. As a result, in periods with increasing prices, such as the period we are currently experiencing, our sales will grow at a slower rate than industry spot prices.

Increasing costs or a lack of dependability or availability of transportation services or infrastructure could have an adverse effect on our ability to deliver products at competitive prices.

Because of the relatively low cost of producing commercial silica, transportation and handling costs tend to be a significant component of the total delivered cost of sales. The high relative cost of transportation tends to favor manufacturers located in close proximity to the customer. We contract with truck, rail, ship and barge services to move commercial silica from our production facilities to distribution outlets and our customers, and increased costs under these contracts could adversely affect our results of operations if we are unable to pass these costs on to our customers. In addition, we bear the risk of nondelivery under our customer contracts. In certain instances we commit to deliver products to our customers prior to production, under penalty of nonperformance. Labor disputes, derailments, adverse weather conditions or other environmental events, an increasingly tight railcar leasing market and changes to rail freight systems could interrupt or limit available transportation services. A significant increase in transportation service rates, a reduction in the dependability or availability of transportation services or relocation of our customers' businesses to areas farther from our plants could impair our ability to deliver our products economically to our customers and to expand our markets.

Our production process consumes large amounts of natural gas and electricity. An increase in the price or a significant interruption in the supply of these or any other energy sources could have a material adverse effect on our financial condition or results of operations.

Energy costs, primarily natural gas and electricity, represented approximately 9% of our total sales in 2010. Natural gas is the primary fuel source used for drying in the commercial silica production process and, as such, our profitability is impacted by the price and availability of natural gas we purchase from third parties. The price and supply of natural gas are unpredictable and can fluctuate significantly based on international, political and economic circumstances, as well as other events outside our control, such as changes in supply and demand due to weather conditions, actions by OPEC and other oil and natural gas producers, regional production patterns and environmental concerns. In addition, potential climate change regulations or carbon or emissions taxes could result in higher production costs for energy, which may be passed on to us in whole or in part. In the past, the price of natural gas has been extremely volatile, and we expect this volatility to continue. For example, during the year ended December 31, 2010 and the three months ended March 31, 2011, the monthly closing price of natural gas on the New York Mercantile Exchange ranged from a high of $5.81 per million British Thermal Units ("BTUs") to a low of $3.29 per million BTUs. In order to manage this risk, we may hedge natural gas prices through the use of derivative financial instruments, such as forwards, swaps and futures. However, these measures carry risk (including nonperformance by counterparties) and do not in any event entirely eliminate the risk of decreased margins as a result of natural gas price increases. A significant increase in the price of energy that is not recovered through an increase in the price of our products or covered through our hedging arrangements or an extended interruption in the supply of natural gas or electricity to our production facilities could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Increases in the price of diesel fuel may adversely affect our results of operations.

Diesel fuel costs generally fluctuate with increasing and decreasing world crude oil prices, and accordingly are subject to political, economic and market factors that are outside of our control. Our operations are dependent on earthmoving equipment, railcars and tractor trailers, and diesel fuel costs are a significant component of the operating expense of these vehicles. We use earthmoving equipment in our mining operations, and we ship the vast majority of our products by either railcar or tractor trailer. To the extent that we perform these services with

equipment that we own, we are responsible for buying and supplying the diesel fuel needed to operate these vehicles. To the extent that these services are provided by independent contractors, we may be subject to fuel surcharges that attempt to recoup increased diesel fuel expenses. Although we attempt to pass along some or all of these costs to our customers, there can be no assurance that we will be able to do so in the future. To the extent we are unable to pass along increased diesel fuel costs to our customers, our results of operations could be adversely affected.

Diminished access to water may adversely affect our operations.

The mining and processing activities in which we engage at a number of our facilities require significant amounts of water, and some of our facilities are located in areas that are water-constrained. We have obtained water rights that we currently use to service the activities on our various properties, and we plan to obtain all required water rights to service other properties we may develop or acquire in the future. However, the amount of water that we are entitled to use pursuant to our water rights must be determined by the appropriate regulatory authorities in the jurisdictions in which we operate. Such regulatory authorities may amend the regulations regarding such water rights, increase the cost of maintaining such water rights or eliminate our current water rights, and we may be unable to retain all or a portion of such water rights. For instance, there are proposed regulations reducing water rights per acre for the aquifer accessed by our Mill Creek, Oklahoma facility. These new regulations, which could also affect local municipalities and other industrial operations, could have a material adverse effect on our operating costs and effectiveness if implemented. Such changes in laws, regulations or government policy and related interpretations pertaining to water rights may alter the environment in which we do business, which may negatively affect our financial condition and results of operations.

Title to, and the area of, water rights may also be disputed, including by Native American tribes asserting historical water rights. A successful claim that we lack appropriate water rights on one or more of our properties could cause us to lose any rights to explore, develop and operate mines on that property. Any decrease or disruption in our water rights or available water supply as a result of any of the above factors may adversely affect our operations.

The manufacture of resin-coated sand will be a new process for us, and failure to effectively integrate this new process with our existing processes could have a material adverse effect on our financial condition and results of operations.

We are currently constructing a resin-coating facility in Rochelle, Illinois that will produce resin-coated sand, which is a higher-strength alternative to traditional frac sand and involves a manufacturing process with which we are relatively inexperienced. Commercialization of resin-coated sand involves capital expenditures, which we have begun to incur, and new operational requirements. If we are unable to secure adequate, cost-effective supply commitments for the raw materials associated with resin-coated sand or if we are unable to successfully and efficiently construct the needed additional manufacturing capacity and infrastructure to produce resin-coated sand, our ability to sell this product to the marketplace may be adversely impacted. In addition, there are attendant risks of market acceptance and product performance that could result in less demand than anticipated and our having excess capacity. A lack of sales of resin-coated sand could have a material adverse effect on our financial condition and results of operations.

If we cannot successfully complete acquisitions or integrate acquired businesses, our growth may be limited and our financial condition may be adversely affected.

Our business strategy includes supplementing internal growth by pursuing acquisitions of complementary businesses. Any acquisition involves potential risks, including, among other things:

- the validity of our assumptions about mineral reserves, future production, sales, capital expenditures, operating expenses and costs, including synergies;

- an inability to successfully integrate the businesses we acquire;
- the use of a significant portion of our available cash or borrowing capacity to finance acquisitions and the subsequent decrease in our liquidity;
- a significant increase in our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- the assumption of unknown liabilities, losses or costs for which we are not indemnified or for which our indemnity is inadequate;
- the diversion of management's attention from other business concerns;
- an inability to hire, train or retain qualified personnel both to manage and to operate our growing business and assets;
- the incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges;
- unforeseen difficulties encountered in operating in new geographic areas;
- customer or key employee losses at the acquired businesses; and
- the accuracy of data obtained from production reports and engineering studies, geophysical and geological analyses and other information used when deciding to acquire a property, the results of which are often inconclusive and subject to various interpretations.

If we cannot successfully complete acquisitions or integrate acquired businesses, our growth may be limited and our financial condition may be adversely affected.

We will be required to make substantial capital expenditures to maintain, develop and increase our asset base. The inability to obtain needed capital or financing on satisfactory terms, or at all, could have an adverse effect on our growth and profitability.

Although we currently use a significant amount of our cash reserves and cash generated from our operations to fund the maintenance and development of our existing mineral reserves and our acquisitions of new mineral reserves, we may depend on the availability of credit to fund future capital expenditures. Our ability to obtain bank financing or to access the capital markets for future equity or debt offerings may be limited by our financial condition at the time of any such financing or offering, the covenants contained in our existing credit facilities or future debt agreements, adverse market conditions or other contingencies and uncertainties that are beyond our control. Our failure to obtain the funds necessary to maintain, develop and increase our asset base could adversely impact our growth and profitability.

Even if we are able to obtain financing or access the capital markets, incurring additional debt may significantly increase our interest expense and financial leverage, and our level of indebtedness could restrict our ability to fund future development and acquisition activities. In addition, the issuance of additional common stock in an equity offering may result in significant stockholder dilution.

Our substantial indebtedness and pension obligations could adversely affect our financial flexibility and our competitive position.

We have, and we will continue to have, a significant amount of indebtedness. As of March 31, 2011, after giving effect to our credit facility refinancing described elsewhere in this prospectus, we had $260.0 million of outstanding indebtedness. As of March 31, 2011, we had no outstanding borrowings, $9.2 million of outstanding letters of credit, $1.2 million reserved against derivative agreements and $20.0 million of borrowing availability under the ABL Facility. Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. We also have, and will continue to

have, significant pension obligations. As of December 31, 2010, our unfunded pension obligations totaled $26.9 million. Our substantial indebtedness and pension obligations could have other important consequences to you and significant effects on our business. For example, they could:

- increase our vulnerability to adverse changes in general economic, industry and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness and pension obligations, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from exploiting business opportunities;
- make it more difficult to satisfy our financial obligations, including payments on our indebtedness;
- place us at a disadvantage compared to our competitors that have less debt and pension obligations; and
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general corporate purposes.

Our credit facilities contain substantial restrictions and financial covenants that may restrict our business and financing activities.

Our existing credit facilities contain, and any future financing agreements that we may enter into will likely contain, operating and financial restrictions and covenants that may restrict our ability to finance future operations or capital needs or to engage in, expand or pursue our business activities. See “Description of Certain Indebtedness.”

Our ability to comply with these restrictions and covenants is uncertain and will be affected by the levels of cash flow from our operations and events or circumstances beyond our control. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we violate any of the restrictions, covenants, ratios or tests in our credit facilities, a significant portion of our indebtedness may become immediately due and payable and our lenders’ commitment to make further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, our obligations under our credit facilities are secured by substantially all of our assets, and if we are unable to repay our indebtedness under our credit facilities, the lenders could seek to foreclose on our assets. Our ABL Facility limits the amounts we can borrow to a borrowing base amount. Outstanding borrowings in excess of the borrowing base are required to be repaid immediately.

We may incur substantial debt in the future to enable us to maintain or increase our production levels and to otherwise pursue our business plan. This debt may impair our ability to operate our business.

Our business plan requires a significant amount of capital expenditures to maintain and grow our production levels. If commercial silica prices were to decline for an extended period of time, if the costs of our acquisition and development operations were to increase substantially or if other events were to occur which reduced our sales or increased our costs, we may be required to borrow significant amounts in the future to enable us to finance the expenditures necessary to replace the reserves we produce. The cost of the borrowings and our obligations to repay the borrowings could have important consequences to us, including:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms, or at all;

- covenants contained in our existing and future credit and debt arrangements will require us to meet financial tests that may affect our flexibility in planning for, and reacting to, changes in our business, including possible acquisition opportunities;
- we will need a substantial portion of our cash flow to make principal and interest payments on our indebtedness and to improve the funded status of our defined benefit pension plan, reducing the funds that would otherwise be available for operations and future business opportunities; and
- our debt level will make us more vulnerable than our less leveraged competitors to competitive pressures or a downturn in our business or the economy generally.

Our ability to service our indebtedness will depend on, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or delaying business activities, acquisitions, investments and/or capital expenditures; selling assets; restructuring or refinancing our indebtedness; or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms or at all.

Inaccuracies in our estimates of mineral reserves and resource deposits could result in lower than expected sales and higher than expected costs.

We base our mineral reserve and resource estimates on engineering, economic and geological data assembled and analyzed by our engineers and geologists, which are reviewed by outside firms. However, commercial silica reserve estimates are necessarily imprecise and depend to some extent on statistical inferences drawn from available drilling data, which may prove unreliable. There are numerous uncertainties inherent in estimating quantities and qualities of commercial silica reserves and non-reserve commercial silica deposits and costs to mine recoverable reserves, including many factors beyond our control. Estimates of economically recoverable commercial silica reserves necessarily depend on a number of factors and assumptions, all of which may vary considerably from actual results, such as:

- geological and mining conditions and/or effects from prior mining that may not be fully identified by available data or that may differ from experience;
- assumptions concerning future prices of commercial silica products, operating costs, mining technology improvements, development costs and reclamation costs; and
- assumptions concerning future effects of regulation, including the issuance of required permits and taxes by governmental agencies.

Any inaccuracy in our estimates related to our mineral reserves and non-reserve mineral deposits could result in lower than expected sales and higher than expected costs.

Mine closures entail substantial costs, and if we close one or more of our mines sooner than anticipated, our results of operations may be adversely affected.

We base our assumptions regarding the life of our mines on detailed studies that we perform from time to time, but our studies and assumptions do not always prove to be accurate. If we close any of our mines sooner than expected, sales will decline unless we are able to increase production at any of our other mines, which may not be possible. The closure of an open pit mine also involves significant fixed closure costs, including accelerated employment legacy costs, severance-related obligations, reclamation and other environmental costs and the costs of terminating long-term obligations, including energy contracts and equipment leases. We accrue for the costs of reclaiming open pits, stockpiles, tailings ponds, roads and other mining support areas over the estimated mining life of our property. If we were to reduce the estimated life of any of our mines, the fixed mine

closure costs would be applied to a shorter period of production, which would increase production costs per ton produced and could materially and adversely affect our results of operations and financial condition.

Applicable statutes and regulations require that mining property be reclaimed following a mine closure in accordance with specified standards and an approved reclamation plan. The plan addresses matters such as removal of facilities and equipment, regrading, prevention of erosion and other forms of water pollution, re-vegetation and post-mining land use. We may be required to post a surety bond or other form of financial assurance equal to the cost of reclamation as set forth in the approved reclamation plan. The establishment of the final mine closure reclamation liability is based on permit requirements and requires various estimates and assumptions, principally associated with reclamation costs and production levels. Although we believe, based on currently available information, that we are making adequate provisions for all expected reclamation and other costs associated with mine closures for which we will be responsible, our business, results of operations and financial condition would be adversely affected if such accruals were later determined to be insufficient.

A shortage of skilled labor together with rising labor costs in the mining industry may further increase operating costs, which could adversely affect our results of operations.

Efficient mining using modern techniques and equipment requires skilled laborers, preferably with several years of experience and proficiency in multiple mining tasks, including processing of mined minerals. If the shortage of experienced labor continues or worsens or if we are unable to train the necessary number of skilled laborers, there could be an adverse impact on our labor productivity and costs and our ability to expand production.

As a result of current market conditions and the high demand for skilled labor in certain regions in which we operate, we are experiencing a record level of labor costs, and we expect the cost of labor to increase in the future. If the prices for our products decrease in the future, we can provide no assurances that labor costs will be commensurately reduced.

Our business may suffer if we lose, or are unable to attract and retain, key personnel.

We depend to a large extent on the services of our senior management team and other key personnel. Members of our senior management and other key employees have extensive experience and expertise in evaluating and analyzing industrial mineral properties, maximizing production from such properties, marketing industrial mineral production and developing and executing financing and hedging strategies. Competition for management and key personnel is intense, and the pool of qualified candidates is limited. The loss of any of these individuals or the failure to attract additional personnel, as needed, could have a material adverse effect on our operations and could lead to higher labor costs or the use of less-qualified personnel. In addition, if any of our executives or other key employees were to join a competitor or form a competing company, we could lose customers, suppliers, know-how and key personnel. We do not maintain key-man life insurance with respect to any of our employees. Our success will be dependent on our ability to continue to attract, employ and retain highly skilled personnel.

Our profitability could be negatively affected if we fail to maintain satisfactory labor relations.

As of December 31, 2010, various labor unions represented about 56% of our employees, and in 2011, one collective bargaining agreement to which we are a party, representing approximately 47 of our employees at our Mill Creek facility, will expire. If we are unable to renegotiate acceptable collective bargaining agreements with these labor unions in the future, we could experience, among other things, strikes, work stoppages or other slowdowns by our workers and increased operating costs as a result of higher wages, health care costs or benefits paid to our employees. An inability to maintain good relations with our workforce could cause a material adverse effect on our business and results of operations.

We rely upon trade secrets and contractual restrictions, and not patents, to protect our proprietary rights. Failure to protect our intellectual property rights may undermine our competitive position, and protecting our rights or defending against third-party allegations of infringement may be costly.

Our commercial success depends on our proprietary information and technologies, know-how and other intellectual property. Because of the technical nature of our business, we rely on trade secrets, trademarks and contractual restrictions to protect our intellectual property rights and currently do not hold any patents related to our business. The measures we take to protect our trade secrets and other intellectual property rights may be insufficient. Failure to protect, monitor and control the use of our existing intellectual property rights could cause us to lose our competitive advantage and incur significant expenses. Although we enter into confidentiality and nondisclosure agreements with our employees, consultants, advisors and partners to protect our intellectual property rights, these agreements could be breached and may not provide meaningful protection for our trade secrets. It is possible that our competitors or others could independently develop the same or similar technologies or otherwise obtain access to our unpatented technologies. In such case, our trade secrets would not prevent third parties from competing with us. As a result, our results of operations may be adversely affected. Furthermore, third parties or employees may infringe or misappropriate our proprietary technologies or other intellectual property rights, which could also harm our business and results of operations. Policing unauthorized use of intellectual property rights can be difficult and expensive, and adequate remedies may not be available.

In addition, third parties may claim that our products infringe or otherwise violate their patents or other proprietary rights and seek corresponding damages or injunctive relief. Defending ourselves against such claims, with or without merit, could be time-consuming and result in costly litigation. An adverse outcome in any such litigation could subject us to significant liability to third parties (potentially including treble damages) or temporary or permanent injunctions prohibiting the manufacture or sale of our products, the use of our technologies or the conduct of our business. Any adverse outcome could also require us to seek licenses from third parties (which may not be available on acceptable terms, or at all) or to make substantial one-time or ongoing royalty payments. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation. In addition, we may not have insurance coverage in connection with such litigation and may have to bear all costs arising from any such litigation to the extent we are unable to recover them from other parties. Any of these outcomes could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Silica-related health issues and litigation could have a material adverse effect on our business, reputation or results of operations.

The inhalation of respirable crystalline silica is associated with the lung disease silicosis. There is recent evidence of an association between crystalline silica exposure or silicosis and lung cancer and a possible association with other diseases, including immune system disorders such as scleroderma. These health risks have been, and may continue to be, a significant issue confronting the commercial silica industry. Concerns over silicosis and other potential adverse health effects, as well as concerns regarding potential liability from the use of silica, may have the effect of discouraging our customers' use of our silica products. The actual or perceived health risks of mining, processing and handling silica could materially and adversely affect silica producers, including us, through reduced use of silica products, the threat of product liability or employee lawsuits, increased scrutiny by federal, state and local regulatory authorities of us and our customers or reduced financing sources available to the commercial silica industry.

Since at least 1975, we and/or our predecessors have been named as a defendant, usually among many defendants, in numerous products liability lawsuits brought by or on behalf of current or former employees of our customers alleging damages caused by silica exposure. As of December 31, 2010, we were the subject of approximately 146 active silica exposure claims, and, as of June 1, 2011, approximately 3,300 inactive claims. Almost all of the claims pending against us arise out of the alleged use of our silica products in foundries or as an abrasive blast media and have been filed in the states of Texas, Louisiana and Mississippi, although some cases have been brought in many other jurisdictions over the years.

We currently have certain limited sources of recovery for silica exposure claims to date, including an indemnity for those claims from a successor to our former owner and some insurance coverage. The indemnity covers only claims filed prior to 2005 for alleged exposure to our products only for the period prior to September 12, 1985 and contains other limitations. Existing and potential insurance coverage applies only to occurrences of alleged silica exposure prior to certain dates in 1985 and 1986, respectively. We have no insurance or indemnity for claims relating to silica exposure after these dates. Although the scope of coverage under certain insurance policies is currently being litigated, we believe, based on currently available information, they and the indemnity will remain in force. The silica-related litigation brought against us to date and associated litigation costs, settlements and verdicts have not resulted in a material liability to us to date. However, we may continue to have silica exposure claims filed against us, including claims that allege silica exposure for periods not covered by insurance or an indemnity, and the costs, outcome and impact to us of any pending or future claims is not certain. Any such pending or future claims or inadequacies of our indemnity or insurance coverage could have a material adverse effect on our business, reputation, financial condition, results of operations, cash flows and prospects. For further information, see "Business—Legal Proceedings."

We may have to utilize significant cash to meet our unfunded pension obligations and post-retirement health care liabilities and these obligations are subject to increase.

Many of our employees participate in our defined benefit pension plans. From January 1, 2011 through June 1, 2011, we made payments totaling $8.3 million toward reducing the unfunded liability of our defined benefit pension plans. Declines in interest rates or the market values of the securities held by the plans, or other adverse changes, could materially increase the underfunded status of our plans and affect the level and timing of required cash contributions. To the extent we use cash to reduce these unfunded liabilities, the amount of cash available for our working capital needs would be reduced. In addition, under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Pension Benefit Guaranty Corporation ("PBGC") has the authority to terminate an underfunded tax-qualified pension plan under limited circumstances. In the event our tax-qualified pension plans are terminated by the PBGC, we could be liable to the PBGC for the underfunded amount, which could trigger default provisions in our credit facilities.

We also have a post-retirement health and life insurance plan for many of our employees. The post-retirement benefit plan is unfunded. We derive post-retirement benefit expense from an actuarial calculation based on the provisions of the plan and a number of assumptions provided by us including information about employee demographics, retirement age, future health care costs, turnover, mortality, discount rate, amount and timing of claims and a health care inflation trend rate. Our pension obligation was $92.1 million as of December 31, 2010 (with plan assets of $65.2 million), and post-retirement healthcare obligations were $22.5 million as of December 31, 2010.

Failure to maintain effective quality control systems at our mining, processing and production facilities could have a material adverse effect on our business and operations.

The performance, quality and safety of our products are critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems, which, in turn, depends on a number of factors, including the design of our quality control systems, our quality-training program and our ability to ensure that our employees adhere to the quality control policies and guidelines. Any significant failure or deterioration of our quality control systems could have a material adverse effect on our business, financial condition, results of operations and reputation.

Seasonal and severe weather conditions could have a material adverse impact on our business.

Our business could be materially adversely affected by weather conditions. Severe weather conditions may affect our customers' operations, thus reducing their need for our products. Weather conditions may impact our operations, resulting in weather-related damage to our facilities and equipment or an inability to deliver

equipment, personnel and products to job sites in accordance with contract schedules. In addition, the EPA has stated that climate change may lead to the increased frequency and severity of extreme weather events. Any such interference with our operations could force us to delay or curtail services and potentially breach our contractual obligations or result in a loss of productivity and an increase in our operating costs.

Our sales and profitability fluctuate on a seasonal basis and are affected by a variety of other factors.

Our sales and profitability are affected by a variety of factors, including actions of competitors, changes in general economic conditions, weather conditions and seasonal periods. As a result, our results of operations fluctuate on a quarterly basis and relative to corresponding periods in prior years, and any of these factors could adversely affect our business and cause our results of operations to decline. For example, we sell more of our products in the second and third quarters in the building products and recreation end markets due to the seasonal rise in construction driven by more favorable weather conditions. We sell fewer of our products in the first and fourth quarters due to reduced construction and recreational activity largely as a result of adverse weather conditions. Any unanticipated decrease in demand for our products during the second and third quarters could have a material adverse effect on our sales and profitability.

We may be subject to interruptions or failures in our information technology systems.

We rely on sophisticated information technology systems and infrastructure to support our business, including process control technology. Any of these systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures and similar events. The failure of any of our information technology systems may cause disruptions in our operations, adversely affecting our sales and profitability. We have business continuity plans in place to reduce the negative impact of information technology system failures on our operations, but we cannot assure you that these plans will be completely effective.

We rely on a different source for our 2010 industry and market data than for the same data in prior years. Neither the 2010 data nor the data prior to 2010 can be verified with certainty, and either the 2010 data or the data prior to 2010 may prove to be inaccurate.

We have relied on the Minerals Yearbook produced by the USGS for our industry and market data for years prior to 2010. The USGS has not yet produced its 2010 yearbook and has provided only preliminary estimates of commercial silica demand in 2010. We experienced unprecedented demand for our frac sand products from producers of oil and natural gas in 2010, and based on our experience and results of operations in 2010, we believe that our internal estimates of market demand, compiled through consultation with independent third parties, more accurately represent 2010 demand for commercial silica than the preliminary USGS estimates. Neither the 2010 data nor the data prior to 2010 can be verified with certainty, and either the 2010 data or the data prior to 2010 may prove to be inaccurate.

In addition, certain of this industry data constitutes forward-looking statements. We cannot guarantee the accuracy of such forward-looking statements, and you should be aware that results and events could differ materially and adversely from those contained in these forward-looking statements. See “Forward-Looking Statements.”

A terrorist attack or armed conflict could harm our business.

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the United States could adversely affect the U.S. and global economies and could prevent us from meeting financial and other obligations. We could experience loss of business, delays or defaults in payments from payors or disruptions of fuel supplies and markets if pipelines, production facilities, processing plants or refineries are direct targets or indirect casualties of an act of terror or war. Such activities could reduce the overall demand for oil and natural gas, which, in turn, could also reduce the demand for our products and services. We have implemented certain

security measures in response to the threat of terrorist activities. Terrorist activities and the threat of potential terrorist activities and any resulting economic downturn could adversely affect our results of operations, impair our ability to raise capital or otherwise adversely impact our ability to realize certain business strategies.

If we fail to establish and maintain adequate internal controls over financial reporting, we may not be able to report our financial results in a timely and reliable manner, which could harm our business and impact the value of our common stock.

We depend on our ability to produce accurate and timely financial statements in order to run our business. If we fail to do so, our business could be negatively affected and our independent registered public accounting firm may be unable to attest to the accuracy of our financial statements and effectiveness of our internal controls.

We reissued our 2010 financial statements after management identified a material weakness in its internal controls related to stock-based compensation. Based on a misinterpretation of accounting guidance, management did not properly record compensation for equity-based awards granted at GGC USS Holdings, LLC (our "parent LLC") to certain of our employees. This resulted in an understatement of stock-based compensation expense in 2009 and 2010. A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control Over Financial Reporting." No additional equity-based awards are expected to be granted to our employees at our parent LLC in the future and, therefore, no additional remediation efforts are necessary.

If we fail to maintain effective internal controls in the future, it could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis, which could cause investors to lose confidence in our financial information or cause our stock price to decline.

Risks Related to Environmental, Mining and Other Regulation

We and our customers are subject to extensive environmental and health and safety regulations that impose, and will continue to impose, significant costs and liabilities. In addition, future regulations, or more stringent enforcement of existing regulations, could increase those costs and liabilities, which could adversely affect our results of operations.

We are subject to a variety of federal, state and local regulatory environmental requirements affecting the mining and mineral processing industry, including among others, those relating to employee health and safety, environmental permitting and licensing, air and water emissions, greenhouse gas emissions, water pollution, waste management, remediation of soil and groundwater contamination, land use, reclamation and restoration of properties, hazardous materials and natural resources. These laws, regulations and permits have had, and will continue to have, a significant effect on our business. Some environmental laws impose substantial penalties for noncompliance, and others, such as the federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), impose strict, retroactive and joint and several liability for the remediation of releases of hazardous substances. Liability under CERCLA, or similar state and local laws, may be imposed as a result of conduct that was lawful at the time it occurred or for the conduct of, or conditions caused by, prior operators or other third parties. Failure to properly handle, transport, store or dispose of hazardous materials or otherwise conduct our operations in compliance with environmental laws could expose us to liability for governmental penalties, cleanup costs and civil or criminal liability associated with releases of such materials into the environment, damages to property or natural resources and other damages, as well as potentially impair our ability to conduct our operations. In addition, future environmental laws and regulations could restrict our ability to expand our facilities or extract our mineral deposits or could require us to acquire costly equipment or to incur other significant expenses in connection with our business. There can be no assurance that future events, including changes in any environmental requirements (or their interpretation or enforcement) and the costs associated with complying with such requirements, will not have a material adverse effect on us.

Any failure by us to comply with applicable environmental laws and regulations may cause governmental authorities to take actions that could adversely impact our operations and financial condition, including:

- issuance of administrative, civil and criminal penalties;
- denial, modification or revocation of permits or other authorizations;
- imposition of injunctive obligations or other limitations on our operations, including cessation of operations; and
- requirements to perform site investigatory, remedial or other corrective actions.

Moreover, environmental requirements, and the interpretation and enforcement thereof, change frequently and have tended to become more stringent over time. For example, greenhouse gas emission regulation is becoming more rigorous. We expect to be required to report annual greenhouse gas emissions from our operations to the EPA, and additional greenhouse gas emission related requirements at the supranational, federal, state, regional and local levels are in various stages of development. The U.S. Congress has considered, and may adopt in the future, various legislative proposals to address climate change, including a nationwide limit on greenhouse gas emissions. In addition, the EPA has issued regulations, including the "Tailoring Rule," that subject greenhouse gas emissions from certain stationary sources to the Prevention of Significant Deterioration and Title V provisions of the federal Clean Air Act. Any such regulations could require us to modify existing permits or obtain new permits, implement additional pollution control technology, curtail operations or increase significantly our operating costs. Any regulation of greenhouse gas emissions, including, for example, through a cap-and-trade system, technology mandate, emissions tax, reporting requirement or other program, could adversely affect our business, financial condition, reputation, operating performance and product demand.

In addition to environmental regulation, we are subject to laws and regulations relating to human exposure to crystalline silica. Several federal and state regulatory authorities, including the U.S. Mining Safety and Health Administration, may continue to propose changes in their regulations regarding workplace exposure to crystalline silica, such as permissible exposure limits and required controls and personal protective equipment. Both the North American Industrial Mining Association and the National Industrial Sand Association, both of which we are a member, track silicosis-related issues and aim to work with government policymakers in crafting such regulations.

We cannot guarantee that we will be able to comply with any new laws and regulations that are adopted or that any new laws and regulations will not have a material adverse effect on our operating results by requiring us to modify our operations or equipment or shut down some or all of our plants. Additionally, we cannot guarantee that our customers will be able to comply with any new laws and regulations or that any new laws and regulations will not have a material adverse effect on our customers by requiring them to shut down old plants or to relocate plants to locations with less stringent regulations farther away from our facilities. Accordingly, we cannot at this time reasonably estimate our costs of compliance or the timing of any costs associated with any new laws and regulations, or any material adverse effect that any new standards will have on our customers and, consequently, on our operations.

We are subject to various lawsuits relating to the actual or alleged exposure of persons to silica. See "—Risks Related to Our Business—Silica-related health issues and litigation could have a material adverse effect on our business, reputation or results of operations."

We are subject to the Federal Mine Safety and Health Act of 1977, which imposes stringent health and safety standards on numerous aspects of our operations.

Our operations are subject to the Federal Mine Safety and Health Act of 1977, as amended by the Mine Improvement and New Emergency Response Act of 2006, which imposes stringent health and safety standards on numerous aspects of mineral extraction and processing operations, including the training of personnel,

operating procedures, operating equipment and other matters. Our failure to comply with such standards, or changes in such standards or the interpretation or enforcement thereof, could have a material adverse effect on our business and financial condition or otherwise impose significant restrictions on our ability to conduct mineral extraction and processing operations.

We and our customers are subject to other extensive regulations, including licensing, plant and wildlife protection and reclamation regulation, that impose, and will continue to impose, significant costs and liabilities. In addition, future regulations, or more stringent enforcement of existing regulations, could increase those costs and liabilities, which could adversely affect our results of operations.

In addition to the regulatory matters described above, we and our customers are subject to extensive governmental regulation on matters such as permitting and licensing requirements, plant and wildlife protection, wetlands protection, reclamation and restoration of mining properties after mining is completed, the discharge of materials into the environment and the effects that mining and hydraulic fracturing have on groundwater quality and availability. Our future success depends, among other things, on the quantity of our commercial silica and other mineral deposits and our ability to extract these deposits profitably, and our customers being able to operate their businesses as they currently do.

In order to obtain permits and renewals of permits in the future, we may be required to prepare and present data to governmental authorities pertaining to the impact that any proposed exploration or production activities may have on the environment. Certain approval procedures may require preparation of archaeological surveys, endangered species studies and other studies to assess the environmental impact of new sites or the expansion of existing sites. Compliance with these regulatory requirements is expensive and significantly lengthens the time needed to develop a site. Finally, obtaining or renewing required permits is sometimes delayed or prevented due to community opposition and other factors beyond our control. The denial of a permit essential to our operations or the imposition of conditions with which it is not practicable or feasible to comply could impair or prevent our ability to develop or expand a site. Significant opposition to a permit by neighboring property owners, members of the public or other third parties or delay in the environmental review and permitting process also could impair or delay our ability to develop or expand a site. New legal requirements, including those related to the protection of the environment, could be adopted that could materially adversely affect our mining operations (including our ability to extract mineral deposits), our cost structure or our customers' ability to use our commercial silica products. Accordingly, there can be no assurance that such current or future regulations will not have a material adverse effect on our business or that we will be able to obtain or renew permits in the future.

Our inability to acquire, maintain or renew financial assurances related to the reclamation and restoration of mining property could have a material adverse effect on our business, financial condition and results of operations.

We are generally obligated to restore property in accordance with regulatory standards and our approved reclamation plan after it has been mined. We are required under federal, state and local laws to maintain financial assurances, such as surety bonds, to secure such obligations. The inability to acquire, maintain or renew such assurances, as required by federal, state and local laws, could subject us to fines and penalties as well as the revocation of our operating permits. Such inability could result from a variety of factors, including:

- the lack of availability, higher expense or unreasonable terms of such financial assurances;
- the ability of current and future financial assurance counterparties to increase required collateral; and
- the exercise by financial assurance counterparties of any rights to refuse to renew the financial assurance instruments.

Our inability to acquire, maintain or renew necessary financial assurances related to the reclamation and restoration of mining property could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to This Offering and Ownership of Our Common Stock

An active public market for our common stock may not develop following this offering, which could limit your ability to sell your shares of our common stock at an attractive price, or at all.

Prior to this offering, there has been no public market for our common stock. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market in our common stock or how liquid that market might become. An active public market for our common stock may not develop or be sustained after the offering. If an active public market does not develop or is not sustained, it may be difficult for you to sell your shares of common stock at a price that is attractive to you, or at all.

We are a "controlled company," controlled by Golden Gate Capital, whose interests in our business may be different from yours.

Upon completion of this offering, our parent LLC, which is controlled by Golden Gate Capital, will own approximately shares, or %, of our outstanding common stock. Accordingly, our parent LLC will be able to control virtually all matters requiring stockholder approval, including amendments to our certificate of incorporation and bylaws and approval of significant corporate transactions, including mergers and sales of substantially all of our assets. Prior to the completion of this offering, we intend to enter into a director designation agreement that will provide certain rights to our parent LLC, including with respect to director nominations.

Because of the equity ownership of our parent LLC, we will be considered a "controlled company" for purposes of the New York Stock Exchange ("NYSE") listing requirements. As such, we will be exempt from the NYSE corporate governance requirements that our board of directors meet the standard of independence established by those corporate governance requirements and will be exempt from the requirements that we have separate compensation and nominating and corporate governance committees made up entirely of directors who meet such independence standards. The NYSE independence standards are intended to ensure that directors who meet the independence standards are free of any conflicting interest that could influence their actions as directors. It is possible that the interests of our parent LLC may in some circumstances conflict with our interests and the interests of our other stockholders, including you.

Our stock price may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the initial public offering price.

After this offering, the market price for our common stock is likely to be volatile, in part because our shares have not been traded publicly. In addition, the market price of our common stock may fluctuate significantly in response to a number of factors, most of which we cannot control, including:

- quarterly variations in our operating results compared to market expectations;
- changes in preferences of our customers;
- announcements of new products or significant price reductions by us or our competitors;
- size of the public float;
- stock price performance of our competitors;
- fluctuations in stock market prices and volumes;
- default on our indebtedness or foreclosure of our properties;
- actions by competitors;
- changes in senior management or key personnel;
- changes in financial estimates by securities analysts;

- negative earnings or other announcements by us or other industrial companies;
- downgrades in our credit ratings or the credit ratings of our competitors;
- issuances of capital stock; and
- global economic, legal and regulatory factors unrelated to our performance.

Numerous factors affect our business and cause variations in our operating results and affect our net sales, including overall economic trends, our ability to identify and respond effectively to customer preferences, actions by competitors, pricing, the level of customer service that we provide, changes in product mix or sales channels, our ability to source and distribute products effectively and weather conditions.

The initial public offering price of our common stock will be determined by negotiations between us and the underwriters based on a number of factors and may not be indicative of prices that will prevail following the completion of this offering. Volatility in the market price of our common stock may prevent investors from being able to sell their common stock at or above the initial public offering price. As a result, you may suffer a loss on your investment.

In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many industrial companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs and our resources and the attention of management could be diverted from our business.

Future sales of our common stock, or the perception in the public markets that these sales may occur, may depress our stock price.

Sales of substantial amounts of our common stock in the public market after this offering, or the perception that these sales could occur, could adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional shares. Upon completion of this offering, we will have shares of common stock outstanding. The shares of common stock offered in this offering will be freely tradable without restriction under the Securities Act, except for any shares of our common stock that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

We, each of our officers and directors and the selling stockholders have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any of the shares of common stock or securities convertible into or exchangeable for, or that represent the right to receive, shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Morgan Stanley & Co. LLC. See “Underwriters.”

All of our shares of common stock outstanding as of the date of this prospectus may be sold in the public market by existing stockholders 180 days after the date of this prospectus, subject to applicable limitations imposed under federal securities laws. See “Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling shares of our common stock after this offering.

In the future, we may also issue our securities if we need to raise capital in connection with a capital raise or acquisition. The amount of shares of our common stock issued in connection with a capital raise or acquisition could constitute a material portion of our then-outstanding shares of common stock.

Anti-takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable.

Our certificate of incorporation and bylaws will contain provisions that may make the acquisition of our company more difficult without the approval of our board of directors. These provisions, which in some cases do not apply to our parent LLC until it holds less than 35% of our outstanding shares:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and
- establish advance notice requirements for nominations for elections to our board or for proposing matters that can be acted upon by stockholders at stockholder meetings.

Our certificate of incorporation also contains a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law (the "DGCL"), and will prevent us from engaging in a business combination with a person who acquires at least 15% of our common stock for a period of three years from the date such person acquired such common stock, except for our parent LLC (or its members) and, in certain instances, persons who purchase common stock from our parent LLC (or its members), and unless board or stockholder approval is obtained prior to the acquisition. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

Our certificate of incorporation contains a provision renouncing our interest and expectancy in certain corporate opportunities.

Our certificate of incorporation provides for the allocation of certain corporate opportunities between us and Golden Gate Capital. Under these provisions, neither Golden Gate Capital, its affiliates and subsidiaries, nor any of their officers, directors, agents, stockholders, members or partners will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. For instance, a director of our company who also serves as a director, officer or employee of Golden Gate Capital or any of its subsidiaries or affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisition or other opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations or prospects if attractive corporate opportunities are allocated by Golden Gate Capital to itself or its subsidiaries or affiliates instead of to us. The terms of our certificate of incorporation are more fully described in "Description of Capital Stock."

If you purchase shares of common stock sold in this offering, you will incur immediate and substantial dilution.

If you purchase shares of common stock in this offering, you will incur immediate and substantial dilution in the amount of $ per share, because the initial public offering price of $ is substantially higher than the net tangible book value per share of our outstanding common stock. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares. In addition, you may also experience additional dilution upon future equity issuances or the exercise

of stock options to purchase common stock granted to our employees, consultants and directors under our stock option and equity incentive plans. See “Dilution.”

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

We do not expect to pay any cash dividends for the foreseeable future.

The continued operation and expansion of our business will require substantial funding. Accordingly, we do not anticipate that we will pay any cash dividends on shares of our common stock for the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our results of operations and financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors deems relevant. Additionally, we are currently restricted from paying cash dividends by the agreements governing our indebtedness, and we expect these restrictions to continue in the future. Accordingly, if you purchase shares in this offering, realization of a gain on your investment will depend on the appreciation of the price of our common stock, which may never occur. Investors seeking cash dividends in the foreseeable future should not purchase our common stock.

We will incur increased costs as a result of becoming a public company.

As a public company, we will incur significant legal, accounting, insurance and other expenses that we have not incurred as a private company, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with complying with the requirements of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Act of 2010, and related rules implemented by the Securities and Exchange Commission (“SEC”) and the NYSE. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. These laws and regulations could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.

Compliance with Section 404 of the Sarbanes-Oxley Act of 2002 will require significant expenditures and effort by management, and if our independent registered public accounting firm is unable to provide an unqualified attestation report on our internal controls, our stock price could be adversely affected.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and related rules and regulations and beginning with our Annual Report on Form 10-K for the year ending December 31, 2012, our management will be required to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal

control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We are currently in the process of reviewing, documenting and testing our internal control over financial reporting. We may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal control over financial reporting. In addition, in connection with the attestation process by our independent registered public accounting firm, we may encounter problems or delays in completing the implementation of any requested improvements and receiving a favorable attestation. If we cannot favorably assess the effectiveness of our internal control over financial reporting, or if our independent registered public accounting firm is unable to provide an unqualified attestation report on our internal controls, investors could lose confidence in our financial information and our stock price could decline.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this prospectus are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth or initiatives, strategies or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- fluctuations in demand for commercial silica;
- the cyclical nature of our customers’ businesses;
- operating risks that are beyond our control, such as changes in the price and availability of transportation, natural gas or electricity; unusual or unexpected geological formations or pressures; cave-ins, pit wall failures or rock falls; or unanticipated ground, grade or water conditions;
- our dependence on two of our plants for a significant portion of our sales;
- the level of activity in the natural gas and oil industries;
- decreased demand for frac sand or the development of either effective alternative proppants or new processes to replace hydraulic fracturing;
- federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing and the potential for related regulatory action or litigation affecting our customers’ operations;
- our rights and ability to mine our properties and our renewal or receipt of the required permits and approvals from governmental authorities and other third parties;
- our ability to implement our capacity expansion plans within our current timetable and budget and our ability to secure offtake agreements for our increased production capacity, and the actual operating costs once we have completed the capacity expansion;
- our ability to succeed in competitive markets;
- loss of, or reduction in, business from our largest customers;
- increasing costs or a lack of dependability or availability of transportation services or infrastructure;
- increases in the prices of, or interruptions in the supply of, natural gas and electricity, or any other energy sources;
- increases in the price of diesel fuel;
- diminished access to water;
- our ability to effectively integrate the manufacture of resin-coated sand with our existing processes;
- our ability to successfully complete acquisitions or integrate acquired businesses;
- our ability to make capital expenditures to maintain, develop and increase our asset base and our ability to obtain needed capital or financing on satisfactory terms;
- substantial indebtedness and pension obligations;

- restrictions imposed by our indebtedness on our current and future operations;
- the accuracy of our estimates of mineral reserves and resource deposits;
- substantial costs of mine closures;
- a shortage of skilled labor and rising labor costs in the mining industry;
- our ability to attract and retain key personnel;
- our ability to maintain satisfactory labor relations;
- our reliance on trade secrets and contractual restrictions, rather than patents, to protect our proprietary rights;
- silica-related health issues and corresponding litigation;
- our significant unfunded pension obligations and post-retirement health care liabilities;
- our ability to maintain effective quality control systems at our mining, processing and production facilities;
- seasonal and severe weather conditions;
- fluctuations in our sales and results of operations due to seasonality and other factors;
- interruptions or failures in our information technology systems;
- our reliance on different sources for our 2010 industry and market data than for the same data in prior years;
- the impact of a terrorist attack or armed conflict;
- our failure to maintain adequate internal controls;
- extensive and evolving environmental, mining, health and safety, licensing, reclamation and other regulation (and changes in their enforcement or interpretation);
- our ability to acquire, maintain or renew financial assurances related to the reclamation and restoration of mining property; and
- other factors disclosed in the section entitled “Risk Factors” and elsewhere in this prospectus.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this prospectus in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this prospectus are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

USE OF PROCEEDS

We estimate that, based upon the initial public offering price of $ per share, we will receive net proceeds from this offering of approximately $, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders, including any shares sold by the selling stockholders in connection with the exercise of the underwriters' option to purchase additional shares.

We intend to use the net proceeds from the sale of common stock by us in this offering for general corporate purposes, including for working capital and capital expenditures, and the financing of acquisitions or other business combinations and other business opportunities complementary to our business and growth strategy. We have no pending commitments for, and are not currently engaged in negotiations in connection with, any acquisition. Our management will have broad discretion over the uses of the net proceeds from this offering and reserves the right to change the use of proceeds. Pending application of the net proceeds as described above, we intend to invest the net proceeds in short-term, investment-grade, interest-bearing securities.

DIVIDEND POLICY

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business and to repay indebtedness and, therefore, we do not anticipate paying any cash dividends in the foreseeable future. Additionally, because we are a holding company, our ability to pay dividends on our common stock is limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our indebtedness. See "Description of Certain Indebtedness." Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with covenants in current and future agreements governing our indebtedness, and will depend on our results of operations, financial condition, capital requirements and other factors that our board of directors deems relevant.

In May 2010, we paid a net cash dividend to our parent LLC in the aggregate amount of $25.0 million. The dividend was paid in connection with a refinancing transaction.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of March 31, 2011 on an actual basis and on an as adjusted basis to give effect to (1) the filing of our amended and restated certificate of incorporation at or prior to the completion of this offering, (2) our credit facility refinancing described elsewhere in this prospectus and (3) this offering. You should read the following table in conjunction with "Selected Historical Combined Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed combined financial statements and the related notes included elsewhere in this prospectus.

	As of March 31, 2011	
	Actual	As Adjusted[1]
	(unaudited) (amounts in thousands)	
Cash and cash equivalents	$ 54,638	$
Debt, including current portion:		
Short-term liabilities:		
Asset-Based Revolving Line-of-Credit[2]	—	—
Long-term liabilities:		
Senior Secured Credit Facility:		
Term Loan Facility[3]	163,064	260,000
Subordinated Notes:		
Mezzanine Loan Facility[4]	75,000	—
Note to parent LLC[5]	15,000	—
Total debt, including current portion	$253,064	$ 260,000
Common stock, $0.01 par value per share, 100 million authorized; 50 million shares issued and outstanding, on an actual basis; million shares authorized, on an as adjusted basis; million shares issued and outstanding, on an as adjusted basis		
Total stockholders' equity	$101,192	$
Total capitalization	$354,256	$

(1) A $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover of this prospectus, would result in an approximately $ million increase or decrease in each of cash and cash equivalents, total stockholders' equity and total capitalization, assuming that the number of shares offered by us set forth on the cover of this prospectus remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Each 1.0 million increase or decrease in the number of shares offered by us would increase or decrease each of cash and cash equivalents, total stockholders' equity and total capitalization by approximately $ million, assuming the initial public offering price of $ per share, the midpoint of the range set forth on the cover of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The as adjusted information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering.

(2) Provides for aggregate borrowings of up to $35.0 million, subject to certain borrowing base limitations, and expires on October 31, 2015. As of March 31, 2011, we had no outstanding borrowings, $9.2 million of outstanding letters of credit, $1.2 million reserved against derivative agreements and $20.0 million of borrowing availability under the ABL Facility. See "Description of Certain Indebtedness—ABL Facility."

(3) Represents the aggregate principal amount of the Term Loan Facility. On June 8, 2011, the Term Loan Facility was amended and restated to, among other things, increase the aggregate principal amount available thereunder from $165.0 million to $260.0 million and reprice the interest rate to LIBOR plus 375 basis points. The Term Loan Facility matures on June 8, 2017. See "Description of Certain Indebtedness—Term Loan Facility."

(4) Prepaid in full on June 8, 2011. See "Certain Relationships and Related Party Transactions—Historical Credit Agreement—Mezzanine Loan Facility."

(5) On December 22, 2010, we entered into a $15.0 million promissory note with our parent LLC to provide working capital for a new subsidiary. The note matures on December 22, 2015 and bears interest at 10%. Upon effectiveness of this offering, this note will be contributed as a capital contribution by our parent LLC to us.

DILUTION

Our net tangible book value as of March 31, 2011, before giving effect to the sale by us of shares of common stock offered in this offering, was approximately $, or approximately $ per share. Net tangible book value (deficit) per share represents the amount of our total tangible assets less the amount of our total liabilities, divided by the number of shares of common stock outstanding at March 31, 2011, prior to the sale by us of shares of common stock offered in this offering. Dilution in net tangible book value (deficit) per share represents the difference between the amount per share paid by investors in this offering and the net tangible book value (deficit) per share of our common stock outstanding immediately after this offering.

After giving effect to the sale by us of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the range set forth on the front cover of this prospectus, after deducting underwriting discounts and commissions and estimated expenses payable by us in connection with this offering, our as adjusted net tangible book value as of March 31, 2011 would have been approximately $, or $ per share of common stock. This represents an immediate increase in net tangible book value of $ per share to existing stockholders and immediate dilution of $ per share to new investors purchasing shares of common stock in this offering at the initial public offering price. If the initial public offering price is higher or lower than $ per share, the dilution to new stockholders will be higher or lower.

The following table illustrates this dilution in net tangible book value to new investors:

Assumed initial public offering price per share		$
Net tangible book value per share as of March 31, 2011	$	
Increase in net tangible book value per share to existing stockholders attributable to this offering		
As adjusted net tangible book value per share as of March 31, 2011 (assuming the completion of this offering)		
Dilution per share to new investors in this offering		$

The following table summarizes, as of March 31, 2011, the number of shares of our common stock purchased from us, the aggregate cash consideration paid to us and the average price per share paid to us by existing stockholders, which has been determined without regard to any distributions on, or accretion of liquidation value of, our common stock and to be paid by new investors purchasing shares of our common stock from us in this offering. The table is based on the initial public offering price of $ per share, the midpoint of the range set forth on the front cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percentage	Amount	Percentage	
Existing stockholders					
New investors					
Total					

The sale of shares of common stock to be sold by the selling stockholders in this offering will reduce the number of shares held by existing stockholders to , or % of the total shares outstanding, and will increase the number of shares held by investors participating in this offering to , or % of the total shares outstanding. In addition, if the underwriters' option to purchase additional shares is exercised in full, the number of shares of common stock held by existing stockholders will be further reduced to , or % of the total number of shares of common stock to be outstanding upon the completion of this offering, and the number of shares of common stock held by investors participating in this offering will be further increased to or % of the total number of shares of common stock to be outstanding upon the completion of this offering.

The tables and calculations above are based on 50 million shares of common stock issued and outstanding as of March 31, 2011, and excludes 1,285,965 shares of our common stock issuable upon the exercise of options, as well as 3,714,035 remaining shares of common stock reserved for issuance under the 2011 Plan, which we adopted prior to this offering.

To the extent that any outstanding options are exercised, new investors will experience further dilution.

SELECTED HISTORICAL COMBINED FINANCIAL AND OPERATING DATA

The following table sets forth our selected historical combined financial and operating data as of the dates and for the periods indicated. We have derived the selected historical combined financial and operating data as of December 31, 2006, 2007 and 2008, for the year ended December 31, 2006 and for the periods from January 1, 2007 through August 8, 2007, from August 9, 2007 through October 17, 2007 and from October 18, 2007 through December 31, 2007 from our audited combined financial statements, which are not included in this prospectus. We have derived the selected historical combined financial and operating data for the periods from January 1, 2008 through November 24, 2008, and from November 25, 2008 through December 31, 2008, and as of and for the years ended December 31, 2009 and 2010 from our combined financial statements that are included elsewhere in this prospectus, which were audited by Grant Thornton LLP, an independent registered public accounting firm. We have derived the selected historical combined financial and operating data as of March 31, 2011 and for the quarters ended March 31, 2010 and 2011 from our unaudited condensed combined financial statements included elsewhere in this prospectus. Our unaudited condensed combined financial statements have been prepared on the same basis as our audited combined financial statements and, in our opinion, include all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and results of operations for such periods. Operating results for the quarter periods are not necessarily indicative of results for a full year or for any other period.

As a result of our acquisition by an affiliate of Harvest Partners, LLC in August 2007, by an affiliate of Harbinger Capital Partners in October 2007 and the Golden Gate Capital Acquisition in November 2008, our financial data is presented on a predecessor and successor basis. We refer to USS Holdings, Inc. as it existed prior to the acquisition by Harvest Partners, LLC on August 9, 2007 as “Predecessor 3.” We refer to USS Holdings, Inc. for the period from August 9, 2007 until October 17, 2007 as “Predecessor 2.” We refer to USS Holdings, Inc. for the period from October 18, 2007 until November 24, 2008 as “Predecessor 1.” We refer to U.S. Silica Holdings, Inc. for the period from and after November 25, 2008 as the “Successor.”

The Predecessor 3 period combined financial data reflects the accounting basis in our assets and liabilities existing prior to August 9, 2007. The Predecessor 2 period combined financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Harvest Partners, LLC. The Predecessor 1 period combined financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Harbinger Capital Partners. The Successor period combined financial data reflects the accounting basis in our assets and liabilities resulting from our purchase by an affiliate of Golden Gate Capital.

The presentation of the years ended December 31, 2007 and December 31, 2008 includes the combined results of the Predecessor 3, Predecessor 2 and Predecessor 1 periods and the combined results of the Predecessor 1 and Successor periods, respectively. We have presented the combination of these respective periods because we believe it provides an easier to read discussion of the results of operations and provides the investor with information from which to analyze our financial results in a manner that is consistent with the way management reviews and analyzes our results of operations. In addition, the combined results provide investors with the most meaningful comparison between our results for prior and future periods. See notes 1 and 2 to the following table for a separate presentation of the results for the Predecessor 3, Predecessor 2, Predecessor 1 and Successor periods in accordance with GAAP. See also our historical combined financial statements and the related notes for the year ended December 31, 2008 included elsewhere in this prospectus for a separate presentation of the results for the Predecessor 1 and Successor periods in accordance with GAAP.

The selected historical combined data presented below should be read in conjunction with "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the related notes and other financial data included elsewhere in this prospectus.

	Predecessor 3	Predecessor 3/ Predecessor 2/ Predecessor 1 Combined (Non-GAAP)[1]	Predecessor 1/ Successor Combined (Non-GAAP)[2]	Successor			
	Year Ended December 31,					Quarter Ended March 31,	
	2006	2007	2008	2009	2010	2010	2011
	(amounts in thousands, excluding per ton figures)						
Statement of Operations Data:							
Sales	$ 209,967	$ 217,776	$ 233,583	$191,623	$244,953	$ 55,311	$ 64,432
Gross profit	52,747	51,510	65,362	55,423	86,959	17,612	21,157
Operating income	34,344	13,568	26,573	25,614	45,991	8,207	10,432
Income (loss) before income taxes	12,370	(11,496)	24,061	2,280	13,721	1,616	5,157
Net income (loss)	38,674	(7,469)	17,277	5,539	11,392	341	3,510
Statement of Cash Flows Data:							
Net cash provided by (used in):							
Operating activities	$ 21,697	$ (5,792)	$ 38,256	$ 13,863	$ 36,738	$ 1,006	$ (2,782)
Investing activities	(12,194)	(184,262)	(332,206)	(13,308)	(15,163)	(4,211)	(5,239)
Financing activities	(3,469)	185,410	303,719	(288)	28,451	763	(1,841)
Other Financial Data:							
Capital expenditures	$ (13,710)	$ (10,325)	$ (10,042)	$ (13,350)	$ (15,241)	$ (4,271)	$ (5,299)
Operating Data:							
Total tons sold	6,777	6,623	6,389	5,089	5,965	1,389	1,468
Average realized price (per ton)	$ 30.98	$ 32.88	$ 36.56	$ 37.65	$ 41.07	$ 39.82	$ 43.89
Production costs (per ton)[3]	23.20	25.10	26.33	26.76	26.49	27.14	29.48
Oil & Gas Proppants:							
Sales	$ 10,690	$ 18,019	$ 37,875	$ 35,836	$ 69,556	$ 14,651	$ 19,238
Segment contribution margin[4]			23,557	23,515	43,118	9,120	11,490
Industrial & Specialty Products:							
Sales	$ 199,277	$ 199,757	$ 195,708	$155,787	$175,397	$ 40,660	$ 45,194
Segment contribution margin[4]			41,688	37,419	46,031	9,430	9,933
Balance Sheet Data:							
Cash and cash equivalents	$ 9,082	$ 4,438	$ 14,207	$ 14,474	$ 64,500	$ 12,032	$54,638
Total assets	193,902	383,782	471,190	463,967	508,534	462,643	501,756
Total long-term debt (including current portion)	130,449	111	177,018	179,107	238,442	175,802	238,064
Total liabilities	296,597	91,680	349,527	336,937	410,970	334,474	400,564
Total stockholders' equity	(102,695)	292,102	121,663	127,030	97,564	128,167	101,192

(1) Our acquisition by an affiliate of Harvest Partners, LLC in August 2007 and by an affiliate of Harbinger Capital Partners in October 2007 established a new basis of accounting that primarily affected inventory, intangible assets, goodwill, taxes, debt and equity. The combined data is not presented in accordance with GAAP and Article 11 of Regulation S-X. Except for purchase accounting adjustments primarily relating to depreciation, depletion and amortization, the results for the three combined periods are comparable. Therefore, we believe that combining the three periods into a single period for comparative purposes gives the most meaningful presentation for the users of this financial information.

	Period from January 1, 2007 to August 8, 2007 (Predecessor 3)	Period from August 9, 2007 to October 17, 2007 (Predecessor 2)	Period from October 18, 2007 to December 31, 2007 (Predecessor 1)
	(amounts in thousands, excluding per ton figures)		
Statement of Operations Data:			
Sales	$ 132,085	$ 43,981	$ 41,710
Gross profit	33,494	9,024	8,992
Operating income (loss)	14,538	(4,269)	3,299
Income (loss) before income taxes	(3,235)	(11,995)	3,734
Net income (loss)	(2,751)	(7,976)	3,258
Statement of Cash Flows Data:			
Net cash provided by (used in):			
Operating activities	$ 9,820	$ (7,630)	$ (7,982)
Investing activities	58	(117,583)	(66,737)
Financing activities	(8,638)	123,654	70,394
Other Financial Data:			
Capital expenditures	$ (6,977)	$ (1,338)	$ (2,010)
Operating Data:			
Total tons sold	4,123	1,287	1,213
Average realized price (per ton)	$ 32.04	$ 34.17	$ 34.39
Production costs (per ton)	23.91	27.16	26.97
Oil & Gas Proppants:			
Sales	$ 10,053	$ 3,730	$ 4,236
Industrial & Specialty Products:			
Sales	$ 122,032	$ 40,251	$ 37,474
Balance Sheet Data:			
Cash and cash equivalents	$ 9,057	$ 608	$ 4,438
Total assets	337,067	383,039	383,782
Total long-term debt (including current portion)	196,803	112	111
Total liabilities	293,243	93,866	91,680
Total stockholders' equity	43,824	289,172	292,102

(2) The Golden Gate Capital Acquisition established a new basis of accounting that primarily affected inventory, intangible assets, goodwill, taxes, debt and equity. The combined data is not presented in accordance with GAAP and Article 11 of Regulation S-X. Except for purchase accounting adjustments primarily relating to depreciation, depletion and amortization, the results for the two combined periods are comparable. Therefore, we believe that combining the two periods into a single period for comparative purposes gives the most clarity for the users of this financial information. See our historical combined financial statements and the related notes for the year ended December 31, 2008 included elsewhere in this prospectus for a separate presentation of the results for the Predecessor 1 and Successor periods in accordance with GAAP.

	Period from January 1, 2008 to November 24, 2008 (Predecessor 1)	Period from November 25, 2008 to December 31, 2008 (Successor)
	(amounts in thousands, excluding per ton figures)	
Statement of Operations Data:		
Sales	$ 216,386	$ 17,197
Gross profit	61,770	3,592
Operating income (loss)	26,906	(333)
Income (loss) before income taxes	27,592	(3,531)
Net income (loss)	19,135	(1,858)
Statement of Cash Flows Data:		
Net cash provided by (used in):		
Operating activities	$ 27,913	$ 10,343
Investing activities	(7,043)	(325,163)
Financing activities	(18,803)	322,522
Other Financial Data:		
Capital expenditures	$ (7,818)	$ (2,224)
Operating Data:		
Total tons sold	5,896	493
Average realized price (per ton)	$ 36.70	$ 34.88
Production costs (per ton)	$ 26.22	$ 27.60
Oil & Gas Proppants:		
Sales	$ 34,684	$ 3,191
Segment contribution margin	21,649	1,908
Industrial & Specialty Products:		
Sales	$ 181,702	$ 14,006
Segment contribution margin	41,666	22
Balance Sheet Data:		
Cash and cash equivalents	$ 14,440	$ 14,207
Total assets	476,135	471,190
Total long-term debt (including current portion)	176,615	177,018
Total liabilities	354,935	349,527
Total stockholders' equity	121,200	121,663

(3) Production costs (per ton) equal cost of goods sold divided by total tons sold.

(4) In the second quarter of 2011, we changed our segment reporting structure to two segments, Oil & Gas Proppants and Industrial & Specialty Products, and recast the historical financial statements included in the prospectus as required by GAAP. Segment contribution margin was not reported for 2006 and 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of our company as of and for the periods presented below. The following discussion and analysis should be read in conjunction with our combined financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed below and elsewhere in this prospectus, particularly in the section entitled "Risk Factors."

Overview

We are the second largest domestic producer of commercial silica, a specialized mineral that is a critical input into a variety of attractive end markets. During our 111-year history, we have developed core competencies in mining, processing, logistics and materials science that enable us to produce and cost-effectively deliver products to customers across these markets. In our largest end market, oil and gas proppants, our frac sand is used to stimulate and maintain the flow of hydrocarbons in horizontally drilled oil and natural gas wells. This segment of our business is experiencing rapid growth due to recent technological advances in the hydraulic fracturing process, which have made the extraction of large volumes of oil and natural gas from U.S. shale formations economically feasible. Our silica is also used as an economically irreplaceable raw material in a wide range of industrial applications, including glassmaking and chemical manufacturing. Additionally, in recent years a number of attractive new end markets have developed for our high-margin, performance silica products, including solar panels, specialty coatings, wind turbines, polymer additives and geothermal energy systems.

We operate 13 facilities across the United States and control 283 million tons of reserves. We own one of the largest frac sand processing plants in the United States and control approximately 138 million tons of reserves that can be processed to meet API frac sand size specifications. Our operations are organized into two segments based on end markets served: (1) Oil & Gas Proppants and (2) Industrial & Specialty Products. Our segments are complementary because our ability to sell to a wide range of customers across end markets allows us to maximize recovery rates in our mining operations, optimize our asset utilization and reduce the cyclicality of our earnings.

Recent Trends and Outlook

From 1980 to 2008, U.S. commercial silica industry volumes generally grew in line with U.S industrial production, primarily influenced by the manufacture of glass, building materials, foundry moldings and chemicals. Beginning in 2004, demand for oil and gas proppants supplemented growth in industrial and specialty products end markets. The economic downturn of 2008 and 2009 decreased demand for commercial silica products, particularly in the glassmaking, foundry, building products, chemicals and fillers and extenders end markets. With the recent economic recovery, however, we estimate overall demand for commercial silica grew in excess of 45% in 2010. Trends driving the acceleration in demand include:

- *Increased demand in the oil and gas proppants end market.* The increased demand for frac sand has been driven by the growth in the use of hydraulic fracturing as a means to extract hydrocarbons from shale formations. Based on USGS data and our internal estimates, we believe total consumption of frac sand increased from 3.8 million tons in 2004 to approximately 17.0 million tons in 2010. In addition, Freedonia projects that domestic proppant producers will experience annual increases in sales of 16% through 2015. We significantly expanded our sales efforts to the frac sand market in 2008 and have since experienced rapid growth in our sales associated with our oil and gas activities.

- *Rebound of demand in industrial end markets and continued growth in specialty end markets.* The economic downturn resulting from the financial crisis negatively impacted demand for our products in industrial and specialty products end markets, most notably in the glassmaking, building products foundry and chemicals end markets. This drop coincided with a similar drop in key economic demand drivers, including housing starts, light vehicle sales, repair and remodel activity and industrial production. As these demand drivers recover to historical levels, we expect to see a corresponding increase in the demand for commercial silica. In addition, to the extent commercial silica products continue to be used in key alternative energy markets, we anticipate continued volume growth in specialty end markets such as solar panels and geothermal energy systems as well as the increased use of commercial silica in new applications such as specialty coatings and polymer additives.
- *Rapid increases in prices of commercial silica.* Rapid increases in demand and constrained supply have led to rapid increases in price in the last several years. The USGS estimated an industry-wide average price of $23.86 per ton in 2006 relative to a $28.30 per ton price in 2009, which represents a 5.9% annual increase. For reference, our average realized price per ton was $30.98 in 2006, $37.65 in 2009 and $43.89 in the quarter ended March 31, 2011. We expect continued growth of horizontal drilling, increased innovation in specialty markets and supply tightness to exert continued upward pressure on prices in both of our operating segments.

How We Generate Our Sales

We derive our sales by mining and processing minerals that our customers purchase for various uses. Our sales are primarily a function of the price per ton realized and the volumes sold. In some instances, our sales also include a charge for transportation services we provide to our customers. Our transportation revenue fluctuates based on a number of factors, including the volume of product we transport under contract, service agreements with our customers, the mode of transportation utilized and the distance between our plants and customers.

We primarily sell our products under short-term price agreements or at prevailing market rates. For a limited number of customers, we sell under long-term, competitively-bid supply agreements. We have take-or-pay supply agreements with three of our customers in the oil and gas proppants end market with initial terms expiring between 2014 and 2016. These agreements define, among other commitments, the volume of product that our customers must purchase, the volume of product that we must provide and the price that we will charge and that our customers will pay for each product. Prices under these agreements are generally fixed and subject to upward adjustment in response to certain cost increases. As a result, our realized prices may not grow at rates consistent with broader industry pricing. For example, during periods of rapid price growth, our realized prices may grow more slowly than those of competitors, and during periods of price decline, our realized prices may outperform industry averages. Additionally, at the time the take-or-pay supply agreements were signed, two of these customers provided advance payments for future shipments aggregating $27.0 million ($18.1 million of these payments was recorded on the balance sheet as deferred revenue as of March 31, 2011). A percentage of these advance payments is recognized as revenue with each ton of applicable product shipped to the customer. The pricing terms of these agreements are currently less than prevailing market prices. Collectively, sales from these three customers accounted for 18% of our total sales in 2010.

We invoice the majority of our clients on a per shipment basis, although for some larger customers, we consolidate invoices weekly or monthly. Standard terms are net 30 days, although extended terms are offered in competitive situations. The amounts invoiced include the amount charged for the product, transportation costs (if paid by us) and costs for additional services as applicable, such as costs related to transload the product from railcars to trucks for delivery to the customer site.

The Costs of Conducting Our Business

The principal expenses involved in conducting our business are labor costs, electricity and drying fuel costs, maintenance and repair costs for our mining and processing equipment and facilities and transportation costs. We

believe the majority of our operating costs are relatively stable in price, but can vary significantly based on the volume of product produced. We benefit from owning the majority of the mineral deposits that we mine and having long-term mineral rights leases or supply agreements for our other primary sources of raw material, which limit royalty payments.

Operating labor costs represented our largest spend category at approximately 19% of our sales in 2010. We employ a mix of union and non-union labor, with 56% of our workforce being unionized. Our union contracts stipulate annual escalation factors for certain wages and benefits.

We incur significant electricity and drying fuel (principally natural gas) costs in connection with the operation of our processing facilities. Electricity and dryer fuel costs represented 5% and 4% of our total sales in 2010, respectively.

We capitalize the costs of our mining equipment and generally depreciate it over its expected useful life. Depreciation, depletion and amortization costs represented approximately 8% of our sales for 2010. Preventive and remedial repair and maintenance costs that do not involve the replacement of major components of our equipment and facilities are expensed as incurred. These repair and maintenance costs can be significant due to the abrasive nature of our products and represented approximately 7% of our sales in 2010.

We also provide a range of transportation services to our customers, including management of truck, rail, ship and barge shipments of our products. Total transportation costs represented approximately 13% of sales in 2010.

Additionally, we incur expenses related to our corporate operations, including costs for the sales and marketing; research and development; finance; legal; and environmental, health and safety functions of our organization. These costs are principally driven by personnel expenses. In total, our selling, general and administrative costs represented approximately 9% of sales in 2010. We anticipate that as a public company we will incur additional legal, accounting, insurance and other expenses that we have not incurred as a private company, including costs associated with public company reporting requirements. These requirements include compliance with the Sarbanes-Oxley Act as well as other rules implemented by the SEC, and applicable stock exchange rules. We expect these rules and regulations to substantially increase our legal and financial compliance costs and to make certain financial reporting and other activities more time-consuming and costly.

Our effective federal income tax rate for 2010 was approximately 17% of pretax earnings. This rate was lower than the statutory effective rate primarily due to the benefit received from statutory percentage depletion allowances.

How We Evaluate Our Business

Our management uses a variety of financial and operational metrics to analyze our performance. Our business is organized into two segments, Oil & Gas Proppants and Industrial & Specialty Products. We evaluate the performance of these segments based on their volumes sold, average realized price and contribution margin earned. Additionally, we consider a number of factors in evaluating the performance of the business as a whole, including total volumes sold, average realized price and Adjusted EBITDA. We view these metrics as important factors in evaluating our profitability and review these measurements frequently to analyze trends and make decisions.

Segment Contribution Margin

Segment contribution margin is a key metric that management uses to evaluate our operating performance and to determine resource allocation between segments. Segment contribution margin excludes certain corporate costs not associated with the operations of the segment. These unallocated costs include costs related to corporate functional areas such as sales, production and engineering, corporate purchasing, accounting, treasury, information technology, legal and human resources.

For more detail on the reconciliation of segment contribution margin to its most directly comparable GAAP financial measure, income (loss) before income taxes, see note R to our audited combined financial statements and note I to our unaudited condensed combined financial statements included in this prospectus.

Adjusted EBITDA

Adjusted EBITDA is included in this prospectus because it is a key metric used by management to assess our operating performance and by our lenders to evaluate our covenant compliance. Our target performance goals under our incentive compensation plan are tied, in part to our Adjusted EBITDA. See "Executive Compensation—Compensation Discussion and Analysis—Elements of Compensation—Equity and Cash Incentives—Summary of Our New Plan." In addition, the ABL Facility contains a fixed charge coverage ratio covenant that we must meet if our excess availability (as defined in the ABL Facility) falls below $10.0 million, and Term Loan Facility contains a consolidated leverage ratio covenant that we must meet at the end of each fiscal quarter, both of which are calculated based on our Adjusted EBITDA. Non-compliance with the financial ratio covenants contained in the ABL Facility and the Term Loan Facility could result in the acceleration of our obligations to repay all amounts outstanding under those agreements. Moreover, the ABL Facility and the Term Loan Facility contain covenants that restrict, subject to certain exceptions, our ability to make permitted acquisitions, incur additional indebtedness, make restricted payments (including dividends) and retain excess cash flow based, in some cases, on our ability to meet leverage ratios calculated based on our Adjusted EBITDA. See "Description of Certain Indebtedness."

Adjusted EBITDA is not a measure of our financial performance or liquidity under GAAP and should not be considered as an alternative to net income as a measure of operating performance, cash flows from operating activities as a measure of liquidity or any other performance measure derived in accordance with GAAP. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and cash costs to replace assets being depreciated and amortized, and excludes certain non-recurring charges that may recur in the future. Management compensates for these limitations by relying primarily on our GAAP results and by using Adjusted EBITDA only supplementally. Our measure of Adjusted EBITDA is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation.

Basis of Presentation and Results of Operations

We were acquired by Golden Gate Capital through a merger completed on November 25, 2008. The Golden Gate Capital Acquisition was financed by the ABL Facility, the Term Loan Facility, the Mezzanine Loan Facility and $27.0 million in advances from customers. We refer to the results of Predecessor 1's operations for the period from January 1, 2008 to November 24, 2008 as the 2008 Predecessor Period and to our operating results for the period from November 25, 2008 to December 31, 2008 as the 2008 Successor Period.

Due to the Golden Gate Capital Acquisition, the historical financial statements for all successor periods included in this prospectus are not comparable to either the financial statements of the 2008 Predecessor Period included in this prospectus or our results of operations following this offering. In particular, our financial statements for the year ended December 31, 2008 include one-time charges totaling $5.1 million, including expenses related to the change in our ownership and efforts by our previous owner to monetize its investment. These expenses include a non-cash cost of goods sold charge resulting from the revaluing of inventory to fair market value, transaction fees, legal fees, management incentive payments and other related expenses included in selling, general and administrative expenses. Furthermore, the financial data for the 2008 Predecessor Period represents a period of time prior to Golden Gate Capital's ownership. As such, the results for these periods do not necessarily represent the results of operations that would have been achieved during the period had Golden Gate Capital owned our operations.

The following table and discussion sets forth our combined statement of operations data and the historical combined financial data of our predecessor for the periods presented. The results of operations by segment are discussed in further detail following this combined overview.

	Predecessor	Successor				
	Period from January 1 to November 24, 2008	Period from November 25 to December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Quarter Ended March 31, 2010	Quarter Ended March 31, 2011
		(amounts in thousands, excluding per ton figures)				
Statement of Operations Data:						
Sales (1)	$ 216,386	$ 17,197	$ 191,623	$ 244,953	$ 55,311	$ 64,432
Cost of goods sold (1)	154,616	13,605	136,200	157,994	37,699	43,275
Gross profit	61,770	3,592	55,423	86,959	17,612	21,157
Selling, general and administrative	19,600	2,122	11,922	21,663	4,685	5,636
Depreciation, depletion and amortization	15,264	1,803	17,887	19,305	4,720	5,089
Operating income	26,906	(333)	25,614	45,991	8,207	10,432
Interest expense	640	3,343	28,228	23,034	6,774	5,449
Early extinguishment of debt	—	—	—	10,195	—	—
Other income, net, including interest income	(1,326)	(145)	(4,894)	(959)	(183)	(174)
Income before income taxes	27,592	(3,531)	2,280	13,721	1,616	5,157
Provision/(benefit) for income taxes	8,457	(1,673)	(3,259)	2,329	1,275	1,647
Net Income	$ 19,135	$ (1,858)	$ 5,539	$ 11,392	$ 341	$ 3,510
Other Financial Data:						
Adjusted EBITDA (2)	$ 49,746	$ (186)	$ 50,013	$ 72,152	$ 14,693	$ 16,729
Operating data:						
Oil & Gas Proppants:						
Tons sold	879	75	787	1,522	312	434
Average realized price (per ton)	$ 39.46	$ 42.55	$ 45.53	$ 45.70	$ 46.96	$ 44.33
Sales	$ 34,684	$ 3,191	$ 35,836	$ 69,556	$ 14,651	$ 19,238
Segment contribution margin	21,649	1,908	23,515	43,118	9,120	11,490
Industrial & Specialty Products:						
Tons sold	5,017	418	4,302	4,443	1,077	1,034
Average realized price (per ton)	$ 36.22	$ 33.51	$ 36.21	$ 39.48	$ 37.75	$ 43.71
Sales	$ 181,702	$ 14,006	$ 155,787	$ 175,397	$ 40,660	$ 45,194
Segment contribution margin	41,666	22	37,419	46,031	9,430	9,933

(1) Sales includes the revenues from transportation services provided to our customers. Transportation expense is our cost to deliver our products to our customers and is included in cost of goods sold in our combined financial statements. Cost of goods sold does not include depreciation, depletion or amortization.

(2) For a definition of Adjusted EBITDA and a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see note 2 to “Summary—Summary Historical Combined Financial and Operating Data.”

Quarter Ended March 31, 2011 Compared with Quarter Ended March 31, 2010

Sales

Sales increased $9.1 million, or 16%, to $64.4 million for the quarter ended March 31, 2011 compared to $55.3 million for the quarter ended March 31, 2010. Of this increase, $4.5 million, or 50%, was attributable to growth in the Oil & Gas Proppants segment. Growth in the Industrial & Specialty Products segment accounted for the remaining growth, or a $4.5 million increase. Overall, average realized price increased 10% and volumes increased 6% from the comparable prior period, respectively.

Oil & Gas Proppants sales increased $4.5 million, or 31%, to $19.2 million for the quarter ended March 31, 2011 compared to $14.7 million for the quarter ended March 31, 2010. Robust drilling activity in the oil and natural gas industry drove a 39% increase in volume. This was offset by a decline in average realized price of 6%. The decline in average realized price was principally a result of lower delivery charges, which declined as a result of a change in service arrangements with some of our customers. This decrease was partially offset by favorable product pricing and mix improvements.

Industrial & Specialty Products sales increased $4.5 million, or 11%, to $45.2 million for the quarter ended March 31, 2011 compared to $40.7 million for the quarter ended March 31, 2010. An increase in pricing in most end markets, as well as a favorable shift in product mix to higher price products, drove a 16% increase in average realized price. This was offset by a 4% decline in volume, which resulted from our efforts to reallocate certain grades of production from this segment to Oil & Gas Proppants.

Gross Profit

Gross profit increased $3.5 million, or 20%, to $21.2 million for the quarter ended March 31, 2011 compared to $17.6 million for the quarter ended March 31, 2010. Gross profit increased as a result of the 16% growth in sales, as well as an increase in gross margin, which improved from 32% to 33% as a result of average realized price growth exceeding unit cost growth. On a per ton basis, cost of goods sold increased 9%, from $27.14 to $29.48. The increase in unit costs was driven by lower than anticipated production due to severe weather conditions in certain parts of the Midwest.

Segment Contribution Margin

Oil & Gas Proppants contribution margin increased $2.4 million, or 26%, to $11.5 million for the quarter ended March 31, 2010 compared to $9.1 million for the quarter ended March 31, 2010 due to the factors noted above.

Industrial & Specialty Products contribution margin increased $0.4 million, or 5%, to $9.9 million for the quarter ended March 31, 2011 compared to $9.4 million for the quarter ended March 31, 2010 due to the factors noted above.

For more detail on the reconciliation of segment contribution margin to its most directly comparable GAAP financial measure, income (loss) before income taxes, see note I to our unaudited condensed combined financial statements included elsewhere in this prospectus.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $1.0 million, or 19%, to $5.6 million for the quarter ended March 31, 2011 compared to $4.7 million for the quarter ended March 31, 2010, primarily due to severance costs of $0.5 million. Selling, general and administrative expenses also increased as a result of an expansion of our commercial team to serve the oil and gas proppants end market. As a percentage of sales, selling, general and administrative expenses were approximately in line with the prior year.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization increased $0.4 million, or 8%, to $5.1 million for the quarter ended March 31, 2011 compared to $4.7 million for the quarter ended March 31, 2010, principally due to capital spending placed in service since the comparable quarter.

Operating Income

Operating income increased $2.2 million, or 27%, to $10.4 million for the quarter ended March 31, 2011 compared to $8.2 million for the quarter ended March 31, 2010 as a result of increased sales in both segments.

Interest Expense

Interest expense decreased $1.3 million, or 21%, to $5.4 million for the quarter ended March 31, 2011 compared to $6.8 million for the quarter ended March 31, 2010 due to a refinancing of the Term Loan Facility and Mezzanine Loan Facility in the second quarter of 2010. While the overall amount of debt outstanding increased, the refinancing resulted in a substantially lower average effective interest rate on our debt, reducing overall interest expense.

Provision for Income Taxes

Provision for income taxes increased $0.3 million, or 23%, to $1.6 million for the quarter ended March 31, 2011 compared to $1.3 million for the quarter ended March 31, 2010. The increase resulted mainly from higher pre-tax earnings, offset by a lower estimated tax rate for the quarter ended March 31, 2011.

Net Income/Loss

Net income increased $3.2 million to $3.5 million for the quarter ended March 31, 2011 compared to $0.3 million for the quarter ended March 31, 2010 due to the factors noted above.

Year Ended December 31, 2010 Compared with Year Ended December 31, 2009

Sales

Sales increased $53.3 million, or 28%, to $245.0 million for the year ended December 31, 2010 compared to $191.6 million for the year ended December 31, 2009. Oil & Gas Proppants sales increased by $33.8 million, accounting for 63% of the total growth. Industrial & Specialty Products sales increased $19.6 million, representing 37% of the growth in overall sales. Overall, average realized price increased 9% and volumes increased 17% from the comparable prior period, respectively.

Oil & Gas Proppant sales increased $33.8 million, or 94%, to $69.6 million for the year ended December 31, 2010 compared to $35.8 million for the year ended December 31, 2009. The increase was primarily driven by a 93% increase in volumes. We initiated an effort to reallocate certain production from industrial end markets to the oil and gas proppants end market in response to increased hydraulic fracturing activity.

Industrial & Specialty Products sales increased $19.6 million, or 13%, to $175.4 million for the year ended December 31, 2010 compared to $155.8 million for the year ended December 31, 2009. An increase in pricing in most end markets, as well as a favorable shift in product mix to higher price product segments, drove a 9% increase in average realized price. Volumes increased by 3%, as our reallocation of some production away from certain industrial and specialty products end markets to the oil and gas proppants end market was more than offset by growth in many other industrial and specialty products end markets as the result of the economic recovery.

Gross Profit

Gross profit increased $31.6 million, or 57%, to $87.0 million, for the year ended December 31, 2010 compared to $55.4 million for the year ended December 31, 2009. Gross profit increased as a result of the 28% growth in sales, as well as an increase in gross margin from 29% to 36%, which improved as a result of growth in average realized prices and a decline in unit costs. On a per ton basis, cost of goods sold decreased 1% from $26.76 to $26.49. Higher production volumes drove improved operating leverage and a reduction in per ton personnel costs.

Segment Contribution Margin

Oil & Gas Proppants contribution margin increased $19.6 million, or 83%, to $43.1 million for the year ended December 31, 2010 compared to $23.5 million for the year ended December 31, 2009 due to the factors noted above.

Industrial & Specialty Products contribution margin increased $8.6 million, or 23%, to $46.0 million for the year ended December 31, 2010 compared to $37.4 million for the year ended December 31, 2009 due to the factors noted above.

For more detail on the reconciliation of segment contribution margin to its most directly comparable GAAP financial measure, income (loss) before income taxes, see note R to our audited combined financial statements included elsewhere in this prospectus.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $9.8 million, or 82%, to $21.7 million for the year ended December 31, 2010 compared to $11.9 million for the year ended December 31, 2009. 2009 benefitted from a $3.3 million reversal of an accrual for silicosis litigation that reduced expenses and that did not recur in 2010.

The remaining differences were a result of increased sales and marketing headcount and higher incentive compensation payouts, reflecting the significant improvement in operating performance. Excluding the impact of the reversal of the silica litigation accrual in 2009, selling, general and administrative expenses as a percentage of sales were 8%. This compares to 9% for 2010.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization increased $1.4 million, or 8%, to $19.3 million for the year ended December 31, 2010 compared to $17.9 million for the year ended December 31, 2009, due to both increased capital spending and higher depletion related to additional tons being mined.

Operating Income

Operating income earned increased $20.4 million, or 80%, to $46.0 million for the year ended December 31, 2010 compared to $25.6 million for the year ended December 31, 2009 as a result of increased sales and improved gross margins.

Interest Expense

Interest expense decreased $5.2 million, or 18%, to $23.0 million for the year ended December 31, 2010 compared to $28.2 million for the year ended December 31, 2009 due to the refinancing of the Term Loan Facility and Mezzanine Loan Facility in the second quarter of 2010. While the overall amount of debt outstanding increased, the refinancing resulted in a substantially lower average effective interest rate on our debt, reducing overall interest expense.

Early Extinguishment of Debt

On May 7, 2010, both the Term Loan Facility and the Mezzanine Loan Facility were refinanced with significantly favorable terms to prior loan agreements. As a result, expenses related to the early extinguishment of the existing debt were incurred totaling $10.2 million. These expenses included non-cash charges related to unamortized original issue discounts and debt issuance costs, payments for lender fees and a prepayment penalty on the Mezzanine Loan Facility.

Provision for Income Taxes

The provision for income taxes decreased $5.6 million, or 170%, to $2.3 million for the year ended December 31, 2010, compared to a $3.3 million benefit for the year ended December 31, 2009. The effective tax rates were 17.2% for the year ended December 31, 2010 and (143)% for the year ended December 31, 2009. The most significant factor contributing to the 2009 tax benefit was the increase in statutory depletion deduction which, although it occurs in both years, is driven by mine site profitability rather than pre-tax earnings.

Net Income/Loss

Net income increased $5.9 million to $11.4 million for the year ended December 31, 2010 compared to net income of $5.5 million for the year ended December 31, 2009 due to the factors noted above.

Year Ended December 31, 2009 Compared with the 2008 Successor Period and the 2008 Predecessor Period

Sales

Sales were $191.6 million in the year ended December 31, 2009 compared to $17.2 million and $216.4 million in the 2008 Successor Period and the 2008 Predecessor Period, respectively. The decrease was due to decreases in sales for the two segments. Total tons sold was 5,089 in 2009 compared to 493 and 5,896 in the 2008 Successor Period and the 2008 Predecessor Period, respectively. The average realized price was $37.65 in 2009 compared to $34.88 and $36.70 in the 2008 Successor Period and the 2008 Predecessor Period, respectively.

Oil & Gas Proppant sales were $35.8 million in the year ended December 31, 2009 relative to $3.2 million and $34.7 million in the 2008 Successor Period and 2008 Predecessor Period, respectively. This decline was a function of a decrease in volumes, offset by an increase in product price. Volumes declined as part of a broader slowdown in hydraulic fracturing activity in the United States in 2009. Pricing primarily increased as a result of a favorable shift in mix to higher priced products.

Industrial & Specialty Products sales were $155.8 million in the year ended December 31, 2009 relative to $14.0 million and $181.7 million in the 2008 Successor Period and 2008 Predecessor Period, respectively. Industrial and specialty products end markets include foundry, building products, and glass end markets, all of which were significantly impacted by the recession and, in particular, the decrease in automotive and construction activity in 2009. As a result, Industrial & Specialty Products volumes declined. This was partially offset by an increase in pricing.

Gross Profit

Gross profit was $55.4 million in the year ended December 31, 2009 compared to $3.6 million and $61.8 million in the 2008 Successor Period and the 2008 Predecessor Period, respectively. The decrease in gross profit was a result of a decrease in sales, offset by an improvement in gross margin. Higher margins were a result of a shift in mix to higher priced products. This improvement was partially offset by higher per ton personnel costs and increased natural gas costs, which resulted from a hedging program initiated in the 2008 Predecessor Period.

Segment Contribution Margin

Oil & Gas Proppants contribution margin was $23.5 million in the year ended December 31, 2009 relative to $1.9 million and $21.6 million in the 2008 Successor Period and 2008 Predecessor Period, respectively due to the factors noted above.

Industrial & Specialty Products contribution margin was $37.4 million in 2009 relative to $22,000 and $41.7 million in the 2008 Successor Period and 2008 Predecessor Period, respectively due to the factors noted above.

For more detail on the reconciliation of segment contribution margin to its most directly comparable GAAP financial measure, income (loss) before income taxes, see note R to our audited combined financial statements included elsewhere in this prospectus.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for 2009 were $11.9 million compared to $2.1 million and $19.6 million in the 2008 Successor Period and 2008 Predecessor Period, respectively. The largest single factor in the decrease was a $6.1 million reduction in business development costs. These costs related to a number of strategic initiatives, including the sale of U.S. Silica, in November 2008. 2009 benefitted from a $3.3 million reversal of an accrual for silicosis litigation that reduced expenses. A similar reversal occurred in 2008, but in the amount of $0.8 million. Cost curtailment efforts in reaction to the decline in overall sales also contributed to the decrease. These efforts included a reduction in incentive compensation payments which contributed to a $1.8 million decrease in SG&A expenses.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization for 2009 was $17.9 million compared to $1.8 million and $15.3 million in the 2008 Successor Period and 2008 Predecessor Period, respectively. The increase was primarily due to an increase in asset values as a result of a fair market value appraisal related to the change in ownership that occurred in the fourth quarter of 2008.

Operating Income

Operating income incurred for 2009 was $25.6 million compared to $(0.3) million and $26.9 million in the 2008 Successor Period and 2008 Predecessor Period, respectively. The decrease was a result of the factors noted earlier.

Interest Expense

Interest expense for 2009 was $28.2 million compared to $3.3 million and $0.6 million in the 2008 Successor Period and 2008 Predecessor Period, respectively. The increase was due to the issuance of debt related to the recapitalization in the fourth quarter of 2008.

Provision for Income Taxes

The benefit for income taxes of $3.3 million in the year ended December 31, 2009 compared to a $1.7 million benefit and $8.5 million expense in the 2008 Successor Period and 2008 Predecessor Period, respectively. The effective tax rates were (143)% for 2009 and (47)% and 31% for the 2008 Successor Period and 2008 Predecessor Period, respectively. The swings in the effective tax rate are primarily due to the statutory depletion deduction which is driven by mine site profitability rather than pre-tax earnings. A reconciliation of the federal statutory rate of 35% to our effective tax rates is presented in note N to our audited combined financial statements included elsewhere in this prospectus.

Net Income/Loss

Net income for 2009 was $5.5 million compared to a $1.9 million loss in the 2008 Successor Period and net income of $19.1 million for the 2008 Predecessor Period as a result of the factors noted above.

Liquidity and Capital Resources

Overview

Our principal liquidity requirements have historically been to service our debt, to meet our working capital, capital expenditure and mine development expenditure needs, to pay dividends to our shareholder, and to finance acquisitions. We have historically met our liquidity and capital investment needs with funds generated through operations. We have historically funded our acquisitions through borrowings under our credit facilities and equity investments. Our working capital is the amount by which current assets exceed current liabilities and is a measure of our ability to pay our liabilities as they become due. As of March 31, 2011, our working capital was $89.5 million and we had $20.0 million of availability under the ABL Facility. See "—Credit Facilities—ABL Facility."

Following completion of this offering, we believe that cash generated through operations and our financing arrangements will be sufficient to meet working capital requirements, anticipated capital expenditures and scheduled debt payments for at least the next 12 months.

Cash Flow Analysis

A summary of operating, investing and financing activities is shown in the following table:

	Predecessor	Successor				
	Period from January 1 to November 24, 2008	Period from November 25 to December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Quarter Ended March 31, 2010	Quarter Ended March 31, 2011
	(amounts in thousands)					
Net cash provided by (used in):						
Operating activities	$ 27,913	$ 10,343	$ 13,863	$ 36,738	$ 1,006	$ (2,782)
Investing activities	(7,043)	(325,163)	(13,308)	(15,163)	(4,211)	(5,239)
Financing activities	(18,803)	322,522	(288)	28,451	763	(1,841)

Net Cash Provided by (Used in) Operating Activities

Operating activities consist primarily of net income adjusted for non-cash items, including depreciation and amortization and the effect of working capital changes.

Net cash used in operating activities was $2.8 million for the quarter ended March 31, 2011 compared to $1.0 million cash provided by operating activities in the quarter ended March 31, 2010. This $3.8 million decrease was primarily the result of a $4.5 million increase in contributions to our employee pension plan and the collection of a $4.4 million insurance settlement in 2010 that did not recur in 2011. These were partially offset by a $3.5 million improvement in earnings before income taxes and total net reductions in working capital of $0.5 million.

Net cash provided by operating activities was $36.7 million in 2010 compared to $13.9 million in 2009. The $22.8 million increase in cash provided by operating activities was due primarily to a $20.4 million increase in operating income in 2009.

Net cash provided by operating activities was $13.9 million in 2009 compared to $10.3 million and $27.9 million for the 2008 Successor Period and 2008 Predecessor Period, respectively. The decrease in cash provided by operating activities was primarily the result of a decrease in net income. Lower net income was largely driven by an increase in interest expense related to the recapitalization of U.S. Silica in November 2008.

Net Cash Used in Investing Activities

Investing activities consist primarily of capital expenditures for growth and maintenance.

Net cash used in investing activities was $5.2 million in the quarter ended March 31, 2011. This use of cash is primarily due to capital expenditures of $3.6 million to expand our production capacity at two of our facilities.

Net cash used in investing activities was $15.2 million in 2010. This use of cash is primarily due to customary maintenance capital spending, as well as $3.0 million in reserves acquisition costs and $3.8 million to expand production capacity at one of our facilities.

Net cash used in investing activities was $13.3 million in 2009. This use of cash is primarily due to capital spending, including $9.9 million to expand production capacity at two of our facilities.

Net cash used in investing activities was $325.2 million and $7.0 million in the 2008 Successor Period and 2008 Predecessor Period, respectively. This use of cash is primarily due to the acquisition of U.S. Silica in the amount of $322.9 million. The remainder relates to process improvements and replacement of existing equipment at a number of our facilities. The Ottawa facility also incurred expenditures for reserve expansion.

Management anticipates that our capital expenditures in 2011 will be approximately $45.0 million, which is primarily associated with the Ottawa and Rockwood capacity expansions discussed above.

Net Cash Used in Financing Activities

Financing activities consisted primarily of borrowings and repayments related to the ABL Facility, the Term Loan Facility and the Mezzanine Loan Facility, as well as dividends to our parent LLC, fees and expenses paid in connection with our credit facilities and outstanding checks from our customers.

Net cash used in financing activities was $1.8 million in the quarter ended March 31, 2011, which included $1.4 million in outstanding checks and $0.4 million in repayment of long-term debt.

Net cash provided by financing activities in 2010 was $28.5 million, which included a $64.7 million increase in the size of the Term Loan Facility, a $6.5 million decrease in the size of the Mezzanine Loan Facility, the issuance of a $15.0 million note to our parent LLC, an $11.8 million capital contribution from our parent and a $51.6 million dividend paid to our parent LLC. In addition, we paid $3.9 million in financing fees and prepayment penalties related to the debt refinancing.

Net cash used in financing activities in 2009 was $0.3 million, which resulted from a $3.3 million increase in our Mezzanine Loan Facility, which is partially offset by $2.0 million in amortization of the term loan.

Net cash provided by financing activities of $322.5 million in the 2008 Successor Period related to a recapitalization of our business. Net cash used in financing activities in the 2008 Predecessor Period was $18.8 million, which included a $20.2 million dividend paid.

Credit Facilities

ABL Facility

On August 9, 2007, we entered into the ABL Facility with various banks and other financial institutions as lenders thereunder and Wells Fargo Bank, National Association (successor by merger to Wachovia Bank, National Association) ("Wells Fargo"), as administrative agent and lender. The ABL Facility provides for borrowings in the aggregate amount of up to $35.0 million, with a letter of credit facility sublimit of $15.0 million; provided, however, that the aggregate principal amount of the loans and letter of credit obligations outstanding at any one time shall not exceed the applicable borrowing base.

Borrowing availability under the ABL Facility is determined by a formula that considers eligible accounts receivable and inventory less any outstanding letters of credit plus a reserve for derivatives. As of March 31, 2011, our available borrowing base was $30.4 million. We had no borrowings outstanding as of March 31, 2011, $9.2 million of outstanding letters of credit and $1.2 million reserved against derivative agreements, which left $20.0 million available under the ABL Facility.

Borrowings under the ABL Facility are subject to the accuracy of representations and warranties in all material respects and the absence of any defaults under the ABL Facility and the Term Loan Facility.

The ABL Facility contains customary covenants and restrictions on our activities related to, among other things: the incurrence of additional indebtedness; liens and negative pledges; dividends and distributions; investments, acquisitions and speculative transactions; contingent obligations; transactions with affiliates; fundamental changes to our business, property and assets; insurance; sale lease-backs; the ability to change the nature of our business, our fiscal year and our accounting policies; the ability to amend or waive any of the terms of any permitted subordinated debt, the Term Loan Facility and our organizational documents; designations of senior debt other than the ABL Facility obligations and the Term Loan Facility obligations; and the performance of material contracts, including intellectual property licenses. The ABL Facility also requires that we maintain (a) during any fiscal quarter, if excess availability falls below $6.5 million, a fixed charge coverage ratio of not less than 1.10 to 1.00 until excess availability is equal to or greater than $10.0 million and (b) aggregate excess availability of not less than $5.0 million at all times.

For additional information regarding the terms of the ABL Facility, see "Description of Certain Indebtedness—ABL Facility."

Term Loan Facility

On November 25, 2008, in connection with the Golden Gate Capital Acquisition, we entered into the Term Loan Facility with various banks and other financial institutions as lenders thereunder and BNP Paribas, as administrative agent. On May 7, 2010, the Term Loan Facility was amended and restated to, among other things, (1) increase the aggregate principal amount available thereunder from $102.0 million to $165.0 million and (2) add an incremental term loan facility in the maximum aggregate principal amount of $25.0 million. On June 8, 2011, the Term Loan Facility was again amended and restated to, among other things, (1) further increase the aggregate principal amount available thereunder to $260.0 million and (2) increase the maximum aggregate principal amount under the incremental term loan facility to $50.0 million.

The Term Loan Facility contains customary covenants and restrictions on our activities related to, among other things: the incurrence of additional indebtedness; liens and negative pledges; dividends and distributions; investments and acquisitions; contingent obligations; transactions with shareholders (holders of at least 10% of the equity securities) and affiliates; fundamental changes to our business, property and assets; sale lease-backs; the ability to change the nature of our business, our fiscal year and our accounting policies; the ability to amend or waive any of the terms of the Management Agreement, the ABL Facility and other material agreements;

designations of senior debt other than the Term Loan Facility obligations and the ABL Facility obligations; and the performance of material contracts, including real property leases and intellectual property licenses. The Term Loan Facility also requires compliance with certain financial covenants, including the maintenance of a maximum consolidated leverage ratio as of the last day of each fiscal quarter at levels set forth in the Term Loan Facility and a maximum capital expenditures covenant restricting our capital expenditures at times when our unrestricted cash (including availability under the ABL facility) is less than $40.0 million.

For additional information regarding the terms of the Term Loan Facility, see "Description of Certain Indebtedness—Term Loan Facility."

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are likely to have a current or future material effect on our financial condition, changes in financial condition, sales, expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

As of December 31, 2010, the total of our future contractual cash commitments, including the repayment of our debt obligations under the ABL Facility, the Term Loan Facility and the Mezzanine Loan Facility is summarized as follows:

	Payments Due by Period (amounts in thousands)				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Interest on Long-Term Debt	$106,409	$18,405	$36,524	$ 36,145	$ 15,335
Long-Term Debt Obligations[1]	238,442	1,510	3,025	80,579	153,328
Benefit Plans	50,880	12,479	13,554	12,098	12,749
Operating Lease Obligations[2]	16,699	5,054	7,294	1,644	2,707
Other Long-Term Liabilities[3]	3,886	1,466	432	424	1,564
Total Contractual Cash Obligations[4][5]	$416,316	$38,914	$60,829	$130,890	$185,683

(1) As of December 31, 2010, we had the following amounts outstanding under our credit facilities: no amounts outstanding under the ABL Facility; $163.4 million, net of unamortized original issue discount, outstanding under the Term Loan Facility; and $75.0 million outstanding under the Mezzanine Loan Facility. On June 8, 2011, we amended and restated the Term Loan Facility to, among other things, increase the aggregate principal amount available thereunder to $260.0 million and reprice the interest rate to LIBOR plus 375 basis points, and used the proceeds to prepay the Mezzanine Loan Facility in its entirety. See "—Liquidity and Capital Resources—Credit Facilities."

(2) We are obligated under certain operating leases for railroad cars, mining properties, mining and processing equipment, office space, transportation and other equipment. Certain of our operating lease arrangements include options to purchase the equipment for fair market value at the end of the original lease term. Annual operating lease commitments are presented in more detail in note F to our audited combined financial statements included elsewhere in this prospectus.

(3) Other long-term obligations include advisory fees paid to Golden Gate Capital and mineral royalty payments. See "Certain Relationships and Related Party Transactions—Golden Gate Capital Acquisition—Advisory Agreement."

(4) The above table excludes discounted asset retirement obligations in the amount of $6.4 million at December 31, 2010, the majority of which have a settlement date beyond 2025.

(5) We have indemnified underwriters for surety bonds issued on our behalf and are a contingent guarantor on a railcar lease, both of which are excluded from this table. See note P to our audited combined financial statements included elsewhere in this prospectus.

Environmental Matters

We are subject to various federal, state and local laws and regulations governing, among other things, hazardous materials, air and water emissions, environmental contamination and reclamation and the protection of the environment and natural resources. We have made, and expect to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. As of December 31, 2010, we had $6.4 million accrued for future reclamation costs, as compared to $5.9 million as of December 31, 2009.

We discuss certain environmental matters relating to our various production and other facilities, certain regulatory requirements relating to human exposure to crystalline silica and our mining activity and how such matters may affect our business in the future under “Business—Regulation and Legislation.”

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our combined financial statements, which have been prepared in accordance with accounting principles generally acceptable in the United States of America. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported revenues and expenses during the reporting periods. We evaluate these estimates and assumptions on an ongoing basis and base our estimates on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Our actual results may materially differ from these estimates.

Listed below are the accounting policies we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved, and that we believe are critical to the understanding of our operations.

Impairment of Long-Lived Assets

We periodically evaluate whether current events or circumstances indicate that the carrying value of our long-lived assets, including goodwill and other intangible assets, to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of future cash flows produced by the long-lived assets, or the appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists. If an asset is determined to be impaired, the loss is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including a discounted value of estimated future cash flows. A detailed determination of the fair value may be carried forward from one year to the next if certain criteria have been met. We report an asset to be disposed of at the lower of its carrying value or its estimated net realizable value.

Factors we generally consider important in our evaluation and that could trigger an impairment review of the carrying value of long-lived assets include significant underperformance relative to expected operating trends, significant changes in the way assets are used, underutilization of our tangible assets, discontinuance of certain products by us or by our customers, a decrease in estimated mineral reserves, and significant negative industry or economic trends.

The recoverability of the carrying value of our mineral properties is dependent upon the successful development, start-up and commercial production of our mineral deposit and the related processing facilities. Our evaluation of mineral properties for potential impairment primarily includes assessing the existence or availability of required permits and evaluating changes in our mineral reserves, or the underlying estimates and

assumptions, including estimated production costs. Assessing the economic feasibility requires certain estimates, including the prices of products to be produced and processing recovery rates, as well as operating and capital costs.

Although we believe the carrying values of our long-lived assets were realizable as of the relevant balance sheet date, future events could cause us to conclude otherwise.

Mine Reclamation Costs

Reclamation costs are allocated to expense over the life of the related assets and are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either timing or amount of the reclamation and remediation costs. The estimated net future costs of dismantling, restoring and reclaiming operating mines and related mine sites, in accordance with federal, state and local regulatory requirements, are accrued in the period in which the liability is incurred at the estimated fair value. The associated asset retirement costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the estimated useful life of the asset. The liability is accreted through charges to operating expenses. If the asset retirement obligation is settled for other than the carrying amount of the liability, a gain or loss is recognized on settlement.

Self-Insurance and Product Liability Claim Reserves

We are self-insured for healthcare costs and for large insurance deductibles related to worker's compensation. We are also self-insured for third party product liability claims alleging occupational disease. We provide for estimated future losses based on reported cases and past claim history. Accounting for these liabilities requires us to use our best judgment. While we believe that our accruals for these matters are adequate, if the actual loss is significantly different than the estimated loss for these liabilities, our results of operations could be materially affected. See "Risk Factors—Risks Related to Our Business—Silica-related health issues and litigation could have a material adverse effect on our business reputation or results of operations" for a further discussion of the manner in which we record amounts for product liability claims.

Employee Benefit Plans

We provide a range of benefits to our employees and retired employees, including pensions and postretirement healthcare and life insurance benefits. We record annual amounts relating to these plans based on calculations specified by generally accepted accounting principles, which include various actuarial assumptions, including discount rates, assumed rates of returns, compensation increases, turnover rates and healthcare cost trend rates. We review the actuarial assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when it is deemed appropriate to do so. As required by U.S. generally accepted accounting principles, the effect of the modifications is generally recorded or amortized over future periods. We believe that the assumptions utilized in recording our obligations under the plans, which are presented in note M to our audited combined financial statements included elsewhere in this prospectus, are reasonable based on advice from our actuaries and information as to assumptions used by other employers.

Equity-Based Awards

We account for equity-based awards in accordance with applicable guidance, which establishes standards of accounting for transactions in which an entity exchanges its equity instruments for goods or services. Equity-based compensation expense is recorded based upon the fair value of the award at grant date. Such costs are recognized as expense on a straight-line basis over the corresponding vesting period. The fair value of the grants issued was calculated based on a Black-Scholes pricing model. This model included certain market assumptions related to future volumes, projected fees and/or prices, expected costs of sales and direct operating costs and risk adjusted discount rates. We also take into consideration the rights and preferences of awarded equity incentives.

The application of this valuation model involves assumptions that are judgmental and highly sensitive in the valuation of incentive awards, which affects compensation expense related to these awards. These assumptions include an estimate of the time to liquidity event, volatility and risk free rate over a period of time corresponding to the time to liquidity event.

The fair value of the equity units was estimated using the following assumptions:

Risk-free interest rate	1.87%
Expected volatility	50%
Time to liquidity event	4 years

Our risk-free interest rate is an interpolated rate from the U.S. constant maturity treasury rate for a term corresponding to the time to liquidity event, as described below. An increase in the risk-free rate will increase compensation expense.

Our expected volatility is a measure of the amount by which the price of various comparable companies common stock has fluctuated or is expected to fluctuate, as our common stock is not publicly-traded. The comparable companies were selected by analyzing public companies in the industry based on various factors including, but not limited to, company size, financial data availability, active trading volume and capital structure. An increase in the expected volatility will increase compensation expense.

Our time to liquidity event is the period of time over which the underlying equity units are expected to remain outstanding. An increase in the expected term will increase compensation expense.

We will continue to use judgment in evaluating the risk-free interest rate, expected volatility and lives related to our equity-based compensation on a prospective basis and incorporating these factors into our pricing model.

Taxes

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. This approach requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based upon the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the expenses are expected to reverse. Valuation allowances are provided if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

We recognize a tax benefit associated with an uncertain tax position when, in our judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more-likely-than-not recognition threshold, we initially and subsequently measure the tax benefit as the largest amount that it judges to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. The liability associated with unrecognized tax benefits is adjusted periodically due to changing circumstances, such as the progress of tax audits, case law developments and new or emerging legislation. Such adjustments are recognized entirely in the period in which they are identified. The effective tax rate includes the net impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as considered appropriate by management. At the adoption date, we applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open. The adoption of this guidance did not have a material impact on our combined financial condition or results of operations.

We evaluate quarterly the realizability of our deferred tax assets by assessing the need for a valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood

of realization are our forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income might affect the ultimate realization of the net deferred tax assets. Factors that may affect our ability to achieve sufficient forecasted taxable income include, but are not limited to, the following: a decline in sales or margins, increased competition or loss of market share. In addition, we operate within multiple taxing jurisdictions and are subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended time to resolve. We believe that adequate provisions for income taxes have been made for all years.

The largest permanent item in computing both our effective tax rate and taxable income is the deduction allowed for statutory depletion. The impact of statutory depletion on the effective tax rate is presented in note N to our audited combined financial statements included elsewhere in this prospectus. The deduction for statutory depletion does not necessarily change proportionately in income before income taxes.

Recent Accounting Pronouncements

New accounting guidance that we have recently adopted, as well as accounting guidance that has been recently issued but not yet adopted by us, are included in note B to our audited combined financial statements included elsewhere in this prospectus under the sections entitled “Impact of Recent Accounting Standards/Pronouncements” and “Accounting Guidance Pending Adoption,” respectively.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate and Commodity Price Risks

We use interest rate and natural gas hedge agreements in the normal course of our business to manage both our interest and energy costs and the risks associated with changing interest rates and natural gas prices. These hedge agreements are used to exchange the difference between fixed and variable-rate interest amounts or natural gas prices calculated by reference to an agreed-upon notional principal amount or natural gas quantity. We do not use derivative financial instruments for trading or speculative purposes. By their nature, all such instruments involve risk, including the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract (credit risk) or the possibility that future changes in market price may make a financial instrument less valuable or more onerous (market risk). As is customary for these types of instruments, we do not require collateral or other security from other parties to these instruments. In management’s opinion, there is no significant risk of loss in the event of nonperformance of the counterparties to these financial instruments.

The fair value of the hedge agreements represents the estimated receipts or payments that would be required to settle the agreements at year-end. Quoted market prices were used to estimate the fair values of the interest rate and natural gas hedge agreements. The notional amount represents agreed upon amounts on which calculations of dollars to be exchanged are based. They do not represent amounts exchanged by the parties and, therefore, are not a measure of our exposure. Our credit exposure is limited to the fair value of the contracts with a positive fair value plus interest receivable, if any, as of the reporting date.

		December 31, 2009			December 31, 2010		
	Maturity Date	Contract/Notional Amount	Carrying Amount	Fair Value	Contract/Notional Amount	Carrying Amount	Fair Value
Natural gas rate swap agreements	2010	926,029 million BTU	$ 68	$ 68			
Natural gas rate cap agreement	2010	60,000 million BTU	$ 11	$ 11			
Natural gas rate swap agreements	2011				420,000 million BTU	$ (109)	$(109)
Interest rate cap agreement[1]	2012	$100 million	$ 412	$412	$100 million	$ 13	$ 13
Interest rate cap agreement[1]	2013				$20 million	$ 244	$ 244

(1) Agreements limit the LIBOR floating interest rate base to 4%.

We have designated these contracts as qualified cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and recognized in earnings in the same period or periods during which the hedged transaction affects earnings. We had no ineffective contracts as of December 31, 2010.

A hypothetical increase or decrease in interest rates by 1.0% would have changed our interest expense by $2.4 million for the year ended December 31, 2010.

Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk related to interest rates is the potential loss arising from adverse changes in interest rates. We do not believe that inflation has a material impact on our financial position or results of operations during periods covered by the financial statements included in this prospectus.

Credit Risk

We are subject to risks of loss resulting from nonpayment or nonperformance by our customers. We examine the creditworthiness of third-party customers to whom we extend credit and manage our exposure to credit risk through credit analysis, credit approval, credit limits and monitoring procedures, and for certain transactions, we may request letters of credit, prepayments or guarantees, although collateral is generally not required.

Internal Control Over Financial Reporting

We reissued our 2010 financial statements after management identified a material weakness in its internal controls related to stock-based compensation. Based on a misinterpretation of accounting guidance, management did not properly record compensation for equity-based awards granted at our parent LLC to certain of our employees. This resulted in an understatement of stock-based compensation expense in 2009 and 2010. A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Internal Control Over Financial Reporting.” No additional equity-based awards are expected to be granted to our employees at our parent LLC in the future and, therefore, no additional remediation efforts are necessary.

If we fail to maintain effective internal controls in the future, it could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis, which could cause investors to lose confidence in our financial information or cause our stock price to decline.

BUSINESS

Our Company

Business Overview

We are the second largest domestic producer of commercial silica, a specialized mineral that is a critical input into a variety of attractive end markets. During our 111-year history, we have developed core competencies in mining, processing, logistics and materials science that enable us to produce and cost-effectively deliver over 200 products to customers across these end markets. In our largest end market, oil and gas proppants, our frac sand is used to stimulate and maintain the flow of hydrocarbons in horizontally drilled oil and natural gas wells. This segment of our business is experiencing rapid growth due to recent technological advances in the hydraulic fracturing process, which have made the extraction of large volumes of oil and natural gas from U.S. shale formations economically feasible. Our commercial silica is also used as an economically irreplaceable raw material in a wide range of industrial applications, including glassmaking and chemical manufacturing. Additionally, in recent years a number of attractive new end markets have developed for our high-margin, performance silica products, including solar panels, specialty coatings, wind turbines, polymer additives and geothermal energy systems.

We operate 13 facilities across the United States and control 283 million tons of reserves, including approximately 138 million tons of reserves that can be processed to meet API frac sand size specifications. We produce a wide range of frac sand sizes and are one of the few commercial silica producers capable of rail delivery of large quantities of API grade frac sand to each of the major U.S. shale basins. We believe that due to a combination of these favorable attributes and robust drilling activity in the oil and natural gas industry, we have become a preferred commercial silica supplier to our customers in the oil and gas proppants end market and, consequently, are experiencing high demand for our frac sand. To meet this demand, we are investing significant resources to increase our proppant production, including expanding our frac sand capabilities by approximately 1.2 million tons, or approximately 75% above tons sold in 2010, and constructing a new facility to produce resin-coated sand, which significantly expands our addressable proppant market.

Our operations are organized into two segments based on end markets served: (1) Oil & Gas Proppants and (2) Industrial & Specialty Products. Our segments are complementary because our ability to sell to a wide range of customers across end markets allows us to maximize recovery rates in our mining operations, optimize our asset utilization and reduce the cyclicality of our earnings. In 2010, we generated approximately $245.0 million of sales, $72.2 million of Adjusted EBITDA and $11.4 million of net income. These figures represent increases of 28%, 44% and 106%, respectively, compared to 2009. In particular, the Oil & Gas Proppants segment contribution margin grew by 83% in 2010 and represented approximately 48% of total segment contribution margin, compared to 39% for the prior year.

Our Strengths

We attribute our success to the following strengths:

- *Large-scale producer with a diverse and high-quality reserve base.* Our 13 geographically dispersed facilities control 283 million tons of reserves, including API size frac sand and large quantities of silica with distinct characteristics, giving us the ability to sell over 200 products to over 1,400 customers. Our large-scale production capabilities and long reserve life make us a preferred commercial silica supplier to our customers. A consistent, reliable supply of large quantities of silica gives our customers the security to customize their production processes around our commercial silica. Furthermore, our scale provides us earnings diversification and a larger addressable market.
- *Geographically advantaged footprint with intrinsic transportation advantages.* The strategic location of our facilities and our logistics capabilities enable us to enjoy high customer retention and a larger addressable market. In our Oil & Gas Proppants segment, our network of frac sand producing plants

with access to on-site rail and the strategic locations of our transloads serve to expand our addressable market to every major U.S. shale basin. We believe we are one of the few frac sand producers capable of delivering API grade frac sand cost-effectively to each of the major U.S. shale basins by on-site rail. Additionally, due to the high weight-to-value ratio of many silica products in our Industrial & Specialty Products segment, the proximity of our facilities to our customers' facilities often results in us being their sole supplier. This advantage has enabled us to enjoy strong customer retention in this segment, with our top five Industrial & Specialty Products segment customers purchasing from us for an average of over 50 years.

- *Low-cost operating structure.* We believe the combination of the following factors contributes to our low-cost structure and our high margins:
  - our ownership of the vast majority of our reserves, resulting in mineral royalty rates that were less than 0.5% of our sales in 2010;
  - the close proximity of our mines to their respective processing plants, which allows for a cost-efficient and highly automated production process;
  - our processing expertise, which enables us to create over 200 products with unique characteristics while minimizing waste material;
  - our integrated logistics management expertise and geographically advantaged facility network, which enables us to reliably ship products by the most cost-effective method available, whether by truck, rail, ship or barge;
  - our large customer base across numerous end markets, which allows us to maximize our mining recovery rate and asset utilization; and
  - our large overall and plant-level operating scale.
- *Strong reputation with our customers and the communities in which we operate.* We believe that we have built a strong reputation during our 111-year operating history. Our customers know us for our dependability and our high-quality, innovative products, as we have a long track record of timely delivery of our products according to customer specifications. We also have an extensive network of technical resources, including materials science and petroleum engineering expertise, that enables us to collaborate with our customers to develop new products and improve the performance of their existing applications. We are also well known in the communities in which we operate as a preferred employer and a responsible corporate citizen, which serves us well in hiring new employees and securing difficult-to-obtain permits for expansions and new facilities.
- *Experienced management team.* The members of our senior management team bring significant experience to the dynamic environment in which we operate. Their expertise covers a range of disciplines, including industry-specific operating and technical knowledge as well as experience managing high-growth businesses. We believe we have assembled a flexible, creative and responsive team with a mentality that is particularly well suited to the rapidly evolving unconventional oil and natural gas drilling landscape, which is the principal driver of our growth.

Our Strategy

The key drivers of our growth strategy include:

- *Expand our proppant production capacity and product portfolio.* We are currently executing several initiatives to increase our frac sand production capacity and augment our proppant product portfolio. At our Ottawa, Illinois facility, we are currently implementing operating improvements and installing a new dryer with six mineral separators to increase our annual frac sand production capacity by 900,000 tons. At our Rockwood, Michigan facility, we are in the process of adding 250,000 tons of annual frac sand production capacity by installing an entirely new processing circuit to run on a continuous basis

alongside our existing state-of-the-art low-iron silica circuit. We anticipate that these two projects will be completed in 2012. We are also in the initial stages of building a new facility to produce resin-coated sand that will be designed to coat up to 400 million pounds annually, which is scheduled for start-up in 2013. We expect to fund all of these projects through a combination of cash on our balance sheet and cash generated from our operations.

- *Increase our exposure to attractive industrial and specialty products end markets.* We intend to increase our exposure and market share in certain industrial and specialty products end markets that we believe are poised for growth. For example, at our Rockwood facility, we have doubled our production capacity for low-iron silica, which is used to maximize light transmission in ultra-clear architectural glass and solar panels. In addition, we recently opened a representative office in Shanghai, China to market our fine ground silica products across the Asia Pacific region for use in specialty end markets. We are also exploring opportunities to grow our presence in the specialty coatings and polymer additives end markets, where our ultra-fine ground silica is used to enhance strength, scratch resistance and stability.
- *Optimize product mix and further develop value-added capabilities to maximize margins.* We will continue to actively manage our product mix at each of our plants to ensure we are maximizing our profit margins. This requires us to use our proprietary expertise in balancing key variables, such as mine geology, processing capacities, transportation availability, customer requirements and pricing. In 2010, while our tons sold increased by 17%, we believe this expertise helped enable us to increase our gross profit by 57%. We also expect to continue investing in ways to increase the value we provide to our customers by expanding our product offerings, increasing our transportation assets, improving our supply chain management and upgrading our information technology. We hope to use these strategies to increase our gross profit faster than our tons sold into the future.
- *Evaluate both greenfield and brownfield expansion opportunities.* We will continue to leverage our reputation, processing capabilities and infrastructure to increase production, as well as explore other opportunities to expand our reserve base. We may accomplish this by developing greenfield projects, where we can capitalize on our technical knowledge of geology, mining and processing and our strong reputation within local communities. Additionally, we may pursue “bolt on” and other opportunistic acquisitions, taking advantage of our asset footprint, our management’s experience with high-growth businesses and our strong customer relationships. We may also evaluate international acquisitions as unconventional oil and natural gas drilling expands globally.
- *Maintain financial strength and flexibility.* We intend to maintain financial strength and flexibility to enable us to pursue acquisitions and new growth opportunities as they arise. As of March 31, 2011, we had $54.6 million of cash on hand and $20.0 million of available borrowings under our credit facilities.

Our Industry

The commercial silica industry consists of businesses that are involved in the mining, processing and sale of commercial silica. Commercial silica, also referred to as “silica,” “industrial sand and gravel,” “silica sand” and “quartz sand,” is a term applied to sands and gravels containing a high percentage of silica (silicon dioxide, SiO_2) in the form of quartz. Commercial silica deposits occur throughout the United States, but mines and processing facilities are typically located near end markets and in areas with access to transportation infrastructure. Other factors affecting the feasibility of commercial silica production include deposit composition, product quality specifications, land-use and environmental regulation, including permitting requirements, access to electricity, natural gas and water and a producer’s expertise and know-how.

Extraction and Production Processes

Commercial silica deposits are formed from a variety of sedimentary processes and have distinct characteristics that range from hard sandstone rock to loose, unconsolidated dune sands. While the specific

extraction method utilized depends primarily on the deposit composition, most silica is mined using conventional open-pit bench extraction methods and begins after clearing the deposit of any overlaying soil and organic matter. The silica deposit composition and chemical purity also dictate the processing methods and equipment utilized. For example, broken rock from a sandstone deposit may require one, two or three stages of crushing to liberate the silica grains required for most markets. Unconsolidated deposits may require little or no crushing, as silica grains are not tightly cemented together.

After extracting the ore, the silica is washed with water to remove fine impurities such as clay and organic particles. In some deposits, these fine contaminants or impurities are tightly bonded to the surface of the silica grain and require attrition scrubbing to be removed. Other deposits require the use of flotation to collect and separate contaminates from the silica. When these contaminants are weakly magnetic, special high intensity magnets may be utilized in the process to improve the purity of the final commercial silica product. After the silica was been washed, most output is dried prior to sale.

The final step in the production process involves the classification of commercial silica products according to their chemical purity, particle shape and particle size distribution. Generally, commercial silica is produced and sold in whole grain (unground) form and in ground form. Whole grain silica generally ranges from 12 to 140 mesh (the number of openings per linear inch on a sizing screen). Whole grain silica products are sold in a range of shapes, sizes and purity levels to be used in a variety of industrial applications, such as glass, foundry, building products, oil and natural gas recovery, filtration and recreation. Some whole grain silica is further processed to ground silica of much smaller particle sizes, ranging from 5 to 250 microns (one-millionth of a meter).

Product Distribution

Most commercial silica is shipped in bulk to customers in bulk by truck or rail. According to the USGS, of the total commercial silica produced in the United States in 2009, approximately 52% was transported by truck from the plant to the site of first sale or use, 35% was transported by rail and 13% by unspecified modes of transportation. There has been a shift away from truck to rail, as more volumes have been directed to the oil and gas proppants end market, which typically utilizes rail transportation.

For bulk commercial silica, transportation cost represents a significant portion of the overall product cost. Consequently, the majority of production transported by truck is sold within approximately 200 miles of the producing facility. This limitation emphasizes the importance of rail, ship or barge access for low cost delivery outside of the 200-mile truck radius. As a result, facility location is one of the most important considerations for producers and customers. These factors dictate the all-in delivered cost of silica production. Exceptions to this include frac sands used in oil and natural gas recovery and finer grade commercial silica, where transporting the materials long distances is economically feasible due to their relatively high unit values.

In addition to bulk shipments, commercial silica products can be packaged and shipped in 50 to 100 pound bags or bulk super sacks. Bag shipments are usually made to smaller customers with batch operations, warehouse distributor locations or for ocean container shipments made overseas. The products that are shipped in bags are often higher-value products, such as ground and fine ground industrial silica.

Primary End Markets

The special properties of commercial silica—chemistry, purity, grain size, color, inertness, hardness and resistance to high temperatures—make it critical to a variety of industries. Commercial silica is a key input in the well completion process, specifically, in the hydraulic fracturing techniques used in unconventional oil and natural gas wells. In the industrial and specialty products end markets, stringent quality requirements must be met when commercial silica is used as an ingredient to produce thousands of everyday applications, including glass, building and foundry products and metal castings, as well as certain specialty applications such as solar panels,

wind turbines, geothermal energy systems and catalytic converters. Due to the unique properties of commercial silica, it is an economically irreplaceable raw material in a wide range of industrial applications. Major end markets include:

Oil and Gas Proppants

Commercial silica is used as a proppant by companies involved in oil and natural gas recovery in unconventional resource plays. Unconventional oil and natural gas production requires fracturing and other well stimulation techniques to recover oil or natural gas that is trapped in the source rock and typically involves horizontal drilling. Frac sand is pumped down oil and natural gas wells at high pressures to prop open rock fissures in order to increase the flow rate of hydrocarbons from the wells. Additionally, every 4 to 5 years proppants may be used to "re-fracture" the shale and keep the fractures open. Proppants represent the single largest class of materials used in the stimulation of oil and natural gas wells, accounting for more than 40% of market value in 2010 according to Freedonia. The USGS reports that sales of commercial silica products for oil and natural gas recovery accounted for approximately 28% by volume and 43% by value of total commercial silica product sales in 2009. Based on our own internal and other third-party estimates, we believe commercial silica used by the oil and gas proppants end market increased significantly in 2010 and likely accounted for approximately 44% of total commercial silica volumes.

Glass

Commercial silica is a critical input into and accounts for 60% to 70% of the raw materials in glass production. According to the USGS, approximately 32% by volume and 23% by value of all commercial silica products sold in the United States in 2009 were used in glassmaking. The glassmaking markets served by commercial silica producers include containers, flat glass, specialty glass and fiberglass. Demand typically varies within each of these end markets.

The container glass, flat glass and fiberglass end markets are generally mature end markets. Demand for container glass has historically grown in line with population growth, and we expect similar growth in the future. Flat glass and fiberglass tend to be correlated with construction and automotive production activity, and as a result remain depressed relative to peak demand given the contraction of these end markets over the past few years. We expect demand in these end markets to improve as construction and automotive production activity recover in the coming years.

The demand for low-iron glass, which is utilized in glass for solar panels and certain grades of architectural glass has been experiencing more rapid growth. In addition, glass fibers are being incorporated in high strength wind turbines, a fast growing alternative energy source. Commercial silica used in production of these products is generally of higher quality and tighter specifications than the commercial silica used in the manufacturing of other glass products.

Building Products

Commercial silica is used in the manufacturing of building products for commercial and residential construction. The USGS reports that commercial silica sold to manufacturers of building products accounted for approximately 8% by volume and 9% by value of all commercial silica sold in the United States in 2009. Whole grain commercial silica products are used in flooring compounds, mortars and grouts, specialty cements, stucco and roofing shingles. Ground commercial silica products are used by building products manufacturers as functional extenders and to add durability and weathering properties to cementious compounds. In addition, geothermal wells are a fast growing alternative energy source that require specialized ground silica products in their well casings for effectiveness. The market for commercial silica used to manufacture building products is driven primarily by the demand in the construction markets. The historical trend for this market has been one of growth, especially in demand for cementious compounds for new construction, renovation and repair. Although

the housing construction market has recently declined, we believe this will be a growth market as the housing market recovers.

Foundry

According to the USGS, in 2009, commercial silica products used for foundry purposes represented approximately 13% by volume and 8% by value of all commercial silica products sold in the United States. Commercial silica products are used in the production of molds for metal castings and in metal casting products. In addition, commercial whole grain silica is sold to coaters of foundry silica who then sell their product to foundries for cores and shell casting processes. The demand for foundry silica depends on the rate of automobile and light truck production, construction and production of heavy equipment like rail cars. Over the past decade, there has been some movement of foundry supply chains to Mexico and other offshore production areas. Additionally, foundry demand decreased significantly in 2009 as a result of the decrease in automotive and heavy equipment production. We expect foundry demand to improve as these end markets recover.

Chemicals

In 2009, sales of commercial silica products to manufacturers of chemicals equaled approximately 3% by volume and 3% by value of the total commercial silica products sold in the United States according to the USGS. Both whole grain and ground silica products are used in the manufacturing of silicon-based chemicals, such as sodium silicate, that are used in a variety of applications, including food processing, detergent products, paper textiles and specialty foundry applications. This end market is driven by the development of new products by the chemicals manufacturers, including specialty coatings and polymer additives. We expect this end market to grow as these manufacturers continue their product and applications development.

Fillers and Extenders

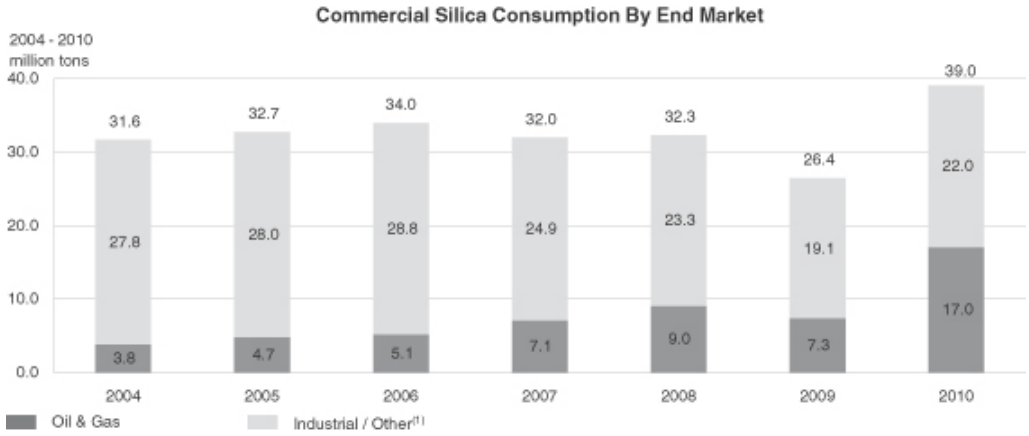
According to the USGS, in 2009, commercial silica products sold for use as fillers represented approximately 1% by volume and 2% by value of all commercial silica products sold in the United States. Commercial silica products are sold to producers of paints and coating products for use as fillers and extenders in architectural, industrial and traffic paints and are sold to producers of rubber and plastic for us in the production of epoxy molding compounds and silicone rubber. The commercial silica products used in this end market is most often ground silica, including finer ground classifications. The market for fillers and extenders is driven by demand in the construction and automotive production industries as well as by demand for materials in the housing remodeling industry. Although construction, automotive production and housing remodeling demand decreased in 2009, we expect demand to improve as these end markets recover in the coming years.

Demand Trends

From 1980 to 2008, U.S. commercial silica industry volumes generally grew in line with U.S industrial production, primarily influenced by the manufacture of glass, building materials, foundry moldings and chemicals. The economic downturn of 2008 and 2009 decreased demand for commercial silica products, particularly in the glassmaking, foundry, specialty coatings and building products end markets. With the recent economic recovery, however, we estimate overall demand for commercial silica increased greater than 45% in 2010. Demand for commercial silica in industrial and specialty products end markets once again began to grow. We also saw increased demand for new specialty applications, such as solar panels, specialty coatings, wind turbines, polymer additives and geothermal energy systems.

In addition to rebounding industrial end markets and increasing demand for commercial silica products for certain specialty applications, the significant demand growth in 2010 was primarily driven by an acceleration in demand for frac sand. Based on industry data and our own internal estimates, we believe frac sand demand has

grown by more than 28% per annum since 2004. The following chart depicts consumption in each of the oil and gas proppants and industrial and specialty products end markets from 2004 through 2010.



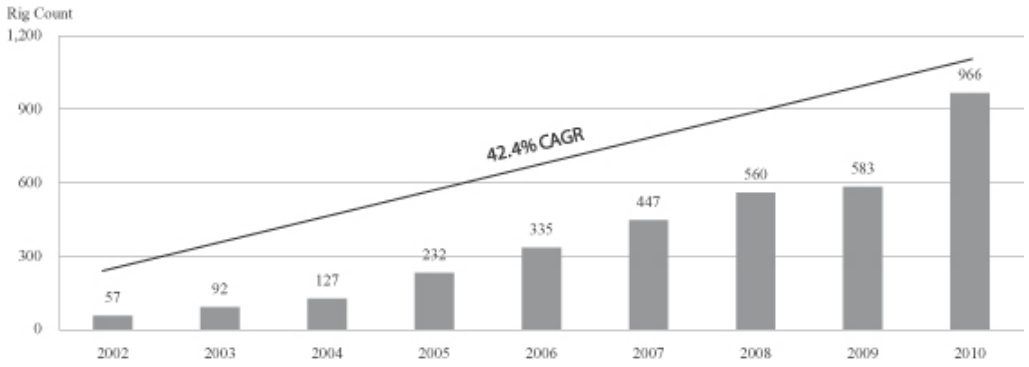
Data Source: For years 2004 through 2009, USGS; for 2010, internal estimates compiled through consultation with third parties and management. See "Market and Industry Data."

(1) Industrial/Other end markets include glassmaking, foundry, metallurgical, abrasives, filtration, recreational, traction/engine, coal washing, roofing granules and fillers and other, as defined by the USGS.

In 2009, the USGS estimated the value of the commercial silica market value at approximately $762.0 million. The oil and gas proppants end market was estimated at $326.0 million, while remaining industrial segments aggregated to $436.0 million. Given our estimates of the significant growth in frac sand production in 2010, as well as the recovery in industrial end markets, we believe the overall commercial silica market exceeded $1 billion in 2010, with the oil and gas proppants end market contributing in excess of $600.0 million.

We believe that commercial silica consumption increased at an average annual rate of 9.9% from 2008 to 2010 and that this growth was principally driven by the acceleration in growth in frac sand demand. This demand growth is primarily due to technological developments, such as improvements in horizontal drilling that have made the extraction of oil and natural gas increasingly cost-effective in areas that historically would have been economically impractical to develop. Frac sand is an essential component in the efficient exploitation of these reservoirs, and as more of these reservoirs have been developed, the demand for frac sand has correspondingly increased. The following chart identifies trends in the number of horizontal drill rigs from 2002 to 2011 and the CAGR over such period.

North American Horizontal Drill Rig Count(1)



Data Source: Baker Hughes, Inc.

(1) Data reported as year-end rig count for period (2002-2010). As of June 30, 2011, the horizontal drill rig count was 1,073.

In addition to the increase in the number of horizontal drill rigs, the growth in demand is also the product of an increase in the amount of frac sand used per rig, which is growing as a result of the following factors:

- improved drill rig productivity, resulting in more wells drilled per year per rig;
- the increase in the number of fracturing sites within each well where fracturing occurs and proppant is needed;
- the increase in the length of the horizontal distance covered in each stage of the well due to advances in horizontal drilling technologies; and
- the increase in proppant use per foot completed in each fracturing stage.

Based on these drivers, demand for all proppants is projected to increase approximately 16% per year to $5.1 billion in 2015, and, more specifically, demand for frac sand and resin-coated sand in the United States and Canada is projected to increase 15% per year to $1.9 billion in 2015, according to Freedonia.

Supply

Supplies of commercial silica have failed to keep pace with demand for approximately the past 18 months. During the economic downturn of 2008 and 2009, demand for commercial silica from customers in various industrial and specialty products end markets decreased. As a result, there was no significant expansion of domestic commercial silica. This, combined with the continued growth in demand for frac sand in 2010 and the rebound in industrial and specialty products end markets, has created a supply-demand disparity over approximately the past 18 months. We believe that if the present level of demand growth continues for the

foreseeable future, a significant expansion in the supply of commercial silica will be needed to balance the market. However, there are several key constraints to increasing production on an industry-wide basis, including:

- the difficulty of finding silica reserves suitable for use as frac sand, which, according to the API, must meet stringent technical specifications, including, among others, sphericity, grain size, crush resistance, acid solubility, purity and turbidity;
- the difficulty of securing contiguous reserves of silica large enough to justify the capital investment required to develop a mine and processing plant;
- a lack of industry-specific geological, exploration, development and mining knowledge and experience needed to enable the identification, acquisition and development of high-quality reserves;
- the difficulty of identifying reserves with the above characteristics that either are located in close proximity to oil and natural gas reservoirs or have the rail access needed for low-cost transportation to major shale basins;
- the difficulty of securing mining, production, water, air, refuse and other federal, state and local operating permits from the proper authorities, a process that can require up to three years; and
- the difficulty of assembling a large, diverse portfolio of customers to optimize operations.

Pricing

Historically, commercial silica has been characterized by regional markets created by the high weight-to-value ratio of silica. From 1970 to 2000, commercial silica prices increased at an average annual rate of 4.5%. Since 2000, the increased demand for commercial silica from our customers in both the oil and gas proppants end market and industrial and specialty products end markets and limited supply increases have resulted in favorable pricing trends in both of our operating segments. From 2000 to 2009, commercial silica prices increased at an average annual rate of 9.0%.

Source:USGS

If the use of hydraulic fracturing continues to increase, and if the general economic recovery continues to result in increased demand from our customers in industrial and specialty products end markets, we expect the prices that our products command will continue to increase.

Our Products

In order to serve a broad range of end markets, we produce and sell a variety of commercial silica products, including whole grain and ground products, as well as other industrial mineral products that we believe complement our commercial silica products.

Whole Grain Silica Products. We sell whole grain commercial silica products in a range of shapes, sizes and purity levels. We sell whole grain silica that has a round shape and high crush strength to be used as frac sand in connection with oil and natural gas recovery, and we have begun investing in the construction of a production facility for resin-coated sand. We also sell whole grain silica products in a range of size distributions, grain shapes and chemical purity levels to our customers involved in the manufacturing of glass products, including a low-iron whole grain product sold to manufacturers of architectural and solar glass applications. In addition, we sell over 80 grades of whole grain round silica to the foundry industry and provide whole grain commercial silica to the building products industry. In 2010, sales of whole grain commercial silica products accounted for approximately 75% of our total sales.

Ground Silica Products. Our ground commercial silica products are inherently inert, white and bright, with high purity. We market our ground silica in sizes ranging from 40 to 250 microns for use in plastics, rubber, polishes, cleansers, paints, ceramic frits and glazes, textile fiberglass and precision castings. We also produce and market fine ground silica in sizes ranging from 5 to 40 microns for use in premium paints, specialty coatings, sealants, silicone rubber and epoxies. We believe we are currently the only commercial silica producer in the United States that manufactures a 5-micron product. In 2010, sales of ground silica products accounted for approximately 17% of our total sales.

Other Industrial Mineral Products. We also produce and sell certain other industrial mineral products, such as aplite, calcined kaolin clay and magnesium silicate. Aplite is a mineral used to produce container glass and insulation fiberglass and is a source of alumina that has a low melting point and a low tendency to form defects in glass. Calcined kaolin clay is a mineral primarily used as a functional extender. Calcined kaolin clay is chemically inert, has a high covering power, gives desirable flow properties and reduces the amount of expensive pigments required. These characteristics make calcined kaolin clay an ideal functional extender in paints, plastics, specialty coatings and rubber. We also produce and sell a highly selective adsorbent made from a mixture of silica and magnesium, used extensively in preparative and analytical chromatography. In 2010, sales of these other industrial mineral products accounted for approximately 8% of our total sales.

Our Primary End Markets and Customers

We sell our products to a variety of end markets. At the end of 2008, we began investing heavily in our capacity to supply frac sand to customers in the oil and gas proppants end market. Our high-quality reserves of frac sand have enabled us to quickly build a presence in this fast-growing market, and we are currently investing in our capacity to offer resin-coated sand for the same purpose. Our customers in the oil and gas proppants end market include Schlumberger Ltd., Halliburton Company, Nabors Industries Ltd., Weatherford International Ltd. and Baker Hughes, Inc. Sales to the oil and gas proppants end market comprised approximately 16%, 19% and 28% of our total sales in 2008, 2009 and 2010, respectively.

Our primary markets have historically been core industrial end markets with customers engaged in the production of glass, building products, foundry products, chemicals and fillers and extenders. Our diverse customer base drives high recovery rates across our production. We also benefit from strong and long-standing relationships with our customers in each of the industrial and specialty products end markets we serve. In our industrial and specialty products end markets, our customers are leaders in their respective industries and include Owens-Illinois, Inc., Owens Corning, Saint-Gobain Glass, The Sherwin-Williams Company and PQ Corporation. Sales to our industrial and specialty products end markets comprised approximately 84%, 81% and 72% of our total sales in 2008, 2009 and 2010, respectively.

We primarily sell our products under short term price agreements or at prevailing market rates. For a limited number of our customers, particularly in the oil and gas proppants end market, we sell under long-term, competitively-bid contracts. These long-term contracts are at fixed prices which are presently below market, and are adjustable only for certain cost increases. Sales under these long-term contracts collectively accounted for 18% of sales in 2010. Historically we have not entered into long-term contracts with our customers in the

industrial and specialty products end markets because of the high cost to our customers of switching providers. We typically renegotiate our price agreements with these customers annually.

The following table provides more detail regarding the end markets that we serve and our significant customer relationships in those markets:

End Market	Primary Customers
Oil and gas proppants	Schlumberger Limited, Halliburton Company, Nabors Industries Ltd., Weatherford International Ltd., Baker Hughes, Inc.
Glass	Owens-Illinois, Inc., Owens Corning, Saint-Gobain Glass
Building products	Owens Corning, BASF Corporation
Foundry	Porter Warner Industries, LLC, Thyssen Krupp Waupaca
Chemicals	PQ Corporation, Occidental Chemical Corporation
Fillers and extenders	The Sherwin-Williams Company, Dow Corning Corporation

Production

Our 13 production facilities are located primarily in the eastern half of the United States, with operations in Alabama, Illinois, Louisiana, Michigan, Missouri, New Jersey, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and West Virginia. The following map shows the locations of our facilities:

We conduct only surface mining operations and do not operate any underground mines. Mining methods at our facilities include conventional hard rock mining, hydraulic mining, surface or open-pit mining of loosely consolidated silica deposits and dredge mining. Hard rock mining involves drilling and blasting in order to break up sandstone into sizes suitable for transport to the processing facility by truck or conveyer. Hydraulic mining involves spraying high-pressure water to break up loosely consolidated sandstone at the mine face. Surface or open-pit mining involves using earthmoving equipment, such as bucket loaders, to gather silica deposits for processing. Lastly, dredging involves gathering silica deposits from mining ponds and transporting them by slurry pipelines for processing. We may also use slurry pipelines in our hydraulic and open-pit mining efforts to expedite processing. Silica mining and processing typically has less of an environmental impact than the mining and processing of other minerals, in part because it uses fewer chemicals.

Our processing plants are equipped to receive the mined sand, wash away impurities, eliminate oversized or undersized particles and remove moisture through a multi-stage drying process. Our facilities are located primarily on land we own, with only one facility residing on leased properties. Each of our facilities operates year-round, typically in shift schedules designed to optimize facility utilization in accordance with market

demand. Our facilities receive regular preventative maintenance, and we make additional capital investments in our facilities as required to support customer volumes and internal performance goals.

In connection with expanding our presence in the oil and gas proppants end market, we are in the process of constructing a facility to produce resin-coated sand for use in the hydraulic fracturing process. In advance of opening that facility, we are negotiating a tolling agreement with a third party whereby we will ship sand processed at our facilities to a third-party facility to be coated in resin. The resin-coated sand will then be shipped back to us to be sold to customers.

Quality Control

We maintain a standard of excellence through our ISO 9001-registered quality systems at our mining and processing facilities. We use automated process control systems that efficiently manage the majority of the mining and processing functions, and we monitor the quality and consistency of our products by conducting hourly tests throughout the production process to detect variances. We generally test each customer load prior to shipment, and all of our major facilities operate a testing laboratory to evaluate and ensure the quality of our products and services. We also provide customers with documentation verifying that all products shipped meet customer specifications. These quality assurance functions ensure that we deliver quality products to our customers and maintain customer trust and loyalty.

In addition, we have certain company-wide quality control mechanisms. We maintain a company-wide quality assurance database that facilitates easy access and analysis of product and process data from all plants. We also have a fully staffed and equipped corporate laboratory that provides critical technical expertise, analytical testing resources and application development to promote product value and cost savings. The lab consists of four departments: a foundry lab, a paint and coatings lab, an analytical lab and a minerals-processing lab. The foundry lab is fully equipped for analyzing foundry silica based on grain size distribution, acidity, acid demand value and turbidity, which is a measure of silica cleanliness. The paint and coatings lab provides formulation, application, and testing of paints, coatings and grouts for end use in fillers and extenders as well as building products. The analytical lab performs various analyses on products for quality control assessment. The minerals-processing lab models plant production processes to test variations in deposits and improve our ability to meet customer requirements, and also performs some limited testing of our frac sand products to verify that they meet API size and crush specifications.

Distribution

We ship our commercial silica products direct to our customers by truck, rail, ship or barge. Generally, we utilize trucks for shipments of 200 miles or less from our plant sites and to distribute our bagged products. Given the weight-to-value ratio of most of our products, the majority of our shipments outside this 200-mile radius are by rail. We frequently utilize rail-truck transfer stations to deliver our products to the oil and natural gas industry when this method of transportation provides us with lower delivery costs to specific customers or regions. We are continuously looking to increase the number of available transload points to which we have access. When cost effective, we also occasionally ship products by barge or ship, both domestically and internationally. All three methods of shipping are typically performed with equipment owned by third parties. Both we and our customers lease a significant number of railcars for shipping purposes, as well as to facilitate the short-term storage of our products, particularly our frac sand products. The railcar leasing market is increasingly tight due to rising demand, but we believe that we will have access to a sufficient supply of railcars to meet our needs for the upcoming year.

For some of our high-margin, finer ground commercial silica and other specialty products such as calcined kaolin clay, we can effectively distribute our products nationally and, in some cases, internationally. These sales are typically made through distributors and are shipped by rail for North American locations and by barge or ship for international locations.

Our Reserves

We believe we have a broad and high-quality mineral reserves base due to our strategically located mines and facilities. “Reserves” are defined by SEC Industry Guide 7 as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Industry Guide 7 divides reserves between “proven (measured) reserves” and “probable (indicated) reserves” which are defined as follows:

- *Proven (measured) reserves.* Reserves for which (1) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (2) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.
- *Probable (indicated) reserves.* Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.

We categorize our reserves as proven or probable in accordance with these SEC definitions. We estimate that we had a total of approximately 283 million tons of proven and probable recoverable mineral reserves as of December 31, 2010. The quantity and nature of the mineral reserves at each of our properties are estimated by our internal geologists and mining engineers. Our internal geologists and engineers update our reserve estimates annually, making necessary adjustments for operations at each location during the year and additions or reductions due to property acquisitions and dispositions, quality adjustments and mine plan updates. We review these estimates on a periodic basis with John T. Boyd Company, an independent third party, to assure their reasonableness. Before acquiring new reserves, we perform surveying, drill core analysis and other tests to confirm the quantity and quality of the acquired reserves. In some instances, we acquire the mineral rights to reserves without actually taking ownership of the properties.

As of December 31, 2010, we owned 90% of our mineral reserves and leased 10% of our reserves from various third-party landowners. We entered into two leases for our Mapleton Depot location in 2000, each with initial terms of 25 years and each renewable on a year-by-year basis provided that we make minimum royalty payments. We entered into a 12-year lease for our Columbia location in 1997, and exercised the first of two 12-year renewal options in 2009. Lastly, we are party to two lease agreements for our Hurtsboro location with current expiration dates of 2013 and 2019. We do not anticipate any issues in renewing these leases, should we decide to do so. Consistent with industry practice, we conduct only limited investigations of title to our properties prior to leasing. Title to lands and reserves of the lessors or grantors and the boundaries of our leased priorities are not completely verified until we prepare to mine those reserves.

The following table provides information on each of our 13 production facilities and a currently undeveloped site in Batesville, Arkansas, as of December 31, 2010. Included is the location of the facility; the type, amount and ownership status of its reserves; and the primary end markets that it serves.

Mine/Plant Location	Owned/Leased	Proven Reserves	Probable Reserves	Combined Proven and Probable Reserves	2010 Production	Primary End Markets Served
		(amounts in thousands)				
Ottawa, IL	Owned	79,890	40,800	120,690	2,001	Oil and gas proppants, glass, chemicals and foundry
Mill Creek, OK	Owned	—	21,865	21,865	1,121	Oil and gas proppants, glass, foundry and building products
Pacific, MO	Owned	15,956	7,994	23,950	412	Oil and gas proppants, glass, foundry and fillers and extenders
Berkeley Springs, WV	Owned	3,820	—	3,820	305	Glass, building products and fillers and extenders
Mapleton Depot, PA	Owned/Leased	6,662	10,000	16,662	566	Glass and building products
Kosse, TX	Owned	13,053	—	13,053	229	Glass, building products and fillers and extenders
Mauricetown, NJ	Owned	3,179	9,750	12,929	231	Filtration, foundry and building products
Columbia, SC	Leased	5,967	1,680	7,647	340	Glass, building products and fillers and extenders
Montpelier, VA	Owned	—	14,820	14,820	172	Glass and building products
Rockwood, MI	Owned	5,140	—	5,140	168	Glass and building products
Jackson, TN	Owned	875	725	1,600	126	Fiberglass and building products
Dubberly, LA	Owned	4,894	—	4,894	175	Glass, foundry and building products
Batesville, AR	Owned	—	34,732	34,732	—	—
Hurtsboro, AL	Leased	1,578	—	1,578	116	Foundry and building products
Total		141,014	142,366	283,380	5,962	

Our Facilities

The following is a detailed description of our five most significant mining and production facilities, as measured by their contribution to our Adjusted EBITDA for the quarter ended March 31, 2011.

Ottawa, Illinois

Our surface mines in Ottawa use natural gas and electricity to produce whole grain and ground silica through a variety of mining methods, including hard rock mining, hydraulic mining and dredging. The reserves are part of the St. Peter Sandstone deposit that stretches north-south from Minnesota to Missouri and east-west from Illinois to Nebraska and South Dakota. The facility is located approximately 80 miles southwest of Chicago and is accessible by major highways including U.S. Interstate 80.

We acquired the Ottawa facility in 1987 by merger with the Ottawa Silica Company, which had historically used the property to produce whole grain and ground silica for customers in industrial and specialty products end markets. Since acquiring the facility we have renovated and upgraded its production capabilities to enable it to produce multiple products through various processing methods, including washing, hydraulic sizing, grinding, screening and blending. These production techniques allow the Ottawa facility to meet a wide variety of focused specifications on product composition from customers. As such, the Ottawa facility services multiple end markets, such as glass, building products, foundry, fillers and extenders, chemicals and oil and gas proppants. In November 2009, we expanded the frac sand capacity of this facility by 500,000 tons, and we are currently in the process of expanding it as discussed elsewhere in this prospectus. Once the product is appropriately processed, it is shipped either in bulk or packaged form by rail by either the CSX Corporation or the BNSF Railway Company (via the Illinois Railway short line), truck or barge through terminals located on the plant site and at a leased site approximately three miles from the plant.

Mill Creek, Oklahoma

Our surface mines in Mill Creek use natural gas and electricity to produce whole grain, ground and fine ground silica through a variety of mining methods, including hard rock and hydraulic mining. The reserves are part of the Oil Creek formation in south central Oklahoma. The facility is located approximately 100 miles southeast of Oklahoma City and is accessible by major highways including U.S. Interstate 35.

We acquired the Mill Creek facility in 1987 by merger with the Pennsylvania Glass Sand Corporation, which had historically used the property to produce whole grain silica for customers in industrial and specialty products end markets. Since acquiring the facility we have renovated and upgraded its production capabilities to enable it to produce multiple products through various processing methods, including hydraulic sizing, fluid bed drying, grinding and scalping. These production techniques allow the Mill Creek facility to meet a wide variety of focused specifications on product composition from customers. As such, the Mill Creek facility services multiple end markets, such as glass, foundry, fillers and extenders, building products and oil and gas proppants. Once the product is appropriately processed, it is packaged in bulk and shipped either by rail by BNSF Railway Company or by truck.

Pacific, Missouri

Our surface mines at the Pacific facility use natural gas and electricity to produce whole grain, ground and fine ground silica through a variety of mining methods, including hard rock and hydraulic mining. The reserves are part of the St. Peter Sandstone deposit that stretches north-south from Minnesota to Missouri and east-west from Illinois to Nebraska and South Dakota. The facility is located approximately 50 miles southwest of St. Louis and is accessible by major highways including U.S. Interstate 44.

We acquired the Pacific facility in 1987 by merger with the Pennsylvania Glass Sand Corporation, which had historically used the property to produce whole grain silica for customers in industrial and specialty products end markets. Since acquiring the facility we have renovated and upgraded its production capabilities to enable it to produce multiple products through various processing methods, including hydraulic sizing, fluid bed drying, grinding, dry screening, classifying and microsizing. In August 2010, we expanded this facility's processing capabilities to include the processing of frac sand. These production techniques allow the Pacific facility to meet a wide variety of focused specifications on product composition from customers. As such, the Pacific facility services multiple end markets, such as glass, foundry, fillers and extenders and oil and gas proppants. Once the product is appropriately processed, it is packaged in bulk and shipped either by rail directly by Union Pacific Corporation and through open switching on the same line by BNSF Railway Company or by truck.

Berkeley Springs, West Virginia

Our surface mines at the Berkeley Springs facility use natural gas and electricity to produce whole grain, ground and fine ground silica and florisil through hard rock mining. The reserves are part of the Oriskany deposit along the Warm Springs Ridge in western West Virginia. The facility is located approximately 100 miles northwest of Baltimore and is accessible by major highways including U.S. Interstate 70.

We acquired the Berkeley Springs facility in 1987 by merger with the Pennsylvania Glass Sand Corporation, which had historically used the property to produce whole grain silica for customers in industrial and specialty products end markets. Since acquiring the facility we have renovated and upgraded its production capabilities to enable it to produce multiple products through various processing methods, including primary, secondary and tertiary crushing, grinding, flotation, de-watering, fluid bed drying, mechanical screening and rotary drying processing. These production techniques allow the Berkeley Springs facility to meet a wide variety of focused specifications from customers producing specialty epoxies, resins and polymers, geothermal energy equipment and fiberglass. As such, the Berkeley Springs facility services multiple end markets, such as glass, building products, foundry, chemicals and fillers and extenders. Once the product is appropriately processed, it is packaged in bulk and shipped by rail by the CSX Corporation or truck.

Rockwood, Michigan

Our surface mines at the Rockwood facility use natural gas and electricity to produce whole grain silica. The reserves are part of the Sylvania deposit and are notable for their low iron content, making them particularly valuable to customers producing specialty glass for architectural or alternative energy applications. The facility is located approximately 30 miles southwest of Detroit and is accessible by major highways including U.S. Interstate 75.

We acquired the Rockwood facility in 1987 by merger with the Ottawa Silica Company, which had historically used the property to produce whole grain and ground silica for customers in industrial and specialty products end markets. Since acquiring the facility we have renovated and upgraded its production capabilities to enable it to produce multiple products through various processing methods, including fluid bed drying, dry screening and classifying. These production techniques allow the Rockwood facility to meet a wide variety of focused specifications on product composition from customers. As such, the Rockwood facility services multiple end markets, such as glass, building products, oil and gas proppants and chemicals. By early 2012, we also expect to complete the addition of 250,000 tons of annual frac sand capacity at the Rockwood facility by installing an entirely new processing circuit to run on a continuous basis alongside our existing state-of-the-art low-iron silica circuit. Once the product is appropriately processed, it is packaged in bulk and shipped by rail by BNSF Railway Company or truck.

Other Facilities

Our remaining facilities all consist of surface mines that use natural gas, propane, oil and electricity to produce either whole grain silica, ground silica, aplite, calcined kaolin clay or magnesium silicate. Their reserves are part of various distinct deposits located throughout the eastern half of the United States. All of the facilities are within at least 90 miles of large metropolitan areas. The majority of these facilities have been producing commercial silica for numerous decades, and we have owned all of them since at least 1998. Historically the majority of these other facilities were used to produce whole grain silica for customers in industrial and specialty products end markets, but we have generally made efforts to expand their production capabilities to make them capable of producing multiple products through various processing methods. All of these facilities are capable of shipping products by at least one of the following means: truck, rail, ship or barge.

Commercial Team

Our commercial team consists of more than 40 individuals responsible for all aspects of our sales process, including pricing, marketing, transportation and logistics, product development and general customer service. This necessitates a highly organized staff and extensive coordination between departments. For example, product development requires the collaboration of our sales team, our production facilities and our corporate laboratory. Our sales team interacts directly with our customers in determining their needs, our production facilities fulfill the orders and our corporate laboratory is responsible for ensuring that our products meet those needs.

Our commercial team can be divided into four units:

- *Sales.* Our sales team is organized by both region and end market. Domestically, we have an experienced group of regional sales managers underneath a national sales director, along with dedicated team members for the oil and gas proppants and glass end markets. Our oil and gas proppants team is based out of an office in Houston staffed by a petroleum engineer and other experts with in-depth market and technical knowledge. Internationally, we opened our first office abroad in 2011 in Shanghai, which will establish key partnerships with local industry leaders and develop business opportunities across the Asia Pacific region. As we make decisions to enter or expand our presence in certain end markets or regions, we will continue to add dedicated team members to support that growth.
- *Marketing.* Our marketing team coordinates all of our new and existing customer outreach efforts. This includes producing exhibits for trade shows and exhibitions, manufacturing product overview materials, participating in regional water filtration meetings and other trade associations and managing our advertising efforts in trade journals.
- *Transportation and Logistics.* Our transportation and logistics team manages over 100,000 domestic and international shipments annually by directing inbound and outbound rail and truck traffic, supervising equipment maintenance, coordinating with rail carriers to ensure equipment availability, ensuring compliance with shipping regulations and strategically planning for future growth.
- *Technical.* Our technical team is anchored by our corporate laboratory in Berkeley Springs, West Virginia. At this facility, we perform a variety of analyses including:
    - analytical chemistry by X-Ray Fluorescence (XRF) and Inductively Coupled Plasma (ICP) spectroscopy;
    - particle characterization by sieve, SediGraph, Brunauer, Emmett and Teller (BET) surface area and microscopy;
    - ore evaluation by mineral processing, flotation and magnetic separation;
    - API frac sand evaluation, including crush resistance; and
    - AFS green sand evaluation by various foundry sand tests.

We utilize these analytical capabilities to develop new product offerings for customers in the solar panels, ceramics and fillers and extenders end markets, among others. Many other product analyses are performed locally at our 13 processing facilities to support plant operations and customer quality requirements.

We also have a variety of other technical competencies including process engineering, equipment design, facility construction, maintenance excellence, environmental engineering, geology and mine planning and development. Effective integration of these capabilities has been a critical component of our business success and has allowed us to establish and maintain an extensive, high-quality silica sand reserve base, maximize the value of our reserves by producing and selling a wide range of high-quality products, optimize processing costs to provide strong value to customers and prioritize operating in a safe and environmentally sustainable manner.

Competition

Both of our reporting segments operate in a highly competitive market that is characterized by a small number of large, national producers and a larger number of small, regional or local producers. According to the USGS, in 2009, there were 68 producers of commercial silica with a combined 124 active operations in 34 states within the United States. Competition in the industry across both of our reporting segments is based on price, consistency and quality of product, site location, distribution capability, customer service, reliability of supply, breadth of product offering and technical support. As transportation costs are a significant portion of the total cost to customers of commercial silica—in many instances transportation costs can represent more than 50% of delivered cost—the commercial silica market is typically local, and competition from beyond the local area is limited. Notable exceptions to this are the frac sand and fillers and extenders markets, where certain product characteristics are not available in all deposits and not all plants have the requisite processing capabilities, necessitating that some products be shipped for extended distances.

In 2009, the five leading producers of commercial silica across both of our reporting segments represented in excess of 60% of total industry production and we compete with these large, national producers such as Unimin Corporation, Fairmount Minerals, Ltd., Badger Mining Corporation and Cameuse Industrial Sands. Our larger competitors may have greater financial and other resources than we do, may develop technology superior to ours or may have production facilities that are located closer to key customers than ours.

Because the markets for our products are typically local, we also compete with smaller, regional or local producers. For instance, in recent years there has been an increase in the number of small producers servicing the frac sand market due to an increased demand for hydraulic fracturing services.

Intellectual Property

Our intellectual property primarily consists of trade secrets, know-how and trademarks, including our name “U.S. Silica” and products such as “OTTAWA WHITE.” We strategically rely on trade secrets, rather than patents, to protect our proprietary processes, methods, documentation and other technologies, as well as certain other business information. Patent protection requires a costly and uncertain federal registration process that would place our confidential information in the public domain. Typically, we utilize trade secrets to protect the formulations and processes we use to manufacture our products and to safeguard our proprietary formulations and methods. We believe we can effectively protect our trade secrets indefinitely through the use of confidentiality agreements and other security measures.

Employees

As of March 31, 2011, we employed a workforce of 662 employees, the majority of whom are hourly wage plant workers living in the areas surrounding our mining facilities. The majority of our hourly employees are represented by labor unions that include the Teamsters, United Steelworkers, Paper Allied-Industrial Chemical &

Energy, Glass/Molders/Pottery/Plastics and Laborers. We believe that we maintain good relations with our workers and their respective unions and have not experienced any material strikes or work stoppages since 1987.

The majority of our employees have a tenure with us of approximately 16 years, and we have an annual employee turnover rate of less than 1.0%. We believe this low turnover rate has directly contributed to improved process efficiencies and safety, which in turn help drive cost reductions. We believe our labor rates compare favorably to other mining and manufacturing facilities in the same geographic areas. We maintain workers' compensation coverage in amounts required by law and have no material claims pending. We also offer all full-time employees a competitive package of employee benefits, which includes medical, dental, life and disability coverage.

Seasonality

Our business is affected to some extent by seasonal fluctuations in weather that impact our production levels and our customers' business needs. For example, in the second and third quarters, we sell more commercial silica to our customers in the building products and recreation end markets due to the seasonal rise in construction driven by more favorable weather conditions. Our sales and sometimes our production levels are lower in the first and fourth quarters due to lower market demand and due to our customers in these end markets experiencing slowdowns largely as a result of adverse weather conditions.

Legal Proceedings

In addition to the matter described below, we are subject to various other legal claims and proceedings which arise in the ordinary course of our business, including employment related claims, involving routine claims incidental to our business. Although the outcome of these routine claims cannot be predicted with certainty, we do not believe that the ultimate resolution of these claims will have a material adverse effect on our results of operations, financial condition or cash flows.

Prolonged inhalation of excessive levels of respirable crystalline silica dust can result in silicosis, a disease of the lungs. Breathing large amounts of respirable silica dust over time may injure a person's lungs by causing scar tissue to form. Crystalline silica in the form of quartz is a basic component of soil, sand, granite and most other types of rock. Cutting, breaking, crushing, drilling, grinding and abrasive blasting of or with crystalline silica containing materials can produce fine silica dust, the inhalation of which may cause silicosis, lung cancer and possibly other diseases including immune system disorders such as scleroderma. Sources of exposure to respirable crystalline silica dust include sandblasting, foundry manufacturing, crushing and drilling of rock, masonry and concrete work, mining and tunneling, and cement and asphalt pavement manufacturing.

Since at least 1975, we and/or our predecessors have been named as a defendant, usually among many defendants, in numerous lawsuits brought by or on behalf of current or former employees of our customers alleging damages caused by silica exposure. Prior to 2001, the number of silicosis lawsuits filed annually against the commercial silica industry remained relatively stable and was generally below 100, but between 2001 and 2004 the number of silicosis lawsuits filed against the commercial silica industry substantially increased. This increase led to greater scrutiny of the nature of the claims filed, and in June 2005 the U.S. District Court for the Southern District of Texas issued an opinion in the former federal silica multi-district litigation remanding almost all of the 10,000 cases then pending in the multi-district litigation back to the state courts from which they originated for further review and medical qualification, leading to a number of silicosis case dismissals across the United States. In conjunction with this and other favorable court rulings establishing "sophisticated user" and "no duty to warn" defenses for silica producers, several states, including Texas, Ohio and Florida, have passed medical criteria legislation that requires proof of actual impairment before a lawsuit can be filed.

As a result of the above developments, the filing rate of new claims against us over the past three years has decreased to below pre-2001 levels, and we were named as a defendant in eighteen, two and ten new silicosis

cases filed in 2008, 2009 and 2010, respectively. As of December 31, 2010, there were a total of approximately 146 active silica-related products liability claims pending in which we were a defendant, and, as of June 1, 2011, approximately 3,300 inactive claims. Almost all of the claims pending against us arise out of the alleged use of our silica products in foundries or as an abrasive blast media, and involve various other defendants. We have insurance policies and an indemnity from a former owner that cover certain claims for alleged silica exposure for periods prior to certain dates in 1985 (with respect to the indemnity and certain insurance) and 1986 (with respect to the balance of the insurance). Although the scope of coverage under those policies is currently being litigated, we believe, based on currently available information, they and the indemnity will remain in force.

The silica-related litigation brought against us to date has not resulted in material liability to us. However, we may continue to have silica-related products liability claims filed against us, including claims that allege silica exposure for periods for which we have neither insurance nor indemnity coverage. Any such pending or future claims or inadequacies of our insurance coverage or indemnity could have a material adverse effect on our business, reputation or results of operations. For more information regarding silica-related litigation, see “Risk Factors—Risks Related to Our Business—Silica-related health issues and litigation could have a material adverse effect on our business, reputation or results of operations.”

Regulation and Legislation

Mining and Workplace Safety

Federal Regulation

The U.S. Mine Safety and Health Administration (“MSHA”) is the primary regulatory organization governing the commercial silica industry. Accordingly, MSHA regulates quarries, surface mines, underground mines and the industrial mineral processing facilities associated with quarries and mines. The mission of MSHA is to administer the provisions of the Federal Mine Safety and Health Act of 1977 and to enforce compliance with mandatory safety and health standards. MSHA works closely with the Industrial Minerals Association, a trade association in which we have a significant leadership role, in pursuing this mission. As part of MSHA’s oversight, representatives perform at least two unannounced inspections annually for each above-ground facility. To date these inspections have not resulted in any citations for material violations of MSHA standards.

We also are subject to the requirements of the U.S. Occupational Safety and Health Act (“OSHA”) and comparable state statutes that regulate the protection of the health and safety of workers. In addition, the OSHA Hazard Communication Standard requires that information be maintained about hazardous materials used or produced in operations and that this information be provided to employees, state and local government authorities and the public. OSHA regulates the customers and users of commercial silica and provides detailed regulations requiring employers to protect employees from overexposure to silica through the enforcement of permissible exposure limits and the OSHA Hazard Communication Standard.

Internal Controls

We adhere to a strict occupational health program aimed at controlling exposure to silica dust, which includes dust sampling, a respiratory protection program, medical surveillance, training and other components. Our safety program is designed to ensure compliance with the standards of our Occupational Health and Safety Manual and MSHA regulations. For both health and safety issues, extensive training is provided to employees. We have safety committees at our plants made up of salaried and hourly employees. We perform annual internal health and safety audits and conduct semi-annual crisis management drills to test our plants’ abilities to respond to various situations. Health and safety programs are administered by our corporate health and safety department with the assistance of plant Environmental, Health and Safety Coordinators.

Environmental Matters

We and the commercial silica industry are subject to extensive governmental regulation on, among other things, matters such as permitting and licensing requirements, plant and wildlife protection, hazardous materials, air and water emissions and environmental contamination and reclamation. A variety of state, local and federal agencies conduct this regulation.

Federal Regulation

At the federal level, we may be required to obtain permits under Section 404 of the Clean Water Act from the U.S. Army Corps of Engineers for the discharge of dredged or fill material into waters of the United States, including wetlands and streams, in connection with our operations. We also may be required to obtain permits under Section 402 of the Clean Water Act from the EPA (or the relevant state environmental agency in states where the permit program has been delegated to the state) for discharges of pollutants into waters of the United States, including discharges of wastewater or stormwater runoff associated with construction activities. Failure to obtain these required permits or to comply with their terms could subject us to administrative, civil and criminal penalties as well as injunctive relief.

The U.S. Clean Air Act and comparable state laws regulate emissions of various air pollutants through air emissions permitting programs and the imposition of other requirements. These regulatory programs may require us to install expensive emissions abatement equipment, modify our operational practices and obtain permits for our existing operations, and before commencing construction on a new or modified source of air emissions, such laws may require us to reduce emissions at existing facilities. As a result, we may be required to incur increased capital and operating costs because of these regulations. We could be subject to administrative, civil and criminal penalties as well as injunctive relief for noncompliance with air permits or other requirements of the U.S. Clean Air Act and comparable state laws and regulations.

As part of our operations, we utilize or store petroleum products and other substances such as diesel fuel, lubricating oils and hydraulic fluid. We are subject to applicable requirements regarding the storage, use, transportation and disposal of these substances, including the relevant Spill Prevention, Control and Countermeasure requirements that the EPA imposes on us. Spills or releases may occur in the course of our operations, and we could incur substantial costs and liabilities as a result of such spills or releases, including those relating to claims for damage or injury to property and persons.

Additionally, some of our operations are located on properties that historically have been used in ways that resulted in the release of contaminants, including hazardous substances, into the environment, and we could be held liable for the remediation of such historical contamination. CERCLA, also known as the Superfund law, and comparable state laws impose joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of hazardous substances into the environment. These persons include the owner or operator of the site where the release occurred and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. Under CERCLA, such persons may be subject to liability for the costs of cleaning up the hazardous substances, for damages to natural resources, and for the costs of certain health studies. In addition, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment.

In addition, the Resource Conservation and Recovery Act (“RCRA”) and comparable state statutes regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. In the course of our operations, we generate industrial solid wastes that may be regulated as hazardous wastes.

Our operations may also be subject to broad environmental review under the National Environmental Policy Act ("NEPA"). NEPA requires federal agencies to evaluate the environmental impact of all "major federal actions" significantly affecting the quality of the human environment. The granting of a federal permit for a major development project, such as a mining operation, may be considered a "major federal action" that requires review under NEPA. Therefore, our projects may require review and evaluation under NEPA. As part of this evaluation, the federal agency considers a broad array of environmental impacts, including, among other things, impacts on air quality, water quality, wildlife (including threatened and endangered species), historical and archeological resources, geology, socioeconomics and aesthetics. NEPA also requires the consideration of alternatives to the project. The NEPA review process, especially the preparation of a full environmental impact statement, can be time consuming and expensive. The purpose of the NEPA review process is to inform federal agencies' decision-making on whether federal approval should be granted for a project and to provide the public with an opportunity to comment on the environmental impacts of a proposed project. While NEPA requires only that an environmental evaluation be conducted and does not mandate a result, a federal agency could decide to deny a permit, or impose certain conditions on its approval, based on its environmental review under NEPA, or a third party may challenge the adequacy of a NEPA review.

Federal agencies granting permits for our operations also must consider impacts to endangered and threatened species and their habitat under the Endangered Species Act. We also must comply with and are subject to liability under the Endangered Species Act, which prohibits and imposes stringent penalties for the harming of endangered or threatened species and their habitat. Federal agencies also must consider a project's impacts on historic or archeological resources under the National Historic Preservation Act, and we may be required to conduct archeological surveys of project sites and to avoid or preserve historical areas or artifacts.

State and Local Regulation

Because our operations are located in numerous states, we are also subject to a variety of different state and local environmental review and permitting requirements. Some states in which our projects are located or are being developed have state laws similar to NEPA; thus our development of new sites or the expansion of existing sites may be subject to comprehensive state environmental reviews even if it is not subject to NEPA. In some cases, the state environmental review may be more stringent than the federal review. Our operations may require state-law based permits in addition to federal permits, requiring state agencies to consider a range of issues, many the same as federal agencies, including, among other things, a project's impact on wildlife and their habitats, historic and archaeological sites, aesthetics, agricultural operations and scenic areas. Some states also have specific permitting and review processes for commercial silica mining operations, and states may impose different or additional monitoring or mitigation requirements than federal agencies. The development of new sites and our existing operations also are subject to a variety of local environmental and regulatory requirements, including land use, zoning, building and transportation requirements. Opponents of our operations may try to rely on state and/or local land use requirements in opposing our operations.

Costs of Compliance

We may incur significant costs and liabilities as a result of environmental, health and safety requirements applicable to our activities. Failure to comply with environmental laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of investigatory, cleanup and site restoration costs and liens, the denial or revocation of permits or other authorizations and the issuance of injunctions to limit or cease operations. Compliance with these laws and regulations may also increase the cost of the development, construction and operation of our projects and may prevent or delay the commencement or continuance of a given project. In addition, claims for damages to persons or property may result from environmental and other impacts of our activities.

The process for performing environmental impact studies and reviews for federal, state and local permits for our operations involves a significant investment of time and monetary resources. We cannot control the permit approval process. We cannot predict whether all permits required for a given project will be granted or whether such permits will be the subject of significant opposition. The denial of a permit essential to a project or the imposition of conditions with which it is not practicable or feasible to comply could impair or prevent our ability to develop a project. Significant opposition and delay in the environmental review and permitting process also could impair or delay our ability to develop a project. Additionally, the passage of more stringent environmental laws could impair our ability to develop new operations and have an adverse effect on our financial condition and results of operations.

MANAGEMENT

Below is a list of the names and ages as of June 30, 2011 of our directors and executive officers and a brief account of the business experience of each of them.

Name	Age	Position
Brian Slobodow	42	Chief Executive Officer and Director
Bryan A. Shinn	50	President
William A. White	53	Chief Financial Officer and Vice President of Finance
Bradford B. Casper	36	Vice President of Strategic Planning
Michael L. Winkler	47	Vice President of Operations
John F. Angel	52	Director of Oil and Gas Business
Robert H. Morrow	60	Vice President of National Accounts
James I. Manion	60	General Counsel
Rajeev Amara	35	Director
Prescott H. Ashe	44	Director
Charles Shaver	52	Director

Executive Officers

Brian Slobodow has served as our Chief Executive Officer and as a member of our board of directors since March 2011. Before joining us, Mr. Slobodow was President and Chief Operating Officer of Neways Worldwide, a portfolio company of Golden Gate Capital, from 2007 to 2011 and held numerous positions at Johnson & Johnson Consumer Companies, Inc. from 2003 to 2007, including Vice President, Global Supply Chain. Mr. Slobodow earned a B.S. in industrial and manufacturing engineering from the University of Rhode Island and an M.B.A. from the M.I.T. Sloan School of Management. As a result of these and other professional experiences, Mr. Slobodow possesses particular knowledge and experience in operations, management, corporate strategy, organizational design and private equity management that strengthen the board's collective qualifications, skills and experience.

Bryan A. Shinn has served as our President since March 2011. Prior to assuming this position, Mr. Shinn was our Senior Vice President of Sales and Marketing from 2009 to 2011. Before joining us, Mr. Shinn was employed for 25 years by the E. I. du Pont de Nemours and Company where he held a variety of key leadership roles in operations, sales, marketing and business management including Global Business Director and Global Sales Director. Mr. Shinn earned a B.S. in mechanical engineering from the University of Delaware.

William A. White has served as our Chief Financial Officer and Vice President of Finance since 2006. Prior to assuming these positions, Mr. White was our Corporate Controller from 1996 to 2005 and held various other positions with us from 1991 to 1996. Before joining us, Mr. White was Corporate Accounting Manager at Union Carbide Corporation from 1985 to 1991 and worked at a regional Certified Public Accounting firm from 1980 to 1985. Mr. White earned a B.B.A. from Marshall University and is a licensed Certified Public Accountant in West Virginia.

Bradford B. Casper has served as our Vice President of Strategic Planning since May 2011. Before joining us, Mr. Casper was at Bain & Company, Inc., where he held various positions from 2002 to 2011 in the United States, Australia and Hong Kong, most recently serving as a Principal. Mr. Casper earned a B.S. in accounting from the University of Illinois at Urbana-Champaign and an M.B.A. from the Wharton School at the University of Pennsylvania.

Michael L. Winkler has served as our Vice President of Operations since June 2011. Before joining us, Mr. Winkler was Vice President of Operations for Campbell Soup Company and held various positions with Mars Inc. from 1996 to 2007, including Plant Manager—Columbus Plant and Director of Industrial Engineering. Mr. Winkler earned a B.S. in industrial engineering from the University of Wisconsin—Platteville and an M.B.A. from the University of North Texas.

John F. Angel has served as our Director of Oil and Gas Business since 2010. Before joining us, Mr. Angel was Executive Vice President of Sales and Marketing at SensorTran, Inc. from 2008 to 2010, Vice President of Sales and Marketing at Sabeus, Inc. from 2007 to 2008 and held various positions with Baker Hughes, Inc. from 1983 to 2007. Mr. Angel earned a degree in electronic engineering from Memorial University and an M.B.A. from Texas A&M University.

Robert H. Morrow has served as our Vice President of National Accounts since 2004. Prior to assuming this position, Mr. Morrow was our Vice President of Logistics and Procurement from 1999 to 2004, our Director of Logistics from 1996 to 1999 and held various finance positions with us from 1975 to 1996. Before joining us, Mr. Morrow worked in operations and finance for Stewart Warner Corporation (Hobbs Division) from 1972 to 1975. Mr. Morrow earned a B.A. in business administration from Illinois State University and an M.B.A. from National University.

James I. Manion has served as our General Counsel since 2003. Prior to assuming this position, Mr. Manion was our Assistant General Counsel from 1998 to 2003. Before joining us, Mr. Manion specialized in transactional and corporate law and was a partner in the law firm of Jackson & Kelly from 1988 to 1998. Mr. Manion earned a B.S. in foreign service from Georgetown University and a J.D. from Georgetown University Law Center.

Directors

Rajeev Amara has served as a member of our board of directors since 2008. Mr. Amara is a Managing Director of Golden Gate Capital, which he joined in 2000. At Golden Gate Capital, Mr. Amara leads the investment effort in the industrials and energy sector. Prior to joining Golden Gate Capital, Mr. Amara worked as an investment banker with the Los Angeles office of Donaldson, Lufkin & Jenrette from 1997 to 1999. With respect to service on public company boards, Mr. Amara serves on the board of directors of Aspect Software, Inc. Mr. Amara earned a B.S. in economics from the Wharton School of the University of Pennsylvania. As a result of these and other professional experiences, Mr. Amara possesses particular knowledge and experience in accounting, finance and capital structure; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the board's collective qualifications, skills and experience.

Prescott H. Ashe has served as a member of our board of directors since 2008. Mr. Ashe has been a Managing Director of Golden Gate Capital since 2000. Mr. Ashe has over 20 years of private equity investing experience and has participated in both growth-equity and management buyout transactions with more than $10.0 billion in value. Prior to joining Golden Gate Capital, Mr. Ashe worked at Bain Capital, LLC from 1991 to 2000 and at Bain & Company, Inc. from 1990 to 1991. With respect to service on public company boards, Mr. Ashe serves on the board of directors of Aeroflex Holding Corp., GXS Worldwide, Inc. and Aspect Software, Inc. Mr. Ashe earned a J.D. from Stanford Law School and a B.S. in business administration from the University of California at Berkeley. As a result of these and other professional experiences, Mr. Ashe possesses particular knowledge and experience in accounting, finance, and capital structure; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the board's collective qualifications, skills and experience.

Charles Shaver has served as a member of our board of directors since April 2011. Mr. Shaver has been an Operating Partner of Golden Gate Capital since 2011. Prior to joining Golden Gate Capital, Mr. Shaver served as the Chief Executive Officer and President of the TPC Group Inc. from 2004 to 2011, as a Vice President and General Manager for Gentek Building Products, Inc. and as the Vice President and General Manager for Arch Chemicals, Inc. Mr. Shaver began his career with The Dow Chemical Company, where he spent over 15 years and held a series of operational and business positions. Mr. Shaver earned a B.S. in chemical engineering from Texas A&M University. As a result of these and other professional experiences, Mr. Shaver possesses particular knowledge and experience in all aspects of corporate functions and company operations that strengthen the board's collective qualifications, skills and experience.

Family Relationships

There are no family relationships between any of our executive officers or directors.

Corporate Governance

Board Composition

Initially, our board of directors will consist of members. At any time that our parent LLC owns at least a majority of our then outstanding common stock, the size of our board of directors will be determined by the affirmative vote of at least a majority of our then outstanding common stock. At any time that our parent LLC does not own at least a majority of our then outstanding common stock, the size of our board of directors will be determined by the affirmative vote of our board of directors.

At any time that our parent LLC owns at least a majority of our then outstanding common stock, vacancies will be filled by the affirmative vote of at least a majority of our then outstanding common stock. At any time that our parent LLC does not own at least a majority of our then outstanding common stock, vacancies will be filled by the affirmative vote of our board of directors. The term of office for each director will be until his or her successor is elected at our annual meeting or his or her death, resignation or removal, whichever is earliest to occur. Stockholders will elect directors each year at our annual meeting.

Upon completion of this offering, our parent LLC will continue to control a majority of the voting power of our outstanding common stock. As a result, we will be a "controlled company" under the NYSE corporate governance standards. As a controlled company, exemptions under the standards will free us from the obligation to comply with certain corporate governance requirements, including the requirements:

- that we have a compensation committee or nominating and corporate governance committee;
- that a majority of our board of directors consists of "independent directors," as defined under the rules of the NYSE;
- that any corporate governance and nominating committee or compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- for an annual performance evaluation of the nominating and corporate governance committee and compensation committee.

These exemptions do not modify the independence requirements for our Audit Committee, and we intend to comply with the requirements of Rule 10A-3 of the Exchange Act and the rules of the NYSE within the applicable time frame.

Nomination of Directors by Our Parent LLC

In connection with this offering, we will enter into a director designation agreement that will provide for our parent LLC to nominate designees to our board of directors. Any directors appointed pursuant to the Designation Agreement may be removed at the discretion of our parent LLC at any time with or without cause. See "Certain Relationships and Related Party Transactions—Director Designation Agreement."

Board Committees

Upon completion of this offering, our board of directors will have an Audit Committee and a Compensation and Governance Committee. The composition, duties and responsibilities of these committees are as set forth below. In the future, our board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Board Member	Audit Committee	Compensation and Governance Committee

Audit Committee

The Audit Committee will be responsible for, among other matters: (1) appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm; (2) discussing with our independent registered public accounting firm their independence from management; (3) reviewing with our independent registered public accounting firm the scope and results of their audit; (4) approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm; (5) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC; (6) reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements; (7) establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; (8) reviewing and approving related person transactions; and (9) overseeing our enterprise risk management program.

Our board of directors has affirmatively determined that meets the definition of "independent director" for purposes of serving on an Audit Committee under Rule 10A-3 of the Exchange Act and the NYSE rules. In addition, our board of directors has determined that will qualify as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K. Our board of directors will adopt a new written charter for the Audit Committee, which will be available at our corporate website at http://www.u-s-silica.com after the completion of this offering. Our website is not part of this prospectus.

Compensation and Governance Committee

The Compensation and Governance Committee will be responsible for, among other matters: (1) reviewing key employee compensation goals, policies, plans and programs; (2) reviewing and providing recommendations to the board of directors regarding the compensation of our directors, chief executive officer and other executive officers; (3) reviewing and approving employment agreements and other similar arrangements between us and our executive officers; (4) administration of stock plans and other incentive compensation plans; (5) identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors; (6) overseeing the organization of our board of directors to discharge the board's duties and responsibilities properly and efficiently; (7) identifying best practices and recommending corporate governance principles; and (8) developing and recommending to our board of directors a set of Corporate Governance Guidelines and principles applicable to us.

As a controlled company, we will rely upon the exemption from the requirement that we have a separate compensation committee and nominating and corporate governance committee composed entirely of independent directors within one year of the date of this prospectus. Our board of directors will adopt a new written charter for the Compensation and Governance Committee, which will be available on our corporate website at http://www.u-s-silica.com after the completion of this offering. Our website is not part of this prospectus.

Compensation Committee Interlocks and Insider Participation

For 2010, the board of directors, which consisted of our Chief Executive Officer and persons affiliated with Golden Gate Capital, made all compensation decisions. See "Certain Relationships and Related Party Transactions" for information with respect to transactions with Golden Gate Capital.

No interlocking relationships exist between the members of our board of directors and the board of directors or compensation committee of any other company.

Director Compensation

None of the three directors serving on our board of directors as of December 31, 2010 received compensation as a director during 2010. All directors receive reimbursement for reasonable out-of-pocket expenses incurred in connection with meetings of the board. Only those non-employee directors who are not affiliated with Golden Gate Capital are eligible to receive compensation from us for their service on our board of directors. Non-employee directors who are not affiliated with Golden Gate Capital will be paid an annual retainer of . An additional will be paid annually for each committee on which a non-employee director serves and an additional will be paid annually for serving as the chairman of a committee other than the Audit Committee. The chairman of the Audit Committee will be paid an additional annually for serving in that capacity. Finally, such non-employee directors who are not affiliated with Golden Gate Capital will receive options, upon the completion of this offering, to purchase shares of our common stock at the initial public offering price.

Compensation Discussion and Analysis

Introduction

This Compensation Discussion and Analysis describes the compensation arrangements we have with our named executive officers as required under the rules of the SEC. The SEC rules require disclosure for the last completed fiscal year for the principal executive officer (our Chief Executive Officer) and principal financial officer (our Chief Financial Officer), regardless of compensation level, and the three most highly compensated executive officers other than the CEO and CFO (collectively, our "NEOs").

Our business was acquired in November 2008 by investment funds managed by affiliates of Golden Gate Private Equity, Inc. Four of our five NEOs for 2010 were U.S. Silica executives at the time of the acquisition of our business by Golden Gate Capital; the fifth, Mr. Shinn, began his employment with us in 2009. Our board of directors that was put in place upon completion of the Golden Gate Capital Acquisition resolved to maintain the same compensation levels and similar compensation plans as were in place prior to the Golden Gate Captial Acquisition, other than equity compensation, in order to maintain continuity with our senior leadership team.

Our entire board of directors currently performs all compensation-related functions. To date, the board of directors has been responsible for the oversight, implementation and administration of all of our executive compensation plans and programs. The board of directors determined all of the components of compensation of the CEO, and, in consultation with the CEO, the compensation of the remaining executive officers.

Upon completion of this offering, we will establish a Compensation and Governance Committee comprised of and . We expect that our Compensation and Governance Committee will undertake a substantial review of our existing compensation programs, objectives and philosophy and determine whether such programs, objectives and philosophy are appropriate given that we will have become a public company. In addition, as we gain experience as a public company, we expect that the specific direction, emphasis and components of our executive compensation program will continue to evolve.

Executive Compensation Objectives and Philosophy

The key objectives of our executive compensation programs are (1) to attract, motivate, reward and retain superior executive officers with the skills necessary to successfully lead and manage our business, (2) to achieve accountability for performance by linking annual cash incentive compensation to the achievement of measurable performance objectives, and (3) to align the interests of the executive officers and our equityholders through short-term incentive compensation programs. For our NEOs, these short-term incentives are designed to accomplish these objectives by providing a significant financial correlation between our financial results and their total compensation.

A significant portion of the compensation of our NEOs has historically consisted of cash incentive compensation contingent upon the achievement of financial performance metrics. We expect to continue to provide our NEOs with a portion of their compensation in this manner as well as through equity compensation in connection with the 2011 Plan. These two elements of executive compensation are aligned with the interests of our stockholders because the amount of compensation ultimately received will vary with our company's financial performance. Equity compensation derives its value from our equity value, which is likely to fluctuate based on our financial performance. In 2010, payment of cash incentives was dependent on our achievement of pre-determined financial and safety objectives.

We seek to apply a consistent philosophy to compensation for all executive officers. Our compensation philosophy is based on the following core principles:

To Pay for Performance

Individuals in leadership roles are compensated based on a combination of total company and, beginning in 2011, individual performance factors. Total company performance is evaluated in part based on the degree to which pre-established financial objectives are met. Individual performance is evaluated based upon several individualized leadership factors, including:

- attaining specific personal performance objectives;
- building and developing individual skills and a strong leadership team; and
- developing an effective infrastructure to support business growth and profitability.

To Pay Competitively

We are committed to providing a total compensation program designed to retain our high-caliber performers and attract superior leaders to our company. To achieve this goal, we compare our pay practices and overall pay levels with other industrial and mineral organizations and regularly confer with a third-party consulting firm for informational purposes.

To Pay Equitably

We believe that it is important to apply generally consistent guidelines for all executive officer compensation programs. In order to deliver equitable pay levels, we expect that the Compensation and Governance Committee will consider depth and scope of accountability, complexity of responsibility, qualifications and executive performance, both individually and collectively as a team.

In addition to short- and long-term compensation, we have found it important to provide our employees with competitive post-employment compensation. Post-employment compensation consists primarily of severance benefits. We believe that severance benefits are an important component in a well-structured executive officer compensation package, and we have sought to ensure that the package is competitive at the time of hiring. Consistent with all of our salaried employees, Messrs. White, Shinn and Manion are entitled to the standard company benefits. Prior to his retirement in March 2011, Mr. Didawick was also entitled to the standard company severance benefits. As a result of his prior employment agreement, Mr. Ulizio was entitled to additional severance prior to the end of his employment with us. See "—Potential Payments Upon Termination and Change of Control."

Compensation and Governance Committee Review of Compensation

We expect that following this offering, the Compensation and Governance Committee will review compensation elements and amounts for NEOs on an annual basis, at the time of a promotion or other change in level of responsibilities, as well as when competitive circumstances or business needs may require. We occasionally use a third-party consulting firm to assist us with determining compensation levels and expect the Compensation and Governance Committee to continue to do so when appropriate. We expect that each year our head of human resources will compile a report of benchmark data for executive positions for similar companies, including summaries of base salary, annual cash incentive plan opportunities and awards and long-term incentive award values. We expect that the Compensation and Governance Committee will determine a list of companies that we will benchmark our compensation packages against shortly after completion of this offering and will compare our pay practices and overall pay levels with other leading industrial organizations, and, where appropriate, with non-industrial organizations when establishing our pay guidelines.

We expect that the CEO will provide compensation recommendations to the Compensation and Governance Committee for executives other than himself based on this data and the other considerations mentioned in this Compensation Discussion and Analysis. We expect that the Compensation and Governance Committee will recommend a compensation package for our CEO and determine compensation packages for our other NEOs that are consistent with our compensation philosophy to be strategically positioned above the median of our peer group and competitive with other leading industrial organizations.

We expect that the Compensation and Governance Committee will consider input from our CEO and CFO when setting financial objectives for our incentive plans. We also expect that the Compensation and Governance Committee in determining compensation will consider input from our CEO, with the assistance of our head of human resources (for officers other than themselves), regarding benchmarking and recommendations for base salary, annual incentive targets and other compensation awards. The Compensation and Governance Committee will likely give significant weight to our CEO's judgment when assessing each of the other officer's performance and determining appropriate compensation levels and incentive awards. The members of the board of directors (other than the CEO) meeting in executive session, will determine the compensation of the CEO, including his annual incentive targets.

Elements of Compensation

As discussed throughout this Compensation Discussion and Analysis, the compensation policies applicable to our NEOs are reflective of our pay-for-performance philosophy, whereby a portion of cash compensation is contingent upon achievement of measurable financial objectives, as opposed to current cash and other compensation not directly linked to objective financial performance.

The elements of our compensation program in 2010 were:

- base salary;
- a one-time discretionary cash bonus;
- performance-based cash incentives; and
- certain additional executive benefits and perquisites.

As of December 31, 2010, none of our employees held equity in us. However, beginning in 2011, a significant portion of executive compensation will be through grants of equity in order to tie our NEOs' compensation to enhanced equity value in order to further incentivize our executive officers to enhance equityholder value over the long term. Base salary and performance-based cash incentives are currently the most significant elements of our executive compensation program and, on an aggregate basis, they are intended to substantially satisfy our program's overall objectives. Typically, the board of directors has sought to set each of these elements of compensation at the same time to enable the board of directors to simultaneously consider all of the significant elements and their impact on total compensation and the extent to which the determinations made will reflect the principles of our compensation philosophy and related guidelines with respect to allocation of compensation among certain of these elements and total compensation. We strive to achieve an appropriate mix between the various elements of our compensation program to meet our compensation objectives and philosophy; however, we do not apply any rigid allocation formula in setting our executive compensation, and we may make adjustments to this approach for various positions after giving due consideration to prevailing circumstances.

Base Salary

We provide a base salary to our executive officers to compensate them for their services during the year and to provide them with a stable source of income. The base salaries for our NEOs in 2010 were established by our board of directors, based in large part on the salaries established for these persons and by the board of directors' review of other factors, including:

- the individual's performance, results, qualifications and tenure;
- the job's responsibilities, pay mix (base salary, annual cash incentives, perquisites and other executive benefits) and similar companies' compensation practices; and
- our ability to replace the individual.

The annual base salaries in effect for each of our NEOs as of December 31, 2010 were as follows:

Name and Principal Position	Annual Salary ($)
John A. Ulizio	300,000
William A. White	196,100
Bryan A. Shinn	235,900
George Didawick, Jr.	202,700
James I. Manion	161,100

In early 2011, changes occurred related to some of the NEOs listed above. In March 2011, Mr. Ulizio ceased to be our Chief Executive Officer and was replaced by Brian Slobodow. In addition, Mr. Didawick retired in March 2011 and was succeeded by Michael L. Winkler in June 2011. See "—Employment and Other Agreements."

In the future, we expect that salaries for executive officers will be reviewed annually, as well as at the time of a promotion or other change in level of responsibilities, or when competitive circumstances or business needs may require. As noted above, we expect that the Compensation and Governance Committee will recommend a compensation package that is consistent with our compensation philosophy to be strategically positioned above the median of our to be determined peer group.

Discretionary Cash Bonus

In 2010, the majority of our NEOs' compensation above base salary was paid pursuant to our performance-based cash incentive program, which is discussed below. In addition to these performance-based cash incentives, our NEOs were paid a one-time discretionary bonus in recognition of their contributions in connection with the refinancing of our credit agreements in 2010. Mr. Shinn was also paid a one-time retention bonus in 2010 pursuant to his employment agreement. See "—Employment and Other Agreements." Discretionary bonuses of $100,000, $75,000, $75,000, $10,000 and $15,000 were granted to Messrs. Ulizio, White, Shinn, Didawick and Manion, respectively.

Performance-Based Cash Incentives

We pay performance-based cash incentives in order to align the compensation of our employees, including our NEOs, with our short-term operational and performance goals and to provide near-term rewards for employees to meet these goals. Our short-term, performance-based cash incentive plan provides for incentive payments for each fiscal year. In 2010, these incentive payments were based on the attainment of pre-established objective financial and safety goals. In 2011, these incentive payments will be based on the attainment of both pre-established objective financial goals and individual personal performance objectives. These incentive

payments are intended to motivate our employees to work effectively to achieve financial performance and personal performance objectives and reward them when these objectives are met and results are certified by the board of directors.

The following table sets forth (1) the financial metrics primarily used to determine each NEO's payment under our 2010 performance-based cash incentive program, (2) the related threshold, target and maximum levels and (3) our actual results for 2010:

Performance Metric	Threshold (in millions)	Target (in millions)	Maximum (in millions)	Actual Results (in millions)
Adjusted EBITDA[1]	$51.3	>$57.5	>$60.0	$72.2
Combined Plant EBITDA + Free Cash Flow[2]	$50.7	$73.8	$77.0	$87.5
Net Revenue Growth + Free Cash Flow[3]	$9.6	$17.8	$21.1	$42.9

(1) For a calculation of Adjusted EBITDA, see note 2 to "Summary—Summary Historical Combined Financial and Operating Data." Adjusted EBITDA was used because it is a key metric used by management and the board of directors to assess our operating performance. For 2010, our board of directors set the Adjusted EBITDA goal at the beginning of the year based on management projections.

(2) Plant EBITDA is defined as Adjusted EBITDA less corporate overhead costs and non-operating income. Free Cash Flow is defined as cash provided or utilized from the reduction or increase in inventory and capital expenditures. For 2010, our board of directors set a Plant EBITDA plus Free Cash Flow threshold, which reflected identified and planned actions expected to increase our total Adjusted EBITDA.

(3) Net Revenue Growth is defined as revenue growth from the sale of our products minus transportation revenue. For 2010, our board of directors set a Net Revenue Growth threshold, which reflected the anticipated revenue growth required to meet the Adjusted EBITDA target.

The threshold, target and maximum payout opportunities of our NEOs for 2010 based on the above goals are set forth in the "Grants of Plan-Based Awards." In determining the final payouts for 2010, our board of directors also took into account our enterprise value and the achievement of corporate health and safety goals. Based on the strong financial results presented above and the positive performance in the other areas the board considered, 2010 payouts for the NEOs were paid out at just below the maximum payout opportunity:

Name	Amount Paid ($)
John A. Ulizio	231,563
William A. White	104,791
Bryan A. Shinn	129,382
George Didawick, Jr.	105,472
James I. Manion	57,392

The following table shows each NEO's performance-based cash incentive targets as a percentage of base salary for 2011. For 2011, we are again using Adjusted EBITDA as the financial measure for the plan. We are using Adjusted EBITDA for the same reasons we used Adjusted EBITDA for 2010. We do not believe that disclosure of our 2011 Adjusted EBITDA goals are relevant to an understanding of compensation for 2010. In addition, because the components of Adjusted EBITDA for 2011 contain highly sensitive data, we do not disclose specific future measures and targets because we believe that such disclosure would result in serious competitive harm and be detrimental to our operating performance. Our 2011 Adjusted EBITDA goals are intended to be realistic and reasonable, but challenging, in order to drive performance on an individual basis. For 2011, however, attainment of Adjusted EBITDA objectives will account for only 50% of each NEO's bonus. The other 50% of each NEO's bonus will be comprised of the achievement of a variety of personal performance objectives.

	Fiscal 2011		
	Percentage of Base Salary		
Name	Threshold Payout	Target Payout	Maximum Payout
John A. Ulizio	—	—	—
William A. White	23%	45%	68%
Bryan A. Shinn	23%	45%	68%
George Didawick, Jr.	—	—	—
James I. Manion	15%	30%	45%

Although Adjusted EBITDA was used as the financial measure for 2010 and will be used as the financial measure for 2011, the Compensation and Governance Committee may use other objective financial performance indicators for the plan in the future, including, without limitation, the price of our common stock, shareholder return, return on equity, return on investment, return on capital, sales productivity, comparable store sales growth, economic profit, economic value added, net income, operating income, gross margin, sales, free cash flow, earnings per share, operating company contribution, a derivative of Adjusted EBITDA or market share.

Parent LLC Class C and Class D Membership Interests

Messrs. Ulizio, White and Shinn were granted Class C Units and Class D Units in our parent LLC, which owns all of our common stock prior to the completion of this offering. This permits the executives to share in the increase in our value and is intended to focus their efforts on our long-term results. As a group, our 2010 NEOs own 100% of the Class C Units and 100% of the Class D Units. The Class C Units and the Class D Units were allocated based on the individual's relative position and responsibilities. The Class C Units vest ratably over five years, with vesting occurring on November 25 of each year. The Class D Units were fully vested upon grant. The Class C Units and the Class D Units may not be transferred without the prior written consent of Golden Gate Capital unless (1) all or substantially all of the outstanding units are being sold to an independent third party or (2) the transfer is to a spouse, lineal descendent, sibling, parent, heir, executor or similar person or entity. See "Security Ownership of Certain Beneficial Owners" for information on the holdings of Messrs. Ulizio, White and Shinn in our parent LLC.

Equity and Cash Incentives—Summary of Our New Plan

On July 8, 2011, we adopted the 2011 Plan. The 2011 Plan provides for grants of stock options, stock appreciation rights, restricted stock and other incentive-based awards. Independent directors, officers and other employees of us and our subsidiaries, as well as others performing consulting or advisory services for us, will be eligible for grants under the 2011 Plan. The purpose of the 2011 Plan is to provide incentives that will attract, retain and motivate high performing officers, directors, employees and consultants by providing them with appropriate incentives and rewards either through a proprietary interest in our long-term success or compensation based on their performance in fulfilling their personal responsibilities. Each member of management that chooses

to participate in the 2011 plan has signed a non-compete agreement. The following is a summary of the material terms of the 2011 Plan, but does not include all of the provisions of the 2011 Plan. For further information about the 2011 Plan, we refer you to the complete copy of the 2011 Plan, which we will file as an exhibit to the registration statement, of which this prospectus is a part. The 2011 Plan also gives us the right, in certain situations, to repurchase shares of common stock that were obtained through the exercise, grant or payment of an award under the 2011 Plan. Pursuant to the 2011 Plan, these repurchase rights will be terminated upon the completion of this offering.

As of July 15, 2011, options to acquire 1,285,965 shares of common stock had been granted under the 2011 Plan. There were no other awards issued under the plan outstanding.

Administration

Upon completion of this offering, the 2011 Plan will be administered by the Compensation and Governance Committee designated by our board of directors. Among the committee's powers will be to determine the form, amount and other terms and conditions of awards; clarify, construe or resolve any ambiguity in any provision of the 2011 Plan or any award agreement' amend the terms of outstanding awards; and adopt such rules, forms, instruments and guidelines for administering the 2011 Plan as it deems necessary or proper. All actions, interpretations and determinations by the committee or by our board of directors are final and binding.

The Compensation and Governance Committee will have full authority to administer and interpret the 2011 Plan, to grant discretionary awards under the 2011 Plan, to determine the persons to whom awards will be granted, to determine the types of awards to be granted, to determine the terms and conditions of each award, to determine the number of shares of common stock to be covered by each award and to make all other determinations in connection with the 2011 Plan and the awards thereunder as the Compensation and Governance Committee, in its sole discretion, deems necessary or desirable.

Available Shares

The aggregate number of shares of common stock which may be issued or used for reference purposes under the 2011 Plan or with respect to which awards may be granted is five million shares, subject to automatic increase on the first day of each fiscal year beginning in 2012 and ending in 2019 by the lesser of (1) 2% of the shares of common stock outstanding on the last day of the immediately preceding fiscal year, or (2) such lesser number of shares as determined by the Compensation and Governance Committee. The shares may be either authorized and unissued shares of our common stock or shares of common stock held in or acquired for our treasury. In general, if awards under the 2011 Plan are for any reason cancelled or expire or terminate unexercised, the shares covered by such awards will again be available for the grant of awards under the 2011 Plan.

Eligibility for Participation

Independent members of our board of directors, as well as employees of, and consultants to, us or any of our subsidiaries and affiliates are eligible to receive awards under the 2011 Plan. The selection of participants is within the sole discretion of the Compensation and Governance Committee.

Award Agreement

Awards granted under the 2011 Plan shall be evidenced by award agreements, which need not be identical, that provide additional terms, conditions, restrictions and/or limitations covering the grant of the award, including, without limitation, additional terms providing for the acceleration of exercisability or vesting of awards in the event of a change of control or conditions regarding the participant's employment, as determined by the committee in its sole discretion.

Stock Options

The committee may grant nonqualified stock options and incentive stock options to purchase shares of our common stock only to eligible employees. The Compensation and Governance Committee will determine the number of shares of our common stock subject to each option, the term of each option, which may not exceed ten years, or five years in the case of an incentive stock option granted to a 10.0% stockholder, the exercise price, the vesting schedule, if any, and the other material terms of each option. No incentive stock option or nonqualified stock option may have an exercise price less than the fair market value of a share of our common stock at the time of grant or, in the case of an incentive stock option granted to a 10.0% stockholder, 110.0% of such share's fair market value. Options will be exercisable at such time or times and subject to such terms and conditions as determined by the committee at grant and the exercisability of such options may be accelerated by the committee in its sole discretion.

Stock Appreciation Rights

The Compensation and Governance Committee may grant stock appreciation rights, which we refer to as SARs, either with a stock option, which may be exercised only at such times and to the extent the related option is exercisable, which we refer to as a Tandem SAR, or independent of a stock option, which we refer to as a Non-Tandem SAR. A SAR is a right to receive a payment in shares of our common stock or cash, as determined by the Compensation and Governance Committee, equal in value to the excess of the fair market value of one share of our common stock on the date of exercise over the exercise price per share established in connection with the grant of the SAR. The term of each SAR may not exceed ten years. The exercise price per share covered by an SAR will be the exercise price per share of the related option in the case of a Tandem SAR and will be the fair market value of our common stock on the date of grant in the case of a Non-Tandem SAR. The Compensation and Governance Committee may also grant limited SARs, either as Tandem SARs or Non-Tandem SARs, which may become exercisable only upon the occurrence of a change in control, as defined in the 2011 Plan, or such other event as the Compensation and Governance Committee may, in its sole discretion, designate at the time of grant or thereafter.

Restricted Stock

The Compensation and Governance Committee may award shares of restricted stock. Except as otherwise provided by the Compensation and Governance Committee upon the award of restricted stock, the recipient generally has the rights of a stockholder with respect to the shares, including the right to receive dividends, the right to vote the shares of restricted stock and, conditioned upon full vesting of shares of restricted stock, the right to tender such shares, subject to the conditions and restrictions generally applicable to restricted stock or specifically set forth in the recipient's restricted stock agreement. The Compensation and Governance may determine at the time of award that the payment of dividends, if any, will be deferred until the expiration of the applicable restriction period.

Recipients of restricted stock are required to enter into a restricted stock agreement with us that states the restrictions to which the shares are subject, which may include satisfaction of pre-established performance goals, and the criteria or date or dates on which such restrictions will lapse.

If the grant of restricted stock or the lapse of the relevant restrictions is based on the attainment of performance goals, the committee will establish for each recipient the applicable performance goals, formulae or standards and the applicable vesting percentages with reference to the attainment of such goals or satisfaction of such formulae or standards while the outcome of the performance goals are substantially uncertain. Such performance goals may incorporate provisions for disregarding, or adjusting for, changes in accounting methods, corporate transactions, including, without limitation, dispositions and acquisitions, and other similar events or circumstances. Section 162(m) of the Code requires that performance awards be based upon objective performance measures. The performance goals for performance-based restricted stock will be based on one or more of the objective criteria set forth on Exhibit A to the 2011 Plan and are discussed in general below.

Other Stock-Based Awards

The Compensation and Governance Committee may, subject to limitations under applicable law, make a grant of such other stock-based awards, including, without limitation, performance units, dividend equivalent units, stock equivalent units, restricted stock units and deferred stock units under the 2011 Plan that are payable in cash or denominated or payable in or valued by shares of our common stock or factors that influence the value of such shares. The Compensation and Governance Committee shall determine the terms and conditions of any such other awards, which may include the achievement of certain minimum performance goals for purposes of compliance with Section 162(m) of the Code and/or a minimum vesting period. The performance goals for performance-based other stock-based awards will be based on one or more of the objective criteria set forth on Exhibit A to the 2011 Plan and discussed in general below.

Performance Awards

The Compensation and Governance Committee may grant a performance award to a participant payable upon the attainment of specific performance goals. The Compensation and Governance Committee may grant performance awards that are intended to qualify as performance-based compensation under Section 162(m) of the Code as well as performance awards that are not intended to qualify as performance-based compensation under Section 162(m) of the Code. Based on service, performance and/or such other factors or criteria, if any, as the Compensation and Governance Committee may determine, the Compensation and Governance Committee may, at or after grant, accelerate the vesting of all or any part of any performance award.

Performance Goals

The Compensation and Governance Committee may grant awards of restricted stock, performance awards, and other stock-based awards that are intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code. These awards may be granted, vest and be paid based on attainment of specified performance goals established by the committee. These performance goals will be based on the attainment of a certain target level of, or a specified increase or decrease in, one or more of the following measures selected by the committee: (1) earnings per share; (2) operating income; (3) gross income; (4) net income (before or after taxes); (5) cash flow; (6) gross profit; (7) gross profit return on investment; (8) gross margin return on investment; (9) gross margin; (10) operating margin; (11) working capital; (12) earnings before interest and taxes; (13) earnings before interest, tax, depreciation and amortization; (14) return on equity; (15) return on assets; (16) return on capital; (17) return on invested capital; (18) net revenues; (19) gross revenues; (20) revenue growth; (21) net revenues by segment; (22) revenue growth by segment; (23) overall revenue growth; (24) overall contribution margin; (25) contribution margin by segment; (26) sales or market share; (27) total shareholder return; (28) economic value added; (29) specified objectives with regard to limiting the level of increase in all or a portion of our bank debt or other long-term or short-term public or private debt or other similar financial obligations, which may be calculated net of cash balances and/or other offsets and adjustments as may be established by the committee in its sole discretion; (30) the fair market value of a share of common stock; (31) the growth in the value of an investment in the common stock assuming the reinvestment of dividends; (32) reduction in operating expenses; (33) volume growth by segment; (34) overall volume growth; (35) price growth by segment; (36) overall price growth; (37) contribution margin growth; (38) reduction in variable costs; (39) reduction in fixed costs; (40) asset productivity; (41) cost per ton; (42) output per employee; (43) logistics efficiency; or (44) customer acquisitions.

To the extent permitted by law, the Compensation and Governance Committee may also exclude the impact of an event or occurrence which the committee determines should be appropriately excluded, including: (1) restructurings, discontinued operations, extraordinary items and other unusual or non-recurring charges; (2) an event either not directly related to our operations or not within the reasonable control of management; or (3) a change in accounting standards required by generally accepted accounting principles.

Performance goals may also be based on an individual participant's performance goals, as determined by the Compensation and Governance Committee, in its sole discretion.

In addition, all performance goals may be based upon the attainment of specified levels of our performance, or the performance of a subsidiary, division or other operational unit, under one or more of the measures described above relative to the performance of other corporations. The Compensation and Governance Committee may designate additional business criteria on which the performance goals may be based or adjust, modify or amend those criteria.

Change in Control

In connection with a change in control, as defined in the 2011 Plan, the Compensation and Governance Committee may accelerate vesting of outstanding awards under the 2011 Plan. In addition, such awards will be, in the discretion of the committee, (1) assumed and continued or substituted in accordance with applicable law, (2) purchased by us for an amount equal to the excess of the price of a share of our common stock paid in a change in control over the exercise price of the award(s), or (3) cancelled if the price of a share of our common stock paid in a change in control is less than the exercise price of the award. The Compensation and Governance Committee may also, in its sole discretion, provide for accelerated vesting or lapse of restrictions of an award at any time.

Stockholder Rights

Except as otherwise provided in the applicable award agreement, and with respect to an award of restricted stock a participant has no rights as a stockholder with respect to shares of our common stock covered by any award until the participant becomes the record holder of such shares.

Amendment and Termination

Notwithstanding any other provision of the 2011 Plan, our board of directors may at any time amend any or all of the provisions of the 2011 Plan, or suspend or terminate it entirely, retroactively or otherwise; provided, however, that, unless otherwise required by law or specifically provided in the 2011 Plan, the rights of a participant with respect to awards granted prior to such amendment, suspension or termination may not be adversely affected without the consent of such participant.

Transferability

Awards granted under the 2011 Plan are generally nontransferable (other than by will or the laws of descent and distribution), except that the committee may provide for the transferability of nonqualified stock options at the time of grant or thereafter to certain family members.

Effective Date

The 2011 Plan is effective as of its approval by our board of directors on July 8, 2011.

Additional Executive Benefits and Perquisites

We provide our executive officers with executive benefits and perquisites that the board of directors believes are reasonable and in the best interests of the company and its stockholders. Consistent with our compensation philosophy, we intend to continue to maintain our current benefits for our executive officers, including retirement plans, health and welfare benefits and life insurance and long-term disability insurance described below. The Compensation and Governance Committee, in its discretion, may revise, amend or add to an officer's executive benefits if it deems it advisable. We believe these benefits are generally equivalent to

benefits provided by comparable companies. We have no current plans to change the levels of benefits provided thereunder.

Retirement Plan Benefits. We sponsor a 401(k) plan covering substantially all eligible employees. Employee contributions to the 401(k) plan are voluntary. We contribute an amount equal to 25% of a covered employee's eligible contribution up to 8% of a participant's salary. We also contribute from 0% to 75% of a covered employee's eligible contribution up to 8%, if applicable, based on our profits from the previous fiscal year as an incentive to encourage our employees to participate in the 401(k) plan. The contributions based on our profits are paid during the Spring of the following fiscal year. In the case of both the matching program and the profit sharing program, our contributions vest over a period of five years. Finally, we also provide a 4% defined contribution of monthly basic income into a participant's 401(k) account if that participant does not participate in our defined pension plan. These contributions vest each year. Contributions by participants are limited to their annual tax deferred contribution limit as allowed by the Internal Revenue Service. Our total contributions to 401(k) plan participants were $1.4 million, $0.9 million and $0.8 million for 2008, 2009 and 2010, respectively.

Mr. Didawick was our only 2010 NEO who participated in our pension plan. Mr. Didawick retired effective March 1, 2011. See "—Compensation Tables—Pension Benefits."

Health and Welfare Benefits. We offer health, dental and vision coverage for all employees, including our NEOs, and pay premiums on behalf of our NEOs on the same basis as on behalf of all of our other salaried employees.

Life Insurance and Long-Term Disability Insurance. As of December 2010, we offered life insurance up to a cap of $300,000 or three times each employee's annual salary. Beginning in 2011, we offer life insurance up to a cap of $600,000 or five times each employee's annual salary. We offer long-term disability insurance up to a cap of $10,000 per month. We pay life insurance premiums on behalf of our NEOs, but do not pay any premiums on behalf of our NEOs related to long-term disability insurance.

Accounting and Tax Considerations

In determining which elements of compensation are to be paid, and how they are weighted, we also take into account whether a particular form of compensation will be deductible under Section 162(m) of the Code. Section 162(m) generally limits the deductibility of compensation paid to our NEOs to $1.0 million during any fiscal year unless such compensation is "performance-based" under Section 162(m). However, under a Section 162(m) transition rule for compensation plans or agreements of corporations which are privately held and which become publicly held in an initial public offering, compensation paid under a plan or agreement that existed prior to the initial public offering will not be subject to Section 162(m) until the earlier of (1) the expiration of the plan or agreement, (2) a material modification of the plan or agreement, (3) the issuance of all employer stock and other compensation that has been allocated under the plan, or (4) the first meeting of stockholders at which directors are to be elected that occurs after the close of the third calendar year following the year of the initial public offering (the "Transition Date"). After the Transition Date, rights or awards granted under the plan, other than options and stock appreciation rights, will not qualify as "performance-based compensation" for purposes of Section 162(m) unless such rights or awards are granted or vest upon pre-established objective performance goals, the material terms of which are disclosed to and approved by our stockholders.

Our compensation program is intended to maximize the deductibility of the compensation paid to our NEOs to the extent that we determine it is in our best interests. Consequently, we may rely on the exemption from Section 162(m) afforded to us by the transition rule described above for compensation paid pursuant to our pre-existing plans. Many other Code provisions, SEC regulations and accounting rules affect the payment of executive compensation and are generally taken into consideration as programs are developed.

Compensation Tables

The purpose of the following tables is to provide information regarding the compensation earned during our most recently completed fiscal year by our NEOs.

Summary Compensation Table

The following table shows the compensation earned by our NEOs during 2010.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
John A. Ulizio *Former Chief Executive Officer*	2010	300,000	100,000	231,563	—	35,520	667,083
William A. White *Chief Financial Officer and Vice President of Finance*	2010	179,450	75,000	104,791	—	31,028	390,269
Bryan A. Shinn *President*	2010	234,925	75,000	129,382	—	323,179	762,486
George Didawick, Jr. *Former Vice President Operations*	2010	201,200	10,000	105,472	115,000	23,637	455,309
James I. Manion *General Counsel*	2010	155,192	15,000	57,392	—	29,730	257,314

(1) Other than for Mr. Shinn, represents a special discretionary bonus paid in recognition of our NEOs' contributions in connection with the refinancing of our credit agreements in 2010. With respect to Mr. Shinn, $50,000 is attributable to a one-time retention bonus. See "—Compensation Discussion and Analysis—Elements of Compensation—Discretionary Cash Bonus."

(2) Represents amounts paid under our performance-based cash incentive plan. See "—Compensation Discussion and Analysis—Elements of Compensation—Performance-Based Cash Incentive."

(3) "All Other Compensation" for 2010 includes employer contributions to our NEOs' 401(k) plan accounts, premiums paid for health coverage, premiums paid for life insurance and relocation expenses, as applicable. The table below presents an itemized account of "All Other Compensation" provided in 2010 to our NEOs, regardless of any minimum thresholds provided under the SEC rules and regulations.

Name	Company Contributions to 401(k) Plan ($)	Company-Paid Premiums for Health Coverage ($)	Company-Paid Premiums for Life Insurance ($)	Relocation Expenses ($)
John A. Ulizio	20,500	13,436	1,584	—
William A White	19,921	9,523	1,584	—
Bryan A. Shinn	25,897	13,436	1,584	282,262
George Didawick, Jr.	12,530	9,523	1,584	—
James I. Manion	18,623	9,523	1,584	—

Grants of Plan-Based Awards

During 2010, each of our NEOs participated in our performance-based cash incentive plan in which each officer was eligible for awards set forth under "Estimated Potential Payouts Under Non-Equity Incentive Plan Awards" below. The actual payout for each of our NEOs is set forth above under the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table. For a detailed discussion of our performance-based cash incentive plan, refer to "—Compensation Discussion and Analysis—Elements of Compensation—Performance-Based Cash Incentives."

We did not make any equity awards to our NEOs in 2010.

Name	Grant Date	Estimated Potential Payouts Under Non-Equity Incentive Plan Awards			Estimated Potential Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Stock Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Award Options ($)
		Threshold ($)	Target ($)	Maximum ($)	Threshold #	Target #	Maximum #				
John A. Ulizio	—	48,750	195,000	243,750	—	—	—	—	—	—	—
William A. White	—	22,061	88,245	110,306	—	—	—	—	—	—	—
Bryan A. Shinn	—	26,539	106,155	132,694	—	—	—	—	—	—	—
George Didawick, Jr.	—	22,804	91,215	114,019	—	—	—	—	—	—	—
James I. Manion	—	12,083	48,330	60,413	—	—	—	—	—	—	—

Outstanding Equity Awards at Fiscal Year-End

None of our NEOs held any outstanding equity awards in us as of December 31, 2010.

Exercises and Stock Vested

None of our NEOs exercised any option awards during 2010. None of our NEOs held any stock awards in us that vested during 2010.

Pension Benefits

The U.S. Silica Retirement Plan is an unfunded defined benefit retirement plan that covers certain of our employees. Employees who participate in the U.S. Silica Retirement Plan are not eligible to participate in the 401(k) plan. The plan provides benefits based on each covered employee's years of qualifying service. Our funding policy is to contribute amounts within the range of the minimum required and maximum deductible contributions for the plan consistent with a goal of appropriate minimization of the unfunded projected benefit obligation. The pension plan uses a benefit level per year of service for covered hourly employees and a final average pay method for covered salaried employees. The plan uses the projected unit credit cost method to determine the actuarial valuation.

Retirement benefits under the pension plan are limited by the Internal Revenue Code of 1986, as amended (the "Code"). Benefits are paid under a life annuity or a joint and survivor annuity to plan participants that are single and married, respectively. After reaching age 55 and completing ten years of service with U.S. Silica, participants in the plan are eligible for early retirement benefits under the pension plan. Early retirement benefits are generally smaller because (1) the participant has participated in the pension plan for a shorter period of time and (2) monthly payments are reduced if benefit payments begin prior to age 62. Participants who retire prior to age 62 and have completed at least 20 years of service also receive supplemental benefits until they reach age 62 to supplement the participant's income until he is eligible for Social Security benefits.

Benefits under the pension plan are dependant on the length of the participant's service and his highest five consecutive calendar year average earnings out of his last ten years of employment prior to retirement or termination ("average earnings"). Benefits to be paid to pension plan participants are calculated by the following formula:

- 1.35% of final average earnings below the average amount of the participant's earnings which will be taken into account in the participant's Social Security calculations, times years of service to U.S. Silica up to 35 years, plus
- 1.85% of final average earnings above the average amount of the participant's earnings which will be taken into account in the participant's Social Security calculations, times years of service to U.S. Silica up to 35 years, plus
- 1.8% of final average earnings times years of service to U.S. Silica over 35 years.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
George Didawick, Jr.	U.S. Silica Retirement Plan	35.0	1,131,399	—

Deferred Compensation

Our deferred compensation plan is an unfunded, nonqualified deferred compensation plan that was available to our executives and key employees beginning on January 1, 1998. There have been no new entrants to the deferred compensation plan since January 1, 2000; however the deferred compensation plan has not been terminated due to the costs associated with termination. Under the deferred compensation plan, eligible employees can elect to defer each year up to 100% of gross compensation, including bonuses and annual cash incentive awards. Although we have the discretion to provide matching credits under the deferred compensation plan, no matching credits were provided in 2010. All amounts credited to a participant's account under the deferred compensation plan are notionally invested in mutual funds or other investments available in the market. Amounts under the deferred compensation plan are generally distributed in a lump sum upon a participant's death, disability or mutual agreement of the participant and us. A participant who separates from service at or after age 70 (or after the participant's tenth anniversary of participation, whichever is later) shall be paid in the form of ten annual installments, or in a lump sum payment at our sole discretion. Mr. Ulizio was our only NEO who participated in our nonqualified deferred compensation plan during 2010.

Name	Executive Contributions in Last Fiscal Year ($)	Registrant Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last Fiscal Year ($)
John A. Ulizio	—	—	995	—	24,815

Employment and Other Agreements

Brian Slobodow

We are party to an employment agreement with Mr. Slobodow, our Chief Executive Officer. Under the terms of his employment agreement, effective June 1, 2011, Mr. Slobodow is entitled to an annual base salary of $375,000, subject to review and adjustment. Mr. Slobodow is also eligible to earn a short-term, performance-based cash incentive payment for each year. The bonus shall be equal to 50% of his annual base salary.

Mr. Slobodow is also entitled to receive benefits in accordance with the health and welfare plans we provide to other members of our senior management. Mr. Slobodow is also entitled to up to 20 days of paid time off, family relocation expenses to the Princeton, New Jersey or Frederick, Maryland region from Park City, Utah and reimbursement for all reasonable business expenses that he incurs in the course of performing his duties and responsibilities as Chief Executive Officer which are consistent with our policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to our requirements with respect to reporting and documentation of such expenses.

Mr. Slobodow's employment continues until the earlier of his resignation (with or without good reason), death or disability or termination by us (with or without cause). If we terminate Mr. Slobodow's employment without cause or Mr. Slobodow resigns for good reason, Mr. Slobodow is entitled to receive severance equal to his annual base salary payable in regular installments from the date of termination through the later of (1) June 1, 2012 and the six-month anniversary of the date of termination if Mr. Slobodow has executed and delivered a general release of any and all claims arising out of or related to his employment with us and the termination of his employment. Mr. Slobodow is also entitled to receive reimbursement of the then-prevailing monthly premium for COBRA healthcare coverage if he so elects.

Mr. Slobodow has also agreed to customary restrictions with respect to the use of our confidential information and has agreed that all intellectual property developed or conceived by Mr. Slobodow while he is employed by us which relates to our business is our property. During the term of Mr. Slobodow's employment with us and during the six-month period immediately thereafter, Mr. Slobodow has agreed not to (1) participate (whether as an officer, director, employee or otherwise) in any businesses that compete with us, (2) solicit or hire any of our employees and (3) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee, distributor or other business relation of us to cease doing business with us or in any way interfere with our relationship with such person or entity. During any period in which Mr. Slobodow has breached the above restrictions, we have no obligation to pay Mr. Slobodow any severance described above.

Bryan A. Shinn

We are party to an employment agreement with Mr. Shinn, our President. Mr. Shinn was originally hired as our Senior Vice President of Sales and Marketing. Under the terms of his employment agreement, Mr. Shinn was entitled to an annual base salary of $232,000, subject to review and adjustment. Mr. Shinn is also eligible to participate in our short-term, performance-based cash incentive plan, through which Mr. Shinn is eligible to receive an annual bonus of up to 45% of his base salary if the short-term, performance-based cash incentive plan pays out at 100%. In addition to bonuses received through the short-term, performance-based cash incentive plan, Mr. Shinn's employment agreement provides that we would pay Mr. Shinn a one-time special bonus of $50,000, provided that he was a full-time employee as of March 1, 2010. This special bonus was paid in the first quarter of 2010.

We also agreed to pay Mr. Shinn a special allowance equal to 80% of the difference between the purchase price of his prior home and the (1) sale price of his prior home or (2) the appraised value of his prior home if his prior home is neither sold nor under contract to be sold within 180 days of the date on which his employment began. Pursuant to these terms, we paid Mr. Shinn a special allowance in the amount of $125,000 in 2010. Also pursuant to our contract with Mr. Shinn, we agreed to pay temporary living expenses for up to 180 days, which resulted in payments to Mr. Shinn of approximately $17,000 in 2010.

John A. Ulizio

We are party to a consulting agreement with Mr. Ulizio, our former Chief Executive Officer. Under the terms of the consulting agreement, Mr. Ulizio has agreed to provide consulting services relating to, among other things, federal, state, provincial or local legislation or regulation, the administration of our occupational health program, litigation, the preparation of articles and presentations and participation in trade association and other organization activities relating to crystalline silica.

We are obligated to pay Mr. Ulizio at a rate of $1,500 per day, subject to a minimum of $10,000 per quarter, even if we fail to use his consulting services to such extent in any quarter. Mr. Ulizio is entitled to be reimbursed by us for all ordinary and necessary out-of-pocket expenses for travel, lodging, meals or any similar expenses incurred by Mr. Ulizio in performing his consulting services. All of this is in addition to our obligation to pay Mr. Ulizio severance pursuant to the termination of his employment. As a result of such termination, we are paying him severance equal to his base salary (as in effect immediately prior to the termination of his employment) for a period of 24 months which aggregates to approximately $600,000. Mr. Ulizio is also entitled to participate in our group health plan for 18 months, which aggregates to a benefit of approximately $22,000.

The term of the consulting agreement began on April 1, 2011 and ends on March 31, 2013. Mr. Ulizio has agreed to refrain from disclosing any confidential information to any third party prior to, during or after the termination of the consulting agreement. Mr. Ulizio has also agreed to refrain from using any confidential information for his personal gain. The consulting agreement may be terminated at any time by us or by Mr. Ulizio upon 90 days' written notice to the other party.

Potential Payments Upon Termination and Change in Control

The information below describes and quantifies certain compensation that would become payable to our NEOs if, as of December 31, 2010, his employment with us had been terminated. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be different. Factors that could affect these amounts include the timing during the year of any such event.

John A. Ulizio

Mr. Ulizio ceased to be Chief Executive Officer and president on March 8, 2011 and, therefore, Mr. Ulizio is no longer entitled to the benefits outlined in the table below. See "—Employment and Other Agreements" above for a description of the benefits that Mr. Ulizio is currently receiving from us.

		Involuntary without Cause or Voluntary with Good Reason		
Component	Voluntary Resignation ($)	Without Signed Release ($)	With Signed Release ($)	Involuntary without Cause following Change in Control ($)
Base Salary[1]	0	109,615	600,000	600,000
Bonus	0	0	0	0
Total Cash Severance	0	109,615	600,000	600,000
Value of Accelerated Equity[2]	0	0	0	0
Benefits and Perquisites[3]	0	4,909	22,091	22,091
Total Severance	0	114,524	622,091	622,091

(1) Mr. Ulizio's base salary and benefits are to be paid in equal installments over an 18-month period.

(2) Mr. Ulizio had no outstanding equity in us as of December 31, 2010. Any unvested interests held in our parent LLC by Mr. Ulizio would not vest unless Golden Gate Capital (in its sole discretion) affirmatively caused such interests to vest.

(3) Represents group health benefits payable over 18 months if we receive a signed release from Mr. Ulizio and over three months if we do not receive such a release.

Other NEOs

Each NEO, other than Mr. Ulizio, is subject to our severance policy for salaried personnel. Such NEOs are entitled to the same payments and benefits as all other salaried personnel. Pursuant to this policy, salaried employees who are terminated due to (1) force reductions caused by lack of business or (2) job eliminations caused by downsizing or restructuring are entitled to both regular and special severance pay. Regular severance pay consists of pay based on such NEO's base salary as in effect immediately prior to the termination of his employment for one week for each complete year of employment with the company. There is no proration of severance pay for partial years of employment. Minimum regular severance pay is five weeks. Special severance pay is available to employees eligible for regular severance pay who sign a standard release agreement. Special severance pay consists of pay for based on such NEO's base salary as in effect immediately prior to the termination of his employment one week for each complete year of employment with the company. Minimum special severance pay is five weeks. When combining regular severance pay and special severance pay, maximum severance pay is limited to fifty-two weeks. As of December 31, 2010, no NEO had outstanding equity in us that would vest upon a termination.

Director Compensation

See "Management—Corporate Governance—Director Compensation."

Director and Officer Indemnification and Limitation of Liability

Upon completion of this offering, our amended and restated bylaws will provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL. In addition, upon completion of this offering, our amended and restated certificate of incorporation will provide that our directors are not liable for monetary damages for breach of fiduciary duty.

In addition, prior to the completion of this offering, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL. We will also enter into an indemnification priority agreement with Golden Gate Capital to clarify the priority of advancement of expenses and indemnification obligations among us, our subsidiaries and any of our directors appointed by Golden Gate Capital or its affiliates and other related matters.

There is no pending litigation or proceeding naming any of our directors or officers in which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information as of , 2011 regarding the beneficial ownership of our common stock (1) immediately prior to and (2) as adjusted to give effect to this offering by:

- each person or group who is known by us to own beneficially more than 5% of our outstanding common stock;
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

For further information regarding material transactions between us and certain of our stockholders, see "Certain Relationships and Related Party Transactions."

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days. Common stock subject to options that are currently exercisable or exercisable within 60 days of , 2011 are deemed to be outstanding and beneficially owned by the person holding the options. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Percentage of beneficial ownership is based on shares of common stock outstanding prior to the completion of this offering and shares of common stock to be outstanding after the completion of this offering, assuming no exercise of the option to purchase additional shares, or shares, assuming full exercise of the option to purchase additional shares. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. Unless otherwise indicated in the table or footnotes below, the address for each beneficial owner is c/o U.S. Silica Holdings, Inc., 8490 Progress Drive, Suite 300, Frederick, Maryland 21701.

	Shares Beneficially Owned Prior to This Offering		Shares To Be Sold in This Offering Assuming No Exercise of the Option to Purchase Additional Shares	Shares To Be Sold in This Offering Assuming Full Exercise of the Option to Purchase Additional Shares	Shares Beneficially Owned After This Offering Assuming No Exercise of the Option to Purchase Additional Shares		Shares Beneficially Owned After This Offering Assuming Full Exercise of the Option to Purchase Additional Shares	
Name	**#**	**%**	**#**	**#**	**#**	**%**	**#**	**%**
GGC USS Holdings, LLC[1]		100						
Brian Slobodow	—	—	—	—	—	—	—	—
Bryan A. Shinn	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
William A. White	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Bradford B. Casper	—	—	—	—	—	—	—	—
Michael L. Winkler	—	—	—	—	—	—	—	—
John F. Angel	—	—	—	—	—	—	—	—
Robert H. Morrow	—	—	—	—	—	—	—	—
James I. Manion	—	—	—	—	—	—	—	—
Rajeev Amara	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Prescott H. Ashe	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Charles Shaver	—	—	—	—	—	—	—	—
Executive Officers and Directors as a Group (11 Persons)[2]		—	—	—		*		*

* Represents beneficial ownership of less than 1% of our outstanding common stock.

(1) Prior to this offering, all of our issued and outstanding common stock is held by our parent LLC. Interests in our parent LLC are held by a private investor group, including funds managed by Golden Gate Capital, Paribas North America, Messrs. Shinn and White and John A. Ulizio, our former CEO. All of the amounts and percentages in this footnote are calculated at an assumed initial public offering price of $ per share, the midpoint of the range set forth on the front cover page of this prospectus, after deducting underwriting discounts and commissions. Funds managed by Golden Gate Capital may be deemed to have indirect beneficial ownership of shares, or %, of our outstanding common stock (with of such shares to be sold in the offering and of such shares subject to overallotment option) through the interests of certain of its funds in our parent LLC. Paribas North America may be deemed to have indirect beneficial ownership of shares, or %, of our outstanding common stock (with of such shares to be sold in the offering and of such shares subject to overallotment option) through its interests in our parent LLC. Mr. Shinn may be deemed to have indirect beneficial ownership of shares, or less than 1%, of our outstanding common stock (with of such shares to be sold in the offering and of such shares subject to overallotment option) through his interest in our parent LLC. Mr. White may be deemed to have indirect beneficial ownership of shares, or less than 1%, of our outstanding common stock (with of such shares to be sold in the offering and of such shares subject to overallotment option) through his interest in our parent LLC. Mr. Ulizio may be deemed to have indirect beneficial ownership of shares, or less than 1%, of our outstanding common stock (with of such shares to be sold in the offering and of such shares subject to overallotment option) through his interest in our parent LLC. Each of Messrs. Amara and Ashe is a managing director of Golden Gate Capital, and each may be deemed to be the beneficial owner of shares indirectly beneficially owned by the funds managed by Golden Gate Capital. Each of the above persons and entities, other than our parent LLC, disclaims membership in any group and disclaims beneficial ownership of these securities, except to the extent of his or its pecuniary interest therein. The principal office address of parent LLC is c/o Golden Gate Private Equity, Inc., One Embarcadero Center, 39th Floor, San Francisco, California 94111.

(2) Does not include any shares of common stock Messrs. Amara and Ashe may be deemed to indirectly beneficially own through interests held by funds managed by Golden Gate Capital in our parent LLC. See note 1 above.

Policies for Approval of Related Person Transactions

In connection with this offering, we will adopt a written policy with respect to related party transactions. Under our related person transaction policy, a "Related Person Transaction" is any transaction, arrangement or relationship between us or any of our subsidiaries and a Related Person not including any transactions involving $120,000 or less when aggregated with all similar transactions. A "Related Person" is any of our executive officers, directors or director nominees, any stockholder beneficially owning in excess of 5% of our stock or securities exchangeable for our stock, any immediate family member of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is an executive officer, a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest in such entity.

Pursuant to our Related Person Transaction policy, any Related Person Transaction must be approved or ratified by a majority of the disinterested directors on the board of directors or a designated committee thereof consisting solely of disinterested directors. In approving any Related Person Transaction, the board of directors or the committee must determine that the transaction is on terms no less favorable to us in the aggregate than those generally available to an unaffiliated third party under similar circumstances.

Transactions with Related Persons, though not classified as Related Person Transactions by our policy and thus not subject to its review and approval requirements, may still need to be disclosed if required by the applicable securities laws, rules and regulations.

Other than compensation agreements and other arrangements which are described under "Executive Compensation" and the transactions described below, since January 1, 2008, there has not been, and there is not currently proposed, any transaction or series of similar transactions to which we were or will be a party in which the amount involved exceeded or will exceed $120,000 and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities or any member of the immediate family of the foregoing persons had or will have a direct or indirect material interest.

Golden Gate Capital Acquisition

Acquisition Agreement

On November 25, 2008, we were acquired by Golden Gate Capital pursuant to a merger effected by an Acquisition Agreement, dated June 27, 2008, by and among our prior owner and certain entities affiliated with Golden Gate Capital. The consideration for the transaction was approximately $310.4 million, consisting of a $126.2 million capital contribution from Golden Gate Capital and other investors (subject to customary adjustments for transaction expenses, indebtedness and certain tax liabilities), borrowings under the Term Loan Facility and the Mezzanine Loan Facility (as defined below) and $27.0 million in advances from customers.

The Acquisition Agreement contains negotiated representations and warranties and covenants of our former owner and us. These representations and warranties and covenants continue in full force and effect for various periods specified in the Acquisition Agreement, ranging from six to thirty-six months. The Acquisition Agreement also provides for indemnification in the event of a breach of these representations and warranties and covenants. For breaches of certain of these representations and warranties, our former owner is not required to indemnify us for aggregate amounts less than $4.0 million or greater than $40.0 million. No party to the Acquisition Agreement has brought an indemnification claim against any other party as of the date of this prospectus.

Advisory Agreement

In connection with the Golden Gate Capital Acquisition, we also entered into an Advisory Agreement with Golden Gate Capital, which agreement was subsequently amended and restated in connection with the refinancing of our Term Loan Facility on June 8, 2011. Pursuant to the Advisory Agreement, Golden Gate Capital agreed to provide business and organizational strategy and financial and advisory services as mutually agreed upon by Golden Gate Capital and us. Such services have included support and assistance to management with respect to negotiating and analyzing acquisitions and divestitures, negotiating and analyzing financing alternatives, preparing financial projections, monitoring compliance with financing agreements, marketing functions and searching for and hiring management personnel.

As compensation for these services, we paid Golden Gate Capital a one-time transaction fee as of the closing of the Golden Gate Capital Acquisition in the aggregate amount of $3.0 million and we pay (1) an annual advisory fee in the aggregate amount equal to $1.25 million, payable quarterly in arrears, and (2) a transaction fee of 1.25% of the aggregate value of each transaction resulting in a change in control of our parent LLC or its subsidiaries, along with each acquisition, divestiture, recapitalization and financing. In addition to the fees described above, we also reimburse Golden Gate Capital for all out-of-pocket costs incurred by Golden Gate Capital in connection with its activities under the Advisory Agreement, and indemnify Golden Gate Capital from and against all losses, claims, damages and liabilities related to the performance of its duties under the Advisory Agreement.

The Advisory Agreement has an initial term expiring on November 25, 2018 and is automatically renewable for additional one-year terms thereafter unless we or Golden Gate Capital give at least 90 days' notice of non-renewal. The advisory fees paid to Golden Gate Capital aggregated $0.1 million, $1.0 million and $1.2 million in 2008, 2009 and 2010, respectively, and $0.3 million in the quarter ended March 31, 2011. These expenses are recorded as other operating expenses. In connection with this offering, we plan to pay Golden Gate Capital $ million in connection with terminating this agreement.

Director Designation Agreement

In connection with this offering, we intend to enter into a director designation agreement with our parent LLC that will provide for the rights of our parent LLC to nominate designees to our board of directors. The director designation agreement will provide that, for so long as our parent LLC owns at least one share of our outstanding common stock, we may not take any action, including making or recommending any amendment to our certificate of incorporation or bylaws, that (1) would decrease the size of our board of directors if such decrease would cause us to fail to satisfy the requirement under the NYSE corporate governance standards that a majority of our board of directors consist of independent directors without the resignation of a director nominated by our parent LLC or (2) otherwise could reasonably be expected to adversely affect our parent LLC's rights under the director designation agreement, in each case without the consent of our parent LLC.

Our parent LLC will have the right to nominate individuals to our board of directors at each meeting of stockholders where directors are to be elected and, subject to limited exceptions, we will include in the slate of nominees recommended to our stockholders for election as directors the number of individuals designated by our parent LLC as follows:

- during such time as our parent LLC owns at least % of our outstanding common stock, such number of individuals as are designated by our parent LLC, so long as we are able to comply with the requirement under the NYSE corporate governance standards that a majority of our board of directors consist of independent directors at such time as our parent LLC owns less than 50% of our outstanding common stock; and
- during such time as (1) our parent LLC owns less than % but at least % of our outstanding common stock and (2) we are required to comply with the requirement under the NYSE corporate

governance standards that a majority of our board of directors consist of independent directors, such number of individuals designated by our parent LLC in relative proportion to our parent LLC's then current ownership (rounded up).

The director designation agreement will also provide that, in the event of a vacancy on our board of directors arising through the death, resignation or removal of a director nominated by our parent LLC, such vacancy may be filled by our board of directors only with a director nominated by our parent LLC. Our certificate of incorporation will provide that any director nominated by our parent LLC may, at its discretion, be removed at any time with or without cause.

Registration Rights Agreement

In connection with the Golden Gate Capital Acquisition, Golden Gate Capital and certain other non-management holders of parent LLC interests entered into a registration rights agreement with us. Pursuant to the registration rights agreement, Golden Gate Capital has the right to request a long-form registration on not more than four occasions, and a short-form registration on an unlimited number of occasions. In addition, Golden Gate Capital and other non-management holders of registrable securities have piggyback registration rights in connection with offerings initiated by us or Golden Gate Capital.

The registration rights are subject to customary cutbacks and other limitations. We are able to postpone for a reasonable period of time, which may not exceed 120 days, the filing of a registration statement that Golden Gate Capital requests that we file pursuant to the registration rights agreement if our board of directors determines that the filing of the registration statement will have a material adverse effect on our plan to engage in certain business transactions.

We are required to pay all fees and expenses incurred in connection with the registrations, except that we are not required to pay for any underwriting discounts or commissions or transfer taxes relating to the transfer of securities by any persons other than us. We are also subject to customary cross-indemnification and contribution arrangements with respect to the registration of our common stock. Our parent LLC is required to comply with any lock-up restrictions that may be reasonably requested by the managing underwriters of an offering, regardless of whether its securities are included in a registration.

Indemnification Agreements

Prior to the completion of this offering, we intend to enter into indemnification agreements with each of our directors and executive officers. For more information regarding these agreements, see "Executive Compensation—Director and Officer Indemnification and Limitation of Liability."

Parent LLC Promissory Note

On December 22, 2010, we entered into a promissory note with our parent LLC. See "Description of Certain Indebtedness—Parent LLC Promissory Note."

Historical Credit Agreement

Mezzanine Loan Facility

On November 25, 2008, in connection with the Golden Gate Capital Acquisition, we entered into the Mezzanine Loan Facility with GGC Finance Partnership, L.P. ("GGC Finance") pursuant to which we issued original notes in the aggregate principal amount of $80.0 million, and GGC Finance purchased such original notes in order to provide funds to us to consummate the Golden Gate Capital Acquisition. On May 7, 2010, we amended and restated the Mezzanine Loan Facility to effect the issuance of restated notes in the aggregate

principal amount of $75.0 million in exchange for the original notes. The restated notes were scheduled to mature on May 7, 2017. The restated notes bore interest, during each interest period from the date of issuance until paid in full, at a rate per annum equal to adjusted LIBOR (as defined in the Mezzanine Loan Facility) for such fiscal quarter plus the applicable margin of 10.25% per annum, all or a part of which was permitted to be paid in kind. On June 8, 2011, we prepaid the restated notes in full in connection with the refinancing of the Term Loan Facility. The total payoff amount was $78.2 million, which consisted of a prepayment fee of $1.5 million, accrued interest of $1.7 million and a principal balance of $75.0 million.

Subordination Agreement

On November 25, 2008, we, Wells Fargo, BNP Paribas and GGC Finance entered into a Subordination Agreement (as amended, the "Subordination Agreement") pursuant to which GGC Finance agreed to the subordination in right of payment of our existing and future obligations owed to GGC Finance to the payment of our existing and future obligations owed under the Term Loan Facility and the ABL Facility. On May 7, 2010, the Subordination Agreement was amended in connection with the amendment and restatement of the Note Purchase Agreement. Pursuant to the Subordination Agreement, the restated notes and all of our other obligations under the Mezzanine Loan Facility were at all times to be and remain subordinate and subject in right of payment to prior payment in full of all of our obligations under the Term Loan Facility and the ABL Facility. The Subordination Agreement was terminated in connection with our repayment in full of all outstanding indebtedness under the Mezzanine Loan Facility and the concomitant termination of such facility as described above.

DESCRIPTION OF CERTAIN INDEBTEDNESS

Set forth below is a summary of the terms of the agreements governing certain of our outstanding indebtedness. This summary is not a complete description of all of the terms of the agreements. The agreements setting forth the principal terms and conditions of certain of our outstanding indebtedness are filed as exhibits to the registration statement of which this prospectus forms a part.

ABL Facility

On August 9, 2007, we entered into the ABL Facility with various banks and other financial institutions as lenders thereunder and Wells Fargo, as administrative agent and lender, which was amended by Amendment No. 1 and Consent to Loan and Security Agreement, dated as of November 25, 2008, Amendment No. 2 to Loan and Security Agreement and Consent, dated as of May 7, 2010, and Amendment No. 3 to Loan and Security Agreement and Consent, dated as of June 8, 2011, for an asset-based financing arrangement that allows the lenders to make loans and provide other financial accommodations in the aggregate amount of up to $35.0 million, with a letter of credit facility sublimit of $15.0 million; provided, however, that the aggregate principal amount of the loans and letter of credit obligations outstanding at any one time shall not exceed the borrowing base as set forth below. The ABL Facility is scheduled to expire on October 31, 2015.

Borrowing Base

The borrowing base is an amount equal to (a) 85% of eligible accounts; plus (b) the lesser of (1) the sum of (A) 30% multiplied by the value of the eligible work in process inventory; plus (B) 60% multiplied by the value of the eligible finished goods inventory and (2) $7.5 million; plus (c) 5% of eligible accounts (such amount in addition to clause (a) above; provided that such percentage shall be reduced by 1/6th of the original percentage amount as of each monthly anniversary of the closing date until such percentage is 0%); plus (d) the lesser of (1) 85% of eligible ITT receivables (as defined in the ABL Facility) and (2) $1.5 million; plus (e) 20% multiplied by the value of eligible stores inventory (provided that such percentage shall be reduced monthly by 1/6th of the original percentage amount as of each monthly anniversary of the closing date until such percentage is 0%); minus (f) reserves established from time to time by Wells Fargo. Subject to the terms of the ABL Facility, Wells Fargo, in its commercially reasonable discretion, shall be entitled to reduce or increase the advance rates and standards of eligibility.

Interest and Fees

Borrowings may be requested as prime rate loans or Eurocurrency rate loans; provided that if an event of default has occurred and is continuing, then Eurocurrency rate loans may not be requested. The applicable margin rate is determined based on excess availability as determined with reference to the borrowing base. Prime rate loans accrue interest at the prime rate plus (a) 1.75% if quarterly average excess availability is greater than $10.0 million or (b) 2.00% if quarterly average excess availability is less than or equal to $10.0 million. Eurocurrency rate loans accrue interest at the adjusted Eurocurrency rate plus (a) 2.75% if quarterly average excess availability is greater than $10.0 million or (b) 3.00% if quarterly average excess availability is less than or equal to $10.0 million.

Interest payments on prime rate loans are due on the first day of each calendar month in arrears. Interest payments on Eurocurrency rate loans are due (a) on the last day of each interest period for interest periods that are three months or (b) if the interest period exceeds three months, then on (1) each three-month anniversary of the first day of such interest period or (2) the last day of such interest period.

On the first day of each month in arrears, Wells Fargo is paid for the benefit of the lenders an unused line fee at a rate equal to 0.375% per annum calculated on the average daily unused portion of the maximum credit during the immediately preceding month (or part thereof). Wells Fargo is also paid letter of credit fees at a rate

equal to the applicable margin per annum on the average daily maximum amount available to be drawn under all letters of credit for the immediately preceding quarter (or part thereof), payable in arrears as of the first day of each succeeding quarter. Such letter of credit fee rates equal (a) 2.75% if quarterly average excess availability is greater than $10.0 million or (b) 3.00% if quarterly average excess availability is less than or equal to $10.0 million. A letter of credit fronting and negotiation fee of 0.125% per annum on the average daily maximum amount available to be drawn under each letter of credit issued in addition to reasonable and customary charges is also paid, among other fees and amounts.

Prepayments

Voluntary prepayments are permitted in whole or in part, without premium or penalty, subject to certain minimum prepayment requirements (i.e., $1.0 million and multiples of $500,000 in excess thereof or, in accordance with settlement procedures, $100,000 and multiples of $100,000 in excess thereof). We have the right to terminate or permanently reduce the unused portion of the maximum credit at any time or from time to time upon five business days' notice to Wells Fargo, subject to certain minimum requirements (i.e., $1.0 million and multiples of $500,000 in excess thereof); provided, however, that no such termination or reduction is permitted if (a) after giving effect thereto, the aggregate amount of the loans and the letter of credit obligations would exceed the maximum credit or (b) such termination or reduction would reduce the maximum credit to below $10.0 million, unless in connection with the termination of the ABL Facility and the repayment of the obligations thereunder.

The ABL Facility requires prepayments (1) upon demand by Wells Fargo, (2) with respect to 100% of net cash proceeds of any recovery event not used to acquire fixed or capital assets immediately after the 270th day of receipt thereof and (3) with respect to 100% of net cash proceeds within five business days of any asset disposition that exceeds the $500,000 threshold in any fiscal year; provided that such prepayments shall be subject to the terms of the Intercreditor Agreement (as defined below).

Covenants

Borrowings under the ABL Facility are subject to the accuracy of representations and warranties in all material respects and the absence of any defaults under the ABL Facility and the Term Loan Facility.

The ABL Facility contains customary covenants and restrictions on our activities related to, among other things: the incurrence of additional indebtedness; liens and negative pledges; dividends and distributions; investments, acquisitions and speculative transactions; contingent obligations; transactions with affiliates; fundamental changes to our business, property and assets; insurance; sale lease-backs; the ability to change the nature of our business, our fiscal year and our accounting policies; the ability to amend or waive any of the terms of any permitted subordinated debt, the Term Loan Facility and our organizational documents; designations of senior debt other than the ABL Facility obligations and the Term Loan Facility obligations; and the performance of material contracts, including intellectual property licenses. The ABL Facility also requires that we maintain (a) during any fiscal quarter, if excess availability falls below $6.5 million, a fixed charge coverage ratio of not less than 1.10 to 1.00 until excess availability is equal to or greater than $10.0 million and (b) aggregate excess availability of not less than $5.0 million at all times.

Events of Default

Events of default under the ABL Facility include, but are not limited to, (1) failure to pay principal, interest, fees or other amounts under the ABL Facility (inclusive of reimbursement of the issuing bank for letters of credit) when due, taking into account any applicable grace period, (2) cross-default or failure to pay certain other debt, (3) failure to perform or observe covenants and other terms of the ABL Facility or Term Loan Facility, subject to certain grace periods, (4) breach of warranty, (5) bankruptcy events, (6) unsatisfied final judgments (to the extent not covered by insurance) over a $10.0 million threshold, (7) dissolution, subject to certain cure

periods, (8) certain defaults under ERISA, (9) certain change of control events (as defined in the ABL Facility), (10) the subordination provisions contained in or governing any subordinated debt cease to be in full force and effect, (11) any default in excess of $2.0 million that remains outstanding beyond the applicable cure period and permits the holders of such indebtedness to accelerate the debt, (12) any guarantor revokes or terminates or purports to revoke or terminate its guaranty and (13) the invalidity or impairment of any loan document or any security interest.

Guarantee and Security

All obligations under the ABL Facility are guaranteed by certain of our domestic subsidiaries. The obligations are secured by a first priority lien on all revolving loan priority collateral, which consists of deposit accounts, inventory, accounts receivable and property related thereto (the "ABL Collateral").

Term Loan Facility

On November 25, 2008, in connection with the Golden Gate Capital Acquisition, we entered into the Term Loan Facility with various banks and other financial institutions as lenders thereunder and BNP Paribas, as administrative agent. On May 7, 2010, the Term Loan Facility was amended and restated to, among other things, (1) increase the aggregate principal amount available thereunder from $102.0 million to $165.0 million and (2) add an incremental term loan facility in the maximum aggregate principal amount of $25.0 million for the purpose of (1) funding permitted acquisitions, (2) opening new sand processing and mining facilities and (3) financing the payment of related fees and expenses. On June 8, 2011, the Term Loan Facility was again amended and restated to, among other things, (1) further increase the aggregate principal amount available thereunder to $260.0 million and (2) increase the maximum aggregate principal amount under the incremental term loan facility to $50.0 million. The proceeds of this second amendment and restatement were used to prepay the pre-existing obligations outstanding under the Term Loan Facility, repay in full all obligations under the Mezzanine Loan Facility, pay a cash dividend of up to $25.0 million and pay transaction costs. We paid certain fees, which were separately agreed, to the administrative agent in connection with the amendment and restatement.

Interest

Loans under the Term Loan Facility bear interest at a base rate (as defined in the Term Loan Facility, with a floor of the greater of 1.00% and one-month adjusted LIBOR (as defined in the Term Loan Facility) plus 1.00%) plus 2.75% per annum or adjusted LIBOR (with a floor of 1.00%) plus 3.75% per annum, as selected by us; provided that we will no longer be able to elect a LIBOR loan after the occurrence or during the continuation of an event of default. Interest payments for base rate loans are due quarterly on the last day of each March, June, September and December, and interest payments for LIBOR loans are due on the last day of each interest period, which we may choose to be a one-, two-, three- or six-month period or (if available to all senior lenders) a nine- or twelve-month period; provided that for each interest period longer than three months, the payment date also shall include each date that is three months or a multiple thereof after the commencement of such interest period. Since August 5, 2010, we have been required to maintain in effect one or more interest rate agreements in an aggregate notional principal amount of not less than 50% of the principal amount of our funded debt, which accrues interest at a floating rate.

Principal payments under the Term Loan Facility are due quarterly on the last day of each September, December, March and June. Beginning September 30, 2011, payments are made in equal installments of 0.25% of the initial principal balance until payments of 23.75% of the initial principal amount become due on September 30, 2016, December 31, 2016, March 31, 2017 and June 8, 2017; provided, that the scheduled installments of principal shall be reduced in connection with voluntary and mandatory prepayments. The Term Loan Facility matures on June 8, 2017.

Prepayments

Voluntary prepayments are permitted in whole or in part, without premium or penalty, subject to certain minimum prepayment requirements (i.e., $500,000 and multiples of $100,000 in excess thereof) and payment of costs and expenses incurred by the lenders in connection with prepayment of LIBOR-based borrowings prior to the end of the applicable interest period for such borrowings.

The Term Loan Facility requires prepayments of principal with respect to (1) 100% of net cash proceeds from asset sales and (2) 100% of net cash proceeds from casualty insurance and condemnation awards, in each case subject to exceptions and reinvestment rights. The Term Loan Facility also requires prepayments of principal with respect to (1) 100% of net cash proceeds from the issuance of capital stock or incurrence of indebtedness by us (in each case subject to exceptions), and (2) beginning in 2012, 50% of our consolidated excess cash flow or, if the consolidated leverage ratio is less than 2.75 to 1.00, 25% of our consolidated excess cash flow.

We, Golden Gate Capital or any of our or its respective affiliates may repurchase the term loans pursuant to an open pro rata tender process so long as (1) no condition or event that would trigger an event of default and no event of default has occurred and is continuing, (2) requisite lenders have given prior written consent and (3) prior notice has been given to BNP Paribas and all lenders indicating (a) the last date on which such offer may be accepted, (b) the maximum amount of such offer, (c) the repurchase price per dollar of principal amount of term loans and (d) the instructions about the process by which a lender may have its loan repurchased.

Covenants

The Term Loan Facility contains customary covenants and restrictions on our activities related to, among other things: the incurrence of additional indebtedness; liens and negative pledges; dividends and distributions; investments and acquisitions; contingent obligations; transactions with shareholders (holders of at least 10% of the equity securities) and affiliates; fundamental changes to our business, property and assets; sale lease-backs; the ability to change the nature of our business, our fiscal year and our accounting policies; the ability to amend or waive any of the terms of the Management Agreement, the ABL Facility and other material agreements; designations of senior debt other than the Term Loan Facility obligations and the ABL Facility obligations; and the performance of material contracts, including real property leases and intellectual property licenses. The Term Loan Facility also requires compliance with certain financial covenants, including the maintenance of a maximum consolidated leverage ratio as of the last day of each fiscal quarter at levels set forth in the Term Loan Facility and a maximum capital expenditures covenant restricting our capital expenditures at times when our unrestricted cash (including availability under the ABL facility) is less than $40.0 million.

Events of Default

Events of default under the Term Loan Facility include, but are not limited to, (1) failure to pay principal, interest, fees or other amounts under the Term Loan Facility when due, taking into account any applicable grace period, (2) cross-default or failure to pay certain other debt, (3) failure to perform or observe covenants and other terms of the Term Loan Facility, subject to certain grace periods, (4) breach of warranty, (5) bankruptcy events, (6) unsatisfied final judgments (to the extent not covered by insurance) over a $10.0 million threshold, (7) dissolution, subject to certain cure periods, (8) certain defaults under ERISA, (9) certain change of control events (as defined in the Term Loan Facility) and (10) the invalidity or impairment of any loan document or any security interest.

Guarantee and Security

All obligations under the Term Loan Facility are guaranteed by certain of our domestic subsidiaries. The obligations are secured by a first priority lien on all fixed assets and intellectual property and a second priority lien on all ABL Collateral.

Intercreditor Agreement

The priority of the security interests and related creditor rights between the ABL Facility and the Term Loan Facility is set forth in an Intercreditor Agreement (the "Intercreditor Agreement") dated as of November 25, 2008, as reaffirmed by the Reaffirmation of ABL/Term Loan Intercreditor Agreement, dated as of June 8, 2011, among us, Wells Fargo and BNP Paribas.

Parent LLC Promissory Note

On December 22, 2010, we entered into a $15.0 million promissory note with our parent LLC to provide working capital for a new subsidiary. The note matures on December 22, 2015 and bears interest at 10%. The principal amount and interest under the note are payable on demand, but no later than the maturity date. Upon sole election by our parent LLC, any unpaid interest may be paid in cash on December 22 of each year until the maturity date. Upon effectiveness of this offering, this note will be contributed as a capital contribution by our parent LLC to us.

DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws as will each be in effect at or prior to the completion of this offering. The following description may not contain all of the information that is important to you. To understand the material terms of our common stock, you should read our amended and restated certificate of incorporation and amended and restated bylaws, copies of which are or will be filed with the SEC as exhibits to the registration statement, of which this prospectus is a part.

Authorized Capitalization

Prior to the effectiveness of our amended and restated certificate of incorporation, our authorized capital stock consists of 100,000,000 shares of common stock, par value $0.01 per share, and no preferred stock. Upon effectiveness of our amended and restated certificate of incorporation, our authorized capital stock will consist of shares of common stock, par value $0.01 per share, and shares of preferred stock, par value $0.01 per share.

As of , 2011, shares of our common stock were issued and outstanding and were owned by one stockholder of record. In addition, as of , 2011, there were outstanding options to purchase shares of our common stock.

Common Stock

Voting Rights

Each share of common stock entitles the holder to one vote with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote. Subject to any rights that may be applicable to any then outstanding preferred stock, our common stock votes as a single class on all matters relating to the election and removal of directors on our board of directors and as provided by law. Holders of our common stock will not have cumulative voting rights. Except in respect of matters relating to the election and removal of directors on our board of directors and as otherwise provided in our amended and restated certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter. In the case of election of directors, all matters to be voted on by our stockholders must be approved by a plurality of the votes entitled to be cast by all shares of common stock.

Dividend Rights

Subject to preferences that may be applicable to any then outstanding preferred stock, the holders of our outstanding shares of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. Because we are a holding company, our ability to pay dividends on our common stock is limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our indebtedness. See “Description of Certain Indebtedness.” See also “Dividend Policy.”

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock would be entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of our debts and other liabilities. If we have any preferred stock outstanding at such time, holders of the preferred stock may be entitled to distribution and/or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Other Rights

Our stockholders have no preemptive, conversion or other rights to subscribe for additional shares. All outstanding shares are, and all shares offered by this prospectus will be, when sold, validly issued, fully paid and nonassessable. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Listing

We intend to apply to have our common stock approved for listing on the New York Stock Exchange under the symbol " ."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be Computershare Trust Company, N.A.

Preferred Stock

Our amended and restated certificate of incorporation will authorize our board of directors to provide for the issuance of shares of preferred stock in one or more series and to fix the preferences, powers and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including the dividend rate, conversion rights, voting rights, redemption rights and liquidation preference and to fix the number of shares to be included in any such series without any further vote or action by our stockholders. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including the loss of voting control to others. At present, we have no plans to issue any preferred stock.

Corporate Opportunity

As permitted under the DGCL, in our amended and restated certificate of incorporation, we will renounce any interest or expectancy in, or any offer of an opportunity to participate in, specified business opportunities that are presented to us or one or more of our officers, directors or stockholders. In recognition that directors, officers and/or employees of Golden Gate Capital may serve as directors and/or officers of ours, and Golden Gate Capital and its affiliates, not including us (the "Golden Gate Capital Entities"), may engage in similar activities or lines of business that we do, our amended and restated certificate of incorporation provides for the allocation of certain corporate opportunities between us and the Golden Gate Capital Entities. Specifically, none of the Golden Gate Capital Entities have any duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business that we do. In the event that a director or officer of Golden Gate Capital who is also a director or officer of ours acquires knowledge of a potential transaction or matter which may be a corporate opportunity for any of the Golden Gate Capital Entities and us, we will not have any expectancy in such corporate opportunity, and the director or officer will not have any duty to present such corporate opportunity to us and may pursue or acquire such corporate opportunity for itself or direct such opportunity to another person. A corporate opportunity that an officer or director of ours who is also a director or officer of any of the Golden Gate Capital Entities acquires knowledge of will not belong to us unless the corporate opportunity at issue is expressly offered in writing to such person solely in his or her capacity as a director or officer of ours. In addition, even if a business opportunity is presented to an officer or director of any of the Golden Gate Capital Entities in his or her capacity as an officer or director of ours, the following corporate opportunities will not belong to us: (1) those we are not financially able, contractually permitted or legally able to undertake; (2) those

not in our line of business; (3) those of no practical advantage to us; and (4) those in which we have no interest or reasonable expectancy. Except with respect to our directors and/or officers who are also directors and/or officers of any of the Golden Gate Capital Entities, the corporate opportunity doctrine applies as construed pursuant to applicable Delaware laws, without limitation.

Choice of Forum

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL; any action regarding our amended and restated certificate of incorporation or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Anti-takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation and amended and restated bylaws will also contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock will make it possible for our board of directors to issue preferred stock with super voting, special approval, dividend or other rights or preferences on a discriminatory basis that could impede the success of any attempt to acquire us. These and other provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of our company.

Requirements for Advance Notification of Stockholder Meetings, Nominations and Proposals

Our amended and restated certificate of incorporation will provide that special meetings of the stockholders may be called only by either a resolution adopted by the affirmative vote of the majority of the directors then in office or by our parent LLC at any time that our parent LLC owns at least 35% of our then outstanding common stock. Our amended and restated bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. In addition, any stockholder who wishes to bring business before an annual meeting or nominate directors must comply with the requirements that will be set forth in our amended and restated bylaws; however, at any time that our parent LLC owns at least 35% of our outstanding common stock, the foregoing procedures related to advance notice will not apply to it. At any time that our parent LLC does not own at least 35% of our then outstanding common stock, special meetings of the stockholders may not be called. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of our company.

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of stock entitled to vote thereon were present and voted, unless the company’s certificate of incorporation provides otherwise. Upon the completion of this offering, our amended and restated certificate of incorporation

will provide that stockholder action may be taken by written consent at any time our parent LLC owns at least 35% of our then outstanding common stock. At any time our parent LLC does not own at least 35% of our then outstanding shares of common stock, stockholders may not act by written consent.

Business Combinations with Interested Stockholders

We will elect in our amended and restated certificate of incorporation not to be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are not subject to any anti-takeover effects of Section 203. However, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203, except that they provide that our parent LLC (or its members) and any persons to whom our parent LLC (or its members) sells its common stock will be deemed to have been approved by our board of directors, and thereby not subject to the restrictions set forth in Section 203.

Amendments

Upon the completion of this offering, amendments to our amended and restated certificate of incorporation will require the affirmative vote of at least 66 2/3% of our then outstanding common stock; provided, however, that at such times as our parent LLC owns at least 35% of our then outstanding common stock and wants to amend our amended and restated certificate of incorporation, such amendment will require the affirmative vote of the holders of a majority of our then outstanding common stock.

Upon the completion of this offering, our amended and restated bylaws may be amended by the affirmative vote of our directors; provided that, at any time that our parent LLC owns at least 35% of our then outstanding common stock, the consent of the directors nominated by our parent LLC shall be required for any such amendment. Our amended and restated bylaws may also be amended by the affirmative vote of the holders of at least 66 2/3% of our then outstanding common stock; provided, however, that at such times as our parent LLC owns at least 35% of our then outstanding common stock and wants to amend our amended and restated bylaws, such amendment will require the affirmative vote of the holders of a majority of our then outstanding common stock.

For purposes hereof, our "parent LLC" shall include our parent LLC, any of its members and any member of a group with our parent LLC or its members that may exist from time to time.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our common stock. No prediction can be made as to the effect, if any, future sales of shares, or the availability of shares for future sales, will have on the market price of our common stock prevailing from time to time. The number of shares available for future sale in the public market is subject to legal and contractual restrictions, some of which are described below. The expiration of these restrictions will permit sales of substantial amounts of our common stock in the public market, or could create the perception that these sales may occur, which could adversely affect the prevailing market price of our common stock. These factors could also make it more difficult for us to raise funds through future offerings of common stock.

Sale of Restricted Shares

Upon completion of this offering, we will have shares of common stock outstanding. Of these shares of common stock, the shares of common stock being sold in this offering, plus any shares sold by the selling stockholders upon exercise of the underwriters' option to purchase additional shares, will be freely tradable without restriction under the Securities Act of 1933, as amended (the "Securities Act"), except for any such shares which may be held or acquired by an "affiliate" of ours, as that term is defined in Rule 144 promulgated under the Securities Act ("Rule 144"), which shares will be subject to the volume limitations and other restrictions of Rule 144 described below. The remaining shares of common stock that will be outstanding upon completion of this offering will be "restricted securities," as that phrase is defined in Rule 144, and may be resold only after registration under the Securities Act or pursuant to an exemption from such registration, including, among others, the exemptions provided by Rule 144 and 701 under the Securities Act, which rules are summarized below. These remaining shares of common stock that will be outstanding upon completion of this offering will be available for sale in the public market after the expiration of the lock-up agreements described in "Underwriters," taking into account the provisions of Rules 144 and 701 under the Securities Act.

Rule 144

The SEC adopted amendments to Rule 144 which became effective on February 15, 2008. Under these amendments, persons who became the beneficial owner of shares of our common stock prior to the completion of this offering may not sell their shares until the earlier of (1) the expiration of a six-month holding period, if we have been subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and have filed all required reports for at least 90 days prior to the date of the sale, or (2) a one-year holding period.

At the expiration of the six-month holding period, a person who was not one of our affiliates at any time during the three months preceding a sale would be entitled to sell an unlimited number of shares of our common stock provided current public information about us is available, and a person who was one of our affiliates at any time during the three months preceding a sale would be entitled to sell within any three-month period only a number of shares of common stock that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering, based on the number of shares of our common stock outstanding after completion of this offering; or
- the average weekly trading volume of our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

At the expiration of the one-year holding period, a person who was not one of our affiliates at any time during the three months preceding a sale would be entitled to sell an unlimited number of shares of our common

stock without restriction. A person who was one of our affiliates at any time during the three months preceding a sale would remain subject to the volume restrictions described above.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who acquired shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering are eligible to resell such shares in reliance upon Rule 144 beginning 90 days after the date of this prospectus. If such person is not an affiliate, the sale may be made subject only to the manner-of-sale restrictions of Rule 144. If such a person is an affiliate, the sale may be made under Rule 144 without compliance with its one-year minimum holding period, but subject to the other Rule 144 restrictions described above.

Stock Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of our common stock issued or reserved for issuance under the 2011 Plan. The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the SEC. Accordingly, shares registered under such registration statement will be available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us, Rule 144 restrictions applicable to our affiliates or the lock-up restrictions described below.

Lock-Up Agreements

We, each of our officers and directors and the selling stockholders have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any of the shares of common stock or securities convertible into or exchangeable for, or that represent the right to receive, shares of common stock during the period from the date of the underwriting agreement to be executed by us in connection with this offering continuing through the date that is 180 days after the date of the underwriting agreement, except with the prior written consent of Morgan Stanley & Co. LLC. See “Underwriters.”

Registration Rights Agreement

In connection with the Golden Gate Capital Acquisition, Golden Gate Capital and certain other non-management holders of parent LLC interests entered into a registration rights agreement with us. Pursuant to the registration rights agreement, Golden Gate Capital has the right to request a long-form registration on not more than four occasions, and a short-form registration on an unlimited number of occasions. In addition, Golden Gate Capital and other non-management holders of registrable securities have piggyback registration rights in connection with offerings initiated by us or Golden Gate Capital. See “Certain Relationships and Related Party Transactions—Registration Rights Agreement.”

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of material U.S. federal income tax consequences of the ownership and disposition of our common stock to a non-U.S. holder that purchases shares of our common stock in this offering. For purposes of this summary, a "non-U.S. holder" means a beneficial owner of our common stock that is, for U.S. federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation (or entity treated as a foreign corporation for U.S. federal income tax purposes); or
- a foreign estate or foreign trust.

A "non-U.S. holder" does not include an individual who is present in the United States for 183 days or more in the taxable year of disposition and is not otherwise a resident of the United States for U.S. federal income tax purposes. Such an individual is urged to consult his or her own tax adviser regarding the U.S. federal income tax consequences of the sale, exchange or other disposition of common stock. In the case of a holder that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partner and the partnership. If you are a partner in a partnership holding our common stock, then you should consult your own tax adviser.

This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. We cannot assure you that a change in law, possibly with retroactive application, will not alter significantly the tax considerations that we describe in this summary. We have not sought and do not plan to seek any ruling from the U.S. Internal Revenue Service (the "IRS"), with respect to statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

This summary does not address all aspects of U.S. federal income taxes that may be relevant to non-U.S. holders in light of their personal circumstances, and does not deal with federal taxes other than the U.S. federal income tax or with non-U.S., state or local tax considerations. Special rules, not discussed here, may apply to certain non-U.S. holders, including:

- U.S. expatriates;
- controlled foreign corporations;
- passive foreign investment companies; and
- investors in pass-through entities that are subject to special treatment under the Code.

Such non-U.S. holders should consult their own tax advisers to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

This summary applies only to a non-U.S. holder that holds our common stock as a capital asset (within the meaning of Section 1221 of the Code).

If you are considering the purchase of our common stock, you should consult your own tax adviser concerning the particular U.S. federal income tax consequences to you of the ownership and disposition of our common stock, as well as the consequences to you arising under U.S. tax laws other than the federal income tax law or under the laws of any other taxing jurisdiction.

Dividends

As discussed under "Dividend Policy" above, we do not currently expect to pay dividends. In the event that we make a distribution of cash or property (other than certain stock distributions) with respect to our common stock (or certain redemptions that are treated as distributions with respect to common stock), any such distributions will be treated as a dividend for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Dividends paid to you generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by you within the United States and, where a tax treaty applies, are generally attributable to a U.S. permanent establishment, are not subject to the withholding tax, but instead are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate rates. Certain certification and disclosure requirements including delivery of a properly executed IRS Form W-8ECI must be satisfied for effectively connected income to be exempt from withholding. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If the amount of a distribution paid on our common stock exceeds our current and accumulated earnings and profits, such excess will be allocated ratably among each share of common stock with respect to which the distribution is paid and treated first as a tax-free return of capital to the extent of your adjusted tax basis in each such share, and thereafter as capital gain from a sale or other disposition of such share of common stock treated as described below under the heading "Gain on Disposition of Common Stock." Your adjusted tax basis is generally the purchase price of such shares, reduced by the amount of any such tax-free returns of capital.

If you wish to claim the benefit of an applicable treaty rate to avoid or reduce withholding of U.S. federal income tax for dividends, then you must (a) provide the withholding agent with a properly completed IRS Form W-8BEN (or other applicable form) and certify under penalties of perjury that you are not a U.S. person and are eligible for treaty benefits, or (b) if our common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that act as intermediaries (including partnerships).

You should consult your tax adviser regarding the certification requirements for non-U.S. persons.

If you are eligible for a reduced rate of U.S. federal income tax pursuant to an income tax treaty, then you may obtain a refund or credit of any excess amounts withheld by filing timely an appropriate claim with the IRS.

Gain on Disposition of Common Stock

You generally will not be subject to U.S. federal income tax with respect to gain realized on the sale or other taxable disposition of our common stock, unless:

- the gain is effectively connected with a trade or business you conduct in the United States, and, in cases in which certain tax treaties apply, is attributable to a U.S. permanent establishment; or
- we are or have been during a specified testing period a "U.S. real property holding corporation" ("USRPHC") for U.S. federal income tax purposes, and certain other conditions are met.

If you are engaged in a trade or business in the United States and the gain on disposition of the common stock is effectively connected with the conduct of this trade or business, you will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. In addition, if you are a foreign corporation, you may be subject to the branch profits tax equal to 30% of your effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

We believe we are not currently a USRPHC for U.S. federal income tax purposes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our non-U.S. real property interests from time to time, there can be no assurance that we are not or will not become a USRPHC. Even if we are a USRPHC, a gain arising from the sale or other taxable disposition by you of our common stock will not be subject to tax if such class of stock is considered to be "regularly traded" on an established securities market, and you own, actually or constructively, 5% or less of such class of our stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition of the stock or your holding period for such stock. We expect our common stock to be "regularly traded" on an established securities market, although we cannot guarantee it will be so traded. If a gain on the sale or other taxable disposition of our stock were subject to taxation due to USRPHC status, you would be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. person (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals) and the person acquiring our stock from you generally would have to withhold 10% of the amount of the proceeds of the disposition. A non-U.S. holder subject to withholding under such circumstances should consult its tax adviser as to whether such non-U.S. holder can obtain a refund or credit for all or a portion of the withheld amounts.

Information Reporting and Backup Withholding

We must report annually to the IRS and to you the amount of dividends paid to you and the amount of tax, if any, withheld with respect to such dividends. The IRS may make this information available to the tax authorities in the country in which you are resident.

In addition, you may be subject to information reporting requirements and backup withholding with respect to dividends paid on, and the proceeds of disposition of, shares of our common stock, unless, generally, you certify under penalties of perjury (usually on IRS Form W-8BEN) that you are not a U.S. person or you otherwise establish an exemption. Additional rules relating to information reporting requirements and backup withholding with respect to payments of the proceeds from the disposition of shares of our common stock are as follows:

- If the proceeds are paid to or through the U.S. office of a broker, the proceeds generally will be subject to backup withholding and information reporting, unless you certify under penalties of perjury (usually on IRS Form W-8BEN) that you are not a U.S. person or you otherwise establish an exemption.
- If the proceeds are paid to or through a non-U.S. office of a broker that is not a U.S. person and is not a foreign person with certain specified U.S. connections (a "U.S.-related person"), information reporting and backup withholding generally will not apply.
- If the proceeds are paid to or through a non-U.S. office of a broker that is a U.S. person or a U.S.-related person, the proceeds generally will be subject to information reporting (but not to backup withholding), unless you certify under penalties of perjury (usually on IRS Form W-8BEN) that you are not a U.S. person or you otherwise establish an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is timely furnished by you to the IRS.

Legislation Affecting Taxation of Common Stock Held By or Through Foreign Entities

Legislation enacted March 18, 2010 generally will impose a withholding tax of 30% on dividend income from our common stock and the gross proceeds of a disposition of our common stock paid to a foreign financial institution, unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). Absent any applicable exception, this legislation also generally will impose a

withholding tax of 30% on dividend income from our common stock and the gross proceeds of a disposition of our common stock paid to a foreign entity that is not a foreign financial institution unless such entity provides the withholding agent with a certification identifying the substantial U.S. owners of the entity, which generally includes any U.S. person who directly or indirectly own more than 10% of the entity. Under certain circumstances, a non-U.S. holder of our common stock might be eligible for refunds or credits of such taxes, and a non-U.S. holder might be required to file a U.S. federal income tax return or other documentation as required by the IRS to claim such refunds or credits. This legislation generally is effective for payments made after December 31, 2012. Investors are encouraged to consult with their own tax advisers regarding the implications of this legislation on their investment in our common stock.

THE SUMMARY OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY. POTENTIAL PURCHASERS OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISERS TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSIDERATIONS OF OWNING AND DISPOSING OF OUR COMMON STOCK.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC is acting as representative, have severally agreed to purchase, and we and the selling stockholders have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Total:	

The underwriters and the representative are collectively referred to as the "underwriters" and the "representative," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representative.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering sales of shares in excess of shares, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us and the selling stockholders. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by:			
Us			
Selling stockholders			
Proceeds, before expenses, to us			
Proceeds, before expenses, to selling stockholders			

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We plan to apply to list our common stock on the NYSE under the symbol “ .”

We and all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, subject to certain exceptions or otherwise without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock; or
- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock;

whether any such transaction described in the first two bullet points above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

The restricted period will be extended if:

- during the last 17 days of the restricted period we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the restricted period,

in which case the restrictions described in the immediately preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Morgan Stanley & Co. LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release common stock and other securities from lock-up agreements, Morgan Stanley & Co. LLC will consider, among other factors, the holder’s reasons for requesting the release, the number of shares of common stock and other securities for which the release is being requested and market conditions at the time. At least two business days before the effectiveness of any written consent of Morgan Stanley & Co. LLC during the restricted period, (1) Morgan Stanley & Co. LLC will notify U.S. Silica of the impending release or waiver of any restriction and (2) Morgan Stanley & Co. LLC will announce such release or waiver through a major news service (unless previously announced), except where the release or waiver is effected solely to permit a transfer of common stock that is not for consideration and where the transferee has agreed in writing to be bound by the terms of the lock-up agreement.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option to purchase additional shares of common stock. The underwriters can close out a covered short sale by exercising the option to purchase additional shares of common stock or purchasing shares

in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option to purchase additional shares of common stock. The underwriters may also sell shares in excess of the option to purchase additional shares of common stock, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

The estimated offering expenses payable by us, in addition to the underwriting discounts and commissions, are approximately $ million, which includes legal, accounting and printing costs and various other fees associated with registering and listing our common stock. The underwriters have agreed to reimburse us and the selling stockholders for certain of these expenses.

We, the selling stockholders and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make Internet distributions on the same basis as other allocations.

Other Relationships

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representative. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Kirkland & Ellis LLP, Chicago, Illinois. Certain partners of Kirkland & Ellis LLP are members of a limited partnership that is an investor in one or more investment funds affiliated with Golden Gate Capital. Kirkland & Ellis LLP represents entities affiliated with Golden Gate Capital in connection with legal matters. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The financial statements in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing in giving said reports.

The information appearing in this prospectus concerning estimates of our proven and probable mineral reserves was derived from the report of John T. Boyd Company, independent mining engineers and geologists, and has been included herein under the authority of John T. Boyd Company as experts with respect to the matters covered by such report and in giving such report.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act to register our common stock being offered in this prospectus. This prospectus, which forms part of the registration statement, does not contain all of the information included in the registration statement and the attached exhibits. You will find additional information about us and our common stock in the registration statement. References in this prospectus to any of our contracts, agreements or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contracts, agreements or documents.

You may read and copy the registration statement, the related exhibits and other information we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Room at prescribed rates. You may obtain information regarding the operation of the Public Reference Room by calling 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information about companies like us, who file electronically with the SEC. The address of that website is http://www.sec.gov. This reference to the SEC's website is an inactive textual reference only and is not a hyperlink.

Upon the effectiveness of the registration statement, we will be subject to the reporting, proxy and information requirements of the Exchange Act, and will be required to file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's Public Reference Room and the website of the SEC referred to above, as well as on our website, http://www.u-s-silica.com. This reference to our website is an inactive textual reference only and is not a hyperlink. The contents of our website are not part of this prospectus, and you should not consider the contents of our website in making an investment decision with respect to our common stock. We will furnish our stockholders with annual reports containing audited financial statements and quarterly reports containing unaudited interim financial statements for each of the first three quarters of each year.

INDEX TO COMBINED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

We have audited the accompanying combined balance sheets of U.S. Silica Holdings, Inc. (a Delaware corporation) and Subsidiaries and GGC RCS Holdings, Inc. as of December 31, 2010 and 2009, and the related combined statements of operations, stockholders' equity, and cash flows for the years then ended and for the periods from November 25, 2008 to December 31, 2008 (Successor) and January 1, 2008 to November 24, 2008 (Predecessor). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedule are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedule, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and schedule. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc. as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended and for the periods from November 25, 2008 to December 31, 2008 (Successor) and January 1, 2008 to November 24, 2008 (Predecessor), in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP

Baltimore, Maryland
July 18, 2011

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

COMBINED BALANCE SHEETS
December 31,
(Dollars in thousands, except per share amounts)

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 64,500	$ 14,474
Accounts receivable		
Trade, net	29,265	25,707
Other	779	6,054
Inventories, net	22,418	23,287
Prepaid expenses and other current assets	3,191	3,385
Deferred income taxes, net	4,557	3,549
Income tax receivable	2,150	—
Total current assets	126,860	76,456
PROPERTY, PLANT AND EQUIPMENT		
Mining property and mine development	154,529	154,529
Asset retirement cost	5,620	5,620
Land	21,618	18,647
Land improvements	9,261	9,261
Buildings	17,204	14,897
Machinery and equipment	111,227	95,589
Furniture and fixtures	28	28
Construction-in-progress	4,739	10,987
	324,226	309,558
Less accumulated depletion, depreciation and amortization	36,631	18,723
Total property, plant and equipment, net	287,595	290,835
OTHER ASSETS		
Debt issuance costs, net	1,322	3,773
Goodwill	68,403	68,403
Trade names	10,436	10,436
Customer relationships, net	7,353	7,763
Other	6,565	6,301
Total other assets	94,079	96,676
Total assets	$ 508,534	$ 463,967

The accompanying notes are an integral part of these financial statements.

	2010	2009
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 1,510	$ 1,485
Book overdraft	3,727	1,229
Accounts payable	12,027	9,779
Accrued liabilities	8,949	6,918
Accrued interest	101	79
Income taxes payable	—	191
Current portion of deferred revenue	6,512	3,802
Total current liabilities	32,826	23,483
LONG-TERM OBLIGATIONS		
Deferred income taxes, net	53,124	53,440
Long-term debt	236,932	177,622
Note payable to parent	15,000	—
Deferred revenue	13,077	21,599
Liability for pension and other postretirement benefits	49,460	51,669
Other long-term obligations	10,551	9,124
Total long-term obligations	378,144	313,454
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDER'S EQUITY		
Common stock:		
Par value $0.01, authorized 100,000,000 shares, issued 50,000,000 shares	500	500
Additional paid-in capital	102,519	126,649
(Accumulated deficit) retained earnings	(215)	3,681
Accumulated other comprehensive loss	(5,240)	(3,800)
Total stockholder's equity	97,564	127,030
Total liabilities and stockholder's equity	$508,534	$463,967

The accompanying notes are an integral part of these financial statements.

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

COMBINED STATEMENTS OF OPERATIONS
Years ended December 31,
(Dollars in thousands, except per share amounts)

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
	1/1 - 12/31	1/1 - 12/31	11/25 - 12/31	1/1 - 11/24
Sales	$ 244,953	$ 191,623	$ 17,197	$ 216,386
Cost of goods sold (excluding depreciation, depletion, and amortization, shown separately)	157,994	136,200	13,605	154,616
Gross profit	86,959	55,423	3,592	61,770
Operating expenses				
Selling, general and administrative	21,663	11,922	2,122	19,600
Depreciation, depletion and amortization	19,305	17,887	1,803	15,264
	40,968	29,809	3,925	34,864
Operating income (loss)	45,991	25,614	(333)	26,906
Other (expense) income				
Interest expense	(23,034)	(28,228)	(3,343)	(640)
Early extinguishment of debt	(10,195)	—	—	—
Other income, net, including interest income	959	4,894	145	1,326
	(32,270)	(23,334)	(3,198)	686
Income (loss) before income taxes	13,721	2,280	(3,531)	27,592
Income tax (expense) benefit	(2,329)	3,259	1,673	(8,457)
NET INCOME (LOSS)	$ 11,392	$ 5,539	$ (1,858)	$ 19,135
Earnings per share				
Earnings (loss) per share (basic and diluted)	$ 0.23	$ 0.11	$ (0.04)	
Weighted-average common shares outstanding	50,000,000	50,000,000	50,000,000	

The accompanying notes are an integral part of these financial statements.

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

COMBINED STATEMENTS OF STOCKHOLDER'S EQUITY

Years ended December 31,

(Dollars in thousands)

	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated Other Comprehensive Income (Loss)			Total Stockholders' equity
				Unrealized (loss) gain on derivatives	Pension and other postretirement benefits liability	Total	
Predecessor Balance at January 1, 2008	$ —	$ 289,172	$ 3,258	$ (61)	$ (267)	$ (328)	$ 292,102
Comprehensive income, net of income taxes							
Net income	—	—	19,135	—	—	—	19,135
Unrealized loss on derivatives	—	—	—	(1,336)	—	(1,336)	(1,336)
Minimum pension liability	—	—	—	—	(14,733)	(14,733)	(14,733)
Total comprehensive income	—	—	—	—	—	—	3,066
Dividend	—	—	(20,200)	—	—	—	(20,200)
Equity recapitalization	—	(167,972)	(2,193)	1,397	15,000	16,397	(153,768)
Predecessor Balance at November 24, 2008	—	121,200	—	—	—	—	121,200
Comprehensive loss, net of income taxes							
Net loss	—	—	(1,858)	—	—	—	(1,858)
Unrealized loss on derivatives	—	—	—	(1,688)	—	(1,688)	(1,688)
Minimum pension liability	—	—	—	—	(991)	(991)	(991)
Total comprehensive loss	—	—	—	—	—	—	(4,537)
Stock split	500	(500)	—	—	—	—	—
Capital contributed by parent	—	5,000	—	—	—	—	5,000
Successor Balance at December 31, 2008	500	125,700	(1,858)	(1,688)	(991)	(2,679)	121,663
Comprehensive income, net of income taxes							
Net income	—	—	5,539	—	—	—	5,539
Unrealized gain on derivatives	—	—	—	1,639	—	1,639	1,639
Minimum pension liability	—	—	—	—	(2,760)	(2,760)	(2,760)
Total comprehensive income	—	—	—	—	—	—	4,418
Equity-based compensation	—	949	—	—	—	—	949
Successor Balance at December 31, 2009	500	126,649	3,681	(49)	(3,751)	(3,800)	127,030
Comprehensive income, net of income taxes							
Net income	—	—	11,392	—	—	—	11,392
Unrealized loss on derivatives	—	—	—	(483)	—	(483)	(483)
Minimum pension liability	—	—	—	—	(957)	(957)	(957)
Total comprehensive income	—	—	—	—	—	—	9,952
Capital contributed by parent	—	11,800	—	—	—	—	11,800
Equity-based compensation	—	383	—	—	—	—	383
Dividend	—	(36,313)	(15,288)	—	—	—	(51,601)
Successor Balance at December 31, 2010	$ 500	$ 102,519	$ (215)	$ (532)	$ (4,708)	$ (5,240)	$ 97,564

The accompanying notes are an integral part of these financial statements.

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

COMBINED STATEMENTS OF CASH FLOWS
Years ended December 31,
(Dollars in thousands)

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
	1/1 - 12/31	1/1 - 12/31	11/25 - 12/31	1/1 - 11/24
Cash flows from operating activities				
Net income (loss)	$ 11,392	$ 5,539	$ (1,858)	$ 19,135
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation, depletion and amortization	19,305	17,887	1,803	15,264
Debt issuance amortization	450	853	474	28
Original issue discount amortization	383	830	83	—
Early extinguishment of debt	10,195	—	—	—
Deferred income taxes	(1,324)	(4,236)	(3,422)	(6,746)
Loss on disposal of property, plant and equipment	2	8	9	1,777
Deferred revenue	(5,812)	(1,693)	94	—
Liability for pension and other postretirement benefits	(2,209)	3,757	1,801	20,644
Equity-based compensation	383	949	—	—
Other	(770)	(6,497)	11,741	(19,053)
Changes in assets and liabilities				
Trade receivables	(3,558)	1,102	5,435	(2,863)
Other receivables	5,275	(1,391)	(2,901)	(49)
Inventories	869	(225)	(233)	(2,112)
Prepaid expenses and other current assets	194	1,521	114	(884)
Income taxes	(2,341)	840	(640)	167
Accounts payable and accrued liabilities	4,282	(5,293)	(2,320)	2,606
Accrued interest	22	(88)	163	(1)
Net cash provided by operating activities	36,738	13,863	10,343	27,913
Cash flows from investing activities				
Capital expenditures	(15,241)	(13,350)	(2,224)	(7,818)
Asset acquisition	—	—	(322,939)	—
Proceeds from sale of property, plant and equipment	78	42	—	775
Net cash used in investing activities	(15,163)	(13,308)	(325,163)	(7,043)

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
	1/1 -12/31	1/1 - 12/31	11/25 - 12/31	1/1 - 11/24
Cash flows from financing activities				
Change in book overdraft	2,497	(1,488)	(2,628)	1,435
Issuance of common stock	—	—	121,200	—
Capital contributed by parent	11,800	—	5,000	—
Proceeds from issuance of note to parent	15,000	—	—	—
Dividends paid	(51,601)	—	—	(20,200)
Advances from customers	—	—	27,000	—
Issuance of long-term debt	65,909	3,307	176,860	—
Repayment of long-term debt	(11,214)	(2,048)	(1)	(35)
Principal payments on capital lease obligations	(5)	(4)	(1)	(3)
Prepayment penalties on long-term debt	(392)	—	—	—
Financing fees	(3,543)	(55)	(4,908)	—
Net cash provided by (used in) financing activities	28,451	(288)	322,522	(18,803)
NET INCREASE IN CASH AND CASH EQUIVALENTS	50,026	267	7,702	2,067
Cash and cash equivalents at beginning of period	$ 14,474	$ 14,207	6,505	4,438
Cash and cash equivalents at end of period	$ 64,500	$ 14,474	$ 14,207	$ 6,505
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest	$ 20,108	$ 22,103	$ 2,152	$ 609
Income taxes	4,246	301	656	3,928

The accompanying notes are an integral part of these financial statements.

(Dollars in thousands, except per share amounts)

NOTE A—ORGANIZATION

U.S. Silica Holdings, Inc. ("Holdings"), formerly GGC USS Holdings, Inc., was organized November 14, 2008 and is a wholly-owned subsidiary of GGC USS Holdings, LLC. On November 25, 2008, U.S. Silica Holdings, Inc. acquired Hourglass Acquisition I, LLC, whose only operating subsidiary was U.S. Silica Company ("U.S. Silica"). Holdings also owns Preferred Rocks USS, Inc (Preferred Rocks). In addition, effective with the offering of securities under Form S-1 to be filed with the Securities and Exchange Commission, GGC USS Holdings, LLC will contribute to Holdings all of the stock of its wholly-owned subsidiary, GGC RCS Holdings, Inc., whose operating subsidiary is Coated Sand Solutions, LLC. U.S. Silica produces industrial minerals and Preferred Rocks maintains supply agreements with certain customers in the oil and gas market. Coated Sand Solutions is developing resin-coated sand products for sale into the oil and gas market.

Holdings and its subsidiaries are presented on a combined basis with GGC RCS Holdings, Inc. and are collectively referred to as the "Company" in the accompanying financial statements and footnotes.

On November 25, 2008, U.S. Silica Holdings, Inc. purchased Hourglass Acquisition I, LLC for approximately $310.4 million. The acquisition was financed by a $121.2 million contribution of capital, a $102.0 million term loan, an $80.0 million note and $27.0 million in advances from customers. In December, the Company's parent made an additional $5 million capital contribution in cash related to the recapitalization. The acquisition was accounted for under the purchase method and the purchase price was allocated to the assets acquired and liabilities assumed based on their fair values at the date of acquisition. The results of operations for the acquisition have been included since the date of acquisition in the accompanying financial statements. The excess purchase price over the fair value of the net assets acquired of approximately $68.4 million has been allocated to goodwill. The allocation of the purchase price was as follows:

Working capital, other than cash	$ 38,963
Property, plant and equipment	139,645
Mining property and reserves	154,423
Goodwill	68,403
Other intangibles	18,651
Other assets	11,297
Other liabilities	(60,077)
Deferred income taxes	(60,919)
Purchase price, net of cash received	$310,386

The following unaudited supplemental pro forma financial information reflects the combined results of operations as if the acquisition had occurred at the beginning of 2008. The supplemental pro forma information includes adjustments primarily for interest expense as well as additional depreciation, depletion and amortization based upon the fair values of property, plant and equipment and intangible assets.

	For the Year Ended December 31, 2008 (unaudited)
Revenue	$ 233,583
Net loss	$ (1,581)

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include the accounts of Holdings and its direct and indirect wholly-owned subsidiaries and GGC RCS Holdings, Inc. (formed in 2010). All significant intercompany balances and transactions have been eliminated in combination.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include allowance for doubtful accounts, inventory obsolescence, amortization, depreciation and depletion, income taxes, environmental and product liabilities, mine reclamation and employee benefit costs. Actual results could differ from those estimates.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The Company places its cash in high quality institutions. Accounts at each institution are insured by Federal Deposit Insurance Corporation. Cash balances at times may exceed federally-insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

The majority of the Company’s accounts receivable are due from companies in the glass, oil and natural gas drilling, building products, filler and extenders, foundries and other major industries. Credit is extended based on evaluation of a customers’ financial condition and, generally, collateral is not required. Accounts receivable are generally due within 30 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the payment terms are considered past due. The Company determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Company’s previous loss history, the customer’s current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. The Company writes-off accounts receivable when they are deemed uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out and average cost methods.

Revenue Recognition

Revenue is recorded when legal title passes at the time of shipment to the customer and all of the following four criteria are met: pervasive evidence of an exchange arrangement exists, delivery has occurred, the selling

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenue Recognition—continued

price is fixed or determinable, and collectability is reasonably assured. Amounts received from customers in advance of revenue recognition are deferred as liabilities.

The Company derives its sales by mining and processing minerals that its customers purchase for various uses. Its sales are primarily a function of the price per ton realized and the volumes sold. In some instances, its sales also include a charge for transportation services it provides to its customers. The Company's transportation revenue fluctuates based on a number of factors, including the volume of product it transports under contract, service agreements with its customers, the mode of transportation utilized and the distance between its plants and customers.

The Company primarily sells its products under short-term price agreements or at prevailing market rates. For a limited number of customers, the Company sells under long-term, competitively-bid supply agreements. The Company has take-or-pay supply agreements with three of its customers in the oil & gas proppants segment with initial terms expiring between 2014 and 2016. These agreements define, among other commitments, the volume of product that its customers must purchase, the volume of product that it must provide and the price that it will charge and that its customers will pay for each product. Prices under these agreements are generally fixed and subject to upward adjustment in response to certain cost increases. As a result, the Company's realized prices may not grow at rates consistent with broader industry pricing. For example, during periods of rapid price growth, its realized prices may grow more slowly than those of competitors, and during periods of price decline, its realized prices may outperform industry averages.

The Company invoices the majority of its clients on a per shipment basis, although for some larger customers, the Company consolidates invoices weekly or monthly. Standard terms are net 30 days, although extended terms are offered in competitive situations. The amounts invoiced include the amount charged for the product, transportation costs (if paid by the Company) and costs for additional services as applicable, such as costs related to transload the product from railcars to trucks for delivery to the customer site.

Earnings Per Share

Basic earnings per share excludes dilution and is computed using the weighted average number of shares of common stock outstanding. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings. The Company has no potentially dilutive securities outstanding.

Transportation Revenue and Expense

Transportation revenue is the revenue the Company receives from charging its customers to deliver product to their locations or to a transload site from which customers are able to take possession and is included in revenue. Transportation expense is the cost the Company pays to ship product from its production facilities to customer facilities or to a transload site from which customers can take possession and is included in cost of goods sold.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Debt Issuance Costs

Debt issuance costs consist of loan origination costs, which are being amortized using the effective interest method over the term of the related debt principal. Amortization included in interest expense was $447 for the year ended December 31, 2010, $853 for the year ended December 31, 2009, and $28 and $471 for the 2008 predecessor and successor periods, respectively.

Property, Plant and Equipment

Depreciable properties, mining properties, and mineral deposits acquired in connection with business acquisitions are recorded at fair market value as of the date of acquisition. Additions and improvements occurring through the normal course of business are capitalized at cost.

Upon retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the accounts and any gain or loss is reflected in the statement of operations. Expenditures for normal repairs and maintenance are expensed as incurred. Construction-in-progress is primarily comprised of machinery and equipment, which has not yet been placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 1 to 15 years. Leasehold improvements are amortized over the shorter of the useful lives of the asset or the lease term.

Depletion and amortization of mineral deposits are provided, as the minerals are extracted, based on units of production and engineering estimates of mineable reserves. The impact of revisions to reserve estimates is recognized on a prospective basis.

The amount of interest costs capitalized in property, plant and equipment was $456 for the year ended December 31, 2010, $185 for the year ended December 31, 2009, and $0 for both the predecessor and successor 2008 reporting periods.

Goodwill and Other Intangible Assets and Related Impairment

The Company’s intangible assets consist of goodwill, which is not being amortized; indefinite lived intangibles, which consist of certain trade names that are not subject to amortization; and customer relationships, which are being amortized on a straight-line basis over their useful life of 20 years. Goodwill represents the excess of purchase price over the fair value of net assets from the business acquisition. As of December 31, 2010, the gross carrying amount of the customer relationships intangible asset was $8.2 million with accumulated amortization of $817. The estimated annual amortization in each of the next five years is $406.

Goodwill and other intangible assets with indefinite lives are reviewed for impairment annually as of October 31 or more frequently whenever events or circumstances change that would more likely than not reduce the fair value of those assets. The impairment test for goodwill requires a comparison of the fair value with the carrying amount, including goodwill. If this comparison reflects impairment, then the loss would be measured as the excess of recorded goodwill over its implied fair value. Implied fair value is the excess of the fair value of the Company over the fair value of all recognized and unrecognized assets and liabilities.

(Dollars in thousands, except per share amounts)

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Goodwill and Other Intangible Assets and Related Impairment—continued

The evaluation of goodwill for possible impairment includes estimating the fair value of the Company using discounted cash flows and multiples of cash earnings valuation techniques, plus valuation comparisons to similar businesses. These valuations require the Company to make estimates and assumptions regarding future operating results, cash flows, changes in working capital and capital expenditures, selling prices, profitability, and the cost of capital. Although the Company believes that the estimates and assumptions used were reasonable, actual results could differ from those estimates and assumptions.

Impairment of Long-Lived Assets Excluding Goodwill

The Company periodically evaluates whether current events or circumstances indicate that the carrying value of its long-lived assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of future cash flows produced by the long-lived assets, or the appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists. If an asset is determined to be impaired, the loss is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including a discounted value of estimated future cash flows. A detailed determination of the fair value may be carried forward from one year to the next if certain criteria have been met. The Company reports an asset to be disposed of at the lower of its carrying value or its estimated net realizable value.

Mine Exploration and Development

Costs to develop new mining properties and expand existing properties are capitalized and amortized based on units of production.

Mine Reclamation Costs

The estimated net future costs of dismantling, restoring and reclaiming operating mines and related mine sites, in accordance with federal, state and local regulatory requirements, are accrued in the period in which the liability is incurred at the estimated fair value. The associated asset retirement costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the estimated useful life of the asset. The liability is accreted through charges to operating expenses. If the asset retirement obligation is settled for other than the carrying amount of the liability, a gain or loss is recognized on settlement. The Company reported a liability of $6.4 million and $5.9 million in other long-term obligations related to this obligation as of December 31, 2010 and 2009, respectively. Changes in the asset retirement obligation are as follows:

	2010	2009
Beginning balance	$5,905	$5,639
Payments	—	(192)
Accretion	496	458
Ending balance	$6,401	$5,905

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Income Taxes

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. This approach requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based upon the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the expenses are expected to reverse. Valuation allowances are provided if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company recognizes a tax benefit associated with an uncertain tax position when, in management's judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more-likely-than-not recognition threshold, the Company initially and subsequently measures the tax benefit as the largest amount that it judges to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. The liability associated with unrecognized tax benefits is adjusted periodically due to changing circumstances, such as the progress of tax audits, case law developments and new or emerging legislation. Such adjustments are recognized entirely in the period in which they are identified. The effective tax rate includes the net impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as considered appropriate by management.

The largest permanent item in computing both the Company's effective tax rate and taxable income is the deduction allowed for statutory depletion. The impact of statutory depletion on the effective tax rate is presented in Note N to these financial statements. The deduction for statutory depletion does not necessarily change proportionately to changes in income before income taxes.

Equity-based Compensation

The Company recognizes the cost of employee services rendered in exchange for awards of equity instruments, such as stock options and restricted stock, based on the fair value of those awards at the date of the grant. Compensation expense for equity units is recognized, on a straight-line basis, net of forfeitures, over the requisite service period for the fair value of the awards that actually vest.

Concentration of Credit Risk

The Company's five largest customers accounted for approximately 29%, 23% and 22% of sales in the years ended December 31, 2010, December 31, 2009, and for the predecessor and successor periods ended for 2008, respectively. Management believes it maintains adequate reserves for potential credit losses; ongoing credit evaluations are performed and collateral is generally not required.

Financial Instruments

The Company uses interest rate and natural gas hedge agreements to manage interest and energy costs and the risk associated with changing interest rates and natural gas prices. Amounts to be paid or received under these hedge agreements are accrued as interest rates or natural gas prices change and are recognized over the life of the

(Dollars in thousands, except per share amounts)

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Financial Instruments—continued

hedge agreements as an adjustment to interest expense or, in the case of natural gas, cost of goods sold. The Company's policy is to not hold or issue derivative financial instruments for trading or speculative purposes. When entered into, these financial instruments are designated as hedges of underlying exposures, associated with the Company's long-term debt and energy costs, and are monitored to determine if they remain effective hedges. Gains and losses on derivatives designated as cash flow hedges are recorded in other comprehensive income net of tax and reclassified to earnings in a manner that matches the timing of the earnings impact of the hedged transactions. The ineffective portion of all hedges, if any, is recognized currently in income. Additional disclosures for derivative instruments are presented in Note J to these financial statements.

Fair Value of Financial Instruments

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, accounts receivable, inventory and accounts payable, approximate carrying value due to the short-term maturity of the instruments. The fair value of short-term and long-term debt amounts approximates their carrying values and are based on their effective interest rates compared to current market rates.

The accounting guidance for fair value measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This accounting guidance also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the financial asset or liability.

The following table sets forth by level, within the fair value hierarchy, the Company's assets and liabilities at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Money market funds	$34,769	$ —	$ —	$34,769
Natural gas derivatives	—	(109)	—	(109)
Interest rate derivative	—	257	—	257
Net asset (liability)	$34,769	$ 148	$ —	$34,917

The Level 2 natural gas and interest rate derivatives are measured by the spot rates from actively quoted markets using the income approach.

Environmental Costs

Environmental costs, other than qualifying capital expenditures, are accrued at the time the exposure becomes known and costs can be reasonably estimated. Costs are accrued based upon management's estimates of all direct costs, after taking into account expected reimbursement by third parties (primarily the sellers of acquired businesses), and are reviewed by outside consultants. Environmental costs are charged to expense unless a settlement with an indemnifying party has been reached.

(Dollars in thousands, except per share amounts)

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from nonowner sources and consists of net income (loss) and other comprehensive income (loss). The Company includes changes in the fair value of cash flow hedge derivative instruments in other comprehensive income (loss). Other comprehensive income (loss) also includes any portion of the funded status of pension and other postretirement defined benefit plans that has not been recognized as an expense. At December 31, 2010, 2009 and 2008 and November 24, 2008, other comprehensive income included in stockholders' equity consisted of the following:

	Gross	Tax	Net
Unrealized loss on derivatives	$ (871)	$ 339	$ (532)
Pension and other postretirement benefits liability	(7,689)	2,981	(4,708)
Total at December 31, 2010	$(8,560)	$3,320	$(5,240)
Unrealized loss on derivatives	$ (80)	$ 31	$ (49)
Pension and other postretirement benefits liability	(5,393)	1,642	(3,751)
Total at December 31, 2009	$(5,473)	$1,673	$(3,800)
Unrealized loss on derivatives	$(2,763)	$1,075	$(1,688)
Pension and other postretirement benefits liability	(1,667)	676	(991)
Total at December 31, 2008	$(4,430)	$1,751	$(2,679)
Unrealized loss on derivatives	$ —	$ —	$ —
Pension and other postretirement benefits liability	—	—	—
Total at November 24, 2008	$ —	$ —	$ —

Impact of Recent Accounting Standards/Pronouncements

In June 2009, the FASB issued accounting guidance which requires entities to provide greater transparency about transfers of financial assets and a company's continuing involvement in those transferred financial assets. The accounting guidance also removes the concept of a qualifying special-purpose entity. The adoption of this accounting guidance effective January 1, 2010 did not have a material impact on the Company's combined financial condition or results of operations.

In June 2009, the FASB issued accounting guidance which changes the existing consolidation model for variable interest entities to a new model based on a qualitative assessment of power and economics. The adoption of this accounting guidance effective January 1, 2010 did not have an impact on the Company's combined financial condition or results of operations.

In January 2010, the FASB issued guidance that amends existing disclosure requirements of fair value measurements adding required disclosures about items transferring into and out of Levels 1 and 2 in the fair value hierarchy; adding separate disclosures about purchases, sales, issuances, and settlements relative to Level 3 measurements; and clarifying, among other things, the existing fair value disclosures about the level of disaggregation. The adoption of this guidance effective January 1, 2010 did not have a material impact on the Company's combined financial condition or results of operations.

(Dollars in thousands, except per share amounts)

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Impact of Recent Accounting Standards/Pronouncements—Continued

In July 2010, new guidance was introduced which would increase disclosures regarding the credit quality of an entity's financing receivables and its allowance for credit losses. In addition, the guidance requires an entity to disclose credit quality indicators, past due information, and modifications of its financing receivables. The adoption of this guidance effective January 1, 2010 did not have a material impact on the Company's combined financial condition or results of operations.

Accounting Guidance Pending Adoption

In October 2009, the FASB issued accounting guidance that sets forth the requirements that must be met for a company to recognize revenue from the sale of a delivered item that is part of a multiple-element arrangement when other items have not yet been delivered. The adoption of this guidance effective January 1, 2011 did not have a material impact on the Company's combined financial condition or results of operations.

NOTE C—ACCOUNTS RECEIVABLE

At December 31, 2010 and 2009, receivables consisted of the following:

	2010	2009
Trade receivables	$30,097	$26,436
Less allowance for doubtful accounts	(832)	(729)
Net trade receivables	29,265	25,707
Other receivables	779	6,054
Total	$30,044	$31,761

Trade receivables relate to sales of commercial silica, for which credit is extended based on the customer's credit history. Other receivables primarily represent amounts due from insurance claims under an indemnity (Note M) and taxes.

Changes in the Company's allowance for doubtful accounts are as follows:

	2010	2009
Beginning balance	$ 729	$ 804
Bad debt provision	270	180
Accounts written off	(167)	(255)
Ending balance	$ 832	$ 729

(Dollars in thousands, except per share amounts)

NOTE D—INVENTORIES

At December 31, 2010 and 2009, inventories consisted of the following:

	2010	2009
Supplies	$11,475	$11,716
Raw materials and work in process	6,208	5,538
Finished goods	4,735	6,033
	$22,418	$23,287

NOTE E—ACCRUED LIABILITIES

At December 31, 2010 and 2009, accrued liabilities consisted of the following:

	2010	2009
Accrued vacation liability	$2,469	$2,268
Current portion of liability for pension and postretirement benefits	1,420	1,274
Accrued healthcare liability	1,017	911
Other accrued liabilities	4,043	2,465
	$8,949	$6,918

The Company is self-insured for health care claims for eligible participating employees and qualified dependent medical claims, subject to deductibles and limitations. The Company's liabilities for claims incurred but not reported are determined based on an estimate of the ultimate aggregate liability for claims incurred. The estimate is calculated from actual claim rates and reviewed and adjusted periodically as necessary.

NOTE F—LEASE COMMITMENTS

The Company is obligated under certain operating leases for railroad cars, office space, mining property, mining/processing equipment and transportation and other equipment. Certain operating lease agreements include options to purchase the equipment for fair market value at the end of the original lease term. Future minimum annual commitments under such operating leases at December 31, 2010 are as follows:

Year ending December 31,	
2011	$ 5,054
2012	4,394
2013	2,900
2014	983
2015	661
Thereafter	2,707
	$16,699

Rental expense for operating leases for the years ended December 31, 2010 and December 31, 2009 totaled approximately $4.3 million and $3.8 million, respectively, and $3.4 million and $143 for the 2008 predecessor and successor periods, respectively.

In general, the above leases include renewal options and provide that the Company pays for all utilities, insurance, taxes and maintenance.

(Dollars in thousands, except per share amounts)

NOTE G—SHORT-TERM DEBT

The Company has a $35.0 million, asset-based revolving line-of-credit agreement with Wachovia Bank, National Association ("Wachovia"). Under the terms of the revolving credit agreement, which expires October 31, 2015, the Company has pledged all of its inventory and accounts receivable as collateral for the loan. The revolving credit agreement includes certain conditions to borrowings, representations, and covenants, including required minimum fixed charge coverage and maximum leverage ratios that are measured quarterly, other covenants that impose restrictions on the Company, and certain events of default including an event of default upon the occurrence of a material adverse change, as defined in the agreement. Advances under the credit agreement bear interest at either LIBOR plus 275 basis points, or prime plus 175 basis points, at the Company's option. The interest rate is reduced by 25 basis points when availability under the credit agreement is greater than $10 million. The interest rate on the line-of-credit was 5.0% at December 31, 2010 and 2009. The fixed charge coverage and leverage ratios are not applicable when availability is above $7.5 million.

Monthly borrowing availability (the borrowing base) is determined by a formula, taking into consideration eligible accounts receivable and inventory, reduced by any outstanding letters of credit and a provision based on the market value of any derivatives in place with Wachovia. Each day, all cash receipts are automatically applied as a reduction against any advances made by Wachovia to the Company, and subject to the satisfaction or waiver of the conditions to borrowings to meet its daily cash requirements, up to the amount available under the borrowing base. If the monthly borrowing base is less than the $35.0 million total line-of-credit, then, at Wachovia's sole discretion, advances in excess of the borrowing base may be made up to the full amount of the $35.0 million line-of-credit.

U.S. Silica's obligations under the revolving credit agreement are unconditionally and irrevocably guaranteed, jointly and severally, by the Company's domestic subsidiaries.

As of December 31, 2010, the available borrowing base was $25.5 million, with nothing drawn as of that date and $9.2 million allocated for letters of credit and $1.2 million reserved for derivatives, leaving $15.1 million available for general corporate use under this revolving credit agreement.

NOTE H—LONG-TERM OBLIGATIONS

At December 31, 2010 and 2009, long-term debt consisted of the following:

	2010	2009
Senior Secured Credit Facility:		
Term Loan Facility (final maturity May 7, 2016) (5.75% and 8.75% at December 31, 2010 and 2009, respectively), net of unamortized original issue discount of $733 and $2,429	$163,442	$ 97,531
Subordinated Notes:		
Promissory Notes (final maturity May 7, 2017) (12.00% and 18.50% at December 31, 2010 and 2009), net of unamortized original issue discount of $0 and $2,118	75,000	81,509
Mortgage Notes:		
4.0% note (due June 8, 2016)	—	67
	238,442	179,107
Less current portion	(1,510)	(1,485)
	$236,932	$177,622

(Dollars in thousands, except per share amounts)

NOTE H—LONG-TERM OBLIGATIONS—Continued

At December 31, 2010, contractual maturities of long-term debt are as follows:

Year ending December 31,	
2011	$ 1,510
2012	1,512
2013	1,513
2014	1,514
2015	79,065
Thereafter	153,328
	$238,442

Debt Agreements

The Company entered into a $102 million Term Loan under the conditions set forth in a credit agreement dated November 25, 2008 (the "Term Loan Agreement"). On May 7, 2010 the Term Loan Agreement was amended in several ways including an increase in the principal, a reduction in the interest rate, and an extension of the expiration date to May 7, 2016. The Term Loan Agreement is collateralized by substantially all of the assets of the Company except accounts receivable and inventory. Advances under the modified Term Loan Agreement bear interest at either LIBOR plus 400 basis points, or prime plus 300 basis points, at the Company's option, with a minimum interest rate of 5.75%. The amended Term Loan was issued at a 0.5% original issue discount of $825 which is being amortized as additional interest expense over the life of the loan based on the effective interest method.

Under the terms of a Note Purchase Agreement dated November 25, 2008, the Company issued $80 million of unsecured notes (the "Notes"). On May 7, 2010, the Note Purchase Agreement was amended to decrease the principal and interest rate and now matures on May 7, 2017. The Notes as amended bear interest at LIBOR plus 1025 basis points, payable quarterly, with a minimum rate of 12.00%.

As a result of the refinancing that occurred May 7, 2010 the Company recorded a charge to the Statement of Operations of $10.2 million for early debt extinguishment. This charge includes the write-off of the debt issuance cost and the original issue discount associated with the original term loan and note purchase agreements as well as lenders fees incurred as a result of the modification of these agreements.

The above agreements contain various restrictive covenants that, among other things, limit the ability of the Company to engage in certain transactions with affiliates, incur additional indebtedness, repay other indebtedness or amend other debt instruments, create liens on assets, make investments or acquisitions, engage in mergers or consolidations, dispose of assets, or pay dividends. In addition, the agreements require the Company to maintain certain financial covenants, annually and quarterly, including a leverage ratio, a fixed charge coverage ratio and a capital expenditures covenant. The Company was in compliance with these covenants as of December 31, 2010.

(Dollars in thousands, except per share amounts)

NOTE I—DEFERRED REVENUE

On November 25, 2008, the Company, through an affiliate, received advances from two customers totaling $27 million. The deposits give these customers the right to purchase certain products for a fixed price at certain minimum volumes. In addition, the customers have security on their deposit in the form of promissory notes with an affiliate collateralized by undivided mineral interests in the Company's mineral deposits. These notes originally bore interest at 10% compounded quarterly, to the extent any interest is unpaid. The obligations and related interest are reduced as shipments occur with a portion of the sales price being received in cash and a smaller noncash portion reducing first any accrued interest and then, to the extent available, any outstanding principal. As such, the notes do not require any payments in cash. The notes mature on December 31, 2015 and November 25, 2016. In December 2009, $12 million of the notes were amended to reduce the interest rate to 5%, retroactive to November 25, 2008. Effective January 1, 2010, the remaining $15 million was amended to reduce the interest rate to 6%, prospectively.

NOTE J—FINANCIAL INSTRUMENTS

Interest rate and natural gas hedge agreements are utilized in the normal course of business to manage the Company's interest and energy costs and the risk associated with changing interest rates and natural gas prices. These hedge agreements are used to exchange the difference between fixed and variable-rate interest amounts or natural gas prices calculated by reference to an agreed-upon notional principal amount or natural gas quantity. The Company does not use derivative financial instruments for trading or speculative purposes. By their nature, all such instruments involve risk, including the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract (credit risk) or the possibility that future changes in market price may make a financial instrument less valuable or more onerous (market risk). As is customary for these types of instruments, the Company does not require collateral or other security from other parties to these instruments. In management's opinion, there is no significant risk of loss in the event of nonperformance of the counterparties to these financial instruments.

The fair value of the hedge agreements represents the estimated receipts or payments that would be required to settle the agreements at year-end. Quoted market prices of similar instruments were used to estimate the fair values of the interest rate and natural gas hedge agreements. The notional amount represents agreed upon amounts on which calculations of dollars to be exchanged are based. They do not represent amounts exchanged by the parties and, therefore, are not a measure of the Company's exposure. The Company's credit exposure is limited to the fair value of the contracts with a positive fair value plus interest receivable, if any, at the reporting date.

		December 31, 2010				December 31, 2009			
	Maturity Date	Contract/ Notional Amount		Carrying Amount	Fair Value	Contract/ Notional Amount		Carrying Amount	Fair Value
Natural gas rate swap agreements	2010					926,029	MMBTU	$ 68	$ 68
Natural gas rate cap agreement	2010					60,000	MMBTU	$ 11	$ 11
Natural gas rate swap agreements	2011	420,000	MMBTU	$ (109)	$(109)				
Interest rate cap agreement	2012	$100 million	(1)	$ 13	$ 13	$100 million	(1)	$ 412	$412
Interest rate cap agreement	2013	$ 20 million	(1)	$ 244	$ 244				

(1) Agreement limits the LIBOR floating interest rate base to 4%.

NOTE J—FINANCIAL INSTRUMENTS—Continued

The Company has designated these contracts as qualified cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and recognized in earnings in the same period or periods during which the hedged transaction affects earnings. The Company had no ineffectiveness for such contracts in any of the reporting periods.

NOTE K—EQUITY RECAPITALIZATION

On November 25, 2008, concurrent with the ownership change (Note A), the Company recapitalized its equity using “push down” accounting, which established a new accounting basis in the Company.

NOTE L—EQUITY-BASED COMPENSATION

During 2009, the board of directors of the Company’s parent company, GGC USS Holdings, LLC, approved, and the parent company implemented, a management equity program (the “Equity Program”). The Equity Program granted Class C and Class D member units in the parent company, GGC USS Holdings, LLC, to three members of executive management. As of December 31, 2010, approximately 1,358,410 Class C and 3,680,855 Class D equity units were vested. Under the Equity Program, as of December 31, 2010, approximately 3,680,855 and 3,680,855 Class C and Class D equity incentive units, respectively, were authorized to be granted.

The Class C units vest ratably over five years. These units have no exercise price and as such the fair value of the incentive units is equal to the fair value of the underlying equity units. The Class D units were fully vested upon grant.

Even though the equity was granted at the parent company, the Company recognized compensation expense related to Class C and D equity incentive units of $383 and $949 in the years ended December 31, 2010 and 2009, respectively. As of December 31, 2010, there was approximately $1.2 million of total unrecognized compensation expense related to unvested Class C equity incentive units. That cost is expected to be recognized over a weighted-average period of 3.20 years. The grant date fair value of Class C and D equity incentive units was $.52 and $.17, respectively.

The Company’s activity with respect to Class C and D equity incentive units for 2010 was as follows:

(in thousands, except per unit amounts)	Number of Class C Units	Class C Unit Grant Date Weighted Average Fair Value	Number of Class D Units	Class D Unit Grant Date Weighted Average Fair Value
Unvested, December 31, 2009	3,058,616	$ 0.52	—	$ 0.17
Granted	—	—	—	—
Vested	(736,171)	0.52	—	0.17
Forfeited	—	—	—	—
Unvested, December 31, 2010	2,322,445	$ 0.52	—	$ 0.17

The total fair value of equity incentive units vested for the years ended December 31, 2010 and 2009 was $383 and $949, respectively. No equity incentive units were issued in the predecessor and successor periods in 2008.

(Dollars in thousands, except per share amounts)

NOTE L—EQUITY-BASED COMPENSATION—Continued

Fair value of the underlying equity units is determined by utilizing the Black-Scholes pricing model and taking into consideration the rights and preferences of the underlying equity units.

The following table illustrates the assumptions used in the Black-Scholes pricing model:

Risk-free interest rate	1.87%
Expected volatility	50.0%
Time to liquidity event	4.0

Risk-free interest rate – This is an interpolated rate from the U.S. constant maturity treasury rate for a term corresponding to the time to liquidity event, as described below. An increase in the risk-free rate will increase compensation expense.

Expected volatility – This is a measure of the amount by which the price of various comparable companies common stock has fluctuated or is expected to fluctuate, as the Company's common stock is not publicly-traded. The comparable companies were selected by analyzing public companies in the industry based on various factors including, but not limited to, company size, financial data availability, active trading volume, and capital structure. An increase in the expected volatility will increase compensation expense.

Time to liquidity event – This is the period of time over which the underlying equity units are expected to remain outstanding. An increase in the expected term will increase compensation expense.

NOTE M—COMMITMENTS AND CONTINGENCIES

The Company's operating subsidiary, U.S. Silica, has been named as a defendant in 10 product liability claims alleging silica exposure causing silicosis filed in the period January 1, 2010 to December 31, 2010. U.S. Silica was named as defendant in 2 claims filed in 2009, and 18 filed in 2008. U.S. Silica has been named as a defendant in similar suits since 1975. As of December 31, 2010, there were 146 active silica-related products liability claims pending in which U.S. Silica is a defendant.

Prior to 1986, U.S. Silica had numerous insurance policies and an indemnity from a former owner that cover silicosis claims. Some of those coverages are currently being litigated, however the Company believes the policies and indemnity will remain in force.

The Company has recorded estimated liabilities for these claims in other long-term obligations as well as estimated recoveries under the indemnity agreement and an estimate of future recoveries under insurance in other assets on the Company's combined balance sheets. As of December 31, 2010, other noncurrent assets included $764 for insurance for third-party products liability claims and other long-term obligations included $2.4 million in third-party products claims liability. Based on decreases in the actual claims filed during the periods along with decreases in the estimated future product liability claims and their related costs, the Company recorded pre-tax adjustments to selling, general and administrative expenses related to silica claims (including a $762 loss in 2010, a $3.3 million gain in 2009, and $0 and $898 gains for the 2008 predecessor and successor periods, respectively).

(Dollars in thousands, except per share amounts)

NOTE N—INCOME TAXES

The (expense) benefit for income taxes consisted of the following for the years ended December 31, 2010 and December 31, 2009 and for the predecessor and successor periods in 2008:

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
	1/1 12/31	1/1 12/31	11/25 - 12/31	1/1 - 11/24
Current				
Federal	$(1,951)	$ (663)	$ —	$ (3,744)
State	(55)	(392)	—	(352)
	(2,006)	(1,055)	—	(4,096)
Deferred				
Federal	563	3,733	1,394	(3,597)
State	(886)	581	279	(764)
	(323)	4,314	1,673	(4,361)
Income tax (expense) benefit	$(2,329)	$ 3,259	$ 1,673	$ (8,457)

Deferred tax assets and liabilities are recognized for the estimated future tax effects, based on enacted tax laws, of temporary differences between the values of assets and liabilities recorded for financial reporting and for tax purposes and of net operating loss and other carry-forwards.

The tax effects of the types of temporary differences and carry-forwards that gave rise to deferred tax assets and liabilities at December 31, 2010 and 2009 consisted of the following:

	2010	2009
Gross deferred tax liabilities		
Land and mineral property basis difference	$ (65,003)	$ (66,524)
Fixed assets and depreciation	(38,678)	(39,117)
Intangible assets	(7,293)	(7,461)
Other	(682)	(536)
Total deferred tax liabilities	(111,656)	(113,638)
Gross deferred tax assets		
Net operating loss carry-forward	20,849	20,526
Pension and postretirement benefit costs	18,201	21,829
Alternative minimum tax credit carry-forward	8,655	6,699
Property, plant and equipment	5,212	5,124
Accrued expenses	1,939	1,943
Inventories	1,858	1,373
Third-party products liability	970	696
Other	5,405	5,557
Total deferred tax assets	63,089	63,747
Net deferred tax liabilities	(48,567)	(49,891)
Less net current deferred tax assets	(4,557)	(3,549)
Net long-term deferred tax liabilities	$ (53,124)	$ (53,440)

(Dollars in thousands, except per share amounts)

NOTE N—INCOME TAXES—Continued

At December 31, 2010 and 2009, the Company had federal net operating loss carry-forwards of $56.6 million and $55.8 million, respectively, which begin to expire in 2021.

In addition, the Company has an alternative minimum tax credit carry-forward at December 31, 2010 and 2009 of approximately $8.7 million and $6.4 million, respectively. The credit carry-forward may be carried forward indefinitely to offset any excess of regular tax liability over alternative minimum tax liability subject to certain limitations.

Ultimately, the realization of deferred tax assets is dependent upon generation of future taxable income during those periods in which temporary differences become deductible and/or credits can be utilized. To this end, management considers the level of historical taxable income, the scheduled reversal of deferred tax liabilities, tax-planning strategies and projected future taxable income. Based on these considerations, and the carry-forward availability of a portion of the deferred tax assets, management believes it is more likely than not that the Company will realize the benefit of the deferred tax assets.

At the end of each reporting period as presented, there were no material amounts of interest and penalties recognized in the statement of operations or balance sheets. The Company has no material unrecognized tax benefits or any known material tax contingencies at December 31, 2010 or December 31, 2009 and does not expect this to change significantly within the next twelve months. Tax returns filed with the IRS for the years 2006 through 2010 along with tax returns filed with numerous state entities remain subject to examination.

The effective income tax rate on pretax earnings differed from the U.S. federal statutory rate for the predecessor and successor periods in 2008 and for the years ended December 31, 2009 and December 31, 2010 for the following reasons:

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
			11/25 - 12/31	1/1 - 11/24
(Expense) benefit computed at U.S. federal statutory rate	(35.0)%	(35.0)%	35.0%	(35.0)%
Decrease (increase) resulting from:				
Percentage depletion	31.5	149.8	7.2	11.6
Prior year tax return reconciliation	(3.4)	34.4	—	(5.9)
State income taxes, net of federal benefit	(0.4)	13.1	5.1	(2.0)
Valuation allowance	—	—	—	0.6
Medicare Part D subsidy	(8.7)	(3.8)	0.2	0.2
Equity-based compensation	(1.0)	(14.6)	—	—
Other, net	(0.2)	(0.9)	(0.1)	(0.2)
Income tax (expense) benefit	(17.2)%	143.0%	47.4%	(30.7)%

The largest permanent item in computing both the Company's effective tax rate and taxable income is the deduction allowed for statutory depletion. The deduction for statutory depletion does not necessarily change proportionately to changes in income before income taxes.

(Dollars in thousands, except per share amounts)

NOTE O—PENSION AND POSTRETIREMENT BENEFITS

The Company maintains a single-employer noncontributory defined benefit pension plan covering certain employees. The plan provides benefits based on each covered employee's years of qualifying service. The Company's funding policy is to contribute amounts within the range of the minimum required and maximum deductible contributions for the plan consistent with a goal of appropriate minimization of the unfunded projected benefit obligation. The pension plan uses a benefit level per year of service for covered hourly employees and a final average pay method for covered salaried employees. The plan uses the projected unit credit cost method to determine the actuarial valuation.

The Company employs a total rate of return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as growth, value and small and large capitalizations. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The Company employs a building block approach in determining the long-term rate of return for plan assets. Historical markets are studied and long-term historical relationships between equities and fixed-income are preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established via a building block approach with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

In addition, the Company provides defined benefit postretirement healthcare and life insurance benefits to some employees. Covered employees become eligible for these benefits at retirement after meeting minimum age and service requirements. The projected future cost of providing postretirement benefits, such as healthcare and life insurance, is recognized as an expense as employees render services.

The Company contributes to a Voluntary Employees' Beneficiary Association trust that will be used to partially fund health care benefits for future retirees. Benefits are funded to the extent contributions are tax deductible, which under current legislation is limited. In general, retiree health benefits are paid as covered expenses are incurred.

Net pension cost consisted of the following for the years ended December 31, 2010 and December 31, 2009, and for the predecessor and successor periods in 2008:

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
	1/1 - 12/31	1/1 - 12/31	11/25 - 12/31	1/1 - 11/24
Service cost—benefits earned during the period	$ 993	$ 1,034	$ 88	$ 952
Interest cost	4,780	5,103	417	4,407
Expected return on plan assets	(4,048)	(3,918)	(332)	(5,567)
Special termination benefit	30	—	—	—
Net amortization and deferral	146	—	—	17
Net pension costs	$ 1,901	$ 2,219	$ 173	$ (191)

(Dollars in thousands, except per share amounts)

NOTE O—PENSION AND POSTRETIREMENT BENEFITS—Continued

Net postretirement cost consisted of the following for the years ended December 31, 2010 and December 31, 2009, and for the predecessor and successor periods in 2008:

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
	1/1 - 12/31	1/1 - 12/31	11/25 - 12/31	1/1 - 11/24
Service cost—benefits earned during the period	$ 177	$ 163	$ 16	$ 200
Interest cost	1,210	1,164	114	1,258
Expected return on plan assets	(5)	(4)	—	(5)
Special termination benefit	—	53	—	—
Net amortization and deferral	—	(121)	—	41
Net postretirement costs	$ 1,382	$ 1,255	$ 130	$ 1,494

The changes in benefit obligations and plan assets, as well as the funded status of the Company's pension and postretirement plans at December 31, 2010 and 2009 were as follows:

	Pension Benefits		Postretirement Benefits	
	2010	2009	2010	2009
Benefit obligation at January 1	$ 86,783	$ 76,552	$ 20,582	$ 20,849
Service cost	993	1,034	177	163
Interest cost	4,780	5,103	1,210	1,164
Actuarial (gain) loss	3,229	9,487	1,795	(461)
Benefits paid	(4,956)	(4,903)	(1,658)	(1,589)
Amendments	1,195	(490)	—	—
Other	30	—	416	456
Benefit obligation at December 31	92,054	86,783	22,522	20,582
Fair value of plan assets at January 1	55,880	49,547	56	51
Actual return on plan assets	7,896	9,003	3	5
Employer contributions	6,371	2,233	1,242	1,186
Benefits paid	(4,956)	(4,903)	(1,658)	(1,589)
Other	—	—	416	403
Fair value of plan assets at December 31	65,191	55,880	59	56
Plan assets less than benefit obligations at December 31 recognized as liability for pension and other postretirement benefits	$(26,863)	$(30,903)	$(22,463)	$(20,526)

The accumulated benefit obligation for the defined benefit pension plans totaled $91.4 million and $85.4 million at December 31, 2010 and 2009, respectively.

The amendments in 2010 reflect plan changes including increased monthly benefit levels for flat-benefit plans as well as a limit of 35 years of service for participants with benefits based on final average earnings. The amendments in 2009 include increases in flat-benefit plan monthly benefits and increases in annual benefits and pay limits under the internal revenue service code.

(Dollars in thousands, except per share amounts)

NOTE O—PENSION AND POSTRETIREMENT BENEFITS—Continued

The Company also sponsors unfunded, nonqualified pension plans. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these plans were $1.5 million, $1.5 million and $0 at both December 31, 2010 and December 31, 2009, respectively.

Future estimated annual benefit payments for pension and postretirement benefit obligations as of December 31, 2010 are as follows:

	Benefits		
		Postretirement	
Year	Pension	Before Medicare Subsidy	After Medicare Subsidy
2011	$ 5,571	$ 1,497	$ 1,355
2012	5,848	1,575	1,421
2013	6,024	1,488	1,488
2014	6,176	1,548	1,548
2015	6,310	1,557	1,557
2016 - 2019	34,144	8,254	8,254

The Company's best estimate of expected contributions to the pension and postretirement medical benefit plans for the 2011 fiscal year are $11.0 million and $1.4 million, respectively.

The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost during the 2011 fiscal year are as follows:

	Benefits		
	Pension	Postretirement	Total
Net actuarial loss	$ 610	$ —	$610
Prior service cost	10	—	10
	$ 620	$ —	$620

The total amounts in accumulated other comprehensive income related to net actuarial loss and prior service costs, net of tax, as of December 31, 2010 were $4.2 million and $499, respectively.

The following weighted-average assumptions were used to determine the Company's obligations under the plans:

	Pension Benefits		Postretirement Benefits	
	2010	2009	2010	2009
Discount rate	5.30%	5.75%	5.30%	5.75%
Long-term rate of compensation increase	3.50%	3.50%	—	—
Long-term rate of return on plan assets	8.00%	8.25%	8.00%	8.25%
Health care cost trend rate:				
Pre-65 initial rate/ultimate rate	—	—	9%/5%	9%/5%
Pre-65 ultimate year	—	—	2017	2016
Post-65 initial rate/ultimate rate	—	—	8.5%/5%	10%/5%
Post-65 ultimate year	—	—	2016	2018

(Dollars in thousands, except per share amounts)

NOTE O—PENSION AND POSTRETIREMENT BENEFITS—Continued

The discount rate reflects the expected long-term rates of return with maturities comparable to payments for the plan obligations utilizing Hewitt's Top Quartile Curve rounded down to the next 0.05%.

Assumed heath care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One-Percentage-Point	
	Increase	Decrease
Effect on total of service and interest cost	$ 161	$ (137)
Effect on postretirement benefit obligation	2,567	(2,189)

The major investment categories and their relative percentage of the fair value of total plan assets as invested at December 31, 2010 and 2009 were as follows:

	Pension Benefits		Postretirement Benefits	
	2010	2009	2010	2009
Equity securities	58.7%	59.6%	57.7%	52.6%
Debt securities	37.1%	37.8%	37.9%	37.4%
Cash	4.2%	2.6%	4.4%	10.0%

The fair values of the pension plan assets at December 31, 2010 by asset category are as follows:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,709	$ —	$ —	$ 2,709
Mutual funds:				
Diversified emerging markets	3,148	—	—	3,148
Foreign large blend	8,031	—	—	8,031
Large-cap blend	15,336	—	—	15,336
Long-term bonds	24,151	—	—	24,151
Mid-cap blend	8,505	—	—	8,505
Real estate	3,196	—	—	3,196
Insurance policies	—	—	115	115
Net asset	$65,076	$ —	$ 115	$65,191

(Dollars in thousands, except per share amounts)

NOTE O—PENSION AND POSTRETIREMENT BENEFITS—Continued

The fair values of the pension plan assets at December 31, 2009 by asset category are as follows:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,274	$ —	$ —	$ 1,274
Common/collective trusts	—	208	—	208
Mutual funds:				
Diversified emerging markets	2,744	—	—	2,744
Foreign large blend	7,057	—	—	7,057
Large-cap blend	13,155	—	—	13,155
Long-term bonds	21,042	—	—	21,042
Mid-cap blend	7,387	—	—	7,387
Real estate	2,895	—	—	2,895
Insurance policies	—	—	115	115
SL-Core USA Sub Fund	—	3	—	3
Net asset	$55,554	$ 211	$ 115	$55,880

Certain hourly employees are covered under a multi-employer defined benefit plan. The pension cost recognized for these plans were $771 for the year ended December 31, 2010, $316 for the year ended December 31, 2009 and $274 and $82 for the 2008 predecessor and successor periods, respectively. In 2010, the Company exited one of these plans and, as a result, recorded a $603 provision for an estimated withdrawal liability.

The Company also sponsors a defined contribution plan covering certain employees. The Company contributes to the plan in two ways. For certain employees not covered by the defined benefit plan, the Company makes a contribution equal to 4% of their salary. The Company also contributes an employee match of 25 cents, based on financial performance, for each dollar contributed by an employee, up to 8% of their earnings. For certain employees, the Company makes a profit sharing match up to 75 cents, based on financial performance, for each dollar contributed up to 8% of their earnings. Finally, for some employees, the Company makes a catch-up match of 25 cents for each dollar of catch-up contributions. Contributions were $802 for the year ended December, 31, 2010, $550 for the year ended December 31, 2009, and $628 and $59 for the 2008 predecessor and successor periods, respectively.

NOTE P—OBLIGATIONS UNDER GUARANTEES

The Company has indemnified St. Paul Travelers (“Travelers”) against any loss Travelers may incur in the event that holders of surety bonds, issued on behalf of the Company by Travelers, execute the bonds. As of December 31, 2010, Travelers had $4.1 million in bonds outstanding for the Company. The majority of these bonds ($4.0 million) relate to reclamation requirements issued by various governmental authorities. Reclamation bonds remain outstanding until the mining area is reclaimed and the authority issues a formal release. The remaining bonds relate to such indefinite purposes as licenses, permits, and tax collection.

The Company has indemnified Safeco Insurance Company of America (“Safeco”) against any loss Safeco may incur in the event that holders of surety bonds, issued on behalf of the Company by Safeco, execute the bonds. As of December 31, 2010, Safeco had $513 in bonds outstanding for the Company. These are all reclamation bonds.

NOTE P—OBLIGATIONS UNDER GUARANTEES—Continued

U.S. Silica is the contingent guarantor of Kanawha Rail Corporation's ("KRC") obligations as lessee of 200 covered hopper railroad cars, which are used by U.S. Silica to ship sand to its customers. KRC's obligation as lessee includes paying monthly rent of $66 until June 30, 2013, maintaining the cars, paying for any cars damaged or destroyed, and indemnifying all other parties to the lease transaction against liabilities including any loss of certain tax benefits. By separate agreement between U.S. Silica and KRC, KRC may, upon the occurrence of certain events, assign the lease obligations to U.S. Silica, but none of these events have occurred.

NOTE Q—RELATED PARTY TRANSACTIONS

The Company has a $15 million promissory note with its parent, GGC USS Holdings, LLC. The note matures on December 22, 2015 and bears interest at 10%. The principal amount and interest under the note are payable upon demand, but no later than the maturity date. Upon sole election by the parent, any unpaid interest may be paid in cash on each December 22nd until the maturity date. Interest on the note is recorded in interest expense in the combined statement of operations and any unpaid interest is included in accrued interest on the balance sheet.

NOTE R—SEGMENT REPORTING

In the second quarter of 2011, the new chief executive officer completed the reorganization of the Company's management structure in order to manage and evaluate the Company's operations from an end market perspective. The Company has changed the segment reporting structure for the period presented to reflect these changes. Previously, the Company operated and was managed as a single operating unit.

The Company organizes its business into two reportable segments, oil & gas proppants and industrial & specialty products, based on end markets. The reportable segments are consistent with how management views the markets served by the Company and the financial information reviewed by the chief operating decision maker. The Company manages its oil & gas proppants and industrial & specialty products businesses as components of an enterprise for which separate information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance.

An operating segment's performance is primarily evaluated based on segment contribution margin, which excludes certain corporate costs not associated with the operations of the segment. These corporate costs are separately stated below and include costs that are related to functional areas such as operations management, corporate purchasing, accounting, treasury, information technology, legal and human resources. The Company believes that segment contribution margin, as defined above, is an appropriate measure for evaluating the operating performance of its segments. However, this measure should be considered in addition to, not a substitute for, or superior to, income from operations or other measures of financial performance prepared in accordance with generally accepted accounting principles. The other accounting policies of each of the two reporting segments are the same as those in the summary of significant accounting policies included in Note B.

In the oil & gas proppants segment, the Company serves the oil and gas recovery market providing fracturing sand, or "frac sand," which is pumped down oil and natural gas wells to prop open rock fissures and increase the flow rate of natural gas and oil from the wells.

A variety of client needs are met in the products in the industrial & specialty products segment including supplying materials used in container glass, fiberglass, specialty glass, flat glass, building products, fillers and extenders, foundry products, chemicals, recreation products and filtration products.

(Dollars in thousands, except per share amounts)

NOTE R—SEGMENT REPORTING—Continued

Financial information for all the periods presented reflects the new segment reporting structure.

The following table presents sales and segment contribution margin for the reporting segments and other operating results not allocated to the reported segments for the years ended December 31, 2010 and December 31, 2009, and for the predecessor and successor periods in 2008:

	2010	2009	2008	
	Successor	Successor	Successor	Predecessor
	1/1 - 12/31	1/1 - 12/31	11/25 - 12/31	1/1 - 11/24
Sales				
Oil & gas proppants	$ 69,556	$ 35,836	$ 3,191	$ 34,684
Industrial & specialty products	175,397	155,787	14,006	181,702
Total sales	$244,953	$191,623	$ 17,197	$216,386
Segment contribution margin				
Oil & gas proppants	$ 43,118	$ 23,515	$ 1,908	$ 21,649
Industrial & specialty products	46,031	37,419	22	41,666
Total segment contribution margin	89,149	60,934	1,930	63,315
Operating activities excluded from segment cost of goods sold	(2,190)	(5,511)	1,662	(1,545)
Selling, general and administrative	(21,663)	(11,922)	(2,122)	(19,600)
Depreciation, depletion and amortization	(19,305)	(17,887)	(1,803)	(15,264)
Interest expense	(23,034)	(28,228)	(3,343)	(640)
Early extinguishment of debt	(10,195)	—	—	—
Other income, net, including interest income	959	4,894	145	1,326
Income (loss) before income taxes	$ 13,721	$ 2,280	$ (3,531)	$ 27,592

Asset information, including capital expenditures and depreciation, depletion, and amortization, by segment is not included in reports used by management in its monitoring of performance and, therefore, is not reported by segment. Goodwill of $68.4 million has been allocated to these segments with $33.3 million assigned to oil & gas proppants and $35.1 million to industrial and specialty products. No customer exceeded 10% or more of net sales in any of the periods presented.

NOTE S—SUBSEQUENT EVENTS

In connection with the preparation of its financial statements for the year ended December 31, 2010, the Company has evaluated events that occurred subsequent to December 31, 2010 and to determine whether any of these events required recognition or disclosure in the 2010 financial statements. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements except as discussed below. On June 8, 2011, the Company refinanced its senior secured term loan facility. Significant changes to the credit agreement included an increase in principal to $260 million from $165 million, a reduction in the interest rate to either LIBOR plus 375 basis points (previously 400) or prime plus 275 basis points (previously 300) and an extension in the maturity date from May 7, 2016 to June 8, 2017. A large portion of the proceeds was used to prepay the $75 million in subordinated notes in full.

NOTE S—SUBSEQUENT EVENTS—Continued

In July 2011, the Company adopted the 2011 Plan. The 2011 Plan provides for grants of stock options, stock appreciation rights, restricted stock and other incentive-based awards. On July 8, 2011, the Company granted options to employees under the 2011 Plan to acquire up to 1,285,965 shares of our common stock at a weighted-average exercise price of $13.94. Excluding Directors' plans, on average 100% of the options vest over 3.5 years. In conjunction with the implementation of the 2011 Plan the Company filed an amended and restated certificate of incorporation which, among other things, increased the authorized shares of common stock to 100 million and changed its name from GGC USS Holdings, Inc. to U.S. Silica Holdings, Inc. The amended and restated certificate of incorporation also created a 50,000-for-one split of the Company's common stock. All common stock share and per share data of the Company contained in the financial statements have been retroactively adjusted to reflect this stock split for all periods presented.

NOTE T—UNAUDITED SUPPLEMENTARY DATA

The following table sets forth the Company's unaudited quarterly combined statements of operations for each of the last four quarters ended December 31, 2010. This unaudited quarterly information has been prepared on the same basis as the Company's annual audited financial statements and includes all adjustments, consisting only of normal recurring adjustments, that are necessary to present fairly the financial information for the fiscal quarters presented.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales	$55,311	$ 64,135	$66,036	$59,471
Cost of goods sold (excluding depreciation, depletion and amortization)	37,699	40,087	41,215	38,993
Gross profit	17,612	24,048	24,821	20,478
Operating expenses				
Selling, general and administrative	4,685	5,711	4,973	6,294
Depreciation, depletion and amortization	4,720	4,773	4,772	5,040
	9,405	10,484	9,745	11,334
Operating income	8,207	13,564	15,076	9,144
Other (expense) income				
Interest expense	(6,774)	(5,844)	(5,090)	(5,326)
Early extinguishment of debt	—	(10,195)	—	—
Other income, net, including interest income	183	312	359	105
	(6,591)	(15,727)	(4,731)	(5,221)
Income (loss) before income taxes	1,616	(2,163)	10,345	3,923
Income tax (expense) benefit	(1,275)	107	(1,010)	(151)
NET INCOME (LOSS)	$ 341	$ (2,056)	$ 9,335	$ 3,772
Earnings (loss) per share (basic and diluted)	$ 0.01	$ (0.04)	$ 0.19	$ 0.08
Weighted-average common shares outstanding (in thousands)	50,000	50,000	50,000	50,000

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

UNAUDITED CONDENSED COMBINED BALANCE SHEETS
March 31, 2011 and December 31, 2010
(Dollars in thousands, except per share amounts)

	March 31, 2011 (unaudited)	December 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 54,638	$ 64,500
Accounts receivable		
Trade, net	34,788	29,265
Other	765	779
Inventories, net	21,370	22,418
Prepaid expenses and other current assets	2,571	3,191
Deferred income taxes, net	4,798	4,557
Income tax receivable	1,312	2,150
Total current assets	120,242	126,860
PROPERTY, PLANT AND EQUIPMENT		
Mining property and mine development	155,756	154,529
Asset retirement cost	5,620	5,620
Land	21,618	21,618
Land improvements	9,261	9,261
Buildings	17,204	17,204
Machinery and equipment	112,282	111,227
Furniture and fixtures	398	28
Construction-in-progress	7,291	4,739
	329,430	324,226
Less accumulated depletion, depreciation and amortization	42,412	36,631
Total property, plant and equipment, net	288,018	287,595
OTHER ASSETS		
Debt issuance costs, net	1,259	1,322
Goodwill	68,403	68,403
Trade Names	10,436	10,436
Customer relationships, net	7,250	7,353
Other	6,148	6,565
Total other assets	93,496	94,079
Total assets	$ 501,756	$ 508,534

	March 31, 2011 (unaudited)	December 31, 2010
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Book overdraft	$ 2,299	$ 3,727
Accounts payable	11,842	12,027
Accrued liabilities	8,079	8,949
Accrued interest	476	101
Current portion of deferred revenue	6,512	6,512
Current portion of long-term debt	1,510	1,510
Total current liabilities	30,718	32,826
LONG-TERM OBLIGATIONS		
Deferred income taxes, net	54,030	53,124
Long-term debt	236,554	236,932
Note to parent	15,000	15,000
Deferred revenue	11,577	13,077
Liability for pension and other postretirement benefits	41,764	49,460
Other long-term obligations	10,921	10,551
Total long-term obligations	369,846	378,144
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDER'S EQUITY		
Common stock:		
Par value $0.01, authorized 100,000,000 shares, issued 50,000,000 shares	500	500
Additional paid-in capital	102,615	102,519
Retained earnings (accumulated deficit)	3,295	(215)
Accumulated other comprehensive loss	(5,218)	(5,240)
Total stockholder's equity	101,192	97,564
Total liabilities and stockholder's equity	$ 501,756	$ 508,534

The accompanying notes are an integral part of these financial statements.

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

UNAUDITED CONDENSED COMBINED STATEMENTS OF OPERATIONS

Three months ended March 31,

(Dollars in thousands, except per share amounts)

	2011	2010
Sales	$ 64,432	$ 55,311
Cost of goods sold (excluding depreciation, depletion and amortization, shown separately)	43,275	37,699
Gross profit	21,157	17,612
Operating expenses		
Selling, general and administrative	5,636	4,685
Depreciation, depletion and amortization	5,089	4,720
	10,725	9,405
Operating income	10,432	8,207
Other (expense) income		
Interest expense	(5,449)	(6,774)
Other income, net, including interest income	174	183
	(5,275)	(6,591)
Income before income taxes	5,157	1,616
Income tax (expense) benefit	(1,647)	(1,275)
NET INCOME	$ 3,510	$ 341
Earnings per share		
Earnings (loss) per share (basic and diluted)	$ 0.07	$ 0.01
Weighted-average common shares outstanding	50,000,000	50,000,000

The accompanying notes are an integral part of these financial statements.

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

UNAUDITED CONDENSED COMBINED STATEMENTS OF STOCKHOLDER'S EQUITY
Three months ended March 31,
(Dollars in thousands)

	Common stock	Additional paid-in capital	Accumulated deficit	Accumulated Other Comprehensive Income (Loss)			Total Stockholders' (deficit) equity
				Unrealized (loss) gain on derivatives	Pension and other postretirement benefits liability	Total	
Balance at January 1, 2010	$ 500	$126,649	$ 3,681	$ (49)	$ (3,751)	$(3,800)	$ 127,030
Comprehensive income, net of income taxes							
Net income	—	—	341	—	—	—	341
Unrealized gain on derivatives	—	—	—	(485)	—	(485)	(485)
Total comprehensive income	—	—	—	—	—	—	(144)
Equity-based compensation	—	96	—	—	—	—	96
Balance at March 31, 2010	$ 500	$126,745	$ 4,022	$ (534)	$ (3,751)	$(4,285)	$ 126,982
Balance at January 1, 2011	$ 500	$102,519	$ (215)	$ (532)	$ (4,708)	$(5,240)	$ 97,564
Comprehensive income, net of income taxes	—						
Net income	—	—	3,510	—	—	—	3,510
Unrealized loss on derivatives	—	—	—	22	—	22	22
Total comprehensive income	—	—	—	—	—	—	3,532
Equity-based compensation	—	96	—	—	—	—	96
Balance at March 31, 2011	$ 500	$102,615	$ 3,295	$ (510)	$ (4,708)	$(5,218)	$ 101,192

The accompanying notes are an integral part of these financial statements.

U.S. Silica Holdings, Inc. and Subsidiaries and GGC RCS Holdings, Inc.

UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS

Three months ended March 31,

(Dollars in thousands)

	2011	2010
Cash flows from operating activities		
Net income	$ 3,510	$ 341
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation, depletion and amortization	5,088	4,718
Debt issuance amortization	63	204
Original issue discount amortization	35	207
Deferred income taxes	666	(486)
Loss on disposal of property, plant and equipment	(34)	—
Deferred revenue	(1,500)	(1,089)
Liability for pension and other postretirement benefits	(7,696)	(3,205)
Equity-based compensation	96	96
Other	674	1,531
Changes in assets and liabilities		
Trade receivables	(5,523)	(6,594)
Other receivables	14	4,394
Inventories	1,049	132
Prepaid expenses and other current assets	620	198
Income taxes	838	(252)
Accounts payable and accrued liabilities	(1,057)	812
Accrued interest	375	(1)
Net cash (used in) provided by operating activities	(2,782)	1,006
Cash flows from investing activities		
Capital expenditures	(5,299)	(4,271)
Proceeds from sale of property, plant and equipment	60	60
Net cash used in investing activities	(5,239)	(4,211)
Cash flows from financing activities		
Change in book overdraft	(1,428)	504
Issuance of long-term debt	—	836
Repayment of long-term debt	(413)	(576)
Principal payments on capital lease obligations	—	(1)
Net cash (used in) provided by financing activities	(1,841)	763
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,862)	(2,442)
Cash and cash equivalents at beginning of period	64,500	14,474
Cash and cash equivalents at end of period	$54,638	$12,032
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 4,676	$ 5,276
Income taxes	158	429

The accompanying notes are an integral part of these financial statements.

(Dollars in thousands, except per share amounts)

NOTE A—ACCOUNTING POLICIES

The unaudited condensed combined financial statements of U.S. Silica Holdings, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The year-end balance sheet data was derived from audited financial statements but does not include disclosures required by GAAP for annual periods. In the opinion of management, the unaudited combined financial statements for the three months ended March 31, 2010 and 2011 reflect all adjustments and disclosures necessary for a fair presentation of the results of the reported interim periods.

Operating results are not necessarily indicative of the results to be expected for the full year or any other interim period, due to the seasonal, weather-related conditions in certain aspects of the Company's business. These unaudited condensed financial statements should be read in conjunction with the Company's combined financial statements and notes thereto included elsewhere in this registration statement.

Earnings Per Share

Basic earnings per share excludes dilution and is computed using the weighted average number of shares of common stock outstanding. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings.

NOTE B—ACCOUNTS RECEIVABLE

At March 31, 2011 and December 31, 2010, receivables consisted of the following:

	March 31, 2011 (unaudited)	December 31, 2010
Trade receivables	$ 35,659	$ 30,097
Less allowance for doubtful accounts	(871)	(832)
Net trade receivables	34,788	29,265
Other receivables	765	779
Total	$ 35,553	$ 30,044

Trade receivables relate to sales of commercial silica, for which credit is extended based on the customer's credit history.

(Dollars in thousands, except per share amounts)

NOTE C—INVENTORIES

At March 31, 2011 and December 31, 2010, inventory consisted of the following:

	March 31, 2011	December 31, 2010
Supplies	$ 11,415	$ 11,475
Raw materials and work in process	5,364	6,208
Finished goods	4,591	4,735
	$ 21,370	$ 22,418

NOTE D—FAIR VALUE OF FINANCIAL INSTRUMENTS

Interest rate and natural gas hedge agreements are utilized in the normal course of business to manage the Company's interest and energy costs and the risk associated with changing interest rates and natural gas prices. These hedge agreements are used to exchange the difference between fixed and variable-rate interest amounts or natural gas prices calculated by reference to an agreed-upon notional principal amount or natural gas quantity. The Company does not use derivative financial instruments for trading or speculative purposes.

The fair value of the hedge agreements represents the estimated receipts or payments that would be required to settle the agreements at year-end. Quoted market prices of similar instruments were used to estimate the fair values of the interest rate and natural gas hedge agreements. The notional amount represents agreed upon amounts on which calculations of dollars to be exchanged are based. They do not represent amounts exchanged by the parties and, therefore, are not a measure of the Company's exposure. The Company's credit exposure is limited to the fair value of the contracts with a positive fair value plus interest receivable, if any, at the reporting date.

		March 31, 2011				December 31, 2010			
	Maturity Date	Contract/ Notional Amount		Carrying Amount	Fair Value	Contract/ Notional Amount		Carrying Amount	Fair Value
Natural gas rate swap agreements	2011	420,000	MMBTU	$ (67)	$ (67)	420,000	MMBTU	$ (109)	$(109)
Interest rate cap agreement	2012	$ 100 million	(1)	$ 6	$ 6	$ 100 million	(1)	$ 13	$ 13
Interest rate cap agreement	2013	$ 20 million	(1)	$ 187	$ 187	$ 20 million	(1)	$ 244	$ 244

(1) Agreement limits the LIBOR floating interest rate base to 4%.

The Company has designated these contracts as qualified cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and recognized in earnings in the same period or periods during which the hedged transaction affects earnings. The Company had no ineffective contracts in any of the reporting periods.

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, accounts receivable, inventory and accounts payable, approximate carrying value due to the short-term maturity of the instruments. The fair value of short-term and long-term debt amounts approximates their carrying values and are based on their effective interest rates compared to current market rates.

(Dollars in thousands, except per share amounts)

NOTE D—FAIR VALUE OF FINANCIAL INSTRUMENTS—Continued

The accounting guidance for fair value measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This accounting guidance also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the financial asset or liability.

The following table sets forth by level, within the fair value hierarchy, the Company's assets and liabilities at fair value as of March 31, 2011:

	Level 1	Level 2	Level 3	Total
Money market funds	$51,666	$ —	$ —	$51,666
Natural gas derivatives	—	(67)	—	(67)
Interest rate derivative	—	193	—	193
Net asset (liability)	$51,666	$ 126	$ —	$51,792

The Level 2 natural gas and interest rate derivatives are measured by the spot rates from actively quoted markets using the income approach.

NOTE E—DEBT COVENANTS

The Company was in compliance with its debt covenants at March 31, 2011.

NOTE F—EQUITY-BASED COMPENSATION

The Company recognized $96 and $96 of compensation expense during the three months ended March 31, 2011 and 2010, respectively. As of March 31, 2011, there was $674 of total unrecognized compensation expense related to equity incentive shares, which is expected to be recognized over a weighted-average period of approximately 2.95 years.

NOTE G—INCOME TAXES

In accordance with generally accepted accounting principles, it is the Company's practice at the end of each interim reporting period to make its best estimate of the effective tax rate expected to be applicable for the full fiscal year. Estimates are revised as additional information becomes available.

NOTE H—PENSION AND POSTRETIREMENT BENEFITS

Net periodic pension benefit cost for the three months ended March 31, 2011 and 2010 was as follows:

	March 31, 2011	March 31, 2010
Service cost	$ 338	$ 221
Interest cost	1,133	1,247
Expected return on plan assets	(1,066)	(968)
Amortization of prior service cost	(18)	(12)
Amortization of net (gain) loss	239	—
Net periodic benefit cost	$ 626	$ 488

(Dollars in thousands, except per share amounts)

NOTE H—PENSION AND POSTRETIREMENT BENEFITS—Continued

Net periodic postretirement benefit cost for the three months ended March 31, 2011 and 2010 was as follows:

	March 31, 2011	March 31, 2010
Service cost	$ 49	$ 40
Interest cost	297	297
Expected return on plan assets	(1)	(1)
Amortization of net (gain) loss	44	—
Net periodic benefit cost	$ 389	$ 336

The Company contributed $8.3 million to the qualified pension plan during the three months ended March 31, 2011. Total expected employer funding contributions during the fiscal year ending December 31, 2011 are $11.0 million for the pension plan, and $1.4 million for the postretirement medical and life plan.

NOTE I—SEGMENT REPORTING

The Company organizes its business into two reportable segments, oil & gas proppants and industrial & specialty products, based on end markets. The reportable segments are consistent with how management views the markets served by the Company and the financial information reviewed by the chief operating decision maker. The Company manages its oil & gas proppants and industrial & specialty products businesses as components of an enterprise for which separate information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance.

An operating segment’s performance is primarily evaluated based on segment contribution margin, which excludes certain corporate costs not associated with the operations of the segment. These corporate costs are separately stated below and include costs that are related to functional areas such as operations management, corporate purchasing, accounting, treasury, information technology, legal and human resources. The Company believes that segment contribution margin, as defined above, is an appropriate measure for evaluating the operating performance of its segments. However, this measure should be considered in addition to, not a substitute for, or superior to, income from operations or other measures of financial performance prepared in accordance with generally accepted accounting principles. The other accounting policies of each of the two reporting segments are the same as those in the summary of significant accounting policies included in Note A.

In the oil & gas proppants segment, the Company serves the oil and gas recovery market providing fracturing sand, or “frac sand,” which is pumped down oil and natural gas wells to prop open rock fissures and increase the flow rate of natural gas and oil from the wells.

A variety of client needs are met in the products in the industrial & specialty products segment including supplying materials used in container glass, fiberglass, specialty glass, flat glass, building products, fillers and extenders, foundry products, chemicals, recreation products and filtration products.

(Dollars in thousands, except per share amounts)

NOTE I—SEGMENT REPORTING—Continued

The following table presents sales and segment contribution margin for the reporting segments and other operating results not allocated to the reported segments for the three months ended March 31, 2011 and March 31, 2010:

	2011	2010
Sales		
Oil & gas proppants	$19,238	$14,651
Industrial & specialty products	45,194	40,660
Total sales	$64,432	$55,311
Segment contribution margin		
Oil & gas proppants	$11,490	$ 9,120
Industrial & specialty products	9,933	9,430
Total segment contribution margin	21,423	18,550
Operating costs excluded from segment cost of goods sold	(266)	(938)
Selling, general and administrative	(5,636)	(4,685)
Depreciation, depletion and amortization	(5,089)	(4,720)
Interest expense	(5,449)	(6,774)
Other income, net, including interest income	174	183
Income before income taxes	$ 5,157	$ 1,616

Asset information, including capital expenditures and depreciation, depletion, and amortization, by segment is not included in reports used by management in its monitoring of performance and, therefore, is not reported by segment. Goodwill of $68.4 million has been allocated to these segments with $33.3 million assigned to oil & gas proppants and $35.1 million to industrial & specialty products. No customer exceeded 10% or more of net sales in any of the periods presented.

NOTE J—SUBSEQUENT EVENTS

The Company evaluated all events or transactions occurring after March 31, 2011 through July 18, 2011, the date the financial statements were issued. On June 8, 2011, the Company refinanced its senior secured term loan facility. Significant changes to the credit agreement included an increase in principal to $260 million from $165 million, a reduction in the interest rate to either LIBOR plus 375 basis points (previously 400) or prime plus 275 basis points (previously 300) and an extension in the maturity date from May 7, 2016 to June 8, 2017. A large portion of the proceeds was used to prepay the $75 million in subordinated notes in full.

In July 2011, the Company adopted the 2011 Plan. The 2011 Plan provides for grants of stock options, stock appreciation rights, restricted stock and other incentive-based awards. On July 8, 2011, the Company granted options to employees under the 2011 Plan to acquire up to 1,285,965 shares of our common stock at a weighted-average exercise price of $13.94. Excluding Directors' plans, on average 100% of the options vest over 3.5 years. In conjunction with the implementation of the 2011 Plan the Company filed an amended and restated certificate of incorporation which, among other things, increased the authorized shares of common stock to 100 million and changed its name from GGC USS Holdings, Inc. to U.S. Silica Holdings, Inc. The amended and restated certificate of incorporation also created a 50,000-for-one split of the Company's common stock. All common stock share and per share data of the Company contained in the financial statements have been retroactively adjusted to reflect this stock split for all periods presented.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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than the underwriting discounts and commissions payable by us, in connection with the offer and sale of the securities being registered. All amounts shown are estimates except for the SEC registration fee and the Financial Industry Regulatory Authority, Inc., ("FINRA"), filing fee.

SEC registration fee	$ 23,220
FINRA filing fee	20,500
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous expenses	*
Total expenses	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 102(b)(7) of the General Corporation Law of the State of Delaware (the "DGCL") allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation will provide for this limitation of liability.

Section 145 of the DGCL ("Section 145") provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was illegal. A Delaware corporation may indemnify any persons who are, were or are a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests, provided that no indemnification is permitted without judicial approval if the officer, director, employee or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the

corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

Our bylaws will provide that we will indemnify our directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

We intend to enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL. We also intend to enter into an indemnification priority agreement with Golden Gate Private Equity, Inc. to clarify the priority of advancement of expenses and indemnification obligations among us, our subsidiaries and any of our directors appointed by Golden Gate Private Equity, Inc. or its affiliates and other related matters.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our certificate of incorporation or bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

We will maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers. The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement provides for indemnification of our directors and officers by the underwriters party thereto against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding securities sold by us within the past three years that were not registered under the Securities Act. Also included is the consideration, if any, received by us for such securities and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

On November 25, 2008, we issued 1,000 shares of our common stock to our parent company and sole stockholder, GGC USS Holdings, LLC, for an aggregate purchase price of $10.00. The shares were issued in reliance on Section 4(2) of the Securities Act as the sale of the securities did not involve a public offering. Appropriate legends were affixed to the securities issued in this transaction. On July 8, 2011, our board of directors approved a 50,000 to 1 stock split.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

The exhibit index attached hereto is incorporated herein by reference.

(b) Financial Statement Schedules

No financial statement schedules are provided because the information called for is not applicable or is shown in the financial statements or notes.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this Registration Statement, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Frederick, State of Maryland, on July 18, 2011.

U.S. Silica Holdings, Inc.

By: /s/ Brian Slobodow
Name: Brian Slobodow
Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each officer and director of U.S. Silica Holdings, Inc. whose signature appears below constitutes and appoints Brian Slobodow, William A. White and James I. Manion, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and revocation, for him or her and in his or her name, place and stead, in any and all capacities, to execute any or all amendments including any post-effective amendments and supplements to this Registration Statement, and any additional Registration Statement filed pursuant to Rule 462(b), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

* * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement and power of attorney have been signed by the following persons in the capacities indicated on July 18, 2011.

Signature	Title
/s/ Brian Slobodow Brian Slobodow	Chief Executive Officer and Director (Principal Executive Officer)
/s/ William A. White William A. White	Chief Financial Officer and Vice President of Finance (Principal Financial and Accounting Officer)
/s/ Rajeev Amara Rajeev Amara	Director
/s/ Prescott H. Ashe Prescott H. Ashe	Director
/s/ Charles Shaver Charles Shaver	Director

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
2.1	Acquisition Agreement, dated as of June 27, 2008, by and among Harbinger Capital Partners Master Fund I, Ltd., Hourglass Acquisition I, LLC, Preferred Unlimited Inc. and Preferred Rocks USS, Inc.
2.2	Amendment One to Acquisition Agreement, dated as of November 4, 2008.
2.3	Amendment Two to Acquisition Agreement, dated as of November 10, 2008.
3.1*	Form of Amended and Restated Certificate of Incorporation of U.S. Silica Holdings, Inc., to be effective upon completion of this offering.
3.2*	Form of Second Amended and Restated Bylaws of U.S. Silica Holdings, Inc., to be effective upon completion of this offering.
4.1*	Specimen Common Stock Certificate.
4.2*	Registration Rights Agreement, dated November 25, 2008, by and among GGC USS Holdings, LLC and the members listed on the schedules thereto.
5.1*	Form of Opinion of Kirkland & Ellis LLP.
10.1	ABL Loan and Security Agreement, dated as of August 9, 2007, by and among Wachovia Bank, National Association in its capacity as agent for the Lenders, the parties to the agreement as lenders, U.S. Silica Company, Hourglass Holdings, LLC, the subsidiaries of U.S. Silica Company from time to time party to the agreement as borrowers and certain subsidiaries of USS Holdings, Inc. from time to time party to the agreement as Guarantors.
10.2	Amendment No. 1 and Consent to Loan and Security Agreement, dated as of November 25, 2008.
10.3	Amendment No. 2 to Loan and Security Agreement, dated as of May 7, 2010.
10.4	Amendment No. 3 to Loan and Security Agreement, dated as of June 8, 2011.
10.5	Second Amended and Restated Credit Agreement, dated as of June 8, 2011, by and among USS Holdings, Inc. as Parent, U.S. Silica Company as Company, the Subsidiary Guarantors listed therein as Subsidiary Guarantors, the Lenders listed therein as Lenders and BNP Paribas as Sole Lead Arranger, Sole Book Runner and Administrative Agent.
10.6	ABL/Term Loan Intercreditor Agreement, dated as of November 25, 2008, by and among GGC USS Acquisition Sub, Inc., GCC USS Borrower Co., Inc., U.S. Silica Company, USS Holdings, Inc., BMAC Holdings, Inc., Better Minerals & Aggregates Company, BMAC Services Co., Inc., The Fulton Land and Timber Company, George F. Pettinos, LLC, Pennsylvania Glass Sand Corporation and Ottawa Silica Company as Grantors, Wachovia Bank, National Association as the ABL Agent and BNP Paribas as Term Loan Agent.
10.7	Reaffirmation of ABL/Term Loan Intercreditor Agreement, dated as of June 8, 2011.
10.8	Amended and Restated Note Purchase Agreement, dated as of May 7, 2010, by and among USS Holdings, Inc., U.S. Silica Company, the subsidiary guarantors listed therein and GGC Finance Partnership, L.P.
10.9	Subordination Agreement, dated as of November 28, 2008, by and among Wachovia Bank, National Association, BNP Paribas and GGC Finance Partnership, L.P.
10.10	Amendment No. 1 to Subordination Agreement, dated as of May 7, 2010.
10.11+	Employment Agreement, dated as of September 25, 2009, by and among U.S. Silica Company and Bryan A. Shinn.

Exhibit Number	Description
10.12+	Consulting Agreement, dated as of April 1, 2011, by and among U.S. Silica Company and John A. Ulizio.
10.13+	Employment Agreement, dated as of June 1, 2011, by and among U.S. Silica Company and Brian Slobodow.
10.14+*	2011 Incentive Compensation Plan.
10.15+*	Form of Incentive Stock Option Agreement.
10.16+*	Form of Restricted Stock Agreement.
10.17+*	Form of Nonqualified Stock Option Agreement.
10.18+*	Form of Stock Appreciation Rights Agreement.
10.19+*	Form of Restricted Stock Unit Agreement.
10.20*	Form of Indemnification Agreement.
10.21*	Form of Letter Agreement by and among Golden Gate Private Equity, Inc. and U.S. Silica Holdings, Inc.
10.22*	Form of Director Designation Agreement by and among U.S. Silica Holdings, Inc. and GGC USS Holdings, LLC.
21.1	List of subsidiaries of U.S. Silica Holdings, Inc.
23.1	Consent of Grant Thornton LLP, independent registered public accounting firm.
23.2	Consent of John T. Boyd Company, mining consultants.
23.3*	Consent of Kirkland & Ellis LLP (included in Exhibit 5.1).
24.1	Powers of Attorney (included on signature page).
99.1	Consent of The Freedonia Group, Inc.

* To be filed by amendment.
\+ Indicates a management contract or compensatory plan or arrangement.

Exhibit 2.1

EXECUTION COPY

ACQUISITION AGREEMENT

BY AND AMONG

HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.,

HOURGLASS ACQUISITION I, LLC,

PREFERRED UNLIMITED INC.
(solely for the purpose of Section 12.18),

AND

PREFERRED ROCKS USS, INC.

DATED AS OF JUNE 27, 2008

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Exhibit Index

Exhibit A – Sample Working Capital Calculation
Exhibit B – Escrow Agreement
Exhibit C – Financing Letters

ACQUISITION AGREEMENT

ACQUISITION AGREEMENT (this "Agreement"), dated as of June 27, 2008, by and among Hourglass Acquisition I, LLC, a Delaware limited liability company (the "Company"), Harbinger Capital Partners Master Fund I, Ltd., a Cayman Islands corporation (the "Seller"), Preferred Unlimited Inc., a Delaware corporation ("Guarantor"), solely for the purpose of Section 12.18, and Preferred Rocks USS, Inc., a Delaware corporation (the "Buyer").

RECITALS

WHEREAS, as of the date hereof, the Seller is the record owner of 100% of the membership interests of the Company (the "Interests").

WHEREAS, the Buyer wishes to acquire USS Holdings (as defined below) by effecting a merger of Acquisition Sub (as defined below) with and into USS Holdings, with USS Holdings being the Surviving Corporation (as defined below).

NOW THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. The following terms, whenever used herein, shall have the following meanings for all purposes of this Agreement.

"Accounting Principles" means the accounting principles, policies and procedures of USS Holdings, Inc. as applied by USS Holdings, Inc. in preparing the Reference Balance Sheet, which are in accordance with GAAP, except as otherwise provided in Schedule 1.1(a) and subject to the absence of footnotes and to normal year-end adjustments.

"Action" means any complaint, claim, prosecution, indictment, action, suit, arbitration or proceeding by or before any Governmental Authority or arbitrator.

"Adjustment Amount" means Closing Cash reduced by Closing Indebtedness reduced by Transaction Expenses increased by the amount, if any, by which the Closing Working Capital exceeds the Benchmark Working Capital and reduced by the amount, if any, by which the Benchmark Working Capital exceeds the Closing Working Capital, with such amount expressed as a positive number, if positive, or a negative number, if negative.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with, or the parents, spouse, lineal descendants or beneficiaries of, such Person. The term "control" (as used in the terms "controlling", "controlled by" or "under common control with") means holding the power to direct or cause the direction of the management or policies of a Person, whether by ownership of equity securities, Contract or otherwise.

"Antitrust Laws" means the HSR Act and any other United States federal or state or foreign statutes, rules, regulations, Orders, decrees, administrative or judicial doctrines or other Laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

"Applicable Rate" means, with respect to the Excess Amount for any interest period applicable thereto, the rate of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page), as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 a.m. (London time) two (2) London business days prior to the first day of such interest period for a term comparable to such interest period (or if not so reported, then as determined by the Buyer from another recognized source or interbank quotation), plus four percent (4%). Interest shall be calculated on the basis of a 360-day year, counting the actual number of days elapsed.

"Benchmark Working Capital" means $43,100,000.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York City or Philadelphia are authorized or obligated by Law or executive order to close.

"Cap" means $40,000,000.

"Closing Cash" means all cash (net of book overdraft), outstanding checks, all lock box receipts, all cash equivalents, and all marketable securities, in each case of the Company and its Subsidiaries as of immediately prior to Closing.

"Closing Indebtedness" means the consolidated Indebtedness of the Company and its Subsidiaries, in each case outstanding as of the close of business on the Business Day immediately prior to the Closing Date.

"Closing Working Capital" means the Working Capital as of the close of business on the Business Day immediately prior to the Closing Date, determined in accordance with the requirements of this Agreement, including calculating the Closing Working Capital using the same line items as the corresponding line items of the sample calculation of Working Capital as of May 31, 2008 set forth in Exhibit A hereto, which in all cases shall be determined in accordance with the Accounting Principles, provided however, that the 1.45% Federal Medicare Tax imposed on the Company and its Subsidiaries on the payment of any Transaction Consideration that is treated as compensation for Tax purposes on the Closing Date shall be included as accrued Taxes in calculating Current Liabilities for this purpose.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collateral Source Payments" means (i) any amounts recovered by an Indemnified Party (net of any Taxes payable thereon) pursuant to any indemnification by, or indemnification agreement with, any Person other than the Indemnifying Party, (ii) any insurance proceeds (off-set by any increase in premiums directly resulting therefrom) or (iii) other cash receipts or reimbursements (net of any Taxes payable thereon) received by an Indemnified Party from any Person directly relating to the event giving rise to the Damages.

"Contract" means any agreement, lease, contract, note, mortgage, indenture or other legally binding obligation or commitment.

"Confidentiality Agreement" means the Confidentiality and Disclosure Agreement, as amended, between the Seller and Preferred Unlimited Inc.

"Current Assets" means the sum of USS Holdings, Inc.'s and its Subsidiaries' accounts receivable, inventories, prepaid expenses and other current assets and income tax deposits but, for the avoidance of doubt, excluding all deferred income taxes, cash (net of book overdraft), outstanding checks, all lock box receipts, all cash equivalents, and all marketable securities.

"Current Liabilities" means the sum of USS Holdings, Inc.'s and its Subsidiaries' accounts payable, accrued expenses (which, for the avoidance of doubt, includes Taxes other than income taxes) and income taxes payable, excluding the Transaction Expenses and, for the avoidance of doubt, excluding all book overdraft, pension and OPEB, accrued interest, obligations under capital leases and current portion of long-term debt.

"Damages" means actual losses, liabilities, damages, or expenses, including reasonable fees and expenses of experts and counsel, but not including any punitive, exemplary, incidental, indirect, consequential or special damages, except to the extent any of the foregoing are recovered by a third party in a Third Person Claim.

"Deductible" means $4,000,000.

"Encumbrance" means any and all liens, encumbrances, charges, mortgages, options, pledges, restrictions on transfer, security interests, hypothecations, easements, rights-of-way or encroachments of any nature whatsoever, whether voluntarily incurred or arising by operation of law.

"Environmental Laws" means all federal, state, local and foreign statutes, Laws, regulations, ordinances or rules, including rules of common law, relating to the pollution or the protection of the environment and regulation of Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Escrow Agent" means Wells Fargo Bank, N.A.

"Financing" means financing sufficient for the payment of the Transaction Consideration at the Closing.

"Frac Sand Contract" means any contract associated with the sale of sand for use as "frac sand."

"GAAP" means United States generally accepted accounting principles.

"Governmental Authority" means any nation or government, any state, province or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administration functions of or pertaining to government, or any government authority, agency, department, board, tribunal, commission or instrumentality of the United State of America, any foreign government, any state of the United States of America, or any municipality or other political subdivision thereof, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any governmental or non-governmental self-regulatory organization, agency or authority.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"Indebtedness" means, without duplication (i) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, (ii) amounts owing as deferred purchase price for property or services, including all of the Company's notes and "earn-out payments," (iii) indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument or debt security, (iv) indebtedness secured by a lien on assets or properties, (v) obligations or commitments to repay deposits or other amounts advanced by and owing to third parties, (vi) capital lease obligations, (vii) obligations with respect to amounts drawn or called under letters of credit, and (viii) guarantees or other contingent liabilities (including so called take-or-pay or keep-well agreements) with respect to any indebtedness, obligation, claim or liability of any other Person of a type described in clauses (i) through (vii) above; provided, however, that each of (x) any intercompany Indebtedness owing by the Company to one of its Subsidiaries, by a Subsidiary of the Company to the Company or by one Subsidiary of the Company to another Subsidiary of the Company and (y) any contingent obligations in respect of obligations of Kanawha Rail Corporation shall not be deemed Indebtedness for purposes of this Agreement. Indebtedness shall also include accrued interest and any pre-payment penalties, redemption fees or premiums and other amounts owing pursuant to the instruments evidencing Indebtedness, assuming that such Indebtedness is repaid on the Closing Date.

"IRS" means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

"Key Employee" means each employee at plant manager level or above (which, for the avoidance of doubt, includes executive officers).

"Laws" means any law, statute, rule, ordinance, regulation, treaty, judgment, Order (whether temporary, preliminary or permanent), decree, arbitration award, license or Permit of any Governmental Authority.

"Material Adverse Effect" means: (A) a material adverse effect on the business, results of operations, properties or assets of the Company and its Subsidiaries, taken as a whole, or (B) a material adverse effect on the Company's ability to consummate the transactions contemplated by this Agreement; provided, however, that "Material Adverse Effect" shall not, in the case of (A), include the impact on such business, results of operations, properties or assets arising out of or attributable to (i) effects or conditions that generally affect the industries in which the Company and its Subsidiaries operate, including legal, regulatory, social or political conditions or developments, and that do not have a materially disproportionate effect on the Company and its Subsidiaries, (ii) general economic conditions in the United States or elsewhere in the world, (iii) effects or conditions resulting from changes affecting capital market conditions or interest rates in the United States, (iv) effects or conditions resulting from an outbreak or escalation of hostilities, acts of terrorism, political instability or other national or international calamity, crisis or emergency, or any governmental or other response to any of the foregoing, in each case whether or not involving the United States, (v) effects or conditions arising from compliance by the Company and its Subsidiaries with applicable changes in Laws or accounting principles, (vi) effects or conditions relating to the announcement, in accordance with this Agreement, of the execution of this Agreement or the transactions contemplated hereby, (vii) effects or conditions resulting from compliance with the terms and conditions of this Agreement by the Company or its Subsidiaries or consented to in writing by the Buyer to the extent, in both cases, not constituting a breach of any representation, warranty or covenant in this Agreement and (viii) the loss of any customers, suppliers or employees as a result of the transactions contemplated by this Agreement to the extent not constituting a breach of any representation, warranty or covenant in this Agreement, or (xi) any breach of this Agreement by the Buyer.

"Order" shall mean any judgment, order, injunction, decree, or writ of any Governmental Authority.

"Ottawa Contract" means any contract for the sale of sand from the Ottawa plant, other than any contract for the sale of sand with a term of 90 days or less or that by its terms may be terminated upon 90 days or less notice without any premium or penalty.

"Overlap Period" means a taxable period beginning before the Closing Date and ending after the Closing Date.

"Pay-Off Lender" means those Persons to whom Closing Indebtedness is owed and will be paid at Closing.

"Pay-Off Letter" means the forms of pay-off letters in customary form reasonably satisfactory to the Buyer for the Closing Indebtedness that is to be paid at Closing.

"Permitted Encumbrances" means, (i) Encumbrances disclosed in the applicable schedules to this Agreement, (ii) Encumbrances for taxes, assessments and other government charges not yet due and payable or which are being contested in good faith by appropriate proceedings, (iii) mechanics', workmens', repairmens', warehousemens', carriers' or other like Encumbrances arising in the ordinary course of business of the Company or any of its Subsidiaries, (iv) in respect of the Real Property: (A) easements, rights-of-way, servitudes, Permits, licenses, surface leases, ground leases to utilities, municipal agreements, railway siding agreements and other rights, (B) conditions, covenants or other similar restrictions, (C) easements for streets, alleys, highways, telephone lines, gas pipelines, power lines, railways and other easements and rights-of-way on, over or in respect of any Real Property, (D) encroachments and other matters that would be shown in an accurate survey or physical inspection of the Real Property and (E) liens in favor of the lessors under the Company's or any of its Subsidiaries' leases, or encumbering the interests of the lessors in the Real Property, unless any of the matters listed in clauses (A)-(E) above has a material adverse effect on the Real Property, (v) Encumbrances relating to the transferability of securities under applicable securities Laws, (vi) Encumbrances securing rental payments under capitalized leases for amounts that are not yet due or delinquent, (vii) Encumbrances that do not otherwise materially detract from the value or current use of the applicable asset or Real Property, (viii) licenses of intellectual property rights granted in the ordinary course of business and (ix) the Encumbrances set forth on Schedule 1.1(b).

"Person" means any individual, corporation (including any not for profit corporation), general or limited partnership, limited liability partnership, joint venture, estate, trust, firm, company (including any limited liability company or joint stock company), association, organization, entity or Governmental Authority.

"Prime Rate" means the rate of interest published on the Closing Date in The Wall Street Journal, Eastern Edition and designated as the prime rate.

"Representatives" means, with respect to any Person, any Affiliate of such Person and any director, officer, agent, employee, general partner, member, manager, stockholder, advisor or Representative of such Person or of such Person's Affiliate.

"Silica-Related Claims" means claims against the Company or any of its Subsidiaries alleging adverse health effects arising out of exposure to silica or other contaminants, including those that allege that silica products sold by the Company or any of its Subsidiaries or any predecessors-in-interest of such Person were defective or that any such Person or any predecessors-in-interest of such Person acted negligently in selling such products without a warning or with an inadequate warning.

"Subsidiary" means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of

the board of directors or other body performing similar functions or otherwise having the power to direct the business of that Person are at any time directly or indirectly owned by such Person provided, however, that, unless otherwise expressly provided, in no event shall any of the actions consummated pursuant to Section 7.17(a) be deemed to affect which Persons constitute Subsidiaries of the Company for purposes hereof, and the term "Subsidiaries" shall include all such Persons who were Subsidiaries of the Company prior to such consummation.

"Tax Benefit" means, with respect to any amount, any deduction, credit or other tax benefit actually realized (i.e., calculated on the basis of the actual reduction in cash payments for Taxes) by the applicable party with respect to such amount in or prior to the taxable year in which the amount is paid, which reduction in Taxes would have not occurred but for the payment with respect to the underlying event.

"Taxes" means (i) any and all federal, state, provincial, local, municipal, foreign and other taxes, levies, fees, imposts, duties, and similar governmental charges (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or with respect thereto) including, without limitation (x) taxes imposed on, or measured by, income, franchise, profits or gross receipts, and (y) ad valorem, value added, capital gains, sales, goods and services, use, real or personal property, capital stock, license, branch, payroll, estimated, withholding, employment, social security (or similar), unemployment compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes, and customs duties, and (ii) any transferee liability in respect of any items described in clause (i) above.

"Taxing Authority" means a Governmental Authority having jurisdiction over assessment, determination, collection or imposition of any Tax.

"Tax Returns" means any report, declaration, return, information return, claim for refund, election, disclosure, estimate or statement required to be supplied to a taxing authority in connection with Taxes, including any schedule or attachment thereto, and including any amendments thereof.

"Third Person Claim" means a claim by, or an Action instituted by, a Person not a party to this Agreement or not a Representative of a party to this Agreement.

"Transaction Consideration" means Three Hundred Ninety-Five Million Dollars ($395,000,000) increased by the Adjustment Amount if the Adjustment Amount is positive, or decreased by the Adjustment Amount if the Adjustment Amount is negative plus any interest earned on the five million dollars ($5,000,000) placed in the Escrow Account by the Buyer concurrently with the execution and delivery of this Agreement.

"Transaction Expenses" means (i) all legal, accounting, financial advisory and other fees and expenses incurred by the Company or any of its Subsidiaries on their own behalf or on behalf of any other Person in connection with this Agreement and the

transactions contemplated hereby and (ii) all bonus, change of control or similar payments payable by the Company or any of its Subsidiaries to the extent arising as a result of the consummation of the transactions contemplated hereby pursuant to written agreements or arrangements existing immediately prior to the Closing.

"Treasury Regulations" means the rules and regulations promulgated under the Code.

"Working Capital" means the Current Assets less the Current Liabilities, accounted for in a manner consistently applied with the Reference Balance Sheet.

1.2 Other Capitalized Terms. The following terms shall have the meanings specified in the indicated section of this Agreement:

Term	Section
Active Employees	7.4(a)
Agreement	Preamble
Balance Sheet Date	5.5(a)
Buyer	Preamble
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1.3 Interpretive Provisions. Unless the express context otherwise requires:

(a) the words “hereof,” “herein,” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(b) terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa;

(c) the terms “Dollars” and “$” mean United States Dollars;

(d) references herein to a specific Section, Subsection, Recital or Exhibit shall refer, respectively, to Sections, Subsections, Recitals or Exhibits of this Agreement;

(e) references herein to a Schedule shall, subject to Section 12.6, refer to the applicable disclosure Schedules delivered by the Company, the Buyer or the Seller in connection with this Agreement;

(f) wherever the word “include,” “includes,” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”;

(g) references herein to any gender shall include each other gender;

(h) references herein to any Person shall include such Person's heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (h) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement;

(i) references herein to a Person in a particular capacity or capacities shall exclude such Person in any other capacity;

(j) references herein to any Contract or agreement (including this Agreement) mean such Contract or agreement as amended, supplemented or modified from time to time in accordance with the terms thereof and hereof;

(k) with respect to the determination of any period of time, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding";

(1) references herein to any Law or any license mean such Law or license as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time; and

(m) references herein to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder.

ARTICLE 2

ACQUISITION OF INTERESTS

2.1 Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DGCL"), Acquisition Sub shall be merged with and into USS Holdings at the Effective Time (the "Merger"). Following the Merger, the separate corporate existence of Acquisition Sub shall cease and USS Holdings shall continue as the surviving corporation (the "Surviving Corporation"). The Seller hereby waives any and all demand, appraisal and similar rights that it may have under the DGCL with respect to the Merger.

2.2 Effective Time. The parties hereto shall cause to be filed with the Delaware Secretary of State a certificate of merger (the "Certificate of Merger") in form and substance reasonably satisfactory to the Buyer and the Seller. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Delaware Secretary of State or at such subsequent time as the Buyer and the Seller shall agree and shall be specified in the Certificate of Merger (the date and time the Merger becomes effective being the "Effective Time").

2.3 Effects of the Merger.

(a) General Effects. At and after the Effective Time, the Merger will have the effects set forth in Section 259(a) of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of USS Holdings and Acquisition Sub shall be vested in the Surviving Corporation, and all debts, liabilities and duties of USS Holdings and Acquisition Sub shall become the debts, liabilities and duties of the Surviving Corporation.

(b) Certificate of Incorporation. By virtue of the Merger, the Certificate of Incorporation of Acquisition Sub as in effect at the Effective Time shall be the certificate of incorporation of the Surviving Corporation until thereafter changed or amended as provided therein and under applicable law.

(c) By-Laws. By virtue of the Merger, the By-Laws of Acquisition Sub as in effect at the Effective Time shall be the By-Laws of the Surviving Corporation until thereafter changed or amended as provided therein and under applicable law.

(d) Officers and Directors. By virtue of the Merger, the officers of Acquisition Sub as of the Effective Time shall be the officers of the Surviving Corporation, until the earlier of their resignation or removal or otherwise ceasing to be an officer or until their respective successors are duly elected and qualified, and the directors of Acquisition Sub as of the Effective Time shall be the directors of the Surviving Corporation until the earlier of their resignation or removal or otherwise ceasing to be a director or until their respective successors are duly elected and qualified.

(e) Effect on Capital Stock. By virtue of the Merger and without any action on the part of USS Holdings, the Buyer, Acquisition Sub, the Seller, the Company or the holders of any of the following securities, at the Effective Time:

(i) All of the shares of capital stock of USS Holdings issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive aggregate consideration equal to the payments specified in Section 2.4(b) below.

(ii) All of the shares of capital stock of USS Holdings held in the treasury of USS Holdings immediately prior to the Effective Time shall be canceled and retired without any conversion thereof and no payment of cash or any other distribution shall be made with respect thereto.

(iii) Each share of capital stock of Acquisition Sub issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger, be converted into and exchanged for one fully paid and non-assessable share of the same class of capital stock of the Surviving Corporation.

(f) Stock Transfer Books. At the close of business, New York City, New York time, on the day the Merger occurs, the stock transfer books of USS Holdings shall be closed and there shall be no further registration of transfers of shares of capital stock of USS Holdings thereafter on the records of USS Holdings. From and after the Effective Time, the Seller shall cease to have any rights with respect to any shares of capital stock of USS Holdings formerly held by it, except as otherwise provided herein.

2.4 Payments.

(a) Concurrently with the execution of this Agreement, the Buyer shall cause Five Million Dollars ($5,000,000) (the "Deposit") to be deposited with the Escrow Agent to be held in an escrow account (the "Escrow Account") pursuant to the terms and conditions of an escrow agreement in form and substance as set forth on Exhibit B (the "Escrow Agreement"). No more than five (5) Business Days and not less than three (3) Business Days prior to the Closing, the Seller shall deliver to the Buyer a good faith estimate of (i) Closing Cash, (ii) Closing Indebtedness, (iii) Transaction Expenses, (iv) Closing Working Capital and (v) the Adjustment Amount (the "Estimated Adjustment Amount"), and provide the Buyer with a statement setting forth such amounts (the "Closing Certificate") together with reasonable detail with respect to the items used in the calculation of such amounts.

(b) At the Effective Time, and upon surrender by the Seller of certificate(s) representing all of the issued and outstanding shares of capital stock of USS Holdings (the "USS Shares"), the Seller shall receive the Transaction Consideration, which the Buyer shall cause to be paid and satisfied as follows: (i) paying to the Seller by wire transfer of immediately available funds to an account designated by the Seller at least two (2) Business Days prior to the Closing Date, cash in the amount (the "Closing Payment") equal to Three Hundred Ninety Million Dollars ($390,000,000), as increased by the Estimated Adjustment Amount if the Estimated Adjustment Amount is positive, or decreased by the Estimated Adjustment Amount if the Estimated Adjustment Amount is negative and (ii) causing the Deposit (together with any interest earned thereon) to be released from the Escrow Account and paid to the Seller by wire transfer of immediately available funds to an account designated by the Seller at least two (2) Business Days prior to the Closing Date. Compliance by the Buyer with this Section 2.4(b) and Section 2.8 shall constitute full satisfaction of the obligation of the Buyer to pay the Transaction Consideration. The Buyer will be entitled to deduct and withhold, or cause the Escrow Agent to deduct and withhold, from the Closing Payment and the Escrow Account any withholding Taxes or other amounts required under the Code or any applicable Laws to be deducted and withheld. To the extent that any such amounts are so deducted or withheld, such amounts will be treated for all purposes of this Agreement as having been paid to the Seller. Notwithstanding the foregoing, in the event that the Estimated Adjustment Amount is positive and exceeds Five Million Dollars ($5,000,000) (such amount greater than $5,000,000, the "Excess Amount"), the Buyer may defer the payment of the Excess Amount for a period of time not to exceed sixty (60) days after the Closing Date and shall pay, on or prior to the expiration of such sixty (60)-day period, such Excess Amount, together with interest at the Applicable Rate accruing thereon from

the Closing Date until the date that the Excess Amount is paid; provided, that the Buyer may make partial payments of the Excess Amount prior to such expiration (as long as the full interest accrued on such partial payment of the Excess Amount is simultaneously therewith paid in full). The obligation of the Buyer with respect to the Excess Amount and interest thereon at the Applicable Rate shall be evidenced by a secured promissory note, in form and substance reasonably satisfactory to the Seller, issued by the Buyer to the Seller and secured by all of the common stock of USS Holdings, Inc.

(c) At the Closing, the Buyer shall pay directly to the Pay-Off Lenders the amounts to be paid on the Closing Date in accordance with the Pay-Off Letters.

2.5 Preliminary Closing Statement.

(a) Within sixty (60) days of the Closing Date, the Buyer shall prepare and deliver to the Seller a statement of each of (i) Closing Cash, (ii) Closing Indebtedness, (iii) Transaction Expenses, (iv) Closing Working Capital and (v) the Adjustment Amount (the "Preliminary Closing Statement"), together with reasonable detail with respect to the items used in the calculation of such amounts and copies of the supporting schedules, analyses and working papers of the Buyer used to determine such amounts.

(b) The Preliminary Closing Statement shall be prepared in accordance with the Accounting Principles.

2.6 Review of Statement. The Seller and its Representatives may review the Preliminary Closing Statement and the supporting documentation delivered in connection therewith. The Buyer shall, and shall cause the Company and each of its Subsidiaries to, make available to the Seller and its Representatives, as reasonably requested by the Seller, all books, records and other documents pertaining to the businesses of the Company or any of its Subsidiaries as are reasonably necessary for the Seller's verification of the Preliminary Closing Statement and the Supporting Documentation; provided, that all information provided shall be subject to the obligations set forth in Section 7.14, except that such information may be disclosed to the Disputes Auditor pursuant to Section 2.7. The Preliminary Closing Statement and the calculations of (i) Closing Cash, (ii) Closing Indebtedness, (iii) Transaction Expenses, (iv) Closing Working Capital and (v) the Adjustment Amount contained therein, shall be binding and conclusive upon, and deemed accepted by, the Seller unless the Seller shall have notified the Buyer in writing within thirty (30) days after receipt of the Preliminary Closing Statement of any objections thereto (a "Dispute Notice"). A Dispute Notice shall (x) specify in reasonable detail the items of the Preliminary Closing Statement which are being disputed, including copies (to the extent created) of the supporting schedules, analyses and working papers of the Seller used to determine such disputed items and (y) only include disagreements based on mathematical errors or based on Closing Cash, Closing Indebtedness, Transaction Expenses, Closing Working Capital and/or the Adjustment Amount not being calculated in accordance with this Agreement.

2.7 Disputes; Final Closing Statement.

(a) At the request of the Buyer or the Seller, any dispute between the parties relating to the Preliminary Closing Statement which cannot be resolved by them in good faith within thirty (30) days after receipt of the Dispute Notice by the Buyer shall be referred to the New York City, New York office of KPMG LLP (the "Disputes Auditor"). The parties agree that they shall require the Disputes Auditor to render its decision with respect to the matters raised in the Dispute Notice within thirty (30) days after referral of the dispute to the Disputes Auditor for decision pursuant hereto. The Disputes Auditor's decision shall be set forth in a written statement delivered to the Buyer and the Seller, and shall be final, conclusive and binding upon all parties, and shall constitute an arbitral award upon which a judgment may be entered by any court of competent jurisdiction.

(b) Before referring a matter to the Disputes Auditor, the Buyer and the Seller shall agree on procedures to be followed by the Disputes Auditor (including reasonable and appropriate procedures for presentation of evidence). If the Buyer and the Seller are unable to agree upon procedures before the end of thirty (30) days after the Buyer's receipt of the Dispute Notice, the Disputes Auditor shall establish procedures giving due regard to the intention of the Buyer and the Seller to resolve the dispute(s) within thirty (30) days, and as efficiently and inexpensively as possible; the Disputes Auditor's procedures may be, but need not be, those proposed by either the Buyer or the Seller; provided, however, that the Disputes Auditor shall act as an expert, and not as an arbitrator, to determine, based solely on presentations and materials submitted by the

Buyer and the Seller, and not by independent review, only those issues in dispute between the parties regarding the Preliminary Closing Statement and the Disputes Auditor shall in all cases use the Accounting Principles in resolving any dispute. The Buyer and the Seller shall, as promptly as practicable, submit evidence in accordance with the procedures agreed upon or established by the Disputes Auditor, and the Disputes Auditor shall decide the dispute in accordance therewith as promptly as practicable. The fees, costs and expenses of the Disputes Auditor shall be borne the Seller in the proportion that the aggregate dollar amount of such disputed items so submitted that are successfully disputed by the Seller (as finally determined by the Disputes Auditor) bears to the aggregate dollar amount of such items so submitted and shall be borne by the Buyer in the proportion that the aggregate dollar amount of such disputed items so submitted that are successfully disputed by the Buyer (as finally determined by the Disputes Auditor) bears to the aggregate dollar amount of such items so submitted.

(c) The Preliminary Closing Statement shall become final and binding on the parties upon the earliest of (i) if no Dispute Notice has been given as to a particular matter, then with respect to each such matter, the expiration of the period within which the Seller may notify the Buyer of any objections to the Preliminary Closing Statement pursuant to Section 2.6, (ii) agreement by the Seller and the Buyer that such Preliminary Closing Statement, together with any modifications thereto agreed by the Seller and the Buyer, shall be final and binding and (iii) the date on which the Disputes Auditor shall issue its decision with respect to any matter in dispute relating to the Preliminary Closing Statement. The Preliminary Closing Statement when final and binding on both parties, is herein referred to as the "Final Closing Statement".

2.8 Adjustments. If the Adjustment Amount as set forth on the Final Closing Statement is greater than the Estimated Adjustment Amount, the Buyer shall pay an amount equal to such excess, within five (5) Business Days after the Preliminary Closing Statement has become final and binding pursuant to Section 2.7, to the Seller by wire transfer of immediately available funds to an account designated by the Seller in writing. The Buyer will be entitled to deduct and withhold, from such excess amount any withholding Taxes or other amounts required under the Code or any applicable Laws to be deducted and withheld. To the extent that any such amounts are so deducted or withheld, such amounts will be treated for all purposes of this Agreement as having been paid to the Seller in respect of which such deduction and withholding was made. If the Estimated Adjustment Amount is greater than the Adjustment Amount as set forth on the Final Closing Statement, the Seller shall pay an amount equal to such excess, within five (5) Business Days after the Preliminary Closing Statement has become final and binding pursuant to Section 2.7, to the Buyer, by wire transfer of immediately available funds to an account designated by the Buyer in writing. In the event that (x) any amounts are payable to the Buyer pursuant to this Section 2.8, (y) at Closing the Buyer deferred payment of the Excess Amount and (z) all or a portion of such Excess Amount (together with interest thereon) was paid prior to the date of payment by the Seller pursuant to this Section 2.8, the Seller shall, simultaneously with making such payment pursuant to this Section 2.8, return all amounts (if any) in respect of interest paid by the Buyer on any Excess Amount pursuant to Section 2.4(b) hereof.

ARTICLE 3

THE CLOSING

3.1 Closing; Closing Date. The closing of the Merger (the "Closing") shall take place at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, at 10:00 a.m. local time, on the second (2nd) Business Day after the date that all of the conditions to the Closing set forth in ARTICLE 8 and ARTICLE 9 (other than those conditions set forth in Section 8.5 and Section 9.5 and those which, by their terms, are to be satisfied or waived at the Closing, but subject to the satisfaction or valid waiver of such conditions) (such conditions, other than those referred to in the preceding parenthetical, the "Triggering Conditions") shall have been satisfied or waived by the party entitled to waive the same, or at such other time, place and date that the Seller and the Buyer may agree in writing; provided, that notwithstanding the foregoing, and without limiting the conditions set forth in ARTICLE 9, after the satisfaction or waiver (by the party entitled to the benefit thereof) of the Triggering Conditions, the Buyer shall have the right, upon written notice to, and approval by (which approval shall not be unreasonably withheld, conditioned or delayed), the Seller, to set the date on which the Closing occurs, provided such date is on or before the Termination Date; provided, further, that it shall be deemed unreasonable for the Seller to withhold, condition or delay consent because the Buyer has not yet obtained the full Financing as long as the Buyer is otherwise in compliance with its obligations in Section 7.9 and the Buyer selects a date on or before the Termination Date. If the Buyer exercises such right, the Closing shall take place on the date selected by the Buyer, provided, that such date is on or prior to the Termination Date and the Buyer shall have provided to the Seller at least three (3) Business Days prior notice of such date (unless fewer than three (3) Business Days remain prior to the Termination Date). The date upon which the Closing occurs is referred to herein as the "Closing Date."

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as disclosed by the Seller in any Schedule delivered by the Seller and attached to this Agreement specifically referencing the applicable Section of this ARTICLE 4 (subject to Section 12.6), the Seller represents and warrants to the Buyer as follows:

4.1 Organization. The Seller is duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of the jurisdiction in which it is organized, with requisite organizational power and authority to own its properties and carry on its business in all material respects as presently owned or conducted, except where the failure to be so organized, existing and in good standing or to have such power or authority would not, individually or in the aggregate, materially impair the Seller's ability to effect the transactions contemplated hereby.

4.2 Binding Obligations. The Seller has all requisite organizational authority and power to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby and thereby and the execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of the Seller and no other proceedings on the part of the Seller are necessary to authorize the execution and delivery and performance of this Agreement by the Seller. This Agreement has been duly executed and delivered by the Seller, and assuming that this Agreement constitutes the legal, valid and binding obligations of the other parties hereto, constitutes the legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with its terms, except to the extent that enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles.

4.3 No Defaults or Conflicts. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby by the Seller and performance by the Seller of its obligations hereunder (i) do not result in any violation of the applicable organizational documents of the Seller; (ii) do not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under any agreement or instrument to which the Seller is a party or by which it is bound or to which its properties are subject; and (iii) assuming compliance with the matters addressed in Section 4.4, do not violate any existing applicable Law, rule, regulation, judgment, Order or decree of any Governmental Authority having jurisdiction over the Seller or any of its properties; provided, however, that no representation or warranty is made in the foregoing clauses (ii) or (iii) with respect to matters that, individually or in the aggregate, would not materially impair the Seller's ability to consummate the transactions contemplated hereby.

4.4 No Governmental Authorization Required. Except for applicable requirements of the HSR Act or similar foreign competition or Antitrust Laws or as otherwise set forth in Schedule 4.4, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority will be required to be obtained or made by the Seller in connection with the due execution, delivery and performance by the Seller of this Agreement and the consummation by the Seller of the transactions contemplated hereby; provided, however, that no representation and warranty is made with respect to authorizations, approvals, notices or filings with any Governmental Authority that, if not obtained or made, would not, individually or in the aggregate, materially impair the Seller's ability to consummate the transactions contemplated hereby.

4.5 The Interests. The Seller is the record owner of 100% of the Company's Interests as of the date hereof. The Seller has, as of the date hereof, no other equity interests or rights to acquire equity interests in the Company or any of its Subsidiaries as of the date hereof. As of immediately prior to the Closing, the Seller will have good and valid title to the Interests, free and clear of all Encumbrances, except

(i) Permitted Encumbrances against the Interests all of which will be discharged prior to the Closing, (ii) Encumbrances on transfer imposed under applicable securities Laws and (iii) Encumbrances created by Buyer's or its Representatives' acts. Assuming the Buyer has the requisite power and authority to be the lawful owner of such Interests, upon transfer to the Buyer at the Closing, and upon receipt by the Seller of the Transaction Consideration, good and valid title to the Interests will pass to the Buyer, free and clear of any Encumbrances, other than those arising from acts of the Buyer or its Representatives and Encumbrances on transfer imposed under applicable securities Laws. Except as set forth on Schedule 4.5, the Interests are not subject to any Contract restricting or otherwise relating to the voting, dividend rights or disposition of such Interests.

4.6 Litigation. There is no claim, action, suit or legal proceeding pending or, to the knowledge of the Seller, threatened, against the Seller or its properties or assets, before any Governmental Authority which seeks to prevent the Seller from consummating the transactions contemplated by this Agreement or which otherwise would reasonably be expected, individually or in the aggregate, to materially impair the Seller's ability to effect the transactions contemplated hereby or thereby.

4.7 Brokers. No broker, finder or similar intermediary has acted for or on behalf of the Seller in connection with this Agreement or the transactions contemplated hereby or thereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement with the Seller or any action taken by them.

4.8 Exclusivity of Representations. The representations and warranties made by the Seller in this Agreement are the exclusive representations and warranties made by or on behalf of the Seller in connection with the transactions contemplated hereby. The Seller hereby disclaims any other express or implied representations or warranties.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed by the Company in any Schedule delivered by the Company and attached to this Agreement and specifically referencing the applicable Section of this ARTICLE 5 (subject to Section 12.6), the Company represents and warrants to the Buyer as follows:

5.1 Organization of the Company and the Subsidiaries; Authorization.

(a) Organization. The Company and each of its Subsidiaries is a corporation or limited liability company duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, which jurisdiction is as set forth on Schedule 5.1(a). The Company and each of its Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in

which the property, owned, leased or operated by it, or the nature of its business requires it to be so qualified, except to the extent the failure to so qualify does not, or is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(b) Authorization. The Company has the requisite limited liability company power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Company, and the consummation by it of the transactions contemplated hereby, have been duly and validly authorized by all necessary action on the part of the Company and approved by its members, and no other action on the part of the Company is necessary to authorize the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Company and, assuming that this Agreement constitutes a valid and binding obligation of the other parties hereto, constitutes valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except to the extent that their enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles.

5.2 Ability to Carry Out the Agreement. Neither the Company nor any of its Subsidiaries are subject to or bound by any provision of,

(a) any Law;

(b) any articles or certificate of incorporation, certificate of formation, by-laws, operating agreement or similar organizational document or agreement;

(c) any Contract, bond, license, Permit, trust, custodianship or other restriction; or

(d) any Order

that would prevent or be violated by, or under which there would be a default or the creation of an Encumbrance on any assets of the Company or any of its Subsidiaries as a result of, nor is the consent of or notice to any Person which has not been obtained (in the case of consents) or given (in the case of notices) required for, the execution, delivery and performance by the Company of this Agreement and the transactions contemplated hereby, other than as set forth on Schedule 5.2 and violations, defaults or failures to obtain consents or provide notices which, do not have, or are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

5.3 Capitalization of the Company. The authorized, issued and outstanding Interests of the Company is set forth on Schedule 5.3 and there are no other equity securities (or rights to acquire equity securities) authorized or outstanding. All of the issued and outstanding Interests of the Company are duly authorized and validly

issued and were issued and are free of preemptive rights. Except as set forth on Schedule 5.3, there are no outstanding options, warrants or other rights of any kind to acquire any additional Interests of the Company or securities convertible into or exchangeable for, or which otherwise confer on the holder thereof any right to acquire, any such additional Interests, nor is the Company committed to issue any such option, warrant, right or security. The Company has not authorized or issued outstanding bonds, debentures, notes or other Indebtedness which entitle the holders to vote (or convertible or exercisable for or exchangeable into securities which entitle the holders to vote) with the Seller on any matter. There are no restrictions on the transfer of any Interests of the Company or voting agreements except as set forth in Schedule 5.3 and as may be imposed by applicable federal and state securities Laws.

5.4 Equity Interests. Schedule 5.4 sets forth the Company's Subsidiaries. Except as set forth on Schedule 5.4, the Company possesses good and valid title to all of the issued and outstanding shares of capital stock or membership interests, as the case may be, of each of its Subsidiaries, free and clear of any and all Encumbrances. All of the issued and outstanding shares of capital stock of each of its Subsidiaries that is a corporation are duly authorized, validly issued and fully paid and nonassessable and were issued and are free of preemptive rights. All of the issued and outstanding membership interests of each of its Subsidiaries that is a limited liability company are duly authorized and validly issued and were issued and are free of preemptive rights. There are no outstanding options, warrants or other rights of any kind to acquire any additional shares of capital stock or membership interests of any of its Subsidiaries or securities convertible into or exchangeable for, or which otherwise confer on the holder thereof any right to acquire, any additional shares of capital stock or membership interests of any of its Subsidiaries, and neither the Company nor any of its Subsidiaries is committed to issue any such option, warrant, right or security. Except as set forth on Schedule 5.4, there are no restrictions on the transfer of any shares of capital stock or membership interests of any of its Subsidiaries except as may be imposed by applicable federal and state securities Laws. The Company's Subsidiaries have not authorized or issued outstanding bonds, debentures, notes or other indebtedness which entitle the holders to vote (or convertible or exercisable for or exchangeable into securities which entitle the holders to vote) with the stockholders or other equityholders of the Subsidiaries or the Seller on any matter. Except as set forth on Schedule 5.4, there are no restrictions of any kind which prevent or restrict the payment of dividends or other distributions by the Company or any of its Subsidiaries other than those imposed by the Laws of general applicability of their jurisdiction of organization.

5.5 Financial Statements, Reference Balance Sheet and Contingent Liabilities.

(a) The Company has furnished the Buyer with the audited consolidated balance sheets its USS Holdings, Inc. subsidiary as of December 31, 2007 (the "Balance Sheet Date") and December 31, 2006, and the related audited consolidated statements of income, stockholders' deficit and cash flows for the years then ended, all certified by Grant Thornton LLP, and the unaudited consolidated balance sheet of its USS

Holdings, Inc. subsidiary as of May 31, 2008 and the related unaudited consolidated statements of income for the five (5) month period then ended (the unaudited consolidated balance sheet of its USS Holdings, Inc. subsidiary as of May 31, 2008 is hereinafter referred to as the "Reference Balance Sheet"). The financial statements referred to in this Section 5.5(a), including the footnotes thereto, except as described therein, have been prepared in accordance with GAAP consistently followed throughout the periods indicated, subject, in the case of the Reference Balance Sheet, to normal year end audit adjustments and the absence of footnotes, the effect of which would not result in a Material Adverse Effect.

(b) The balance sheets of USS Holdings, Inc. that are part of the financial statements referred to in Section 5.5(a) fairly present in all material respects the financial position of USS Holdings, Inc. and its Subsidiaries at the date thereof and the related statements of income, stockholders' deficit and cash flows that are part of the financial statements referred to in Section 5.5(a) fairly present in all material respects the results of the operations and cash flows of USS Holdings, Inc. and its Subsidiaries for the periods indicated.

(c) There are no actual or contingent debts, liabilities or obligations of USS Holdings, Inc. or any of its Subsidiaries which, had they occurred or existed as of or prior to May 31, 2008, would be required by Accounting Principles to be disclosed in the Reference Balance Sheet except (i) liabilities that are reflected or reserved against on the Reference Balance Sheet, (ii) liabilities incurred since the Reference Balance Sheet Date in the ordinary course of business, (iii) liabilities that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, or (iv) liabilities expressly disclosed as an exception to this paragraph in Schedule 5.5(c). Except as set forth in Schedule 5.5(c), neither USS Holdings, Inc. nor any of its Subsidiaries maintains any "off-balance sheet arrangement" within the meaning of Item 303 of Regulation S-K of the Securities and Exchange Commission.

(d) Hourglass Acquisition I, LLC has not conducted any business prior to the date of this Agreement and prior to the Closing will have no assets, liabilities or obligations of any nature other than those incident to its ownership of membership interests of Hourglass Holdings, LLC or pursuant to this Agreement and the transactions contemplated hereby.

(e) Hourglass Holdings, LLC has not conducted any business prior to the date of this Agreement and prior to the Closing will have no assets, liabilities or obligations of any nature other than those incident to its ownership of shares of USS Holdings, Inc. or pursuant to this Agreement and the transactions contemplated hereby.

5.6 Absence of Certain Changes or Events. Since the Balance Sheet Date and except as disclosed on Schedule 5.6:

(a) there has been no event, circumstance, occurrence or change which has had, or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect;

(b) the businesses of the Company and each of its Subsidiaries have been conducted only in the ordinary course;

(c) there has been no change by the Company or any of its Subsidiaries in its accounting principles, practices or methods other than those changes required by GAAP;

(d) neither the Company nor any of its Subsidiaries has sold or transferred, or agreed to sell or transfer (A) any material assets other than in the ordinary or usual course of business or (B) any Proprietary Rights (as defined in Section 5.14);

(e) neither the Company nor any of its Subsidiaries has granted or agreed to grant any increase in any rate or rates of salaries or other compensation to any of their respective employees, consultants or agents whose total salary and compensation after such increase would be at an annual rate in excess of $100,000, except as permitted by Section 7.3;

(f) except as disclosed on Schedule 5.13, neither the Company nor any of its Subsidiaries has adopted any new Employee Benefit Plan (as defined in Section 5.13) or provided any material increases in any benefits under such Employee Benefit Plans except in accordance with the terms of such Employee Benefit Plans or as required under applicable Law;

(g) there has not been any action, proceeding or, to the Company's knowledge, investigation commenced against the businesses or any of the properties of the Company or any of its Subsidiaries which has had, or is reasonably likely to have, a Material Adverse Effect;

(h) neither the Company nor any of its Subsidiaries has declared any dividends (other than dividends payable in cash) or made any other noncash payment or distribution in respect of any capital stock or membership interests, or issued, sold or otherwise disposed of any capital stock or evidence of Indebtedness or other securities, or granted any options, warrants, calls, rights or commitments or any other Contracts of any character obligating it to issue any shares of capital stock or membership interests or any evidence of indebtedness or other securities;

(i) neither the Company nor any of its Subsidiaries has made any Tax election or settled and/or compromised any material Tax liability; prepared any Tax Returns in a manner which is materially inconsistent with the past practices of the Company or such Subsidiary, as the case may be, with respect to the treatment of items on such Tax Returns; incurred any liability for Taxes other than in the ordinary course of business; or filed an amended Tax Return or a claim for refund of Taxes with respect to the income, operations or property of the Company or any of its Subsidiaries;

(j) neither the Company nor any of its Subsidiaries has acquired any business or Person, by merger or consolidation, purchase of substantial assets or equity interests, or by any other manner, in a single transaction or a series of related transactions, or entered into any Contract, letter of intent or similar arrangement (whether or not enforceable) with respect to the foregoing;

(k) neither the Company nor any of its Subsidiaries has written off as uncollectible any notes or accounts receivable, except write-offs in the ordinary course of business consistent with past practice charged to applicable reserves which individually and in the aggregate are not material to the Company and its Subsidiaries, taken as a whole; and

(l) neither the Company nor any of its Subsidiaries has paid, discharged, settled or satisfied any claims, liabilities or obligations (absolute, accrued, asserted or unassorted, contingent or otherwise), other than payments, discharges or satisfactions of such claims, liabilities or obligations in the ordinary course of business and consistent with past practice.

5.7 Title to Real and Personal Property: Entire Assets.

(a) Schedule 5.7(a)(i) sets forth a true, correct and complete list of (i) each parcel of real property owned by the Company or any of its Subsidiaries (collectively, the "Owned Real Property") and (ii) Schedule 5.7(a)(ii) sets forth a true, correct and complete list of each lease, sublease, license or other arrangement under which real property is leased, occupied or possessed by the Company or any of its Subsidiaries or under which the Company or any of its Subsidiaries has a right to lease, occupy or possess real property (each, a "Real Property Lease" and each real property subject thereto, a "Leased Real Property"); provided, however, that no immaterial leases for Leased Real Property need be listed in such Schedule (the Owned Real Property and Leased Real Property collectively referred to as the "Real Property"). With respect to each Leased Real Property, Schedule 5.7(a)(ii) sets forth the date of and parties to each Lease and, the dates of all amendments to each lease. True, correct and complete copies of the Real Property Leases, and any amendments through the date hereof, have been made available to Buyer. To the extent that it is in possession thereof, the Company has provided preexisting owners' title insurance policies for the Owned Real Property and preexisting ALTA surveys for the Real Property.

(b) The Company or one of its Subsidiaries has good, valid and marketable title to or a valid leasehold interest in, all of its personal property and assets (including personal property reflected on the Reference Balance Sheet and any personal property acquired hereafter, but excluding any personal property disposed of in the ordinary course of business and otherwise in accordance with this Agreement).

(c) Except as set forth in Schedule 5.7(c) or as would not, individually or in the aggregate, result in a Material Adverse Effect, the Company or one of its Subsidiaries (i) holds good, valid and marketable fee simple title in and to all of the Owned Real Property, and to all buildings, structures and other improvements located thereon and (ii) has a good and valid leasehold interest in and to all the Leased Real Property, in each case, free and clear of all Encumbrances, except for the Permitted Encumbrances.

(d) Except as set forth in Schedule 5.7(d), there are no leases, subleases or similar agreements (except for the Real Property Leases) affecting the Real Property or any part thereof.

(e) Each Real Property Lease is valid, binding and enforceable against the Company or its Subsidiary party thereto and, to the Company's knowledge, the other parties thereto. The Company or its applicable Subsidiary is in compliance in all material respects with the terms and conditions of each Real Property Lease. All rents and additional rents, royalties, license fees, charges or other payments due and payable by the Company and its Subsidiaries under the Real Property Leases have been paid through the date of this Agreement and will continue to be paid when due through the Closing Date. To the knowledge of the Company, no event has occurred and no condition exists which, with the giving of notice or the lapse of time or both, would give rise to a right on the part of the applicable landlord thereunder to terminate the Real Property Lease or would otherwise constitute a default thereunder. Without limiting the foregoing, neither the Company nor any of its Subsidiaries has received any notice from any landlord asserting the existence of a default under any Real Property Lease or been informed that the landlord under any Real Property Lease has taken action (or, to the knowledge of the Company, threatened) to terminate the applicable Real Property Lease before the expiration date specified in such Real Property Lease.

(f) Neither the Company nor any of its Subsidiaries has received written notice of any pending or threatened condemnation, incorporation, annexation or similar proceeding with respect to the Real Property or any portion thereof, and to the knowledge of the Company, no condemnation, incorporation, annexation or similar proceeding with respect to the Real Property or any portion thereof is threatened.

(g) To the knowledge of the Company, (i) the use of the Real Property for the purposes for which it is presently being used is permitted under applicable zoning Laws and (ii) there is no deed, lease or other recorded or unrecorded restriction or legal impediment which prohibits or restricts the use of the Real Property for the current operations of the Company or any of its Subsidiaries.

(h) To the knowledge of the Company, there are no pending or threatened special assessments, reassessments or changes in real property tax basis with respect to the Real Property or any portion thereof.

(i) The representations and warranties of the Company and its Subsidiaries made in this Section 5.7 are the exclusive representations and warranties made by or on behalf of the Company and its Subsidiaries with respect to the real estate and personal property matters.

5.8 Litigation.

(a) Except as set forth on Schedule 5.8(a), and in the summary of Silica-Related Claims made available to the Buyer dated May 31, 2008, there is no action, complaint, suit, or proceeding or, to the Company's knowledge, any investigation

pending or any action, complaint, suit or proceeding threatened against the Company or any of its Subsidiaries at law, in equity or otherwise, in, before, or by any court or Governmental Authority or arbiter that has, or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. The Company does not know of any valid basis for any such action, proceeding or investigation. There are no such suits, actions, claims or proceedings pending or, to the Company's knowledge, any investigation pending or any such action, complaint, suit or proceeding threatened, seeking to prevent or challenging the transactions contemplated by this Agreement. Neither the Company nor any of its Subsidiaries is subject to any Order.

(b) Schedule 5.8(b) sets forth the claimant's name and the state of filing for all pending Silica-Related Claims that have been served on or known to the Company or any of its Subsidiaries and pending as of May 31, 2008.

5.9 Compliance with Law. Except as set forth on Schedule 5.9, the businesses of the Company and each of its Subsidiaries are being conducted, and have since May 31, 2006 been conducted, in compliance with all Laws applicable to it, except for violations, if any, which have not had, or are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. Except as set forth on Schedule 5.9, neither the Company nor its Subsidiaries has received any written notice that any violation of the foregoing is being or may be alleged. All governmental approvals (federal, state local and foreign), permits, authorizations, certificates, rights, exemptions and Orders from Governmental Authorities and licenses (the "Permits") required to be held or obtained by the Company or any of its Subsidiaries in connection with the conduct of its business as presently conducted have been obtained and are in full force and effect and are being complied with and there has not occurred any default under any such Permit (except to the extent that failure to obtain or comply with such Permits has not had, or is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect). The Company has not received notice that any Governmental Authority intends to cancel or terminate any Permits where such cancellation or termination has, or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. Except as set forth on Schedule 5.9, no consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority is required in connection with the execution, delivery and performance of this Agreement.

5.10 Contracts.

(a) Schedule 5.10 sets forth an accurate and complete list or description, of each Contract (and accurate and complete copies, including all amendments, of each such Contract have been made available to the Buyer) outstanding as of the date hereof to which the Company or any of its Subsidiaries is a party or by which any of their respective assets are bound, and which

(i) involves future payment or receipt in excess of $250,000 in any calendar year or future performance or receipt of services or delivery or receipt of goods and materials, in each case with an aggregate value in excess of $250,000 in any calendar year, including but not limited to sale and purchase agreements

and distributorship agreements, but excluding (x) purchase orders, (y) pricing letters issued to customers of such Person, in the ordinary course of business and (z) Contracts that by their terms may be terminated by such Person in the ordinary course of business upon 60 days' or less notice without penalty or premium;

(ii) in respect of Indebtedness of any Person (other than the Company or any of its Subsidiaries) involving future payment in excess of $250,000 or is a mortgage, security agreement or other collateral arrangement securing Indebtedness of any Person (other than the Company or any of its Subsidiaries) in excess of $250,000 or creating Encumbrances;

(iii) is a lease providing for future monthly rental payments in excess of $15,000 (exclusive of charges for Taxes, insurance, utilities, maintenance and repair);

(iv) is an employment, independent contractor or consulting Contract pursuant to which the Company or any of its Subsidiaries may reasonably be expected to make annual salary payments in excess of $100,000 in 2008 or any calendar year thereafter;

(v) is an intellectual property license Contract material to the business of the Company and its Subsidiaries taken as a whole;

(vi) relates to capital expenditures or other purchases of material, supplies, equipment or other assets or properties (other than purchase orders for inventory or supplies in the ordinary course of business) in excess of $250,000 individually, or $500,000 in the aggregate;

(vii) involves a loan (other than accounts receivable from trade debtors in the ordinary course of business) or advance to (other than travel and entertainment allowances to the employees of the Company and any of its Subsidiaries extended in the ordinary course of business), or investment in, any Person or any Contract relating to the making of any such loan, advance or investment;

(viii) is a Contract relating to Indebtedness;

(ix) grants or evidences an Encumbrance on any properties or assets of the Company or any of its Subsidiaries, other than a Permitted Encumbrances;

(x) is a management service, financial advisory or any other similar type Contract or which is a Contract with any investment or commercial bank;

(xi) limits the ability of the Company or any of its Subsidiaries to engage in any line of business or conduct business in any particular jurisdiction;

(xii) involves the future disposition or acquisition, other than in the ordinary course of business, of assets or properties, or any merger, consolidation or similar business combination transaction (including, without limitation, letters of intent), whether or not enforceable;

(xiii) involves any joint venture, partnership, strategic alliance, shareholders' agreement, joint development or similar arrangement;

(xiv) involves a confidentiality, standstill or similar arrangement;

(xv) contains restrictions with respect to payment of dividends or any other distribution in respect of the capital stock or other equity interests of the Company or any of its Subsidiaries; or

(xvi) is a current insurance policy of, or covering any of the material assets or a business of, the Company and any of its Subsidiaries and no other Person.

(b) There is no (i) breach, default or event of default by the Company or any of its Subsidiaries, or, to the knowledge of the Company, by any other party to any Contract set forth or described (or required to be set forth or described) in Schedule 5.10, with respect to any term or provision of any such Contract, or (ii) event, occurrence, condition or act (including, without limitation, the consummation of the transaction contemplated under this Agreement) which, with giving of notice, the lapse of time or the happening of any other event or condition, would become a default or an event of default by the Company or any of its Subsidiaries, or, to the knowledge of the Company, any other party thereto, with respect to any term or provision of any such Contract, except for breaches or defaults which do not have, or are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect, and each such Contract is valid, binding and enforceable against the Company and any of its Subsidiaries party thereto and, to the Company's knowledge, the other parties thereto (subject, in each instance, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar Laws).

5.11 Brokers and Intermediaries. Neither the Company nor any of its Subsidiaries, nor to the Company's knowledge, anybody on their behalf, has employed any broker, finder, advisor or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to a broker's, finder's or similar fee or commission in connection therewith or upon the consummation thereof.

5.12 Tax Matters. Except as set forth in Schedule 5.12: (a) all Tax Returns required to be filed by the Company or any of its Subsidiaries on or prior to the Closing Date have been, or will be, duly and timely filed; (b) such Tax Returns are, or will be, true, complete and correct in all material respects; (c) all Taxes and Tax liabilities due by the Company and any of its Subsidiaries on or prior to the Closing Date have been, or will be, timely paid prior to the Closing; (d) the unpaid Taxes of the Company

and any of its Subsidiaries that are required to be accrued under the Accounting Principles, if any, (i) did not exceed any payables or liabilities for Taxes that are reflected or reserved against on the face of Reference Balance Sheet (excluding any payables or liabilities relating to deferred Taxes to reflect timing differences between book and Tax income) and (ii) will not, as of the Closing Date, exceed the amount of Taxes included as a liability in calculating the Current Liabilities of the Company for purposes of determining Closing Working Capital; (e) there are no agreements or consents currently in effect for the extension or waiver of the time (i) to file any Tax Return of the Company or any of its Subsidiaries or (ii) for assessment or collection of any Taxes of the Company or any of its Subsidiaries; (f) neither the Company nor any of its Subsidiaries has, in the last three years, been the subject of an action, suit, proceeding, investigation, audit or claim regarding any Taxes, there is no action, suit, proceeding, investigation, audit or claim currently pending, or to the Company's knowledge, threatened, regarding any Taxes relating to the Company or any of its Subsidiaries and neither the Company or any of its Subsidiaries has received any written notices from any Taxing Authority relating to any issue which could reasonably be expected to affect the Tax liability of the Company or any of its Subsidiaries; (g) neither the Company nor any of its Subsidiaries has applied for and/or received a ruling or determination from a Taxing Authority regarding a past or prospective transaction; (h) all Taxes that the Company or any of its Subsidiaries are required by Law to withhold or collect have been duly withheld or collected and have been timely paid over to the appropriate Tax authority to the extent due and payable and the Company and each of its Subsidiaries has complied in all respects with all applicable Law relating to withholding Taxes and Tax information reporting; (i) the Company's Subsidiaries have not been included in any "consolidated," "unitary", "combined" or similar Tax Return provided for under the Law of the United States, any non-U.S. jurisdiction or any state or locality with respect to Taxes for any taxable period for which the statute of limitations has not expired (other than with respect to a group of which the Company's Subsidiaries are the only members); (j) neither the Company nor any of its Subsidiaries has or had a relationship to any other Person which would cause it to have liability for Taxes of any other Person (other than as a payor required to effect Tax withholding from payments to another Person) payable by reason of Contract, assumption, transferee liability, operation of Law, or Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision of Law), except for income Taxes with respect to any consolidated, combined or unitary group for which the Company's Subsidiaries are the only members; (k) no written claim has ever been made by any Taxing Authority in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is or may by subject to taxation by that jurisdiction; (1) neither the Company nor any of its Subsidiaries has not taken any action other than in accordance with past practice that would have the effect of deferring a measure of Tax from a taxable period (or portion thereof) ending on or before the Closing Date to a taxable period (or portion thereof) beginning after the Closing Date; (m) there are no tax sharing, allocation, indemnification or similar agreements in effect as between the Company or any of its Subsidiaries or any predecessor or Affiliate thereof and any other party under which the Buyer or the Company or its Subsidiaries could be liable for any Taxes or other claims of any party; (n) neither the Company nor any of its Subsidiaries has applied for, been

granted, or agreed to any accounting method change for which it will be required to take into account any adjustment under Section 481 of the Code or any similar provision of the Code or the corresponding tax Laws of any nation, state or locality; (o) there are no deferred intercompany transactions between the Subsidiaries and there is no excess loss account (within the meaning of Treasury Regulations Section 1.1502-19) with respect to the stock of the Subsidiaries which will or may result in the recognition of income upon or after the consummation of the transactions contemplated by this Agreement; (p) the Company and each of its Subsidiaries has delivered or made available to Buyer copies of each of the Tax Returns for income Taxes filed on behalf of the Company and each of its Subsidiaries since 2003; (q) neither the Company nor any of its Subsidiaries has engaged in a "reportable transaction" within the meaning of Treasury Regulation Section 1.601 1-4(b); (r) none of the Subsidiaries has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or indentured to be governed in whole or in part by Section 355 of the Code or Section 361 of the Code; (s) since April 1, 2008, all of the membership interests of the Company have been owned by the Seller and the Company has been classified as an entity disregarded as separate from its owner for federal income tax purposes and will continue to be so classified up to the Closing, and (t) since the formation of Hourglass Holdings, LLC ("Hourglass"), all of the membership interests of Hourglass have been owned by the Company and Hourglass has been classified as an entity disregarded as separate from its owner for federal income tax purposes and will continue to be so classified up to the Closing.

(b) The representations and warranties of the Company and its Subsidiaries made in this Section 5.12 are the exclusive representations and warranties made by or on behalf of the Company and its Subsidiaries with respect to Tax matters.

5.13 Employee Benefits.

(a) Schedule 5.13(a) attached hereto sets forth all "employee benefit plans", as defined in Section 3(3) of ERISA, and any other employee benefit arrangements, severance, change in control compensation and death benefit agreements, compensation or employment agreements, pension, savings, retirement, deferred compensation, bonus, stock purchase, stock option and other stock compensation incentive, hospitalization, medical insurance, life insurance, plans, programs or Contracts covering employees of the Company or any of its Subsidiaries and maintained by the Company, any of its Subsidiaries or any member of a controlled group of organizations (within the meaning of Section 414(b), (c), (m) or (o) of the Code) of which the Company or any of its Subsidiaries is a member (the "Controlled Group Member") (collectively, all the items set forth on Schedule 5.13(a) hereto are the "Employee Benefit Plans"). The Employee Benefit Plans shall not include any "multiemployer plans" as defined in Section 4001(a)(3) of ERISA ("Multiemployer Plans").

(b) Except as set forth on Schedule 5.13(b), neither the Company nor any of its Subsidiaries has any obligation to make any contribution to any Multiemployer Plans. Except as set forth on Schedule 5.13(b), as of the date of this Agreement, neither the Company nor any Controlled Group Member has incurred any unsatisfied withdrawal liability under Part 1 of Subtitle E of Title IV of ERISA to any

Multiemployer Plan. No Multiemployer Plan set forth on Schedule 5.13(b) is in "reorganization" (within the meaning of Section 4241 of ERISA) or is or may become "insolvent" (within the meaning of Section 4245 of ERISA).

(c) The Employee Benefit Plans, as well as any Multiemployer Plans, that are "employee pension plans", as defined in Section 3(2) of ERISA (the "Pension Plans") intended to qualify under Section 401 of the Code are so qualified, and the trusts maintained pursuant thereto are exempt from federal income taxation under Section 501 of the Code, and to the knowledge of the Company nothing has occurred with respect to the operation of the Pension Plans that would cause the loss of such qualification or exemption.

(d) All material contributions required by Law or any related Contracts to have been made under any of the Employee Benefit Plans that are defined benefit plans or money purchase pension plans (without regard to any waivers granted under Section 412 of the Code or Section 303 or 304 of ERISA) to any funds or trusts established thereunder or in connection therewith have been made by the due date thereof (including, without limitation, any valid extension).

(e) Except as set forth on Schedule 5.13(e), none of the Company, any of its Subsidiaries or any Controlled Group Member sponsors or maintains an "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) that is subject to Title IV of ERISA or to the minimum funding requirements of Section 412 of the Code or Part 3 of Title I or ERISA. Except as set forth on Schedule 5.13(e), the projected benefit obligation under each Employee Benefit Plan covered by Title IV of ERISA as of the close of its most recent plan year did not exceed the fair value of the assets allocable thereto, as determined in accordance with Statement of Financial Accounting Standards ("SFAS") No. 87, as amended. During the past six (6) years no Employee Benefit Plan covered by Title IV of ERISA has been terminated and no proceedings have been instituted to terminate or appoint a trustee under Title IV of ERISA to administer any such plan. No "reportable event" (as defined in Section 4043 of ERISA) has occurred or is expected to occur as a result of the transactions contemplated by this Agreement, or otherwise, with respect to any Employee Benefit Plan covered by Title IV of ERISA.

(f) True, correct and complete copies of the following documents, with respect to each of the Employee Benefit Plans, have been made available to the Buyer by the Company, where applicable: (i) any plan and related trust documents, and any amendment thereto, (ii) the most recent three (3) IRS Forms 5500 with all attachments thereto, (iii) the last IRS determination letter, (iv) all current summary plan descriptions and any summaries of material modifications, and (v) the most recent actuarial valuation report.

(g) Except as would not result in a material liability to the Company as a whole, there are no pending actions, claims, lawsuits, audits, examinations or administrative proceedings that have been asserted, instituted or commenced, and, to the Company's knowledge, there are no threatened actions, claims, lawsuits, audits,

examinations or administrative proceedings, against, or with respect to, any of the Employee Benefit Plans, the assets of any of the trusts under such plans or the plan sponsor or the plan administrator, or against any fiduciary of any of the Employee Benefit Plans with respect to the operation of such plans (other than routine benefit claims) pursuant to which the Company, any of its Subsidiaries or the Buyer would have a material liability.

(h) The Employee Benefit Plans have been maintained in accordance with their terms, any related agreements and all applicable Laws, including, without limitation, the provisions of ERISA (including the rules and regulations thereunder), other than any failures to so maintain that, individually, or in the aggregate, would not reasonably to be expected to result in a material liability of the Company. None of the Company nor any of its Subsidiaries has filed, or is considering filing, an application under the Internal Revenue Service's Employee Plans Compliance Resolution System or the Department of Labor's Voluntary Fiduciary Correction Program with respect to any Employee Benefit Plan.

(i) Except as set forth on Schedule 5.13(i), none of the Employee Benefit Plans is a "welfare benefit plan" within the meaning of Section 3(1) of ERISA that provides for continuing benefits or coverage after termination of employment for any participant or any beneficiary of any participant, except as may be required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") and at the expense of the participant or the participant's beneficiary. The accumulated postretirement benefit obligation under each Employee Benefit Plan and the fair value of any assets allocable thereto (and a description of how such assets are held), as of the close of its most recent plan year, are set forth on Schedule 5.13(i), in each case as determined in accordance with SFAS No. 106, as amended.

(j) Except as set forth on Schedule 5.13(j), none of the Company, or any of its Subsidiaries has any unfunded liabilities pursuant to any Employee Benefit Plan which is an "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) that is not intended to be qualified under Section 401(a) of the Code. The projected benefit obligation under each such Employee Benefit Plan and the fair value of any assets allocable thereto (and a description of how such assets are held), as of the close of its most recent plan year, are set forth on Schedule 5.13(j) in each case as determined in accordance with SFAS No. 87, as amended.

(k) Each Employee Benefit Plan that is a "nonqualified deferred compensation plan" (within the meaning of Section 409A of the Code) to which the Company or any of its Subsidiaries is a party has been operated and administered since January 1, 2005, in reasonable, good faith compliance with Section 409A of the Code.

(l) The execution of this Agreement and the consummation of the transactions contemplated hereby do not constitute a triggering event under any Employee Benefit Plan, policy, arrangement, statement, commitment or agreement, which (either alone or upon the occurrence of any additional or subsequent event) will or

may result in any payment, "parachute payment" (as such term is defined in Section 280G of the Code), tax gross-up obligation, severance, bonus, retirement or job security or similar-type benefit, or increase any benefits or accelerate the payment or vesting of any benefits to any employee or former employee or director of the Company or any of its Subsidiaries, except as set forth on Schedule 5.13(1) or as permitted pursuant to the proviso contained in Section 7.3(iii). Except as set forth on Schedule 5.13(1) or pursuant to any Employee Benefit Plan permitted to be created pursuant to the proviso contained in Section 7.3(iii), no Employee Benefit Plan provides for the payment of severance, termination, change in control, retention or similar-type payments or benefits.

(m) None of the Employee Benefit Plans provides for the grant of options to purchase stock of the Company or any of its Subsidiaries.

(n) Determination letters have been received from the IRS with respect to each Employee Benefit Plan which is intended to comply with Section 401(a) of the Code, stating that such Employee Benefit Plan and the attendant trust are qualified and exempt within the meaning of Sections 401(a) and 501 of the Code, and copies of such determination letters have been delivered or made available to the Buyer.

(o) Without limiting the generality of the foregoing, the transactions contemplated by this Agreement will not cause the Buyer or any of the Buyer's Affiliates (including the Company and any of its Subsidiaries post-Closing) to incur any other liability or expense not set forth in the Schedules which accrued prior to the Closing Date with respect to contributions or benefits to any program or other arrangement providing for employee benefits, except for contributions or benefits required by Law.

(p) The representations and warranties of the Company and its Subsidiaries made in this Section 5.13 are the exclusive representations and warranties made by or on behalf of the Company and its Subsidiaries with respect to employee benefits matters.

5.14 Patents and Trademarks.

(a) Schedule 5.14 sets forth a complete and accurate description and list of all of the patents, registered trademarks, copyright registrations, domain name registrations and applications for registration or issuance of any of the foregoing that are owned or licensed (which licenses are material to the Company or any of its Subsidiaries) by the Company or any of its Subsidiaries and are utilized in the business of the Company or any of its Subsidiaries, as currently conducted, setting forth as to each such item, as applicable, (i) the jurisdiction in which such item is issued, registered or pending, (ii) the application, registration or issuance number, (iii) the date of registration, issuance or application and (iv) the owner or licensor, as applicable, of such item. The registrations and applications for patents, trademarks, copyrights and domain names owned by the Company or any of its Subsidiaries and listed on, or required to be listed on, Schedule 5.14 are valid and subsisting, except where the invalidation or expiration of such registration or application has not had, and is not reasonably likely to

have, individually or in the aggregate, a Material Adverse Effect. The Company and each of its Subsidiaries owns, or to the knowledge of the Company, possesses adequate licenses or other rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, logos and other source locators, internet domain names, copyrights and copyrightable works (including, without limitation, software, databases, and related items), inventions, discoveries, processes, drawings, designs, technology, proprietary know-how, trade secrets and other confidential and proprietary information, and other rights related to any of the foregoing (collectively, "Proprietary Rights," with those Proprietary Rights owned by the Company or its Subsidiaries, the "Company Proprietary Rights") necessary for the operation of the businesses of the Company and its Subsidiaries as presently conducted. The Company and each of its Subsidiaries has taken commercially reasonable actions to protect the confidentiality of all trade secrets that are owned, used or held primarily in connection with the business as conducted by the Company and each of its Subsidiaries, and to the knowledge of the Company, in the past twenty-four (24) months, such trade secrets have not been used by, disclosed to or discovered by any Person, in an unauthorized manner and does not have, and is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. All Proprietary Rights under which the Company or any of its Subsidiaries is a licensee are valid and enforceable against it and the other parties thereto in accordance with their terms, except as enforceability may be limited by applicable Law regarding the enforcement of creditors' rights (regardless of whether such enforceability is considered in a proceeding in equity or at law), unless the invalidity or unenforceability thereof has not, or is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. No notice of material default has been sent or received by the Company or any of its Subsidiaries under any such license which remains uncured and the execution and delivery of this Agreement by the Company or performance by the Company of its obligations hereunder will not result in such default. Neither the Company nor any of its Subsidiaries has received written notice (including, without limitation, any demands or offers to license any Proprietary Rights from any third party) of any claim or liability that is pending or unresolved. No action, suit, proceeding at law or in equity or any arbitration or any administrative or other proceeding by or before any Governmental Authority is pending, has been made within the past two (2) years, or to the knowledge of the Company has been threatened, that (i) challenges the use, ownership, enforceability, validity, patentability or registrability by the Company or any of its Subsidiaries of any Company Proprietary Rights or (ii) alleges infringement, misappropriation or other violation by the Company or any of its Subsidiaries of any Proprietary Right of any third party, other than infringements which, have not had and are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. To the knowledge of the Company, (i) the operation of the businesses of the Company and each of its Subsidiaries, as currently conducted, has not infringed, misappropriated or otherwise violated any Proprietary Rights owned by third parties and (ii) no third party has infringed, misappropriated or otherwise violated any Company Proprietary Rights. The computer systems, including, without limitation, software, firmware, hardware, networks, interfaces and related systems owned or used in the conduct of the business of the Company and its Subsidiaries are sufficient for the operation of the businesses of the Company and its Subsidiaries as presently conducted.

(b) The representations and warranties of the Company and its Subsidiaries made in this Section 5.14 are the exclusive representations and warranties made by or on behalf of the Company and its Subsidiaries with respect to intellectual property matters.

5.15 Environmental Matters. Except as set forth on Schedule 5.15 or as disclosed in the Environmental Reports (as defined below):

(a) The Company and each of its Subsidiaries has obtained and holds all Permits, licenses and other authorizations ("Environmental Permits") required to be obtained and held by it for the operation of its business under Environmental Laws, other than those the failure of which to obtain has not had, and is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(b) The Company and each of its Subsidiaries is (i) in compliance with all the Environmental Permits that it holds, and (ii) in compliance with all Environmental Laws presently in effect, except, in each case, for violations, if any, which have not, or are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(c) There are no civil, criminal or administrative actions, suits, proceedings or written notices of violation pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries under Environmental Laws which have had, or would reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect.

(d) To the Company's knowledge, there have been no Releases of Hazardous Substances of any quantity reportable under any Environmental Law at any of the properties owned, leased or operated by the Company or any of its Subsidiaries, other than Releases that have been remediated or that do not have, and are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. For purposes of this Agreement, "Release" shall have the meaning set forth in the definition of the term "release" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). For purposes of this Agreement, "Hazardous Substances" shall mean those substances that are included within the definition of the term "hazardous substances" as defined in CERCLA, or in any analogous state Law, and petroleum, including crude oil and any fraction thereof.

(e) Neither the Company nor any of its Subsidiaries has received any written notice that it is subject to liability in connection with the presence of any Hazardous Substances at any Real Property or at any other location (including, without limitation, any location at or to which Hazardous Substances have been generated, treated, stored or disposed by or on behalf of the Company or any of its Subsidiaries), other than liability that does not have, and is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(f) None of the Company, any of its Subsidiaries or any of their respective assets is listed or proposed for listing on the National Priorities List (as defined in CERCLA) or, to the Company's knowledge, on any similar list of sites requiring investigation or clean-up under state Laws.

(g) The Company has made available to the Buyer all material environmental reports in its possession or control that have been prepared in the last three (3) years and all such reports are set forth on Schedule 5.15 (the "Environmental Reports").

(h) Neither the Company nor any of its Subsidiaries has assumed or accepted, or agreed to assume or accept, responsibility, by Contract, or otherwise, for any liability of any other Person under Environmental Laws.

(i) The representations and warranties of the Company and each of its Subsidiaries made in this Section 5.15 are the exclusive representations and warranties made by or on behalf of the Company and each of its Subsidiaries with respect to environmental matters.

5.16 Labor. There are no existing or, to the Company's knowledge, threatened material labor or employment-related disputes involving any individual employee and/or a group or class of employees of the Company or any of its Subsidiaries which have had, or are reasonably likely to have, a Material Adverse Effect. Other than the collective bargaining agreements, union or other employee association agreements set forth on Schedule 5.16 (the "Collective Bargaining Agreements"), the Company and its Subsidiaries are not party to any Collective Bargaining Agreement with respect to any of the Company's or any of its Subsidiaries' employees, and to the Company's knowledge, other than the labor union parties to the Collective Bargaining Agreements, no union represents or claims to represent or is attempting to organize any such employees. The Company and each of its Subsidiaries has complied in all material respects with all Collective Bargaining Agreements and related addenda agreements, including all side agreements, memoranda of understanding and letters of agreement. The Company and each of its Subsidiaries has complied in all material respects with all labor and employment Laws applicable to its businesses and employees, including without limitation those Laws relating to wages, hours, affirmative action, workplace safety or health, immigration, drug testing, equal employment opportunity, retaliation, whistleblowers, discrimination in employment and collective bargaining, in each case, except as would not reasonably be likely to result in a Material Adverse Effect. There is no material unfair labor practice charge or complaint against the Company or any of its Subsidiaries in respect of the Company's or any of its Subsidiaries' businesses pending or, to the Company's knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal. There is no strike, slowdown or stoppage pending, or to the Company's knowledge, threatened in respect of the Company's or any of its Subsidiaries' businesses and there has been no strike, dispute, request for representation, slowdown or stoppage within the past three (3) years in respect of the Company's or any of its Subsidiaries' businesses. Neither the Company nor any of

its Subsidiaries is a federal or state contractor or subcontractor. The Company and each of its Subsidiaries are in material compliance with the terms and conditions of the Immigration Reform and Control Act of 1996, as amended, the Immigration and Nationality Act, as amended, and all other applicable immigration Laws, and all related regulations promulgated under any such Laws. Neither the Company nor any of its Subsidiaries has been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of the federal Worker Adjustment and Retraining Notification Act of 1988 ("WARN") or any similar state or local Law (including, but not limited to, any plant closing, mass layoff or worker adjustment and retraining notification laws) during the last year.

5.17 Interests in Clients; Suppliers; Etc.; Affiliate Transactions. Except as set forth on Schedule 5.17, (i) there are no Contracts, liabilities or obligations between the Company or any of its Subsidiaries, on the one hand, and either (A) the Seller or any Affiliate of the Seller (other than the Company or any of its wholly owned Subsidiaries), or (B) any other Affiliate of the Company, on the other hand and (ii) neither the Seller, any Affiliate of the Seller nor any officer or director of the Company or any of its Subsidiaries possesses, directly or indirectly, any material financial interest in, or is a director, officer or employee of, any Person which is a client, supplier, customer, lessor, lessee, or competitor of the Company or any of its Subsidiaries. Ownership of securities of a Person whose securities are registered under the Securities Exchange Act of 1934, as amended, of 2% or less of any class of such securities shall not be deemed to be a financial interest for purposes of this Section 5.17.

5.18 Insurance. Set forth on Schedule 5.18 is an accurate and complete list of each current insurance policy which covers the Company and each of its Subsidiaries or their businesses, properties, assets or employees (including, without limitation, self-insurance), and lists whether such policies are 'occurrence' or 'claims made' policies." Such policies are in full force and effect, all premiums due thereon have been paid, and the Company and each of its Subsidiaries are otherwise in compliance in all material respects with the terms and provisions of such policies. Neither the Company nor any of its Subsidiaries is in default under any of the insurance policies set forth on Schedule 5.18 (or required to be set forth on Schedule 5.18) and, to the knowledge of the Company, there exists no event, occurrence, condition or act (including, without limitation, the transactions contemplated under this Agreement) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default thereunder. Schedule 5.18 also sets forth a list of all pending claims and the claims history for the Company and each of its Subsidiaries during the past three (3) years (including, without limitation, with respect to insurance obtained but not currently maintained). The Company has made available to the Buyer all of its currently effective insurance policies.

5.19 Customers. Schedule 5.19 sets forth the top ten (10) customers (as determined based on the product revenues for the year ending December 31, 2007) of the Company and its Subsidiaries. Except as set forth on Schedule 5.19, as of the date of this Agreement, no such customer has canceled or otherwise terminated, or,

to the Company's knowledge, threatened to cancel or otherwise terminate, its relationship with the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries has received any notice that any such customer may cancel or otherwise materially and adversely modify its relationship with the Company or any of its Subsidiaries, or purchase of the services and products of the Company and any of its Subsidiaries either as a result of the transactions contemplated hereby or otherwise.

5.20 Books and Records. The respective minute books of the Company and each of its Subsidiaries (to the extent the respective entities maintain minute books), as previously made available to the Buyer and its Representatives, contain records that are accurate in all material respects of all meetings of, and corporate action taken by (including, without limitation, action taken by written consent) the respective stockholders and boards of directors of the Company and each of its Subsidiaries. Set forth on Schedule 5.20 is a list of all entities as among the Company and each of its Subsidiaries that do not maintain any minute books. The failure to maintain such minute books will not have, and is not reasonably likely to have, a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has any of its records, systems, controls, data or information, recorded, stored, maintained, operated or otherwise wholly or partly dependent on or held by any means (including, without limitation, any electronic, mechanical or photographic process, whether computerized or not) which (including, without limitation, all means of access thereto and therefrom) are not under the exclusive ownership and direct control of the Company or any of its Subsidiaries.

5.21 Warranty Claims. Except as set forth on Schedule 5.8(a) and (b) and in the summary of Silica-Related Claims made available to the Buyer, to the Company's knowledge, there are no pending or threatened Warranty Claims against the Company or any of its Subsidiaries in connection with the sales of the Company's products, which Warranty Claims exceed $50,000 in the aggregate and are not covered by insurance. Except as set forth on Schedule 5.21, the Company does not make any representation or warranty to its customers with respect to products sold or services delivered by it. Schedule 5.21 contains a complete list of the Warranty Claims pending or, to the Company's knowledge, threatened against the Company and any of its Subsidiaries and, at Closing, the Company shall provide the Buyer with a complete list of threatened or pending Warranty Claims against the Company and its Subsidiaries, to and including Closing. As used herein, the phrase "Warranty Claims" means claims by third parties for defects in products sold by the Company or any of its Subsidiaries which the customer claims do not meet the product warranty. To the Company's knowledge, no basis exists for the recall of any products sold by the Company or any of its Subsidiaries.

5.22 Disclaimer of Other Representations and Warranties; Disclosure.

(a) Neither the Company nor any of its Subsidiaries makes or has made any representations or warranties relating to the Company, the businesses of the Company or any of its Subsidiaries, or otherwise in connection with the transactions contemplated hereby other than those expressly set out herein which are made by the Company. Without limiting the generality of the foregoing, neither the Company nor any

of its Subsidiaries has made, or shall be deemed to have made, any representations or warranties in any presentation of the businesses of the Company and any of its Subsidiaries in connection with the transactions contemplated hereby, or in any other written materials delivered to the Buyer in connection with any other such presentation (collectively, the "Offering Materials and Presentations"), and no statement contained in the Offering Materials and Presentations shall be deemed a representation or warranty hereunder or otherwise. It is understood that any cost estimates, projections or other predictions, any data, any financial information or any memoranda of offering materials or presentations, including but not limited to the Offering Materials and Presentations, are not and shall not be deemed to be or to include representations or warranties of the Company or any of its Subsidiaries except as explicitly set forth in the representations and warranties herein. No Person has been authorized by the Company or any of its Subsidiaries to make any representation or warranty relating to the Company or any of its Subsidiaries or otherwise in connection with the transactions contemplated hereby and, if made, such representation or warranty must not be relied upon as having been authorized by the Company or any of its Subsidiaries.

(b) Whenever a representation or warranty made by the Company herein refers to the "knowledge of the Company", "the Company's knowledge" or a phrase of similar meaning, such knowledge shall be deemed to consist only of the actual knowledge, after reasonable inquiry, of John A. Ulizio, William A. White, James I. Manion, Paul F. Guttmann, George H. Didawick Jr., Deborah A. Keyser (only with respect to Sections 5.13 and 5.16), Michael L. Thompson (only with respect to Sections 5.5, 5.18 and 5.21), and Greg Fell (only with respect to Section 5.15). Except as referred to in the immediately preceding sentence, the Company has not undertaken, nor shall the Company have any duty to undertake, any investigation concerning any matter as to which a representation or warranty is made as to the Company's knowledge.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Except as disclosed by the Buyer in any Schedule delivered by the Buyer and attached to this Agreement and specifically referencing the applicable Section of this ARTICLE 6 (subject to Section 12.6) the Buyer represents and warrants to the Company and the Seller as follows:

6.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware, with requisite corporate power and authority to own its properties and carry on its business in all material respects as presently owned or conducted, except where the failure to be so organized, existing and in good standing or to have such power or authority would not, individually or in the aggregate, materially impair the Buyer's ability to effect the transactions contemplated hereby.

6.2 Binding Obligation. The Buyer has all requisite corporate authority and power to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby and thereby and the execution, delivery and performance by the Buyer of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of the Buyer and no other proceedings on the part of the Buyer are necessary to authorize the execution and delivery and performance of this Agreement by the Buyer. This Agreement has been duly executed and delivered by the Buyer, and assuming that this Agreement constitutes the legal, valid and binding obligations of the other parties hereto, constitutes the legal, valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with its terms, except to the extent that enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles.

6.3 No Defaults or Conflicts. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Buyer and performance by the Buyer of its obligations hereunder (i) do not result in any violation of the charter or by-laws or other constituent documents of the Buyer; (ii) except as set forth on Schedule 6.3, do not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under any agreement or instrument to which the Buyer is a party or by which it is bound or to which its properties are be subject; and (iii) assuming compliance with the matters addressed in Section 6.4, do not violate any existing applicable Law, rule, regulation, judgment, Order or decree or any Governmental Authority having jurisdiction over the Buyer or any of its properties; provided, however, that no representation or warranty is made in the foregoing clauses (ii) or (iii) with respect to matters that would not reasonably be expected, individually or in the aggregate, to materially impair the Buyer's ability to effect the transactions contemplated hereby.

6.4 No Governmental Authorization Required. Except for applicable requirements of the HSR Act or similar foreign competition or Antitrust Laws or as otherwise set forth in Schedule 6.4, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority will be required to be obtained or made by the Buyer in connection with the due execution, delivery and performance by the Buyer of this Agreement and the consummation by the Buyer of the transactions contemplated hereby; provided, however, that no representation and warranty is made with respect to authorizations, approvals, notices or filings with any Governmental Authority that, if not obtained or made, would not, individually or in the aggregate, materially impair Buyer's ability to effect the transactions contemplated hereby.

6.5 Litigation. There is no claim, action, suit or legal proceeding pending or, to the knowledge of the Buyer, threatened, against the Buyer or its properties or assets, before any Governmental Authority which seeks to prevent the Buyer from consummating the transactions contemplated by this Agreement or which otherwise would reasonably be expected, individually or in the aggregate, to materially impair the Buyer's ability to effect the transactions contemplated hereby or thereby.

6.6 Brokers. No broker, finder or similar intermediary has acted for or on behalf of the Buyer in connection with this Agreement or the transactions contemplated hereby or thereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement with the Buyer or any action taken by the Buyer.

6.7 Financing.

(a) The Buyer has received executed commitment letters, attached hereto as Exhibit C, from the party identified therein (the "Equity Sponsor") committing, subject to (and only to) the terms and conditions set forth therein, to provide equity financing to the Buyer (such commitment letter, the "Equity Commitment Letter"). A true, correct and complete copy of the Equity Commitment Letter is attached hereto as Exhibit C. The obligations to fund the commitments under the Equity Commitment Letter are not subject to any condition or limitation, other than the conditions expressly set forth in the Equity Commitment Letter. The Equity Commitment Letter has been duly executed by the Buyer and the Equity Sponsor, and the Equity Commitment Letter is in full force and effect and constitutes the valid and binding obligation of the Buyer and each other Person party thereto, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles. As of the date hereof, no amendment or modification of any of the Equity Commitment Letters is contemplated by the Buyer, and the respective commitments contained in the Equity Commitment Letters have not been withdrawn or rescinded in any respect. There are no fees, expense reimbursement obligations or other amounts that are required to be paid by the Buyer prior to the Closing under or in respect of the Equity Commitment Letter. As of the date hereof, the Buyer has no reasonable basis for believing that any of the conditions to the financing contemplated by the Equity Commitment Letters that are within the Buyer's control will not be satisfied on a timely basis or that the financing contemplated by the Equity Commitment Letter will not be made available on a timely basis, assuming that all conditions applicable thereto are met.

(b) The Buyer has received (i) a highly interested letter from Deutsche Bank Securities Inc., dated as of June 11, 2008, to provide a portion of the acquisition financing for the transactions contemplated by this Agreement, (the "Deutsche Bank Letter"), and (ii) a letter from CTL Capital LLC, dated as of June 6, 2008, expressing interest in providing a portion of the acquisition financing for the transactions contemplated by this Agreement through the securitization of certain of the assets of Affiliates of the Buyer (the "CTL Letter" and together with the Equity Commitment Letter and the Deutsche Bank Letter, the "Financing Letters"). As of the date hereof, in addition to the financing contemplated by the Financing Letters, the Buyer must obtain an additional $40,000,000 in financing (the "Additional Financing") to have financing sufficient for the payment of the Transaction Consideration at Closing, as well

as sufficient funds to pay, when due from the Buyer in accordance with this Agreement, all other obligations of the Buyer arising under this Agreement and the transactions contemplated hereby (including fees and expenses). As of the date hereof, the Buyer intends to obtain the Additional Financing pursuant to the issuance and sale of equity interests in the Buyer to third parties who are "friends and family" who have previously invested in transactions in which the Equity Sponsor has participated. Schedule 6.7 contains a non-exclusive list of the "friends and family" expected by the Buyer to purchase equity interests of the Buyer as part of the Additional Financing.

6.8 Buyer's Reliance. The Buyer acknowledges that it and its Representatives have been permitted full and complete access to the books and records, facilities, equipment, Tax Returns, Contracts, insurance policies (or summaries thereof) and other properties and assets of the Company and the Company's Subsidiaries that it and its Representatives have desired or requested to see or review prior to being willing to enter into this Agreement, and that it and its Representatives have had a full opportunity to meet with the officers and employees of the Company and the Company's Subsidiaries to discuss the business of the Company and any of its Subsidiaries sufficiently prior to being willing to enter this Agreement. The Buyer acknowledges that none of the Seller, the Company or any other Person has made any representation or warranty, expressed or implied, as to the accuracy or completeness of any information regarding the Interests, the Company or any of the Company's Subsidiaries furnished or made available to the Buyer and its Representatives, including any financial projections or other forward-looking statements, except as expressly set forth in ARTICLE 4 or ARTICLE 5, and none of the Seller or any other Person (including any officer, director, member or partner of the Seller) shall have or be subject to any liability to the Buyer (except in the case of fraud), or any other Person, resulting from Buyer's use of any information, documents or material made available to the Buyer, its Affiliates, its providers of financing and any Representative, agent or advisor of any such Person in any confidential information memoranda, "data rooms," management presentations, due diligence or in any other form in expectation of the transactions contemplated hereby. The Buyer acknowledges that, should the Closing occur, the Buyer shall acquire the Company and the Company's Subsidiaries without any representation or warranty as to merchantability or fitness for any particular purpose of their respective assets, in an "as is" condition and on a "where is" basis, except as otherwise expressly represented or warranted in ARTICLE 4 or ARTICLE 5; provided, however, that nothing in this Section 6.8 is intended to limit or modify the representations and warranties contained in ARTICLE 4 or ARTICLE 5. The Buyer acknowledges that, except for the representations and warranties contained in ARTICLE 4 or ARTICLE 5, neither the Company, the Seller nor any other Person has made, and the Buyer has not relied on any other express or implied representation or warranty by or on behalf of the Company or the Seller. Nothing contained in this Section 6.8 is intended to limit or conflict in any manner with the obligations set forth in Section 7.1 hereof.

6.9 Accredited Investor. The Buyer has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the transactions contemplated by this Agreement, has the ability to bear the economic risks of the investment and is an "accredited investor" as defined in Rule 501 of Regulation D, promulgated under the Securities Act of 1933.

6.10 Solvency of the Company Following the Sale. Assuming (a) the Company and each Subsidiary of the Company: (i) is, immediately prior to the Closing, solvent (both because its financial condition is such that the fair market value of its assets is greater than the sum of its debts and because the fair saleable value of its assets is greater than the amount required to pay its probable liability on its existing debts as they mature); (ii) does not, immediately prior to the Closing, have unreasonably small capital with which to engage in its business; and (iii) has not, immediately prior to the Closing, incurred debts beyond its ability to pay them as they become due; and (b) the accuracy and completeness of the representations of the Company and its Subsidiaries contained herein (without regard to materiality or any Material Adverse Effect qualifiers stated therein), immediately following the Closing and after giving effect to the transactions contemplated by Section 7.17(a), USS Holdings and each of its Subsidiaries will not: (A) be insolvent (either because its financial condition is such that the sum of its debts is greater than the fair market value of its assets or because the fair saleable value of its assets is less than the amount required to pay its probable liability on its existing debts as they mature); (B) have unreasonably small capital with which to engage in its business; or (C) reasonably be expected to have incurred debts beyond its ability to pay them as they become due.

6.11 Exclusivity of Representations. The representations and warranties made by the Buyer in this Agreement are the exclusive representations and warranties made by or on behalf of the Buyer in connection with the transactions contemplated hereby. The Buyer hereby disclaims any other express or implied representations or warranties.

ARTICLE 7

COVENANTS

Unless this Agreement is terminated pursuant to ARTICLE 11, the parties hereto covenant and agree as follows:

7.1 Access and Information.

(a) During the period commencing on the date hereof and ending on the earlier of (i) the Closing and (ii) the date on which this Agreement is terminated pursuant to Section 11.1, the Company shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to cause their respective Representatives (including attorneys, accountants and other agents) to: (i) afford, to the Buyer and its Representatives (including accounting, legal and other representatives) and potential financing sources, as well as their respective Representatives, reasonable access during normal business hours, to the properties of the Company and each of its Subsidiaries, the Company's and each of its Subsidiaries' customers, suppliers and Representatives and to

business, financial, legal, tax, compensation, audit, accounting and other data and information concerning the business of the Company and each of its Subsidiaries, and (ii) furnish reasonably promptly to the Buyer and its Representatives such information concerning the business, properties, contracts and personnel of the Company and each of its Subsidiaries as may be reasonably requested, from time to time, by the Buyer; provided that the Company may restrict the foregoing access to the extent any Law (including any Antitrust Law) applicable to the Company requires it or any of its Subsidiaries to restrict access to any of its business, properties, information or personnel; and provided, further, that such access shall not unreasonably disrupt the operations of the Company or any of its Subsidiaries. No information or knowledge obtained in any investigation pursuant to this Section 7.1 shall affect or be deemed to modify any representation or warranty made by any party hereunder. Notwithstanding the foregoing, in no event shall the Company or any of its Subsidiaries be required to obtain new surveys or consent to or conduct any environmental sampling, including any sampling of the air, soil, surface water or ground water on the Real Property, except to the extent any such sampling is conducted by the Company or any Subsidiary in the ordinary course of business. Any new title policies requested by the Buyer shall be required to be obtained by the Company provided that they are paid for by the Buyer. Nothing herein shall obligate the Seller, the Company or any of its Subsidiaries to provide any information that would violate any obligations of confidentiality or would result in a loss of privilege; provided, that the Company and each of its Subsidiaries shall make appropriate substitute arrangements to cause any such privileged information to be provided, to the extent reasonably practicable, in a manner that is not reasonably likely to result in any such loss of privilege; provided, further, that if so requested by the Buyer, the Company shall use its reasonable best efforts to seek and obtain a waiver of such confidentiality obligation (which efforts shall not include any obligation to pay a fee to the waiving party or agree to any adverse contractual modifications to obtain such waiver).

(b) The Seller and the Company hereby authorize the Buyer, subject to the Buyer's obligations under Section 7.14(c) hereof, to meet with existing customers and suppliers of the Company and its Subsidiaries and shall exercise commercially reasonable efforts to facilitate such discussions; provided, that with respect to meetings with any Applicable Customer, an officer or employee of the Company shall receive a reasonable amount of advance notice of any such meeting and shall be afforded a reasonable opportunity to attend any telephonic or in-person meetings with such Applicable Customer. As used herein, "Applicable Customer" means any customer of the Company or any of its Subsidiaries who does not purchase sand for use as "frac sand" from the Company or any of its Subsidiaries or any customer of the Company or any Subsidiary listed on Schedule 5.19 as a top ten (10) customer.

7.2 Regulatory Filings.

(a) The Buyer and the Company shall, if required by applicable Law, within ten (10) days following the date hereof, file or supply, or cause to be filed or supplied in connection with the transactions contemplated herein, all notifications and information required to be filed or supplied pursuant to the HSR Act (it being agreed that the parties shall request early termination of the waiting period under the HSR Act). The Buyer, on the one hand, and the Seller, on the other hand, shall equally split all filing fees and other charges for the filing under the HSR Act.

(b) Each of the Buyer and the Company, as promptly as practicable, shall make, or cause to be made, all other filings and submissions under Laws, rules and regulations applicable to it, or to its Subsidiaries and Affiliates, as may be required for it to consummate the transactions contemplated herein and use its commercially reasonable efforts to obtain, or cause to be obtained, all other authorizations, approvals, consents and waivers from all Governmental Authorities and other Persons necessary to be obtained by it, or its Subsidiaries or Affiliates, in order for it to consummate such transactions.

(c) The Buyer, the Company and the Seller shall coordinate and cooperate with one another in exchanging and providing such information to each other and in making the filings and requests referred to in Sections 7.2(a) and 7.2(b). The parties hereto shall supply such reasonable assistance as may be reasonably requested by any other party hereto in connection with the foregoing.

(d) Notwithstanding anything to the contrary herein, if any Order is made by any Governmental Authority or any suit is threatened or instituted challenging any of the transactions contemplated by this Agreement as violative of any Antitrust Law, the Buyer, the Company and the Seller shall take such action as may be required (i) by the applicable Governmental Authority (including, without limitation, the Antitrust Division of the United States Department of Justice or the Federal Trade Commission) in order to resolve such objections as such Governmental Authority may have to such transactions under such Antitrust Law or (ii) by any domestic or foreign court or similar tribunal, in any suit brought by any Person or Governmental Authority challenging the transactions contemplated by this Agreement as violative of any Antitrust Law, in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order that has the effect of preventing the consummation of the transactions contemplated by this Agreement.

(e) Each of the Buyer, the Company and the Seller shall promptly inform the other parties of any material communication from the Federal Trade Commission, the Department of Justice or any other Governmental Authority regarding any of the transactions contemplated by this Agreement. If the Buyer or the Company or any of their respective Affiliates receives a request for additional information or documentary material from any such Governmental Authority with respect to the transactions contemplated by this Agreement, then such party will endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party or parties, an appropriate response in compliance with such request. Each of the Buyer, the Company and the Seller will advise the other parties promptly in respect of any understandings, undertakings or agreements (oral or written) which the Buyer, the Company or the Seller proposes to make or enter into with the Federal Trade Commission, the Department of Justice or any other Governmental Authority in connection with the transactions contemplated by this Agreement. No party shall participate in any meeting with any Governmental Authority in respect of any such

filings, investigation, or other inquiry without giving the other party prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and participate; provided, however that nothing herein shall preclude any party from participating in discussions with a Governmental Authority without participation by the other party where the discussions are initiated by the Governmental Authority, or where the subject matter in the reasonable judgment of that party cannot be effectively discussed in the presence of the other party.

7.3 Conduct of Business.

Prior to the Closing, and except as otherwise (i) contemplated by this Agreement (including Section 7.17), (ii) set forth in Schedule 7.3 or (iii) consented to or approved by the Buyer (which consent or approval shall not be unreasonably withheld, conditioned or delayed), the Company covenants and agrees that:

(i) it shall, and shall cause each of its Subsidiaries to, conduct and operate the businesses only in the ordinary and usual course and consistent with past practice and use all reasonable commercial efforts to preserve the properties and relationships with material suppliers and customers of such businesses;

(ii) it shall not, and shall cause each of its Subsidiaries not to, issue or sell any shares of capital stock or membership interests, as the case may be, of the Company or |, or issue or sell any options, warrants or other rights of any kind to acquire any such shares or membership interests or securities convertible into or exchangeable for, or which otherwise confer on the holder thereof any right to acquire, any such shares or membership interests, or enter into any agreement obligating it to do any of the foregoing;

(iii) it shall not, and shall cause each of its Subsidiaries not to, grant or agree to grant, other than in the ordinary course of business, any bonus to any employee, any general increase in the rate of salary or compensation of any employee or provide for any new pension or welfare plan or other retirement or employment benefits to any of its employees or any increase in any existing benefits; provided that the entry into agreements of the type described in clause (ii) of the definition of Transaction Expenses and payments pursuant to such agreements shall be permitted hereunder;

(iv) except for cash dividends, it shall not, and shall cause each of its Subsidiaries not to, declare, set aside or pay any dividends or other distributions in respect of its capital stock or membership interests, or make any direct or indirect payment or loan to the Seller or to any Affiliate of the Seller;

(v) it shall not, and shall cause each of its Subsidiaries not to, (x) amend its certificate or articles of incorporation, certificate of formation, bylaws or operating agreement or similar organizational document or agreement, as the case may be, or (y) merge, amalgamate or consolidate with any other Person, sell all or substantially all of its business or assets, or acquire all or substantially all of the business or assets of any other Person;

(vi) it shall not, and shall cause each of its Subsidiaries not to, establish, adopt, enter into, amend or terminate any Employee Benefit Plan or any Collective Bargaining Agreement for the benefit of any directors, officers or employees, in each case except as required by applicable Law;

(vii) it shall not, and shall cause each of its Subsidiaries not to, enter into, materially amend, become subject to or terminate: (A) any Contract of a type described in Section 5.10, outside the ordinary course of business or (B) any Ottawa Contract or Frac Sand Contract;

(viii) it shall not, and shall cause each of its Subsidiaries not to, incur, assume or modify any Indebtedness, except the Indebtedness incurred pursuant to existing credit agreements disclosed on Schedule 5,10(a)(viii) in the ordinary course of business consistent with past practice;

(ix) it shall not, and shall cause each of its Subsidiaries not to, subject any of its properties or assets or any capital stock, membership interests or other equity or voting interests to any Encumbrances (other than Permitted Encumbrances);

(x) it shall not, and shall cause each of its Subsidiaries not to, sell, transfer, lease, license or otherwise dispose of any assets or properties except for (A) sales of inventory in the ordinary course of business consistent with past practice and (B) leases or licenses entered into in the ordinary course of business consistent with past practice;

(xi) it shall not, and shall cause each of its Subsidiaries not to, acquire any business or Person, by merger or consolidation, purchase of substantial assets or equity interests, or by any other manner, in a single transaction or a series of related transactions;

(xii) it shall not, and shall cause each of its Subsidiaries not to, make any capital expenditure or commitment therefor in excess of $250,000 individually or in the aggregate or otherwise acquiring any assets or properties (other than supplies or inventory in the ordinary course of business consistent with practice), except for any capital expenditures or commitments therefor set forth in the May 31, 2008 capital projections of the Company and its Subsidiaries disclosed to the Buyer;

(xiii) it shall not, and shall cause each of its Subsidiaries not to, write-off as uncollectible any notes or accounts receivable, except write-offs in the ordinary course of business consistent with past practice charged to applicable reserves which individually or in the aggregate are not material to the Company and its Subsidiaries, taken as a whole;

(xiv) it shall not, and shall cause each of its Subsidiaries not to, make any change in any method of accounting or auditing practice other than those required by GAAP;

(xv) it shall not, and shall cause each of its Subsidiaries not to, (1) make any Tax election or settle and/or compromise any material Tax liability; (2) prepare any Tax Returns in a manner which is materially inconsistent with the past practices of the Company or such Subsidiary, as the case may be, with respect to the treatment of items on such Tax Returns; (3) incur any liability for Taxes other than in the ordinary course of business; or (4) file an amended Tax Return or a claim for refund of Taxes with respect to the income, operations or property of the Company or any of its Subsidiaries;

(xvi) it shall not, and shall cause each of its Subsidiaries not to, pay, discharge, settle or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than payments, discharges or satisfactions of such claims, liabilities or obligations in the ordinary course of business and consistent with past practice;

(xvii) it shall not, and shall cause each of its Subsidiaries not to, plan, announce, implement or effect any reduction in force, lay-off, early retirement program, severance program or other program or effort concerning the termination of employment of employees of the Company or any of its Subsidiaries (other than routine employee terminations for cause);

(xviii) it shall not, and shall cause each of its Subsidiaries not to, make any loans, advances or capital contributions to, or investments in, any other Person other than loans, advances or capital contributions by the Company or any of its Subsidiaries to any direct or indirect wholly owned Subsidiary of the Company;

(xix) it shall not, and shall cause each of its Subsidiaries not to, enter into any Contract or letter of intent (whether or not binding) with respect to, or committing or agreeing to do, whether or not in writing, any of the foregoing;

(xx) it shall confer on a regular basis with one or more designated Representatives of the Buyer to report on the general status of ongoing operations; and

(xxi) it shall keep, all insurance policies currently maintained with respect to the Company and each of its Subsidiaries and their respective assets and properties, or suitable replacements or renewals, in full force and effect through the close of business on the Closing Date.

With respect to item (iv) on Schedule 7.3, the Seller and the Company shall keep the Buyer reasonably informed of the status and progress of such actions and shall consult with the Buyer with respect to the manner in which such actions are effected and the consequences thereof and as to such other related matters as the Buyer shall reasonably request.

7.4 Employee Matters.

(a) The Buyer shall ensure that all Persons who were employed by the Company or any of its Subsidiaries immediately preceding the Closing Date, including those on vacation, leave of absence or maternity or disability leave, other than employees to whom a Collective Bargaining Agreement applies (the "Active Employees") will be employed by the Buyer or an Affiliate of the Buyer (including but not limited to the Company or any of its Subsidiaries) on and immediately after the Closing Date, on substantially the same terms (including salary, fringe benefits, job responsibility and location) as those provided to such employees immediately prior to the Closing Date, excluding stock or equity-based compensation and severance, retention, change in control or similar-type compensation, except as otherwise provided in this Section 7.4. The Buyer agrees (i) to recognize, and to cause the Company, and each of its Subsidiaries, as applicable, to recognize the unions, which are parties to the Collective Bargaining Agreements identified in Schedule 5.16 as the sole and exclusive collective bargaining agents, as of the Closing Date and immediately thereafter, for the employees represented by such unions as of the Closing Date who will continue employment with the Company or any of its Subsidiaries after the Closing Date, (ii) that on and immediately after the Closing Date the Company and each of its Subsidiaries presently party to any Collective Bargaining Agreement identified on Schedule 5.16 shall continue to be bound by the terms of such agreement, and (iii) that it shall cause the Company and each of its Subsidiaries to comply with its respective obligations under such Collective Bargaining Agreements. The Buyer shall not, at any time prior to 90 days after the Closing Date, effectuate a "plant closing" or "mass layoff" as those terms are defined in the WARN affecting in whole or in part any facility, site of employment, operating unit or employee of the Company or any of its Subsidiaries without complying fully with the requirements of WARN.

(b) For the period beginning on the Closing Date and ending on the first anniversary of the Closing Date, (i) the Buyer shall cause the Active Employees who are employed with the Company or any of its Subsidiaries during such period and their covered dependents to be provided with Employee Benefit Plans (including but not limited to a 401(k) plan, life insurance, medical benefits, disability benefits and other employee welfare benefit plans, programs, policies or arrangements that provide benefits) that are no less favorable in the aggregate than the benefits, plans, programs, policies and arrangements that were provided to such individuals immediately prior to the Closing Date, other than stock or equity-based compensation and severance, retention, change in control or similar type compensation, except as otherwise provided in this Section 7.4 (the "Buyer Plans"), and (ii) the Buyer shall cause Persons who are employed with the Company or any of its Subsidiaries during such period and who would be Active Employees but for the fact that they are subject to a Collective Bargaining Agreement to be provided with such benefits, plans, programs, policies and arrangements at least equal to the benefits, plans (including but not limited to the Multiemployer Plans), programs, policies and arrangements required to be provided to them under such Collective Bargaining Agreement. The Buyer shall cause the Buyer Plans to count for purposes of eligibility and vesting and benefit levels under such plans all service of the Active Employees that was counted for such purpose under the Company's plans and

arrangements. In addition, the Buyer shall cause the Buyer Plans to grant credit to the Active Employees and their covered dependents for payments made by such individuals toward out-of-pocket maximums and deductibles for the year in which the Closing Date occurs and to waive any pre-existing condition restrictions under the Buyer's Plans with respect to such individuals.

(c) In the event that the employment of any Active Employee is terminated in accordance with the policies and arrangements set forth in Schedule 7.4(c), the Buyer shall cause to be provided to such Active Employee severance benefits no less favorable than the severance benefits applicable to such Active Employee listed or set forth on Schedule 7.4(c).

(d) The Company, the Buyer and the Buyer's Affiliates shall cooperate as may reasonably be requested with respect to each of the filings, calculations and other actions necessary to effect the transactions contemplated by this Section 7.4 and in obtaining any governmental approvals required hereunder.

(e) Nothing in this Section 7.4 or this Agreement, express or implied, shall: (i) confer upon any employee of the Company or any of its Subsidiaries, or any Representative of any such employee, or any other Person who is not a party hereto or who is explicitly stated as entitled to benefits hereunder, any rights or remedies, under this Agreement, including any right to employment or continued employment for any period or term of employment, for any nature whatsoever, (ii) subject to the foregoing requirements of this Section 7.4, be interpreted to prevent or restrict the Buyer or its Affiliates from modifying or terminating the employment or terms of employment of any such employee, including the amendment or termination of any employee benefit or compensation plan, program or arrangement, after the Closing Date, or (iii) prevent the Buyer or its Affiliates from negotiating new collective bargaining agreements or amending the Collective Bargaining Agreements (in accordance with the terms of the Collective Bargaining Agreements) prior to or upon their termination in accordance with their terms.

7.5 Tax Matters. The following provisions (which shall take precedence over any other provision of this Agreement in the event of a conflict) shall govern the allocation of responsibility as among the Buyer, the Seller and the Company for certain Tax matters:

(a) The Buyer shall timely prepare and file or cause to be prepared and filed all Tax Returns of the Company and each of its Subsidiaries that are required to be filed after the Closing Date and shall pay the Taxes shown as due on such Tax Return for any taxable year or period ending on or before the Closing Date ("Pre-Closing Tax Period") and for any Overlap Period. If any Tax shown as due on such Tax Return is payable by the Seller (taking into account indemnification obligations hereunder), the Buyer shall provide the Seller with a substantially final draft of such Tax Return at least thirty (30) days prior to the due date for such Tax Return (or if required to be filed within fifteen (15) days after the Closing or within thirty (30) days after the end of the taxable period to which such Tax Return relates, as soon as possible following the

Closing Date or the end of such taxable period, as the case may be). The Seller shall notify the Buyer of any objections that the Seller has to any items set forth in any such draft Tax Return, and the Buyer and the Seller shall agree to consult and resolve in good faith any such objection. Such Tax Returns shall be prepared or completed in a manner consistent with prior practice of the Company and each of its Subsidiaries with respect to Tax Returns concerning the income, properties or operations of the Company and each of its Subsidiaries, except as otherwise required by Law or regulation or otherwise consented to in writing by the Seller prior to the filing thereof (which consent shall not be unreasonably withheld, delayed or conditioned). In the event that Buyer and the Seller are unable to resolve any dispute with respect to such Tax Return at least ten (10) days prior to the due date for filing (including extensions), such dispute shall be resolved by the Independent Accountants pursuant to Section 7.5(f), whose resolution shall be binding on the parties. If the dispute is not resolved by the Independent Accountants at least three (3) days prior to the due date for filing, then such Tax Return shall be filed as prepared by the Buyer, subject to subsequent amendment that may be necessary to reflect the Independent Accountants' ultimate resolution of the dispute.

(b) The Seller shall promptly notify the Buyer in writing upon receipt by the Seller or any Affiliate of the Seller of notice of any pending or threatened Tax audits, assessments or proceedings against or with respect to the Company or any of its Subsidiaries ("Tax Proceeding"). The Buyer shall promptly notify the Seller in writing upon receipt by the Buyer or any Affiliate of the Buyer of notice of any pending or threatened Tax Proceeding for any Pre-Closing Tax Period or Overlap Period, provided, however, the failure of the Buyer to give such notice shall only relieve the Seller from its indemnification obligations hereunder (if any) to the extent it is actually prejudiced by such failure. The Seller shall have the exclusive right, at the Seller's expense, to represent the interests of the Company and each of its Subsidiaries in any and all Tax Proceedings relating to Tax Returns for Pre-Closing Tax Periods to the extent that the Seller may have an indemnification obligation with respect to Taxes hereunder, provided, however, that the Buyer shall have the right to participate in any such Tax Proceeding and to employ counsel of its choice for purposes of such participation to the extent that any such compromise, settlement, consent or agreement would have an adverse affect on the Buyer and its Affiliates or would increase the Taxes of the Buyer, any of its Affiliates, the Company or any of its Subsidiaries for any taxable period ending after the Closing Date. Without the prior written consent of the Buyer, which consent shall not be unreasonably withheld, conditioned or delayed, the Seller shall not agree or consent to compromise or settle any issue or claim arising in any such audit, assessment or proceeding, or otherwise agree to or consent to any Tax liability, to the extent that any such compromise, settlement, consent or agreement would have an adverse effect on the Buyer and its Affiliates or would increase the Taxes of the Buyer, its Affiliates, the Company and any of its Subsidiaries for any taxable period ending after the Closing Date. The Seller shall promptly notify the Buyer if the Seller decides not to control the defense or settlement of any Tax claim which it is entitled to control pursuant to this Agreement, and upon receipt of such a notice, or if the Seller otherwise fails to reasonably undertake the activities necessary or appropriate to the conduct of any Tax Proceedings it is entitled to control under this Section 7.5(b), the Buyer shall thereupon be permitted to defend and settle such proceeding without prejudice to its right to

indemnification under this Agreement. The Buyer shall control all Tax Proceedings related to an Overlap Period, provided, however, that, without the prior written consent of the Seller, which shall not be unreasonably withheld, conditioned or delayed, the Buyer shall not agree or consent to compromise or settle any issue or claim arising in any such Tax Proceeding, or otherwise agree to or consent to any Tax liability, to the extent that any such compromise, settlement, consent or agreement would result in an indemnification obligation owing by the Seller to the Buyer.

(c) Notwithstanding anything to the contrary contained or implied in this Agreement, after the Closing Date, unless required by Law, neither the Buyer nor any Affiliate of the Buyer (including the Company or any of its Subsidiaries) shall, without the prior written consent of the Seller (which shall not be unreasonably withheld, conditioned or delayed), file or cause to be filed any amended Tax Return or claim for Tax refunds for any Pre-Closing Tax Period with respect to the Company or any of its Subsidiaries (or relating to their income, properties or operations) if any such filing would increase the Tax liability of the Seller, the Company or any of its Subsidiaries or their respective Affiliates for any Pre-Closing Tax Period. The Seller shall be entitled to retain any Tax refunds of overpaid Taxes (except to the extent such Tax refunds are included in Current Assets of the Company in computing Working Capital of the Company or are attributable to the carryback of losses or credits arising in a taxable year or period ending after the Closing Date) of or relating to the Company or any of its Subsidiaries not received prior to the Closing Date for Pre-Closing Tax Periods. If the Buyer or its Affiliates (including, without limitation, the Company or any of its Subsidiaries) receives any such refund, the Buyer shall promptly pay (or cause to be paid) the amount of the Tax refund (including, without limitation, interest received from a Taxing Authority with respect thereto but reduced by any Taxes incurred by the Buyer, the Company or any Affiliate with respect to such Tax refund) to the Seller, and further reduced by the amount of such Tax refund that is required to be paid to any Person under the Membership Interest Purchase Agreement dated September 13, 2007 among Hourglass Holdings, LLC, Harvest Partners V, L.P. (solely for purposes of Section 9.15 thereof), HP V AIV-1, L.P., Harvest Strategies Associates V, L.P., the Company and the Unit Holders party thereto or the Agreement and Plan of Merger dated June 19, 2007 by and among Hourglass Holdings, LLC, Hourglass Acquisition, Inc., USS Holdings, Inc., the Institutional Stockholders and CCMP Capital Advisors, LLC (as the Stockholders' Representative).

(d) After the Closing Date, the Buyer and the Seller shall provide each other with such cooperation and information relating to the Company and each of its Subsidiaries as any other party may reasonably request in (i) filing any Tax Return, amended Tax Return or other Tax filing or claim for refund of Taxes, (ii) determining any Tax liability or right to refund of Taxes, (iii) conducting or defending any Tax Proceeding, or (iv) effectuating the terms of this Agreement. Notwithstanding the foregoing, no party shall be unreasonably required to prepare any document, or determine any information, not then in its possession in response to a request under this Section 7.5(d).

(e) The Seller shall terminate or cause to be terminated any and all of the tax sharing, allocation, indemnification or similar agreements, arrangements or undertakings in effect, written or unwritten, on the Closing Date as between the Seller or any predecessors or Affiliates of the Seller, on the one hand, and the Company and any of its Subsidiaries, on the other hand, for all Taxes imposed by any Taxing Authority, regardless of the period in which such Taxes are imposed, and there shall be no continuing obligation to make any payments under any such agreements, arrangements or undertakings.

(f) At the request of the Buyer or the Seller, any dispute between the parties relating to the any matter in Section 7.5(b) shall be referred to the New York City, New York office of KPMG LLP (the "Independent Accountants"). The fees, costs and expenses of the Independent Accountants shall be borne equally by the Seller and the Buyer.

(g) All amounts paid pursuant to this Section 7.5 and pursuant to the indemnification provisions of ARTICLE X shall, to the extent permitted by applicable Law, be treated as adjustments to the purchase price for all Tax purposes.

7.6 Non-solicitation.

(a) From the date hereof until the earlier of (x) the Closing and (y) two (2) years following termination of this Agreement, neither the Buyer nor any of its Affiliates shall directly or indirectly, solicit, encourage, entice, induce or employ any Person who is a Key Employee of the Company or any of its Subsidiaries at the date hereof or at any time hereafter that precedes such termination, to terminate his or her employment with the Company or any of its Subsidiaries; provided, that the foregoing restrictions shall not apply to general advertisements or other general solicitations not targeted at any such Persons or the employment or engagement of any Person who responds to such general advertisements or general solicitations. The Buyer agrees that money damages shall not be an adequate remedy and that the Company and each of its Subsidiaries shall be entitled to equitable relief, including but not limited to injunctive relief, in the event of any breach by the Buyer of this Section 7.6, in addition to any other remedies available to the Company or any of its Subsidiaries at Law. Preferred Unlimited Inc. and Preferred Rocks of Genoa, Inc., who constitute all of the Buyer's Affiliates conducting business in an industry in which the Company and its Subsidiaries are known by the Buyer to conduct business, have delivered to the Company letter agreements memorializing their agreement to be bound by the provisions of this Section 7.6(a).

(b) From the Closing Date until the second (2nd) anniversary of the Closing, the Seller shall not, directly or indirectly, solicit, encourage, entice or induce any Person who is a Key Employee of the Buyer, the Company or any of its Subsidiaries (or any Person who ceased to be a Key Employee of the Buyer, the Company or any Subsidiary within the six (6) month period prior to the date of such attempted solicitation, employment or retention) to terminate his or her employment with the Buyer or the Company or any of its Subsidiaries, or employ or otherwise retain such

Key Employee; provided, that the foregoing restrictions shall not apply to general advertisements or other general solicitations not targeted at any such Persons or the employment or engagement of any Person who responds to such general advertisements or general solicitations. It shall not be deemed to be a direct or indirect action of the Seller if any action specified herein is taken by any Affiliate of the Seller that the Seller does not "control." For purposes of this Section 7.6(b), "control" means: (i) the direct or indirect ownership of a majority of the outstanding voting securities of a Person; or (ii) the direct or indirect possession of the right to appoint a majority of the directors of a Person that is a corporation (or, with respect to any other Person, the right to appoint a similar governing body).

7.7 Books and Records. The Buyer shall, and shall cause the Company and each of its Subsidiaries to, retain for a period of seven (7) years all books, records and other documents pertaining to the businesses of the Company or any of its Subsidiaries in existence on the Closing Date and to make the same reasonably available after the Closing Date for inspection and copying by the Seller or any Representative of the Seller, subject, with respect to such Representative, to reasonable confidentiality obligations imposed by the Buyer regarding such information, at the Seller's expense during the normal business hours of the Buyer, the Company or such Subsidiary, as applicable, upon reasonable request and upon reasonable notice. No such books, records or documents shall be destroyed by the Buyer or the Company or any of its Subsidiaries without first advising the Seller in writing and giving the Seller a reasonable opportunity to make copies thereof. The Seller requesting such information and assistance shall reimburse the Buyer for all reasonable out-of-pocket costs and expenses incurred by the Buyer or any Affiliate thereof in providing such information. In no event shall the Buyer or any of its Affiliates be deemed to have made any representation or warranty as to any information provided pursuant to this Section 7.7. Nothing herein shall obligate the Buyer or any of its Affiliates to provide any information that would violate any obligations of confidentiality or result in a loss of privilege; provided, that the Buyer and each of its Affiliates shall make appropriate substitute arrangements to cause such information to be provided, to the extent if reasonably practicable, in a manner that is not reasonably likely to result in any such loss of privilege.

7.8 Announcements. None of the parties hereto shall issue any press release or otherwise make any public statement or other disclosure to any third party, with respect to this Agreement and the transactions contemplated hereby without the prior consent of the Buyer and the Seller, except as may be required by applicable Law and except that, in connection with its discussions with third parties contemplated by Section 7.1(b) and Section 7.14(c), the Buyer may disclose the existence of (but not the terms of) this Agreement. If a public statement is required to be made by Law, the Buyer or the Seller, as applicable, shall use commercially reasonable efforts to provide at least one (1) Business Day's advance notice of any such disclosure, which notice shall disclose in reasonable detail the reason for such disclosure.

7.9 Efforts.

(a) The Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange the Financing to consummate the transactions contemplated in this Agreement, including using reasonable best efforts to (i) maintain in effect the commitment for the financing set forth in the Equity Commitment Letters, (ii) negotiate definitive agreements with respect to the financing transactions contemplated by the Deutsche Bank Letter and/or the CTL Letter, (iii) satisfy on a timely basis all conditions in the Equity Commitment Letters applicable to the Buyer and its Affiliates that are within their control, and (iv) arrange the Additional Financing or, if necessary, any additional or alternative financing from lenders or other Persons to pay the amounts due at the Closing (including fees and expenses). The Buyer shall use its reasonable best efforts to cause the lenders and the other Persons providing the Financing to fund when required to consummate the transactions contemplated hereby. The Buyer shall give the Company prompt notice of any material breach by any party to the Equity Commitment Letters of which the Buyer becomes aware or any termination of the commitments under the Equity Commitment Letters. The Buyer shall keep the Company reasonably informed on a reasonably current basis of the status of its efforts to arrange the Financing.

(b) Subject to the Buyer's compliance with its obligations under this Section 7.9, the Seller, the Company and the Company's Subsidiaries shall provide reasonable cooperation to the Buyer in response to reasonable requests from the Buyer in connection with the Buyer's efforts to obtain the Financing, which reasonable cooperation shall include making its senior management reasonably available with reasonable prior notice to participate from time to time in "road shows" scheduled in connection with the Financing and, subject to the limitations in Section 7.9(c) below, to cooperate with the Buyer in making reasonable arrangements for the execution and delivery of definitive documents in connection with the Financing.

(c) The Buyer shall promptly after request by the Seller, reimburse the Seller, the Company and the Company's Subsidiaries for all out-of-pocket costs incurred by the Seller, the Company or any of its Subsidiaries in connection with any cooperation provided by them in connection with the Financing, and neither the Company nor the Seller shall bear any costs or expenses in connection with such cooperation, except those reimbursed by the Buyer. The Buyer shall also indemnify and hold harmless the Seller, the Company and each of its Subsidiaries and their respective Representatives from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with, arising out of or relating to the arrangement of the Financing and any information utilized in connection therewith, except to the extent that such losses, damages, claims, costs or expenses, directly or indirectly, resulted from or arose out of the willful misconduct or fraud of the Seller, the Company or any of its Subsidiaries or otherwise constitutes a breach under this Agreement. Notwithstanding anything to the contrary in this Agreement, the Seller, the Company or any of its Subsidiaries shall not be required to execute and deliver any commitment letters, engagement, underwriting or placement agreements, pledge and security documents, certificates or other definitive financing documents or documents

ancillary thereto that would be effective prior to the Closing or obtain any opinions of counsel in connection with the Financing or to take any of the other actions specified in Section 7.1(a) with respect to sampling not required to be taken pursuant to such Section 7.1(a). Any new title policies requested by the Buyer shall be required to be obtained by the Company provide that they are paid for by the Buyer. In no event shall the Company or any of its Subsidiaries be required to obtain new surveys.

7.10 Letters of Credit Relating to Surety Bonds. At and upon the Closing, the Buyer agrees to replace all of the letters of credit of the Company and its Subsidiaries set forth on Schedule 7.10 and all of the letters of credit issued by the Company or its Subsidiaries between the date hereof and the Closing Date in the ordinary course of business consistent with past practice or if acceptable to the financial institutions party thereto, at the Buyer's election and expense, maintain such letters of credit in effect as they exist immediately prior to the Closing, provided that for the avoidance of doubt the Buyer shall be responsible for amounts drawn or called under such letters of credit as of the Closing. Section 280G. Prior to the Closing, the Company and each of its Subsidiaries shall take or cause to be taken all steps to satisfy the requirements of Section 280G(b)(5) of the Code so that the tax deductions with respect to any and all payments and benefits (including all payments in the nature of compensation within the meaning of Section 280G(b)(2) of the Code) the Company and any of its Subsidiaries (and/or any other Person who may be a payor of a parachute payment within the meaning of the Treasury Regulations promulgated under Section 280G of the Code) have made or paid or are or may be obligated to make or pay that would or may be "parachute payments" (as defined in Section 280G(b)(2) of the Code) shall not be disallowed under Section 280G of the Code, and the individuals who receive such payments and benefits shall not be subject to the excise tax imposed by Section 4999 of the Code. Each agreement and other document contemplated by this Section 7.11 shall be reasonably satisfactory to the Buyer.

7.12 Officer and Director Indemnification and Insurance.

(a) The Buyer agrees that all rights to indemnification and exculpation from liability for acts or omissions occurring on or prior to the Closing Date now existing in favor of the current or former directors, members, officers or employees of the Company or any of its Subsidiaries, as provided in the respective certificates of formation or by-laws, or other similar organizational or governing documents, or in indemnification agreements, shall survive the Closing Date and shall continue in full force and effect in accordance with their respective terms for a period of at least six (6) years after the Closing Date.

(b) The Buyer shall, or shall cause the Company and each of its Subsidiaries to, maintain, in effect for six (6) years from the Closing Date, at no expense to the beneficiaries thereof, the current policies of the directors' and officers' liability insurance maintained by the Company and each of its Subsidiaries (provided that the Buyer may substitute therefor policies of at least the same coverage, with an insurer of no lower financial rating, and containing terms and conditions which are no less advantageous on an aggregate basis to any beneficiary thereof) with respect to matters existing or occurring at or prior to the Closing Date

7.13 Further Assurances. From the date hereof until the earlier of the Closing Date and the termination of this Agreement in accordance with ARTICLE 11, and from and after the Closing, each of the parties hereto shall execute such documents and perform such further acts as may be reasonably required to carry out the provisions hereof and the actions contemplated hereby.

7.14 Confidentiality.

(a) From and after the Closing, the Seller shall, and shall cause its Affiliates to, keep confidential all confidential information relating to the business of the Company and the Company's Subsidiaries (the "Confidential Information") and shall not use such Confidential Information or disclose such Confidential Information to any other Person, except, in each of the foregoing cases, to the extent necessary to comply with its obligations under this Agreement. In the event that, after the Closing Date, the Seller or any of its Affiliates is required by deposition, interrogatory, request for documents, subpoena, civil litigation demand, or similar process to disclose any of the Confidential Information, the Seller or such Affiliate thereof shall provide the Buyer with prompt written notice of such requirement, shall reasonably cooperate, at the Buyer's expense, with any effort the Buyer may make to obtain a protective order or similar action to prevent the disclosure of Confidential Information, and if no such order is obtained or if the Buyer waives the requirement of this Section 7.14(a), the Seller or its Affiliate, as applicable, shall furnish only the portion of the Confidential Information that it is advised by counsel is legally required, and the Seller or its Affiliate, as applicable, shall exercise reasonable best efforts to obtain reliable assurance that confidential treatment shall be accorded such Confidential Information. The obligations of the Seller and its Affiliates under this Section 7.14(a) shall not apply to any Confidential Information that (a) is or becomes generally available to the public without breach of the commitment provided for in this Section 7.14(a), or (b) is or becomes available to such party on a non-confidential basis from a source other than any of the parties hereto or any of their respective Representatives, provided that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to any person; provided, however, that nothing herein shall prevent any party hereto from disclosing Confidential Information (i) upon the request or demand of any regulatory agency or authority having jurisdiction over such party, (ii) to the extent required by Law or regulation, (iii) to the extent necessary in connection with any suit, action, dispute or proceeding relating to this Agreement or the exercise of any remedy hereunder, and (iv) to such party's Representatives that need to know such information and who agree to keep such information confidential on the terms set forth in this Section 7.14(a) on terms that provide the Buyer the right to enforce such obligations; provided, that in the case of (i) and (ii), the Seller shall provide the Buyer with prompt notice so that the Buyer may seek a protective order or other appropriate remedy and the Seller shall reasonably cooperate, at Buyer's expense, with the Buyer in any reasonable effort undertaken to obtain a protective order or other remedy.

(b) [Reserved.]

(c) From the date hereof until the occurrence of the Closing, the Buyer shall, and shall cause its Affiliates to, keep confidential all Confidential Information and shall not use such Confidential Information or disclose such Confidential Information to any other Person, except, in each of the foregoing cases: (i) to the extent necessary comply with its obligations under this Agreement; (ii) to potential financing sources to secure the Financing in accordance with its obligations under this Agreement provided that they shall have signed a confidentiality agreement in form and substance reasonably acceptable to the Company pursuant to which the Buyer shall use reasonable efforts to provide that the Company is a third party beneficiary and, if it is not able to make the Company a third party beneficiary then the Buyer, shall agree to be responsible for any breaches thereof by such financing sources with respect thereto; (iii) to existing or potential customers or suppliers of the Buyer, the Company or any of its Subsidiaries to the extent that the Buyer, in its reasonable discretion, determines such disclosure is necessary for the Buyer to assure that such existing or potential customer or supplier maintains its, or enters into a, relationship with the Buyer, the Company or any of its Subsidiaries after the Closing and (iv) to potential purchasers of the assets of the business of the Company or any of its Subsidiaries after the Closing, to the extent that the Buyer, in its reasonable discretion, determines that such disclosure is necessary for the Buyer to pursue a transaction with such purchasers; provided, that with respect to disclosures under items (iii) and (iv), the only Confidential Information that may be disclosed is the information set forth on Schedule 7.14(c) hereto. In the event that, after the Closing Date, the Buyer or any of its Affiliates is required by deposition, interrogatory, request for documents, subpoena, civil litigation demand, or similar process to disclose any of the Confidential Information, the Buyer or such Affiliate shall provide the Seller with prompt written notice of such requirement, shall reasonably cooperate, at the Seller's expense, with any effort the Seller may make to obtain a protective order or similar action to prevent the disclosure of Confidential Information, and if no such order is obtained or if the Seller waives the requirement of this Section 7.14(c), the Buyer or such Affiliate, as applicable, shall furnish only the portion of the Confidential Information that it is advised by counsel is legally required, and the Buyer or such Affiliate, as applicable, shall exercise reasonable best efforts to obtain reliable assurance that confidential treatment shall be accorded such Confidential Information. The obligations of the Buyer and its Affiliates under this Section 7.14(c) shall not apply to any Confidential Information that (a) is or becomes generally available to the public without breach of the commitment provided for in this Section 7.14(c), or (b) is or becomes available to such party on a nonconfidential basis from a source other than any of the parties hereto or any of their respective Representatives, provided that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to any person; provided, however, that nothing herein shall prevent any party hereto from disclosing Confidential Information (i) upon the request or demand of any regulatory agency or authority having jurisdiction over such party, (ii) to the extent required by Law or regulation, (iii) to the extent necessary in connection with any suit, action, dispute or proceeding relating to this Agreement or the exercise of any remedy hereunder, and (iv) to such party's Representatives that need to know such information and who agree to keep such information confidential on the terms set forth in this Section 7.14(c) on terms

that provide the Company the right to enforce such obligations; provided, that in the case of (i) and (ii), the Buyer shall provide the Seller with prompt notice so that the Seller may seek a protective order or other appropriate remedy and the Buyer shall reasonably cooperate, at the Seller's expense, with the Seller in any reasonable effort undertaken to obtain a protective order or other remedy.

7.15 Release of Claims. Effective immediately following the Closing, the Seller does hereby, and shall cause each of its Affiliates to, fully and unconditionally remise, release and forever discharge the Company and each of its Subsidiaries and their respective Representatives, in each case past, present, or as they may exist at any time prior to or after the date of this Agreement (collectively, the "Released Parties"), from any and all actions, suits, claims, counter claims, damages, obligations, liabilities, losses, debts, checks, agreements, promises, costs, expenses and demands whatsoever, at law or in equity, whether known or unknown, suspected or unsuspected, fixed or contingent, that the Seller or any Affiliate thereof, ever had, now has, claims to have had, now claims to have, or hereafter can, shall or may have or claim to have against any Released Party based upon any matter, cause, fact, thing, act or omission whatsoever with respect to periods, occurrences, actions or events prior to the consummation of the Closing; provided, however, that this Section 7.15 shall not release the Released Parties from (i) any claim arising under this Agreement or (ii) any claim of a director, officer, manager or employee of the Company or its Subsidiaries for indemnification under applicable directors' and officers' liability insurance policies, agreements or certificates of formation, bylaws or similar organizational documents of the Company and its Subsidiaries to the extent required to be maintained hereunder. Neither the Seller nor any Affiliate thereof shall assist any Person in preparing, commencing or prosecuting any Action against any Released Party including, but not limited to, any administrative agency claims, charges or complaints and/or lawsuits against any Released Party in connection with any matter released hereunder, or to participate voluntarily or cooperate in any such Action.

7.16 Exclusivity. The Seller and the Company agree that, between the date hereof and the earlier of the Closing Date and the Termination Date, neither of them, shall, directly, indirectly or otherwise through any Subsidiaries or other Affiliates or Representatives, distribute any proposed agreement contemplating, engage in any negotiations relating to, provide any information in connection with or solicit, negotiate, initiate, discuss with a third party (other than its Representatives) or accept any offers for, the sale or other transfer of the Company or any Subsidiary or any equity interest therein or the Company's or any Subsidiary's assets or properties (except to the extent permitted by Section 7.3(x) or Schedule 7.3) to any Person other than the Buyer.

7.17 Pre-Merger Steps.

(a) The Seller and the Company shall take, or cause to be taken, the following actions at least one (1) Business Day prior to the Closing Date:

(i) Hourglass Holdings, LLC, a Delaware limited liability company ("Hourglass Holdings"), shall distribute to the Company all of the issued and outstanding USS Shares ("Distribution I").

(ii) Immediately following the consummation of Distribution I, the Company shall distribute to the Seller all of the issued and outstanding USS Shares ("Distribution II" and, together with Distribution I, the "Distributions").

(iii) Immediately following the consummation of the Distributions, the Seller shall contribute to the capital of USS Holdings all of the issued and outstanding membership interests in the Company.

(b) The Buyer shall, at least one (1) Business Day prior to the Closing Date, form a new Delaware corporation as a wholly owned subsidiary of the Buyer solely for the purpose of the transactions contemplated by this Agreement that will have no material assets or liabilities ("Acquisition Sub").

(c) The Company and the Seller shall, and shall cause the Subsidiaries of the Company to, provide such reasonable cooperation to the Buyer as the Buyer shall request in modifying the actions specified in Section 7.17(a) and Section 7.17(b) to facilitate the Financing and to accommodate for Tax matters. In the event that any such modification is determined to be necessary or advisable by the Buyer, the Company and the Seller, in good faith, shall consider such modification and enter into such amendments to this Agreement necessary to accommodate all such modifications that are agreed upon by the Buyer, the Company and the Seller; provided that the Company and the Seller shall not be required to enter into any such amendment that (i) would result in any material approval of a Governmental Authority being required in order to consummate the transactions contemplated by this Agreement that would not have been required if such amendment had not occurred, (ii) the Seller reasonably determines would have an adverse effect on the Seller or any adverse effect on the Transaction Consideration or (iii) would reasonably be expected to delay the consummation of the transactions contemplated hereby past the Termination Date.

7.18 Solvency Opinion The Buyer shall engage, at the Buyer's expense, an appraisal firm of national reputation reasonably acceptable to the Buyer and the Seller to deliver an opinion in a form reasonably acceptable to the Company, USS Holdings and the Seller and addressed to the Company, USS Holdings and the Seller (and on which the Company, USS Holdings and the Seller shall be entitled to rely), supporting the following conclusion: immediately after the Effective Time, and after giving effect to the Merger, the transactions contemplated by Section 7.17(a) and the other transactions contemplated hereby, including the Financing and the payment of the Transaction Consideration, the Applicable Entities will not: (i) be insolvent (either because its financial condition is such that the sum of its debts is greater than the fair market value of its assets or because the fair saleable value of its assets is less than the amount required to pay its probable liability on its existing debts as they mature); (ii) have unreasonably small capital with which to engage in its business; or (iii) reasonably be expected to have incurred debts beyond its ability to pay them as they become due or the equivalent of

such conclusion, as determined in the reasonable discretion of the Seller and the Company (such opinion, the "Solvency Opinion"). As used herein, "Applicable Entities" means each entity out of the Company and its Subsidiaries which is participating in any manner the Financing.

ARTICLE 8

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of the Buyer to effect the transactions contemplated by this Agreement shall be subject to the satisfaction, at or prior to the Closing Date, of all of the following conditions, any one or more of which may be waived by the Buyer:

8.1 Representations and Warranties. The representations and warranties (i) of the Seller contained in ARTICLE 4 which are not subject to a materiality qualification shall be true and correct in all material respects, and such representations and warranties which are subject to a materiality qualification shall be true and correct in all respects, in each case on and as of the Closing Date as though made on and as of the Closing Date (except for (x) representations and warranties expressly stated to relate to a specific date, in which case as of such earlier date and (y) any inaccuracies to the extent resulting from compliance by the Seller, the Company or its Subsidiaries with Section 7.17) and (ii) of the Company contained in ARTICLE 5 shall be true and correct on and as of the Closing Date as though made on and as of the Closing Date (except for (x) representations and warranties expressly stated to relate to a specific date, in which case as of such earlier date and (y) any inaccuracies to the extent resulting from compliance by the Seller, the Company or its Subsidiaries with Section 7.17) with only exceptions as, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect.

8.2 Performance. The Company and the Seller shall have performed and complied in all material respects with all agreements and covenants required by this Agreement to be performed and complied with by them prior to or on the Closing Date.

8.3 Officer's Certificate. The Company with respect to it, and the Seller, with respect to it, shall have delivered to the Buyer a certificate, signed by an executive officer of the Company in the case of the Company, and the Seller in the case of the Seller, dated as of the Closing Date, certifying the matters set forth in Sections 8.1 and 8.2.

8.4 HSR Act; Legal Prohibition.

(a) With respect to the transactions contemplated hereby, all applicable waiting periods under the HSR Act shall have expired or been terminated.

(b) On the Closing Date, there shall exist no injunction or other Order issued by any Governmental Authority or court of competent jurisdiction which prohibits the consummation of the transactions contemplated under this Agreement.

For avoidance of doubt, the parties acknowledge and agree that the Buyer's receipt of the financing proceeds necessary to consummate the transactions contemplated by this Agreement shall not constitute a condition to the Buyer's obligation to effect the transactions contemplated by this Agreement.

8.5 Solvency Opinion. The Company and the Seller shall have received the Solvency Opinion.

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLER

The obligation of the Seller to effect the transactions contemplated by this Agreement shall be subject to the satisfaction, at or prior to the Closing Date, of all of the following conditions, any one or more of which may be waived by the Seller:

9.1 Representations and Warranties Accurate. The representations and warranties of the Buyer contained in ARTICLE 6 which are not subject to a materiality qualification shall be true and correct in all material respects, and such representations and warranties which are subject to a materiality qualification shall be true and correct in all respects, in each case on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties expressly stated to relate to a specific date, in which case as of such earlier date).

9.2 Performance. The Buyer shall have performed and complied in all material respects with all agreements and covenants required by this Agreement to be performed and complied with by it prior to or on the Closing Date.

9.3 Officer Certificate. The Buyer shall have delivered to the Company and to the Seller a certificate, signed by an executive officer of the Buyer, dated as of the Closing Date, certifying the matters set forth in Sections 9.1 and 9.2.

9.4 HSR Act: Legal Prohibition.

(a) With respect to the transactions contemplated hereby, all applicable waiting periods under the HSR Act shall have expired or been terminated.

(b) On the Closing Date, there shall exist no injunction or other Order issued by any Governmental Authority or court of competent jurisdiction which prohibits the consummation of the transactions contemplated under this Agreement.

9.5 Solvency Opinion. The Company and the Seller shall have received the Solvency Opinion.

ARTICLE 10

INDEMNIFICATION

10.1 Seller's Indemnification. Subject to the limitations set forth elsewhere in this ARTICLE 10, from and after Closing:

(a) The Seller shall, indemnify and hold harmless the Buyer and its Affiliates (which, for the avoidance of doubt, shall include the Company and each of its Subsidiaries after the Closing), and their respective directors, officers, employees, partners, stockholders, members, managers, Representatives, and agents, and their respective permitted successors and assigns (collectively, the "Buyer Indemnified Parties") from and against any and all Damages (whether involving a third party or among the parties to this Agreement) that any Buyer Indemnified Party may incur, suffer or become subject to as a result of, or arising out of or in connection with (i) the breach of any representation or warranty made by the Company in this Agreement or the certificate of the Company contemplated in Section 8.3, and (ii) the non-fulfillment or breach by the Company or any of its Subsidiaries of any covenant or agreement of the Company or any of its Subsidiaries contained in this Agreement (such Damages and Actions are referred to herein as "Company-Related Damages").

(b) The Seller shall indemnify and hold harmless the Buyer Indemnified Parties from and against any and all Damages (whether involving a third party or among the parties to this Agreement) that any Buyer Indemnified Party may incur, suffer or become subject to as a result of, or arising out of or in connection with (i) the breach of any representation or warranty made by the Seller in this Agreement or the certificate of the Seller contemplated in Section 8.3, and (ii) the non-fulfillment or breach by the Seller of any covenant or agreement of the Seller contained in this Agreement (such Damages and Actions are referred to herein as "Seller-Specific Damages").

(c) The Seller shall not have any right of contribution or equitable indemnification against the Company or any of the Company's Subsidiaries from the Seller's obligations under ARTICLE 10.

10.2 Buyer's Indemnification. The Buyer shall indemnify and hold harmless the Seller and its Affiliates, and their respective directors, managers, officers, employees, partners, stockholders, members, Representatives, and agents, and their respective successors and assigns (collectively, the "Seller Indemnified Parties") from and against any and all Damages (whether involving a third party or among the parties to this Agreement) that any Seller Indemnified Party may incur, suffer or become subject to as a result of, arising out of, or in connection with (i) the breach of any representation or warranty made by the Buyer in this Agreement or the certificate contemplated by in Section 9.3 of this Agreement, and (ii) the non-fulfillment or breach by the Buyer of any covenant or agreement of the Buyer contained in this Agreement.

10.3 Limitations on Amount of Damages.

(a) Notwithstanding anything to the contrary in this Agreement: (i) the Seller shall not be liable for any breach of any representation or warranty made by the Company or the Seller in this Agreement or any certificate contemplated by Section 8.3 of this Agreement (except for the representations and warranties made in Sections 4.1, 4.2, 4.3, 4.5, 4.7, 5.1(b), 5.2(b), 5.3, 5.4, 5.11 or 5.12, which shall not be subject to any such limit and Damages resulting therefrom will count toward satisfying the Deductible) unless and until the aggregate amount of Damages incurred by the Buyer Indemnified Parties as a result of all breaches of representations and warranties by the Company and the Seller under this Agreement or any agreement or certificate contemplated by Section 8.3 of this Agreement exceeds the Deductible, and to the extent the amount of Damages exceeds the Deductible, the Buyer Indemnified Parties shall be entitled to recover only Damages in excess of the Deductible; (ii) except for liability for the breach by the Company of any of the representations or warranties made in Sections 5.1(b), 5.2(b), or the first sentence of Section 5.3, the aggregate liability of the Seller under this ARTICLE 10 with respect to Company Related Damages shall be limited to an amount equal to the Cap; and (iii) the aggregate liability of the Seller under this ARTICLE 10 shall not in any event exceed the Transaction Consideration.

(b) Notwithstanding anything to the contrary contained in this Agreement, no Buyer Indemnified Party shall be entitled to the indemnification under this ARTICLE 10 for any Damages (whether incurred by the Buyer or any Affiliate of the Buyer) in connection with any action, suit, proceeding or claim caused by, resulting from or arising from any Silica-Related Claim.

10.4 Procedures.

(a) Promptly after a Person entitled to indemnification hereunder (the "Indemnified Party") has received notice or has knowledge of any claim or the commencement of any Action for which such party may be entitled to indemnification under this ARTICLE 10, the Indemnified Party shall, if it wishes to seek indemnification for such claim or Action, give the party required to provide indemnification hereunder (the "Indemnifying Party"), written notice of such claim or the commencement of such Action and provide the Indemnifying Party with the facts within

the Indemnified Party's knowledge respecting such claim or Action that is in the possession of the Indemnified Party. To extent reasonably determinable by the Indemnified Party, such notice shall state the nature and basis of such claim or Action and the amount in dispute under such claim or Action. In each such case, the Indemnified Party agrees to give such notice to the Indemnifying Party promptly following its knowledge of any such claim or Action; provided that the delay or failure of the Indemnified Party to give such notice shall not excuse the Indemnifying Party's obligation to indemnify except to the extent the Indemnifying Party is actually prejudiced by reason of the Indemnified Party's delay or failure in its defense of such claim. If such notice concerns a Third Person Claim and such Third Person Claim does not allege violations of criminal law, the Indemnifying Party shall have the right to elect, at the Indemnifying Party's sole expense, to assume the defense of such Third Person Claim; provided that the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement, adjustment or compromise of any such Third Person Claim. The Indemnified Party shall have the right to elect, at such party's sole expense, to participate in (but not control) the defense of a Third Person Claim, the defense of which is validly assumed by the Indemnifying Party, and to employ, at its own expense, counsel in connection with its participation therein; provided, however, that if there exists a material conflict of interest between the Indemnifying Party, on the one hand, and the Indemnified Party, on the other hand, or if the Indemnified Party has been advised by counsel that there may be one or more legal or equitable defenses available to it that are different from or additional to those available to the Indemnifying Party that, in either case, would make it inappropriate for the same counsel to represent both the Indemnifying Party and the Indemnified Party, then the Indemnified Party shall be entitled to retain its own counsel at the cost and expense of the Indemnifying Party (except that the Indemnifying Party shall not be obligated to pay the fees and expenses of more than one separate counsel for all Indemnified Parties, taken together). If the Indemnifying Party has elected not to assume the control of the defense of such Third Person Claim, or if the Indemnifying Party shall have failed after the lapse of a reasonable period of time, which shall in no event be less than 10 calendar days after receipt by the Indemnifying Party of written notice of such Third Person Claim, to assume the control of the defense of such Third Person Claim, the Indemnified Party shall be entitled to defend against the same and to employ counsel reasonably satisfactory to the Indemnifying Party, at the expense of the Indemnifying Party; provided, in such event, the Indemnified Party shall obtain the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld) before entering into any settlement, adjustment or compromise of any such Third Person Claim. In connection with any Third Person Claim, the Indemnified Party, or the Indemnifying Party, if it has assumed the defense of such Third Person Claim pursuant to this Section 10.4(a), shall diligently defend such Third Person Claim and the parties shall reasonably cooperate with one another in connection with the handling of such Third Person Claim shall make available personnel, witnesses, books, and records relevant to such Third Person Claim and grant such authorizations as are necessary and reasonable to their respective agents, Representatives, and counsel upon reasonable request and keep each other reasonably informed of the status thereof.

(b) If the Indemnified Party shall have any claim against the Indemnifying Party pursuant to this Section 10.4, the Indemnified Party shall deliver to the Indemnifying Party a written notice explaining the nature and a reasonable estimate of the amount of such claim promptly after the Indemnified Party shall know of such claim.

10.5 Survival. The respective representations and warranties of the parties contained in this Agreement, the covenants and agreements of the parties contained in this Agreement to be performed prior to the Closing and the rights and obligations of the parties under this ARTICLE 10 with respect to breaches of such representations, warranties, covenants and agreements shall survive the Closing for a period of fifteen (15) months after the Closing; provided, however, that the representations and warranties contained in Sections 4.1, 4.2, 4.3, 4.5, 4.7, 5.1(b), 5.2(b), 5.12 and the first sentence of Section 5.3 shall survive for thirty-six (36) months after the Closing. The respective covenants and other agreements of the parties contained in this Agreement, and the rights and obligations of the parties under this ARTICLE 10 with respect to breaches of such covenants and agreements shall survive the Closing for a period of six (6) months following the lapse of the period of performance of such covenants and agreements provided for herein. Any claims under this Agreement with respect to a breach of a representation, warranty, covenant or agreement or the indemnity addressed in the immediately preceding sentence must be asserted by written notice delivered prior to 11:59 P.M., New York time, on the date of expiration of such representation, warranty, covenant or agreement or indemnity and, if such a notice is given, the survival period for such provision (and only such portion of such provision the breach of which is the subject of such notice) shall continue until the claim is fully resolved.

10.6 Mitigation of Damages. The Buyer shall take, and shall cause its Affiliates (including the Company and each of its Subsidiaries after the Closing) to take, all reasonable steps to mitigate any Damages upon becoming aware of any event that has given rise to Damages for which the Buyer has a claim under this ARTICLE 10. The Seller shall take all reasonable steps to mitigate any Damages upon becoming aware of any event that has given rise to Damages for which the Seller has a claim under this ARTICLE 10.

10.7 Calculation of Damages. The amount of any Damages for which indemnification is provided under this ARTICLE 10 (a) shall be net of any Collateral Source Payments and (b) shall be net of an amount equal to any Tax Benefits realized by the Indemnified Party in respect of such Damages; provided, however, that if any indemnification payment by an Indemnifying Party under this ARTICLE 10 is reduced by the amount of any Tax Benefits pursuant to clause (b) of this Section 10.7, and if such Tax Benefits are subsequently disallowed as a result of a claim by a Taxing Authority against the Indemnified Party, then the Indemnifying Party shall pay to the Indemnified Party an amount equal to the Tax Benefits that are lost as a result of such claim (but not more than the amount of such reduction). If the amount to be deducted under this Section 10.7 from any payment required under this ARTICLE 10 is determined after

payment by the Indemnifying Party of any amount otherwise required to be paid to an Indemnified Party pursuant to this ARTICLE 10, the Indemnified Party shall repay to the Indemnifying Party, promptly after such determination, any amount that the Indemnifying Party would not have had to pay pursuant to this Section 10.7 had such determination been made at the time of such payment. The Indemnified Party shall seek recovery of any Collateral Source Payments before or within a reasonable amount of time after making any claim for indemnification by the Indemnifying Party. Any Indemnifying Party may, in its sole discretion, require any Indemnified Party to grant an assignment of the right of the Indemnified Party to any Collateral Source Payments, including the right to assert claims for payment of such Collateral Source Payments; provided, that such Indemnified Party shall only be required to make such an assignment if doing so is commercially reasonable.

10.8 Exclusive Remedy. The Buyer and the Seller acknowledge and agree that, except with respect to the right to equitable relief under Section 12.16, from and after the Closing, their sole and exclusive remedy with respect to any breaches of the representations, warranties, covenants and agreements set forth in this Agreement shall be pursuant to the indemnification provisions set forth in this ARTICLE 10, other than for fraud. The Buyer and the Seller hereby waive, to the fullest extent permitted under applicable Law, any and all rights, claims, and causes of action it may have against any other party or any of such other party's Affiliates, arising under or based upon any Law (including any such rights, claims, or causes of action arising under or based upon common law or otherwise) with respect to any and all claims relating to the subject matter of this Agreement and the transactions contemplated hereby, except as set forth in the preceding sentence.

10.9 Limitation of Damages. UNDER NO CIRCUMSTANCES SHALL ANY PARTY HAVE ANY LIABILITY TO ANY OTHER PARTY OR ANY OF ITS AFFILIATES UNDER THIS AGREEMENT FOR, AND NO PARTY NOR ANY OF ITS AFFILIATES SHALL HAVE THE RIGHT TO CLAIM OR RECOVER FROM ANY OTHER PARTY, ANY INDIRECT, EXEMPLARY, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES OF ANY KIND OR NATURE WHATSOEVER, WHETHER FORESEEABLE OR UNFORESEEABLE, HOWSOEVER CAUSED OR ON ANY THEORY OF LIABILITY, EVEN IF THE SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE. NOTWITHSTANDING THE FORGOING, SUCH DAMAGES MAY BE RECOVERED SOLELY TO THE EXTENT RECOVERED BY A THIRD PARTY IN A THIRD PERSON CLAIM.

10.10 No Limitation for Fraud. No limitation or condition of liability (including survival, the Deductible and any Cap) provided in this ARTICLE 10 with respect to the Seller shall apply to fraud by the Seller or the Company or any Subsidiary of the Company.

ARTICLE 11

TERMINATION

11.1 Termination.

This Agreement may be terminated prior to the Closing only as follows:

(a) at any time on or prior to the Closing Date, by mutual written consent of the Buyer and the Seller;

(b) at the election of the Seller by written notice to the Buyer, or at the election of the Buyer by written notice to the Seller, after November 15, 2008, if the Closing shall not have occurred by such date (the "Termination Date");

(c) at the election of the Buyer, if there has been a breach of any representation, warranty, covenant or agreement on the part of the Seller or the Company contained in this Agreement, such that the conditions set forth Sections 8.1 or 8.2 would not reasonably be expected to be satisfied prior to the Termination Date; provided, however, that the Buyer shall have provided written notice of such breach to the breaching party, and the breaching party shall not have cured such breach within ten (10) Business Days of receiving such notice (or, if the Termination Date shall be on any day prior to the expiration of such ten (10) day period, then such cure period shall expire on the Termination Date);

(d) at the election of the Seller, if (x) there has been a breach of any representation, warranty, covenant or agreement on the part of the Buyer contained in this Agreement, such that the conditions set forth in Sections 9.1 or 9.2 would not reasonably be expected to be satisfied prior to the Termination Date; provided, however, that the Seller shall have provided written notice of such breach to the Buyer and the Buyer shall not have cured such breach within ten (10) Business Days of receiving such notice (or, if the Termination Date shall be on any day prior to the expiration of such ten (10) day period, then such cure period shall expire on the Termination Date) or (y) the Buyer fails to pay the Transaction Consideration when due and payable under this Agreement; and

(e) by the Buyer or the Seller in the event that any Governmental Authority shall have issued an Order or taken any other action, restraining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement, and such Order or other action shall have become final and non-appealable.

In the event of termination pursuant to this Section 11.1, the party or parties so terminating the Agreement shall provide prompt written notice thereof to the other party.

11.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 11.1, all obligations of the parties (including, without limitation, Article 10 hereof) hereunder shall terminate, except for the obligations set forth in Sections 7.6(a), 7.8, 7.14, this Section 11.2 and, to the extent applicable, ARTICLE 12 (including Section 12.18), which shall survive the termination of this Agreement and continue in accordance with their terms, and except that, subject to the limitations set forth in Section 11.2(e), no such termination shall relieve any party from liability for any prior willful breach of this Agreement or for fraud.

(b) The parties hereto hereby acknowledge and agree that, (i) except as in the case of clause (ii) or (iii) below, upon the termination of this Agreement, within two (2) Business Days following such termination, the Seller shall cause the Deposit (together with any interest earned thereon) to be transferred to the Buyer, by wire transfer of immediately available funds to an account specified by the Buyer at least one (1) Business Day prior to such payment; (ii) if the Seller terminates this Agreement pursuant to Section 11.1(d) then, within two (2) Business Days following such termination, the Buyer shall cause the Deposit to be transferred to the Seller by wire transfer of immediately available funds to an account specified by the Seller at least one (1) Business Day prior to such payment; or (iii) if the Seller or the Buyer terminates this Agreement pursuant to Section 11.1(b), and at the time of such termination each condition set forth in ARTICLE 8 (other than the condition set forth in Section 8.5 and those conditions which by their terms are to be satisfied at the Closing with the execution of only ministerial tasks) has been satisfied then, within two (2) Business Days following such termination, the Buyer shall cause the Deposit (together with interest earned thereon) to be transferred to the Seller by wire transfer of immediately available funds to an accounts specified by the Seller at least one (1) Business Day prior to such payment.

(c) The parties hereto acknowledge that damages arising under or in connection with any breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of the Buyer cannot be ascertained with certainty and that the payment of the Deposit (together with interest earned thereon) to the Seller pursuant to Sections 11.2(b)(ii) or 11.2(b)(iii) is not excessive and constitutes a reasonable amount to represent compensatory damages for such breach. Each party hereto agrees not to question or otherwise challenge the assertion or enforceability of this remedy, in and of itself, as described in this Section 11.2(c). In no event shall the Deposit (together with interest earned thereon) (or any portion of the Deposit (together with interest earned thereon)) be payable to the Sellers pursuant to Section 11.2(b) on more than one occasion.

(d) On any occasion in which the Buyer is required to cause the payment of the Deposit (together with interest earned thereon) (or any portion thereof) to the Seller, or in which the Seller is required to cause the payment of the Deposit (together with interest earned thereon) (or any portion thereof) to the Buyer, the applicable party shall deliver to the Escrow Agent a written instruction instructing the Escrow Agent to make such payment in accordance with the wire instructions provided by the receiving party and shall provide the Escrow Agent with such additional writings as the Escrow Agent may reasonably request to effect such payment.

(e) (i) In the event that this Agreement is terminated by the Seller pursuant to Section 11.1(b) or Section 11.1(d) or by the Buyer pursuant to Section 11.1(b), except for remedies for breaches of the provisions of this Agreement that, in accordance with Section 11.2(a), survive termination hereof, the Deposit is payable to the Seller in connection with such termination, the sole and exclusive remedy of the Seller and the Company and their respective Affiliates, whether or not any of them shall have suffered any losses or damages as a result thereof, shall be the recovery of the Deposit (together with interest earned thereon), and upon the Seller's receipt of the Deposit (together with interest earned thereon), except for remedies for breaches of the provisions of this Agreement that, in accordance with Section 11.2(a), survive termination hereof, the Seller and the Company and their respective Affiliates shall have no other claim against, and shall in no event seek any recovery from, the Buyer or Preferred Unlimited Inc., or any of their respective former, current or future direct or indirect Affiliates, officers, directors, Representatives, holders of equity, financing sources or employees.

(ii) In the event that this Agreement is terminated pursuant to Section 11.1, the Buyer agrees that to the extent it has incurred any losses or damages in connection with or prior to the termination of this Agreement, the maximum aggregate liability of the Seller, the Company and its Subsidiaries for such losses or damages shall be limited in the aggregate and without duplication to $5,000,000 and in no event shall the Buyer seek to recover any money damages in excess of such amount from the Seller, the Company, any of its Subsidiaries and any of their respective former, current and future direct or indirect equity holders, controlling Persons, stockholders, directors, officers, employees, agents, Affiliates, members, managers, general or limited partners or assignees in connection therewith; provided, that the foregoing limitation contained in this Section 11.2(e) shall not apply in respect of any willful breach of Section 7.1, 7.9(b), 7.16 or 7.17(a).

ARTICLE 12

MISCELLANEOUS

12.1 Expenses. Except as expressly provided herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

12.2 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

12.3 Entire Agreement. This Agreement including the Schedules and Exhibits attached hereto which are deemed for all purposes to be part of this Agreement and other documents delivered pursuant to this Agreement, together with the Confidentiality Agreement and the Escrow Agreement, constitutes the entire agreement among the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, among the parties with respect to the subject matter of this Agreement.

12.4 Headings. The headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the parties to this Agreement.

12.5 Notices. Any notice or other communication required or permitted under this Agreement shall be deemed to have been duly given and made if (i) in writing and served by personal delivery upon the party for whom it is intended upon such delivery, (ii) if delivered by facsimile with receipt confirmed during business hours, upon confirmation and, if outside of business hours, on the following Business Day, (iii) if delivered by certified mail, registered mail, return-receipt received, the third Business Day after it is sent to the party at the address set forth below or (iv) if by a nationally recognized courier specifying next Business Day delivery (if timely deposited with such courier and sent to the party at the address set forth below), on the next Business Day, with copies sent to the Persons indicated:

If to the Seller:

Harbinger Capital Partners Master Fund I, Ltd.
c/o Harbinger Capital Partners
555 Madison Avenue, 16th Floor
New York, New York 10022
Attention: Mr. David M. Maura
Fax: (212) 508-3721

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
Attention: Jeffrey D. Marell, Esq.
Fax: (212) 757-3900

If to the Company, prior to the Closing:

Hourglass Acquisition I, LLC
c/o Harbinger Capital Partners
555 Madison Avenue, 16th Floor
New York, New York 10022
Attention: Mr. David M. Maura
Fax: (212) 508-3721

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
Attention: Jeffrey D. Marell, Esq.
Fax: (212)757-3900

If to the Buyer or, after the Closing, to the Company:

Preferred Rocks USS, Inc.
c/o Preferred Unlimited Inc.
1001 E. Hector Street
Suite 100
Conshohocken, PA 19428
Attention: Legal Department
Fax: (484) 684-1296

With a copy to:

Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103-4196
Attention: Sandra G. Stoneman, Esq.
Fax: (215) 979-1020

Such addresses may be changed, from time to time, by means of a notice given in the manner provided in this Section 12.5.

12.6 Exhibits and Schedules.

(a) Any matter, information or item disclosed in the Schedules delivered by the Company or the Seller or in any of the Exhibits attached hereto, under any specific representation or warranty or Schedule number hereof, shall be deemed to have been disclosed for all purposes of this Agreement in response to every representation or warranty in this Agreement in respect of which such disclosure is reasonably apparent on its face without any further investigation. The inclusion of any matter, information or item in any Schedule to this Agreement shall not be deemed to constitute an admission of any liability by the Sellers, individually or collectively, or by the Company, or to otherwise imply, to any Person that any such matter, information or item is material or creates a measure for materiality for the purposes of this Agreement.

(b) The Schedules and Exhibits hereto are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement.

12.7 Waiver. Waiver of any term or condition of this Agreement by any party shall only be effective if in writing signed by the waiving party and shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement.

12.8 Binding Effect: Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their permitted successors and assigns. No party to this Agreement may assign or delegate, by operation of law or

otherwise, all or any portion of its rights, obligations or liabilities under this Agreement without the prior written consent of the other parties to this Agreement, which any such party may withhold in its absolute discretion. Any purported assignment without such prior written consents shall be void.

12.9 No Third Party Beneficiary. Nothing in this Agreement shall confer any rights, remedies or claims upon any Person or entity not a party or a permitted assignee of a party to this Agreement, except for the current and former officers, directors and employees of the Company as set forth in Section 7.12.

12.10 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement.

12.11 Governing Law. This Agreement and any dispute, claim, legal action, suit, proceeding or controversy hereunder shall be subject to, governed by and construed in accordance with the Laws of the State of Delaware, without regard to the conflict of Laws principles thereof.

12.12 Consent to Jurisdiction; Service of Process. Each party hereto does hereby submit to the exclusive jurisdiction and venue of any courts (federal, state or local) having a location within the State of Delaware with respect to any dispute, claim, legal action, suit, proceeding or controversy whether directly or indirectly arising out of or relating to this Agreement, the transactions contemplated hereby, or any related assignment or any of a party's rights or obligations hereunder. Each party hereto hereby irrevocably waives any claim that the State of Delaware is an inconvenient forum or an improper forum based on lack of venue as well as any right it may now or hereafter have to remove any such action or proceeding, once commenced to another court on the grounds of *forum non conveniens* or otherwise. The exclusive choice of forum set forth herein shall not be deemed to preclude the enforcement by a party of any judgment obtained in such forum or the taking of any action by such party to enforce the same in any other appropriate jurisdiction. Each party expressly and irrevocably waives personal service of process and expressly and irrevocably consents to service of process by the means set forth in Section 12.5 hereof.

12.13 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO

ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

12.14 Conveyance Taxes. The Buyer and the Seller will split equally all sales, use, value added, transfer, stamp, registration, documentary, real property transfer or gains, or similar Taxes incurred as a result of the transactions contemplated by this Agreement and the Seller and the Buyer agree to jointly file all required change of ownership and similar statements. The Buyer shall satisfy its payment obligations under this Section 12.14 by causing the Company to pay such amounts following the Closing; provided, that for the avoidance of doubt, it is understood and agreed that no such payment by the Company shall affect the Transaction Consideration, the Adjustment Amount or the Seller's right to receive all Closing Cash.

12.15 Severability. If any term, provision, agreement, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, agreements, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a reasonably acceptable manner so that the transactions contemplated hereby may be consummated as originally contemplated to the fullest extent possible.

12.16 Specific Performance; No Recourse.

(a) The parties recognize that their rights under Sections 7.1, 7.2, 7.5, 7.6, 7.7, 7.8, 7.10, 7.12, 7.14, 11.2 and 7.16 of this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights thereunder by actions for injunctive relief and specific performance to the extent permitted by applicable Law. The parties agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of Sections 7.1, 7.2, 7.5, 7.6, 7.7, 7.8, 7.10, 7.12, 7.14, 11.2 and 7.16 of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief. The parties acknowledge and agree that, except with respect to Sections 7.1, 7.2, 7.5, 7.6, 7.7, 7.8, 7.10, 7.12, 7.14, 11.2 and 7.16, they shall not be entitled to enforce specifically the terms and provisions of this Agreement or seek any other equitable remedy.

(b) This Agreement may only be enforced against, and any claims or causes of action that may be based upon, arise out of or relate to this

Agreement, or the negotiation, execution or performance of this Agreement may only be made against the entities that are expressly identified as parties hereto and no past, present or future Affiliate, director, officer, employee, incorporator, member, manager, partner, stockholder, agent, attorney or representative of any party hereto shall have any liability for any obligations or liabilities of the parties to this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby.

12.17 FIRPTA Certificate. At or prior to the Closing, the Seller shall provide the Buyer with a statement, in compliance with Section 1.897-2(h) of the Treasury Regulations, signed by a responsible officer of USS Holdings Inc., a Delaware corporation ("USS Holdings"), to the effect that the stock of USS Holdings does not constitute a United States real property interest (within the meaning of Section 897 of the Code) as of the Closing Date if USS Holdings concludes that it is able to make such statement. If the Seller does not timely provide the Buyer with the statement described in the preceding sentence, the Buyer may withhold applicable Taxes in compliance with Section 1445 of the Code.

12.18 Guarantor.

(a) Guarantor hereby unconditionally, absolutely, continuously and irrevocably guarantees, as a primary obligor and not as a surety, to the Seller the due and punctual performance, compliance and payment by the Buyer of: (i) all of its covenants, agreements, obligations and liabilities due under or pursuant to the first two sentences of Section 7.9(c) whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due and (ii) the obligation to pay for engaging an appraisal firm to issue the Solvency Opinion pursuant to Section 7.18 and any other fees and expenses in connection therewith (collectively, the "Seller Financing Expense Liabilities").

(b) Guarantor's obligations hereunder constitute guaranties of performance, compliance and payment and not of collection only and are not in any way conditional or contingent upon any attempt to collect from or enforce against the Buyer of all or any portion of the Seller Financing Expense Liabilities or upon any other condition or contingency.

(c) The obligations of Guarantor under this guarantee shall not be subject to any reduction, limitation, impairment or termination for any reason (other than by indefeasible payment or performance in full of the Seller Financing Expense Liabilities) and shall not be subject to (i) any discharge of any of the Buyer from any of the Seller Financing Expense Liabilities in a bankruptcy or similar proceeding (except by indefeasible payment or performance in full of the Seller Financing Expense Liabilities) or (ii) any other circumstance whatsoever which constitutes, or might be construed to constitute an equitable or legal discharge of Guarantor as guarantor under this Section 12.18.

(d) Guarantor shall cause any transferee of or successor to all or substantially all of the assets of Guarantor to assume Guarantor's obligations under this Section 12.18.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

PREFERRED ROCKS USS, INC.

By: 
Name: D. Charles Houder
Title: Vice President

HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

By: Harbinger Capital Partners Offshore Manager, L.L.C.

By: HMC Investors, L.L.C., Managing Member

By: _____
Name:
Title:

HOURGLASS ACQUISITION I, LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

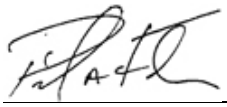
PREFERRED ROCKS USS, INC.

By: _____
Name:
Title:

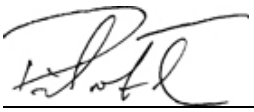
HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

By: Harbinger Capital Partners Offshore Manager, L.L.C.

By: HMC Investors, L.L.C., Managing Member

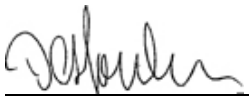
By: 
Name: PHILIP A. FALCONE
Title: VICE PRESIDENT

HOURGLASS ACQUISITION I, LLC

By: 
Name: Philip A. Falcone
Title: President

Solely for purposes of Section 12.18:

PREFERRED UNLIMITED INC., solely for purposes of Section 12.18

By: 

Name: D. Charles Houder
Title: V.P.

Exhibit 2.2

EXECUTION VERSION

FIRST AMENDMENT TO THE ACQUISITION AGREEMENT

This First Amendment to the Acquisition Agreement (this "Amendment") is made as of November 4, 2008 by and among Hourglass Acquisition I, LLC, a Delaware limited liability company (the "Company"), Harbinger Capital Partners Master Fund I, Ltd., a Cayman Islands corporation (the "Seller"), Preferred Unlimited Inc., a Delaware corporation (the "Guarantor"), solely as required by Section 12.2 of the Acquisition Agreement (as defined below), and Preferred Rocks USS, Inc., a Delaware corporation (the "Buyer" and together with the Company, the Guarantor and the Seller, the "Parties").

RECITALS

The Parties are signatories to the Acquisition Agreement, dated as of June 27, 2008 (the "Acquisition Agreement"), which contemplates a transaction in which the Buyer will acquire USS Holdings, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Seller ("USS Holdings"), by effecting a merger of a wholly owned subsidiary to be formed by the Buyer with and into USS Holdings, with USS Holdings being the surviving corporation. The Purchaser and the Sellers wish to amend the Acquisition Agreement as set forth herein.

AGREEMENT

In consideration of the foregoing, and the representations, warranties, covenants and conditions set forth or referred to below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Certain Definitions. Capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in the Acquisition Agreement.

2. Amendments to the Acquisition Agreement. The Parties hereby agree that, effective as of the date hereof, the Acquisition Agreement is hereby amended as follows:

2.1. Amendment to the Definition of Transaction Consideration. The definition of Transaction Consideration in Section 1.1 of the Acquisition Agreement is hereby amended by deleting "Three Hundred Ninety-Five Million Dollars ($395,000,000)" and adding in its place "Two Hundred Ninety-Five Million Dollars ($295,000,000)" and the following phrase is hereby added to the end of such definition, "; plus, in the event that the Buyer exercises the Optional Termination Date Extension, an amount equal to the product of Twenty-Thousand Dollars ($20,000) multiplied by the number of days after November 20, 2008 up to and including the Closing Date."

2.2. Amendment to Section 2.4(a). Section 2.4(a) of the Acquisition Agreement is hereby amended by adding the following new sentence to the end of such section, "In the event that the Buyer exercises the Optional Termination Date Extension, the "Deposit" shall include the sum of the Five Million Dollars ($5,000,000) deposited with the Escrow Agent on June 27, 2008 plus the Two Million Dollars ($2,000,000) deposited with the Escrow Agent pursuant to Section 11.1(b) of this Agreement".

2.3. Amendment to Section 2.4(b). Section 2.4(b) of the Acquisition Agreement is hereby amended by deleting "Three Hundred Ninety Million Dollars ($390,000,000)" from the first sentence thereof and adding in its place "Two Hundred Ninety Million Dollars ($290,000,000), or, in the event that the Buyer elects to exercise the Optional Termination Date Extension and deposits an additional Two Million Dollars ($2,000,000) with the Escrow Agent, Two Hundred Eighty-Eight Million Dollars ($288,000,000)" and the following phrase is hereby added following the words "if the Estimated Amount is negative", "plus, in the event that the Buyer timely exercises the Optional Termination Date Extension, an amount equal to the product of Twenty-Thousand Dollars ($20,000) multiplied by the number of days after November 20, 2008 up to and including the Closing Date".

2.4. Amendment to Section 7.17(a). Section 7.17(a) of the Acquisition Agreement is hereby amended by adding "If requested by the Buyer in writing at least four (4) Business Days prior to the Closing Date," to the beginning of the first sentence of the Section.

2.5. Amendment to Section 11.1(b). Section 11.1(b) of the Acquisition Agreement is hereby deleted and replaced in its entirety with the following, "at the election of the Seller by written notice to the Buyer, or at the election of the Buyer, by written notice to the Seller, after November 20, 2008, if the Closing shall not have occurred by such date (the "Termination Date"); provided, however, that if the conditions to the Closing set forth in Sections 8.4(a) and 9.4(a) have not been satisfied on or before 11:59 a.m., New York time, on November 19, 2008, then the Buyer shall have the right, at the Buyer's sole election, to cause Two Million Dollars ($2,000,000) to be deposited with the Escrow Agent and held pursuant to the terms of the Escrow Agreement on or before 11:59 p.m. on November 20, 2008, and upon such deposit, with no further action by either the Buyer or the Seller, the "Termination Date" shall be December 8, 2008 (the "Optional Termination Date Extension").

2.6. Amendment to Section 11.2(b). The parenthetical in clause (iii) of the Acquisition Agreement is hereby deleted and replaced in its entirety with the following: "(other than the conditions set forth in Sections 8.4(a), 8.4(b) (but only to the extent the failure of such condition to be satisfied resulted from the entry of an Order under applicable competition, trade regulation and antitrust laws) and 8.5 and those conditions which by their terms are to be satisfied at the Closing with the execution of only ministerial tasks)".

3. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Seller and the Company that: (a) the Buyer has all necessary corporate power and authority to execute and deliver this Amendment and to perform its obligations hereunder and to consummate the transactions contemplated hereby; (b) the execution, delivery and performance of this Amendment by each of the Buyer and the consummation by the Buyer of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Buyer; and (c) this Amendment has been duly and validly executed and delivered by the Buyer, and assuming the due authorization, execution and delivery by the Seller and the Company, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as (i) limited by applicable bankruptcy, insolvency,

reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and (ii) the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

4. Representations and Warranties of the Seller and the Company. The Seller and the Company represent and warrant to the Buyer that: (a) each of the Seller and the Company has all necessary power and authority to execute and deliver this Amendment and to perform its obligations hereunder and to consummate the transactions contemplated hereby; (b) the execution, delivery and performance of this Amendment by each of the Seller and the Company and the consummation by each of the Seller and the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of each of the Seller and the Company; and (c) this Amendment has been duly and validly executed and delivered by each of the Seller and the Company, and assuming the due authorization, execution and delivery by the Buyer and the Guarantor, constitutes a legal, valid and binding obligation of each of the Seller and the Company, enforceable against each of the Seller and the Company in accordance with its terms, except as (i) limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and (ii) the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

5. Termination of Amendment. If the Buyer and its Affiliates (including, without limitation, Golden Gate Private Equity, Inc.) shall not have filed or supplied all notification and information required to be filed or supplied in connection with the transactions contemplated by this Amendment and the Acquisition Agreement pursuant to the HSR Act (and requested early termination of the waiting period under the HSR Act) by 5:00 P.M. EST on November 5, 2008, this Amendment shall immediately terminate and be null and void and the Acquisition Agreement shall remain unmodified by the terms of this Amendment.

6. Miscellaneous.

6.1. Entire Agreement. This Amendment, the Acquisition Agreement and the other agreements referred to therein set forth the entire understanding between the parties hereto with respect to the subject matter hereof and thereof. Except to the extent specifically amended hereby, the provisions of the Acquisition Agreement shall remain unmodified, and the Acquisition Agreement is hereby confirmed as being in full force and effect.

6.2. Assignment. This Amendment shall bind and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and representatives as part of the Acquisition Agreement in accordance with the terms thereof.

6.3. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument.

6.4. Governing Law. This Amendment and all claims arising hereunder or in connection herewith shall be governed by and construed in accordance with the domestic substantive laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Amendment to be executed, as of the date first above written, by their officers or other representatives thereunto duly authorized.

PREFERRED ROCKS USS, INC.

By: 
Name: D. Charles Houder
Title: V.P.

HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

By: Harbinger Capital Partners Offshore Manager, L.L.C.

By: HMC Investors, L.L.C., Managing Member

By: _____
Name:
Title:

HOURGLASS ACQUISITION I, LLC

By: _____
Name:
Title:

Solely for the purpose of amending the Acquisition Agreement pursuant to Section 12.2:

PREFERRED UNLIMITED INC.

By: 
Name: D. Charles Houder
Title: V.P.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Amendment to be executed, as of the date first above written, by their officers or other representatives thereunto duly authorized.

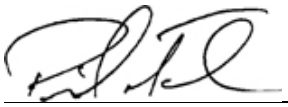
PREFERRED ROCKS USS, INC.

By: _____
Name:
Title:

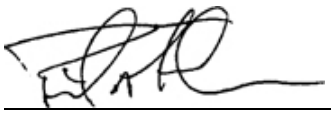
HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

By: Harbinger Capital Partners Offshore Manager, L.L.C.

By: HMC Investors, L.L.C., Managing Member

By: 
Name:
Title:

HOURGLASS ACQUISITION I, LLC

By: 
Name:
Title:

Solely for the purpose of amending the Acquisition Agreement pursuant to Section 12.2:

PREFERRED UNLIMITED INC.

By: _____
Name:
Title:

EXECUTION COPY

SECOND AMENDMENT TO THE ACQUISITION AGREEMENT

This Second Amendment to the Acquisition Agreement (this "Second Amendment") is made as of November 10, 2008 by and among Hourglass Acquisition I, LLC, a Delaware limited liability company (the "Company"), Harbinger Capital Partners Master Fund I, Ltd., a Cayman Islands corporation (the "Seller"), Preferred Unlimited Inc., a Delaware corporation (the "Guarantor"), solely as required by Section 12.2 of the Acquisition Agreement (as defined below), and Preferred Rocks USS, Inc., a Delaware corporation (the "Buyer" and together with the Company, the Guarantor and the Seller, the "Parties").

RECITALS

The Parties are signatories to the Acquisition Agreement (the "Acquisition Agreement"), dated as of June 27, 2008, as amended by the First Acquisition Agreement Amendment, dated November 4, 2008 (the "First Amendment"), which contemplates a transaction in which the Buyer will acquire USS Holdings, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Seller ("USS Holdings"), by effecting a merger of a wholly owned subsidiary to be formed by the Buyer with and into USS Holdings, with USS Holdings being the surviving corporation. The Purchaser and the Sellers wish to amend the Acquisition Agreement as set forth herein.

AGREEMENT

In consideration of the foregoing, and the representations, warranties, covenants and conditions set forth or referred to below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Certain Definitions. Capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in the Acquisition Agreement.

2. Amendments to the Acquisition Agreement. The Parties hereby agree that, effective as of the date hereof, the Acquisition Agreement, as amended, is hereby further amended as follows:

2.1. Amendment to the Definition of Transaction Consideration. The definition of Transaction Consideration in Section 1.1 of the Acquisition Agreement, as amended, is hereby further amended by replacing the phrase added to the end of such definition pursuant to the First Amendment with the following, "; plus an amount equal to the product of Twenty-Thousand Dollars ($20,000) multiplied by the number of days after November 20, 2008 up to and including the Closing Date."

2.2. Amendment to Section 2.4(b). Section 2.4(b) of the Acquisition Agreement, as amended, is hereby further amended by replacing the phrase added following the words "if the Estimated Adjustment Amount is negative" pursuant to the First Amendment with the following, "plus an amount equal to the product of Twenty-Thousand Dollars ($20,000) multiplied by the number of days after November 20, 2008 up to and including the Closing Date".

2.3. Amendment to Section 11.1(b). Section 11.1(b) of the Acquisition Agreement, as amended, is hereby further amended by deleting such section in its entirety, and replacing it with the following, "at the election of the Seller by written notice to the Buyer, or at the election of the Buyer, by written notice to the Seller, after November 26, 2008, if the Closing shall not have occurred by such date (the "Termination Date"); provided, however, that if the conditions to the Closing set forth in Sections 8.4(a) and 9.4(a) have not been satisfied on or before 11:59 a.m., New York time, on November 25, 2008, then the Buyer shall have the right, at the Buyer's sole election, to cause Two Million Dollars ($2,000,000) to be deposited with the Escrow Agent and held pursuant to the terms of the Escrow Agreement on or before 11:59 p.m. on November 26, 2008, and upon such deposit, with no further action by either the Buyer or the Seller, the "Termination Date" shall be December 8, 2008 (the "Optional Termination Date Extension").

3. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Seller and the Company that: (a) the Buyer has all necessary corporate power and authority to execute and deliver this Second Amendment and to perform its obligations hereunder and to consummate the transactions contemplated hereby; (b) the execution, delivery and performance of this Second Amendment by each of the Buyer and the consummation by the Buyer of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Buyer; and (c) this Second Amendment has been duly and validly executed and delivered by the Buyer, and assuming the due authorization, execution and delivery by the Seller and the Company, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as (i) limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and (ii) the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

4. Representations and Warranties of the Seller and the Company. The Seller and the Company represent and warrant to the Buyer that: (a) each of the Seller and the Company has all necessary power and authority to execute and deliver this Second Amendment and to perform its obligations hereunder and to consummate the transactions contemplated hereby; (b) the execution, delivery and performance of this Second Amendment by each of the Seller and the Company and the consummation by each of the Seller and the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of each of the Seller and the Company; and (c) this Second Amendment has been duly and validly executed and delivered by each of the Seller and the Company, and assuming the due authorization, execution and delivery by the Buyer and the Guarantor, constitutes a legal, valid and binding obligation of each of the Seller and the Company, enforceable against each of the Seller and the Company in accordance with its terms, except as (i) limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and (ii) the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

5. Termination of Second Amendment. If Golden Gate Private Equity, Inc. or its relevant affiliates shall not have made capital calls to its limited partners for at least $200 million (less the amount of available cash on hand as of November 10, 2008, or to be received from previous capital calls) in connection with the transactions contemplated by the Acquisition Agreement, as amended, including herein, by 11:59 p.m. EST on November 10, 2008 and certified to the Seller by such time, in form reasonably acceptable to the Seller, that it had made such capital calls, this Second Amendment shall immediately terminate and be null and void and the Acquisition Agreement shall remain unmodified by the terms of this Second Amendment.

6. Miscellaneous.

6.1. Entire Agreement. This Second Amendment, the Acquisition Agreement, the First Amendment and the other agreements referred to therein set forth the entire understanding between the parties hereto with respect to the subject matter hereof and thereof. Except to the extent specifically amended hereby, or by the First Amendment, the provisions of the Acquisition Agreement shall remain unmodified, and the Acquisition Agreement is hereby confirmed as being in full force and effect.

6.2. Assignment. This Second Amendment shall bind and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and representatives as part of the Acquisition Agreement in accordance with the terms thereof.

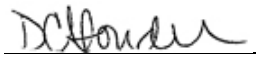
6.3. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument.

6.4. Governing Law. This Second Amendment and all claims arising hereunder or in connection herewith shall be governed by and construed in accordance with the domestic substantive laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Second Amendment to be executed, as of the date first above written, by their officers or other representatives thereunto duly authorized.

PREFERRED ROCKS USS, INC.

By: 
Name: D. Charles Houder
Title: Vice President

HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

By: Harbinger Capital Partners Offshore Manager, L.L.C.

By: HMC Investors, L.L.C., Managing Member

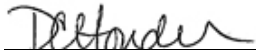

By: for Philip Falcone
Name: David Maura
Title: Director of Investments.

HOURGLASS ACQUISITION I, LLC


By: for Philip Falcone
Name: David Maura
Title: Director

Solely for the purpose of amending the Acquisition Agreement pursuant to Section 12.2:

PREFERRED UNLIMITED INC.

By: 
Name: D. Charles Houder
Title: Vice President

ABL LOAN AND SECURITY AGREEMENT

by and among

U.S. SILICA COMPANY,
as the Company,

CERTAIN SUBSIDIARIES OF THE COMPANY
FROM TIME TO TIME PARTIES HERETO,
as Subsidiary Borrowers, and together with the Company,
collectively, the Borrowers,

HOURGLASS HOLDINGS, LLC,
as the Parent,

THE SUBSIDIARIES OF THE PARENT
FROM TIME TO TIME PARTIES HERETO,
as Guarantors,

THE LENDERS AND ISSUING BANK FROM TIME TO TIME PARTY HERETO

and

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Agent

Dated as of August 9, 2007

WACHOVIA CAPITAL MARKETS, LLC,
as Sole Lead Arranger and Sole Bookrunner

Prepared by:

Moore&VanAllen

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TO
EXHIBITS AND SCHEDULES

ABL LOAN AND SECURITY AGREEMENT

This ABL Loan and Security Agreement dated as of August 9, 2007 is entered into by and among **U.S. SILICA COMPANY**, a Delaware corporation (the "Company"), **HOURGLASS HOLDINGS, LLC**, a Delaware limited liability company (the "Parent"), those certain Subsidiaries of the Company from time to time party hereto pursuant to Section 9.20 (the "Subsidiary Borrowers"; and together with the Company, each individually a "Borrower" and collectively, "Borrowers" as hereinafter further defined), those certain Subsidiaries of the Parent from time to time party hereto as guarantors (together with the Parent, each individually a "Guarantor" and collectively, "Guarantors" as hereinafter further defined), the parties hereto from time to time as lenders, whether by execution of this Agreement or an Assignment and Acceptance (each individually, a "Lender" and collectively, "Lenders" as hereinafter further defined) and **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association, in its capacity as administrative agent for the Lenders (in such capacity, "Agent" or "Administrative Agent" as hereinafter further defined).

W I T N E S S E T H:

WHEREAS, the Loan Parties have requested that the Agent and the Lenders enter into financing arrangements with the Borrowers pursuant to which the Lenders may make loans and provide other financial accommodations to the Borrowers in the aggregate amount of up to $35,000,000; and

WHEREAS, each Lender is willing to agree (severally and not jointly) to make such loans and provide such financial accommodations to the Borrowers on a pro rata basis according to its Commitment (as defined below) on the terms and conditions set forth herein and the Agent is willing to act as agent for the Lenders on the terms and conditions set forth herein and the other Financing Agreements;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1

DEFINITIONS

For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

"ABL Collateral" shall mean ABL Collateral as defined in the ABL Intercreditor Agreement.

"ABL Intercreditor Agreement" shall mean that certain Intercreditor Agreement dated as of the Closing Date by and among the Loan Parties, the Agent, the First Lien Term Loan Agent, the Second Lien Term Loan Agent and the Control Agent, as in effect as of the date hereof and as amended or otherwise modified from time to time in accordance with the terms thereof.

"Account Control Agreement" shall mean an agreement in writing, in form and substance reasonably satisfactory to the Agent, by and among the Agent or the Control Agent, the applicable Loan Party with a deposit, collection, clearing and/or concentration account at any bank or other financial institution and the bank or financial institution at which such account is at any time maintained, which agreement provides that such bank or financial institution will comply with instructions originated by the Agent or the Control Agent directing disposition of the funds in such account without further consent by such Loan Party and has such other terms and conditions as the Agent may reasonably require.

"Accounts" shall mean, as to any Person, all present and future rights of such Person to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit or charge card or information contained on or for use with such card.

"Acquired Company" shall mean a USS Holdings, Inc., a Delaware corporation.

"Acquisition" shall mean the acquisition by the Parent of all of the Capital Stock of the Acquired Company pursuant to the Acquisition Documents.

"Acquisition Documents" shall mean (a) that certain Agreement and Plan of Merger, dated as of June 19, 2007, by and among the Parent, Hourglass Acquisition, Inc., a Delaware corporation, the Acquired Company, the Institutional Stockholders party thereto and CCMP Capital Advisors, LLC, as Stockholders' Representative and (b) any other material agreement, document or instrument executed in connection with the foregoing.

"Adjusted Eurocurrency Rate" shall mean, with respect to each Interest Period for any Eurocurrency Rate Loan comprising part of the same borrowing (including conversions, extensions and renewals), the rate per annum determined by dividing (a) the London Interbank Offered Rate for such Interest Period by (b) a percentage equal to: (i) one (1) minus (ii) the Reserve Percentage. For purposes hereof, "Reserve Percentage" shall mean for any day, that percentage (expressed as a decimal) which is in effect from time to time under Regulation D of the Board of Governors of the Federal Reserve System (or any successor), as such regulation may be amended from time to time or any successor regulation, as the maximum reserve requirement (including, without limitation, any basic, supplemental, emergency, special, or marginal reserves) applicable with respect to Eurocurrency liabilities as that term is defined in Regulation D (or against any other category of liabilities that includes deposits by reference to which the interest rate of Eurocurrency Rate Loans is determined), whether or not any Lender has any Eurocurrency liabilities subject to such reserve requirement at that time. Eurocurrency Rate Loans shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credits for proration, exceptions or offsets that may be available from time to time to a Lender. The Adjusted Eurocurrency Rate shall be adjusted automatically on and as of the effective date of any change in the Reserve Percentage.

"Administration Details Form" shall mean, with respect to any Lender, a document containing such Lender's contact information for purposes of notices provided under this Agreement and account details for purposes of payments made to such Lender under this Agreement.

"Affiliate" shall mean, with respect to a specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person, and without limiting the generality of the foregoing, includes (a) any Person which beneficially owns or holds ten percent (10%) or more of any class of Voting Stock of such Person or other equity interests in such Person, (b) any Person of which such Person beneficially owns or holds ten percent (10%) or more of any class of Voting Stock or in which such Person beneficially owns or holds ten percent (10%) or more of the equity interests and (c) any director or executive officer of such Person. For the purposes of this definition, the term "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

"Agent" or "Administrative Agent" shall mean Wachovia Bank, National Association, in its capacity as agent on behalf of the Lenders pursuant to the terms hereof and any replacement or successor agent hereunder.

"Agent Payment Account" shall mean account no. 2070482789126 of the Agent at Wachovia, or such other account of the Agent as the Agent may from time to time designate as the Agent Payment Account for purposes of this Agreement and the other Financing Agreements.

"Agreement" shall mean this ABL Loan and Security Agreement, as amended, modified or supplemented from time to time in accordance with its terms.

"Approved Fund" shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" shall mean Wachovia Capital Markets, LLC.

"Asset Disposition" shall mean the disposition of any or all of the ABL Collateral of any Loan Party or any Subsidiary, whether by sale, lease, transfer or otherwise. The term "Asset Disposition" shall not include (i) the sale, lease or transfer of assets permitted by subsections 9.7(b)(i) through (viii), (ii) the sale, lease or transfer of any Term Loan Priority Collateral to the extent the Net Cash Proceeds therefrom are applied to reduce the Term Loan Obligations or are reinvested in accordance with the terms of the Term Loan Financing Agreements or (iii) any issuance of Capital Stock.

"Assignment and Acceptance" shall mean an Assignment and Acceptance substantially in the form of Exhibit A attached hereto (with blanks appropriately completed) delivered to the Agent in connection with an assignment of a Lender's interest hereunder in accordance with the provisions of Section 13.7 hereof.

"Bank Product" shall mean any of the following products, services or facilities extended to any Loan Party or Subsidiary by any Lender, any Affiliate of a Lender, any Bank Product Provider or any Hedging Agreement Provider: (a) Cash Management Services; (b) products under any Hedging Agreement that is not entered into for speculative purposes; (c) commercial credit card and merchant card services; and (d) other banking products or services as may be requested by any Loan Party or Subsidiary, other than Letters of Credit; provided, however, that for any of the foregoing to be included as an "Obligation" for purposes of a distribution under Section 6.4(a), the applicable Secured Party must have previously provided written notice to the Agent of (i) the existence of such Bank Product, (ii) the maximum dollar amount (if reasonably capable of being determined) of obligations arising thereunder (the "Bank Product Amount") and (iii) the methodology to be used by such parties in determining the Bank Product Debt owing from time to time. The Bank Product Amount may be changed from time to time upon written notice to the Agent by the Secured Party. No Bank Product may be established at any time that an Event of Default exists, or if a reserve equal to the Bank Product Amount with respect to such Bank Product would cause the aggregate amount of Loans and Letter of Credit Obligations outstanding to exceed (i) the Borrowing Base or (ii) or the Maximum Credit.

"Bank Product Amount" shall have the meaning set forth in the definition of Bank Product.

"Bank Product Debt" shall mean the Indebtedness and other obligations of a Loan Party or Subsidiary relating to Bank Products.

"Bank Product Provider" shall mean any Person that provides Bank Products (other than Hedging Agreements) to a Loan Party or any of its Subsidiaries to the extent such Person is (a) a Lender or an Affiliate of a Lender or (b) any other Person (i) that was a Lender (or an Affiliate of a Lender) at the time such Person provided such Bank Products or (ii) with respect to any such Bank Product that was in existence prior to the Closing Date, that was a Lender (or an Affiliate of a Lender) as of the Closing Date or on the date that is 30 days after the Closing Date, but, in the case of either clause (i) or (ii), has ceased to be a Lender (or whose Affiliate has ceased to be a Lender) under this Agreement.

"Blocked Accounts" shall have the meaning set forth in Section 6.3 hereof.

"Borrowers" shall mean the Company and each Subsidiary Borrower.

"Borrowing Base" shall mean, at any time, the amount equal to:

(a) eighty-five percent (85%) of Eligible Accounts; plus

(b) the lesser of (i) the sum of (A) thirty percent (30%) multiplied by the Value of the Eligible WIP Inventory; plus (B) sixty percent (60%) multiplied by the Value of the Eligible Finished Goods Inventory and (ii) $5,000,000; plus

(c) five percent (5%) (such amount in addition to the Borrowing Base availability pursuant to clause (a) above) of Eligible Accounts; provided, that such percentage shall be reduced monthly by 1/6th of the original percentage amount as of each monthly anniversary of the Closing Date until such percentage is zero percent (0%); plus

(d) the lesser of (i) eighty-five percent (85%) of Eligible ITT Receivables and (ii) $1,500,000; plus

(e) twenty percent (20%) multiplied by the Value of Eligible Stores Inventory; provided, that such percentage shall be reduced by 1/6th of the original percentage amount as of each monthly anniversary of the Closing Date until such percentage is zero percent (0%); minus

(f) Reserves established from time to time by the Agent.

Subject to the relevant terms and provisions set forth in this Agreement, including specifically Section 11.3, the Agent at all times shall be entitled to reduce or increase the advance rates and standards of eligibility under this Agreement, in each case in its commercially reasonable discretion.

"Borrowing Base Certificate" shall mean a borrowing base certificate in substantially the form of Exhibit F hereto or such other form as may be reasonably satisfactory to the Agent.

"Business Day" shall mean any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the laws of the State of New York or the State of North Carolina, except that if a determination of a Business Day shall relate to any Eurocurrency Rate Loans, the term Business Day shall also exclude any day on which banks are closed for dealings in dollar deposits in the London interbank market or other applicable Eurocurrency Rate market.

"Capital Expenditures" shall mean expenditures for the acquisition (including the acquisition by capitalized lease) or improvement of capital assets, as determined in accordance with GAAP; provided, that Capital Expenditures shall not include:

(a) expenditures made with the proceeds of contributions made by, or the issuance of Capital Stock of Parent to (to the extent such proceeds are contributed to the Loan Parties), the Sponsor;

(b) proceeds of the sale of any capital assets otherwise permitted under this Agreement;

(c) expenditures made with the proceeds of insurance settlements, condemnation awards and other settlements in respect of lost, destroyed, damaged or condemned assets, equipment or other property to the extent such expenditures are reinvested or committed to be reinvested to replace or repair such lost, destroyed, damaged or condemned assets, equipment or other property or otherwise to acquire, maintain, develop, construct, improve, upgrade or repair assets or properties useful in the business of the Loan Parties and their Subsidiaries;

(d) expenditures made by the Loan Parties or any of their Subsidiaries with proceeds received pursuant to any indemnification provisions set forth in the Acquisition Documents;

(e) expenditures made by the Loan Parties or any of their Subsidiaries with proceeds received from any seller (or any Affiliate thereof or any other Person who has agreed to make indemnification payments thereunder) in respect of any Permitted Acquisition pursuant to any indemnification provisions set forth in the purchase agreement, merger agreement, acquisition agreement or similar agreement in respect of such Permitted Acquisition;

(f) expenditures made by the Loan Parties or any of their Subsidiaries with proceeds of any related financing with respect to such expenditures; and

(g) expenditures constituting Permitted Acquisitions.

"Capital Lease" shall mean, as applied to any Person, any lease of (or any agreement conveying the right to use) any property (whether real, personal or mixed) by such Person as lessee which in accordance with GAAP, is required to be reflected as a liability on the balance sheet of such Person.

"Capital Stock" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock).

"Cash Equivalents" shall mean, at any time, (a) any evidence of Indebtedness with a maturity date of one hundred twenty (120) days or less issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof; provided, that, the full faith and credit of the United States of America is pledged in support thereof; (b) certificates of deposit or bankers' acceptances with a maturity of one hundred twenty (120) days or less of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than $1,000,000,000; (c) commercial paper (including variable rate demand notes) with a maturity of one hundred twenty (120) days or less issued by a corporation (except an Affiliate of any Loan Party) organized under the laws of any State of the United States of America or the District of Columbia and rated at least A-1 by Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. or at least P-1 by Moody's Investors Service, Inc.; (d) repurchase obligations with a term of not more than one hundred twenty (120) days for underlying securities of the types described in

clause (a) above entered into with any financial institution having combined capital and surplus and undivided profits of not less than $1,000,000,000; (e) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the United States of America or issued by any governmental agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within one hundred twenty (120) days or less from the date of acquisition; and (f) investments in money market funds and mutual funds which invest substantially all of their assets in securities of the types described in clauses (a) through (e) above.

"Cash Management Services" shall mean any services provided from time to time by any Lender or any of its Affiliates to any Loan Party or Subsidiary in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automatic clearinghouse, controlled disbursement, depository, electronic funds transfer, information reporting, lockbox, stop payment, overdraft and/or wire transfer services.

"Change of Control" shall mean at any time the occurrence of any of the following events: (a) prior to the occurrence of an equity issuance by the Parent consisting of a primary public offering of the common Capital Stock of the Parent resulting in net cash proceeds to the Parent of at least $50,000,000 (an "IPO"), the Sponsor shall fail, directly or indirectly, to own and control at least 50.1% of the Voting Stock of the Parent, measured by voting power rather than the number of shares; (b) after the occurrence of an IPO, any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) (other than the Sponsor), is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of (i) 30% or more of the then outstanding Voting Stock of the Parent or (ii) a greater percentage of the then outstanding Voting Stock of the Parent than the Sponsor; (c) the replacement of a majority of the Board of Directors of the Parent over a two-year period from the directors who constituted the Board of Directors at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the Board of Directors of the Parent then still in office who either were members of such Board of Directors at the beginning of such period or whose election as a member of such Board of Directors was previously so approved; (d) the Parent shall fail, directly or indirectly, to own and control 100% of the Capital Stock of the Company; or (e) the occurrence of a "Change of Control" (or any comparable term) under, and as defined in, the documents evidencing or governing any Subordinated Debt in an aggregate principal amount in excess of $2,000,000.

"Closing Date" shall mean the date hereof.

"Code" shall mean the Internal Revenue Code of 1986, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

"Collateral" shall mean a collective reference to all real and personal property pledged to the Agent pursuant to terms of the Financing Agreements or otherwise, including, without limitation, the ABL Collateral.

"Collateral Access Agreement" shall mean an agreement in writing, in form and substance reasonably satisfactory to the Agent, from any lessor of premises to any Loan Party, or any other person to whom any Collateral is consigned or who has custody, control or possession of any such Collateral or is otherwise the owner or operator of any premises on which any of such Collateral is located, in favor of the Agent with respect to the Collateral at such premises or otherwise in the custody, control or possession of such lessor, consignee or other person.

"Commitment" shall mean, at any time, as to each Lender, the principal amount set forth in the Register or on Schedule 1 to the Assignment and Acceptance Agreement pursuant to which such Lender became a Lender hereunder in accordance with the provisions of Section 13.7 hereof, as the same may be adjusted from time to time in accordance with the terms hereof; sometimes being collectively referred to herein as "Commitments".

"Company" shall have the meaning set forth in the opening paragraph of this Agreement.

"Compliance Certificate" shall have the meaning provided in Section 9.6(a)(i).

"Consolidated EBITDA" shall mean, for any applicable period of computation, (a) Consolidated Net Income for such period, plus (b) the sum of, in each case to the extent included in the calculation of such Consolidated Net Income, but without duplication, (i) any provision for income taxes during such period, (ii) Consolidated Interest Expense during such period, (iii) any aggregate loss from the sale, exchange or other disposition of capital assets by such Person during such period, (v) depreciation, depletion and amortization expenses and other non-cash charges (excluding non-cash charges that are expected to become cash charges in the next succeeding 12 months or that are reserves for future cash charges) during such period, (vi) management fees paid by the Loan Parties and their Subsidiaries to the Sponsor during such period to the extent permitted pursuant to Section 9.11(k) or any such fees that have otherwise accrued as contemplated in Section 9.11(k), (vii) any non-cash portion of Silica-Related Claims Costs during such period, (viii) tax distributions during such period to the direct or indirect holders of the Capital Stock of the Parent to the extent permitted pursuant to Section 9.11(f), (ix) losses during such period related to early extinguishment of debt, (x) cash losses during such period related to discontinued operations in an aggregate amount not to exceed $1,000,000 during the term of this Agreement, (xi) any other non-recurring cash losses in an aggregate amount not to exceed $1,000,000 during such period, (xii) cash costs during such period associated with reviewing potential acquisitions and similar business development costs in an aggregate amount not to exceed $500,000 during such period and (xiii) non-recurring cash costs related to the implementation of ERP intellectual property systems in an amount not to exceed $500,000 during the term of this Agreement minus, (c) the sum of, in each case to the extent included in the calculation of such Consolidated Net Income, but without duplication, (i) any credit for income tax, (ii) interest income, (iii) any aggregate gain from the sale, exchange or other disposition of capital assets by such Person, (iv) non-cash charges previously added back to Consolidated Net Income in determining Consolidated EBITDA to the extent such non-cash charges have become cash charges during such period, (v) any other non-recurring cash or non-cash gains during such period and (vi) gains during such period from early extinguishment of debt. Notwithstanding the foregoing, for purposes of calculating Consolidated EBITDA for any fiscal quarter ending prior to the Closing Date, Consolidated EBITDA for such fiscal quarter shall be the amount set forth on Schedule 1.1(a).

"Consolidated Fixed Charges" shall mean, for any applicable period of computation, without duplication, the sum of (a) all Consolidated Interest Expense for such period to the extent paid in cash, plus (b) Consolidated Scheduled Funded Debt Payments made during such period plus (c) cash dividends paid to a Person other than a Loan Party during such period; plus (d) management fees paid by the Loan Parties and their Subsidiaries to the Sponsor during such period; plus (e) any amount expended during such period to meet annual minimum funding requirements under ERISA with respect to any Plan to the extent of the amount by which the actual cash outlay exceeds the expense recorded in regard thereto. Notwithstanding the foregoing, for purposes of calculating Consolidated Fixed Charges for the four fiscal quarter periods ending December 31, 2007, March 31, 2008 and June 30, 2008, Consolidated Fixed Charges shall be annualized during such fiscal quarters such that (a) for the calculation of Consolidated Fixed Charges for the four fiscal quarter period ending December 31, 2007, Consolidated Fixed Charges for the fiscal quarter then ending will be multiplied by four (4), (b) for the calculation of Consolidated Fixed Charges for the four fiscal quarter period ending March 31, 2008, Consolidated Fixed Charges for the two fiscal quarter period then ending will be multiplied by two (2) and (c) for the calculation of Consolidated Fixed Charges for the four fiscal quarter period ending June 30, 2008, Consolidated Fixed Charges for the three fiscal quarter period then ending will be multiplied by one and one-third (1 1/3).

"Consolidated Funded Debt" shall mean, as of any date of determination, all Funded Debt of the Loan Parties and their Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" shall mean, for any period, all interest expense of the Loan Parties and their Subsidiaries (including, without limitation, the interest component under Capital Leases and the net interest payable in connection with Hedging Agreements), as determined in accordance with GAAP.

"Consolidated Net Income" shall mean, for any period, net income (excluding extraordinary items and excluding income received from joint venture investments to the extent not received in cash) after taxes for such period of the Loan Parties and their Subsidiaries on a consolidated basis, as determined in accordance with GAAP.

"Consolidated Scheduled Funded Debt Payments" shall mean, for any applicable period of computation, for the Loan Parties and their Subsidiaries, the sum of all scheduled payments of principal on Consolidated Funded Debt for such period (including the principal component of payments due on Capital Leases or under any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product during such period), determined on a consolidated basis in accordance with GAAP.

"Control Agent" shall have the meaning provided in the ABL Intercreditor Agreement.

"Control Collateral" shall have the meaning provided in the ABL Intercreditor Agreement.

"Credit Facility" shall mean the Revolving Loans and Letters of Credit provided to or for the benefit of any Borrower pursuant to Sections 2.1, 2.2 and 2.3 hereof.

"Default" shall mean an act, condition or event which with notice or passage of time or both would constitute an Event of Default.

"Defaulting Lender" shall have the meaning set forth in Section 6.11 hereof.

"Dollars" and "$" shall mean dollars in lawful currency of the United States of America.

"Domestic Subsidiaries" shall mean, with respect to any Person, any Subsidiary of such Person which is incorporated or organized under the laws of any state of the United States or the District of Columbia.

"Eligible Accounts" shall mean Accounts created by a Loan Party that in each case satisfy the criteria set forth below as determined in accordance with the Agent's customary practices. In general, Accounts shall be Eligible Accounts if:

(a) such Accounts arise from the actual and bona fide sale and delivery of goods by such Loan Party or rendition of services by such Loan Party in the ordinary course of its business which transactions are completed in accordance with the terms and provisions contained in any documents related thereto;

(b) such Accounts are not unpaid more than (i) ninety (90) days after the date of the original invoice therefor or (ii) more than sixty (60) days after the date of the original due date therefor;

(c) such Accounts comply with the terms and conditions contained in Section 7.2(b) of this Agreement;

(d) such Accounts do not arise from sales on consignment, guaranteed sale, sale and return, sale on approval, or other terms under which payment by the account debtor may be conditional or contingent;

(e) the chief executive office of the account debtor with respect to such Accounts is located in the United States of America or Canada (provided, that, at any time promptly upon the Agent's request, such Loan Party shall execute and deliver, or cause to be executed and delivered, such other agreements, documents and instruments as may be required by the Agent to perfect the security interests of the Agent in those Accounts of an account debtor with its chief executive office or principal place of business in Canada in accordance with the applicable laws of the Province of Canada in which such chief executive office or principal place of business is located and take or cause to be taken such other and further actions as the Agent may request to enable the

Agent as secured party with respect thereto to collect such Accounts under the applicable Federal or Provincial laws of Canada) or, at the Agent's option, if the chief executive office and principal place of business of the account debtor with respect to such Accounts is located other than in the United States of America or Canada, then if either: (i) the account debtor has delivered to such Loan Party an irrevocable letter of credit issued or confirmed by a bank satisfactory to the Agent and payable only in the United States of America and in Dollars, sufficient to cover such Account, in form and substance satisfactory to the Agent and if required by the Agent, the original of such letter of credit has been delivered to the Agent or the Agent's agent and the issuer thereof, and such Loan Party has complied with the terms of Section 5.2(f) hereof or (ii) such Account is subject to credit insurance payable to the Agent issued by an insurer and on terms and in an amount acceptable to the Agent, or (iii) such Account is otherwise acceptable in all respects to the Agent (subject to such lending formula with respect thereto as the Agent may determine);

(f) such Accounts do not consist of progress billings (such that the obligation of the account debtors with respect to such Accounts is conditioned upon such Loan Party's satisfactory completion of any further performance under the agreement giving rise thereto), unbilled Accounts, percentage of completion accounts, retainage Accounts, contra Accounts, bill and hold invoices or retainage invoices, except as to bill and hold invoices, if the Agent shall have received an agreement in writing from the account debtor, in form and substance satisfactory to the Agent, confirming the unconditional obligation of the account debtor to take the goods related thereto and pay such invoice;

(g) the account debtor with respect to such Accounts has not asserted a counterclaim, defense or dispute and is not owed or does not claim to be owed any amounts that may give rise to any right of setoff or recoupment against such Accounts (but the portion of the Accounts of such account debtor in excess of the amount at any time and from time to time owed by such Loan Party to such account debtor or claimed owed by such account debtor may be deemed Eligible Accounts);

(h) there are no facts, events or occurrences which would impair the validity, enforceability or collectability of such Accounts or reduce the amount payable or delay payment thereunder as determined by the Agent in its commercially reasonable discretion;

(i) such Accounts are subject to the first priority, valid and perfected security interest of the Agent and any goods giving rise thereto are not, and were not at the time of the sale thereof, subject to any liens except those permitted in this Agreement that are subject to an intercreditor agreement in form and substance satisfactory to the Agent between the holder of such security interest or lien and the Agent;

(j) neither the account debtor nor any officer or employee of the account debtor with respect to such Accounts is an officer, employee, agent or other Affiliate of any Loan Party;

(k) the account debtors with respect to such Accounts are not any foreign government, the United States of America, any State, political subdivision, department, agency or instrumentality thereof, unless, if the account debtor is the United States of America, any State, political subdivision, department, agency or instrumentality thereof, upon the Agent's request, the Federal Assignment of Claims Act of 1940, as amended or any similar State or local law, if applicable, has been complied with in a manner satisfactory to the Agent;

(l) there are no bankruptcy, dissolution, liquidation, reorganization or similar proceedings or actions which are threatened or pending against the account debtors with respect to such Accounts;

(m) the aggregate amount of such Accounts owing by a single account debtor do not constitute more than twenty percent (20%) of the aggregate amount of all otherwise Eligible Accounts;

(n) such Accounts are not owed by an account debtor who has Accounts unpaid more than ninety (90) days after the original invoice date or original due date therefor which constitute more than fifty percent (50%) of the total Accounts of such account debtor;

(o) the account debtor is not located in a state requiring the filing of a Notice of Business Activities Report or similar report in order to permit such Loan Party to seek judicial enforcement in such State of payment of such Account, unless such Loan Party has qualified to do business in such state or has filed a Notice of Business Activities Report or equivalent report for the then current year or such failure to file and inability to seek judicial enforcement is capable of being remedied without any material delay or material cost;

(p) such Accounts are owed by account debtors whose total indebtedness to such Loan Party does not exceed the credit limit with respect to such account debtors as determined by such Loan Party from time to time, to the extent such credit limit as to any account debtor is established consistent with the current practices of such Loan Party as of the date hereof and such credit limit is acceptable to the Agent (but the portion of the Accounts not in excess of such credit limit may be deemed Eligible Accounts); and

(q) such Accounts are owed by account debtors deemed creditworthy at all times by the Agent in its commercially reasonable discretion.

The criteria for Eligible Accounts set forth above may be changed and any new criteria for Eligible Accounts may be established by the Agent in its commercially reasonable discretion based on either: (i) an event, condition or other circumstance arising after the date hereof, or (ii) an event, condition or other circumstance existing on the date hereof to the extent the Agent has no written notice thereof from a Loan Party prior to the date hereof, in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the Accounts in the good faith determination of the Agent. Any Accounts that are not Eligible Accounts shall nevertheless be part of the Collateral. For the avoidance of doubt, Eligible Account shall not include any ITT Receivables.

"Eligible Finished Goods Inventory" shall mean Eligible Inventory consisting of Finished Goods.

"Eligible Inventory" shall mean Inventory of each Loan Party held in the United States consisting of Stores, WIP or Finished Goods, that in each case satisfy the criteria set forth below as reasonably determined by the Agent in accordance with the Agent's customary practices. In general, Eligible Inventory shall not include: (a) raw materials; (b) components which are not part of finished goods or WIP; (c) parts for equipment and packaging and shipping materials; (d) supplies used or consumed in such Loan Party's business; (e) Inventory at premises other than those owned or leased and controlled by any Loan Party; (f) Inventory subject to a security interest or lien in favor of any Person other than the Agent except those permitted in this Agreement that are subject to an intercreditor agreement in form and substance satisfactory to the Agent between the holder of such security interest or lien and the Agent; (g) bill and hold goods; (h) unserviceable, obsolete or slow moving Inventory; (i) Inventory that is not subject to the first priority, valid and perfected security interest of the Agent; (j) returned, damaged and/or defective Inventory; (k) Inventory purchased or sold on consignment; (l) Inventory located outside the United States of America; (m) promotional materials; and (n) any Inventory which is not owned solely by the applicable Loan Party or to which the applicable Loan Party does not have valid title. The criteria for Eligible Inventory set forth above may only be changed and any new criteria for Eligible Inventory may only be established by the Agent in its commercially reasonable discretion based on either: (A) an event, condition or other circumstance arising after the date hereof, or (B) an event, condition or other circumstance existing on the date hereof to the extent the Agent has no written notice thereof from a Loan Party prior to the date hereof, in either case under clause (A) or (B) which adversely affects or could reasonably be expected to adversely affect the Inventory in the good faith determination of the Agent. Any Inventory that is not Eligible Inventory shall nevertheless be part of the Collateral.

"Eligible ITT Receivables" shall mean the aggregate face amount of ITT Receivables that conform to the warranties contained herein, less the aggregate amount of returns, counterclaims, offsets, credits, back charges and allowances of any nature in respect thereof (whether issued, granted or outstanding); provided, however, that no ITT Receivable shall be deemed to be an Eligible ITT Receivable if:

(a) there does not exist a bona-fide Silica-Related Claim submitted by the Loan Parties to ITT in accordance with the terms of the ITT Agreement in respect thereof (a "Submitted ITT Claim");

(b) a Submitted ITT Claim giving rise thereto has been submitted to ITT for payment for one hundred twenty (120) days or more, without its full payment;

(c) ITT has ceased to have a senior debt rating, as reported by Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc., of at least "BBB-";

(d) ITT has disputed its liability in respect of all or any portion of the Submitted ITT Claim giving rise thereto, to the extent of such dispute; or

(e) the Agent does not have a first priority, perfected security interest in the ITT Receivable.

"Eligible Stores Inventory" shall mean Eligible Inventory consisting of Stores.

"Eligible Transferee" shall mean (a) any Lender; (b) the parent company of any Lender and/or any Affiliate of such Lender which is at least fifty percent (50%) owned by such Lender or its parent company; (c) any person (whether a corporation, partnership, trust or otherwise) that makes, purchases, holds or otherwise invests in bank loans and similar extensions of credit in the ordinary course and is administered or managed by a Lender or with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor, and in each case is approved by the Agent; and (d) any other commercial bank, financial institution or "accredited investor" (as defined in Regulation D under the Securities Act of 1933) approved by the Agent, provided, that, neither any Loan Party nor any Affiliate of any Loan Party nor any natural person shall qualify as an Eligible Transferee.

"Eligible WIP Inventory" shall mean Eligible Inventory consisting of WIP.

"Environmental Laws" shall mean all foreign, Federal, State and local laws (including common law), legislation, rules, codes, licenses, permits (including any conditions imposed therein), authorizations, judicial or administrative decisions, injunctions or agreements between any Loan Party and any Governmental Authority, (a) relating to pollution and the protection, preservation or restoration of the environment (including air, water vapor, surface water, ground water, drinking water, drinking water supply, surface land, subsurface land, plant and animal life or any other natural resource), or to human health or safety, (b) relating to the exposure to, or the use, storage, recycling, treatment, generation, manufacture, processing, distribution, transportation, handling, labeling, production, release or disposal, or threatened release, of Hazardous Materials, or (c) relating to all laws with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials. The term "Environmental Laws" includes (i) the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Federal Superfund Amendments and Reauthorization Act, the Federal Water Pollution Control Act of 1972, the Federal Clean Water Act, the Federal Clean Air Act, the Federal Resource Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendments thereto), the Federal Solid Waste Disposal and the Federal Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, and the Federal Safe Drinking Water Act of 1974, (ii) applicable state counterparts to such laws and (iii) any common law or equitable doctrine that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of or exposure to any Hazardous Materials.

"Equipment" shall mean, as to each Loan Party, all of such Loan Parties' now owned and hereafter acquired equipment, wherever located, including machinery, data processing and computer equipment (whether owned or licensed and including embedded software), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, together with all rules, regulations and interpretations thereunder or related thereto.

"ERISA Affiliate" shall mean any person required to be aggregated with any Loan Party or any of its or their respective Subsidiaries under Sections 414(b) or 414(c) of the Code, and for the purpose of Section 302 of ERISA and/or Section 412, 4971, 4977 and/or each "applicable section" under Section 414(t)(2) of the Code, under Sections 414(b), (c), (m) or (o) of the Code.

"ERISA Event" shall mean (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan, other than events as to which the requirement of notice has been waived in regulations by the Pension Benefit Guaranty Corporation; (b) the adoption of any amendment to a Pension Plan that would require the provision of security pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA; (c) a complete or partial withdrawal by any Loan Party or, to any of their knowledge, any ERISA Affiliate from a Multiemployer Plan or a cessation of operations which is treated as such a withdrawal or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the Pension Benefit Guaranty Corporation to terminate a Pension Plan; (e) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (f) the imposition of any liability under Title IV of ERISA, other than the Pension Benefit Guaranty Corporation premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or, to any of their knowledge, any ERISA Affiliate in excess of $1,000,000; and (g) any prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility that could reasonably be expected to result in liability of any Loan Party in excess of $1,000,000 under Section 406, 409, 502(l) of ERISA or Section 4975 of the Code.

"Eurocurrency Rate Loans" shall mean any Revolving Loans or portion thereof on which interest is payable based on the Adjusted Eurocurrency Rate in accordance with the terms hereof.

"Event of Default" shall mean the occurrence or existence of any event or condition described in Section 10.1 hereof.

"Excess Availability" shall mean the amount, as determined by the Agent in its commercially reasonable discretion, calculated at any date, equal to: (a) the lesser of: (i) the Borrowing Base and (ii) the Maximum Credit (in each case under (i) or (ii) after giving effect to any Reserves), minus (b) the sum of: (i) the amount of all then outstanding and unpaid Loans and

Letter of Credit Obligations, plus (ii) the aggregate amount of all then outstanding and unpaid trade payables and other obligations of the Loan Parties which are more than sixty (60) days overdue as of the end of the immediately preceding month or at the Agent's option, as of a more recent date based on such reports as the Agent may from time to time specify (other than trade payables or other obligations being contested or disputed by such Borrower in good faith), plus (iii) without duplication, the amount of checks issued by such Borrower to pay trade payables and other obligations which are more than sixty (60) days overdue as of the end of the immediately preceding month or at the Agent's option, as of a more recent date based on such reports as the Agent may from time to time specify (other than trade payables or other obligations being contested or disputed by such Borrower in good faith), but not yet sent.

"Exchange Act" shall mean the Securities Exchange Act of 1934, together with all rules, regulations and interpretations thereunder or related thereto.

"Existing Letters of Credit" shall mean each of the letters of credit described by date of issuance, amount, purpose and the date of expiry on Schedule 1.1(b) hereto.

"Existing Subordinated Notes" shall mean the senior subordinated notes, in an original principal amount equal to $150,000,000, heretofore issued by Better Minerals & Aggregates Company pursuant to the Existing Subordinated Notes Indenture.

"Existing Subordinated Notes Indenture" shall mean the Indenture, dated as of October 1, 1999, among Better Minerals & Aggregates Company, certain other Loan Parties and Bank of New York, as trustee, in respect of the issuance of the Existing Subordinated Notes, as modified or amended from time to time.

"Extension of Credit" shall mean, as to any Lender, the making of a Loan by such Lender or the issuance of, or participation in, a Letter of Credit by such Lender.

"Fee Letter" shall mean the Fee Letter, dated as of July 9, 2007, by and among the Parent, Hourglass Acquisition, Inc., the Agent and Wachovia Capital Markets, LLC setting forth certain fees payable by the Borrowers to the Agent for the benefit of itself and the Lenders, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

"Financing Agreements" shall mean, collectively, this Agreement, the ABL Intercreditor Agreement, the Term Loan Intercreditor Agreement, the Fee Letter, the Security Documents, the Revolving Notes, all other notes, guarantees, Account Control Agreements, investment property control agreements, intercreditor agreements and all other agreements, documents and instruments now or at any time hereafter executed and/or delivered by any Loan Party in connection with this Agreement.

"Finished Goods" shall mean and consist of extracted minerals for which production has been completed which are awaiting resale.

"First Lien Term Loan Agent" shall mean Wachovia, in its capacity as the agent under the First Lien Term Loan Credit Agreement and the other First Lien Term Loan Financing Agreements.

"First Lien Term Loan Commitment" shall mean "Commitments", as defined in the First Lien Term Loan Credit Agreement.

"First Lien Term Loan Credit Agreement" shall mean that certain First Lien Term Loan and Security Agreement dated as of the date hereof by and among the Company, the guarantors from time to time party thereto, the First Lien Term Loan Lenders and the First Lien Term Loan Agent pursuant to which the First Lien Term Loan Lenders agree to provide term loan facilities to the Company, as in effect on the date hereof and as amended or otherwise modified from time to time in accordance with the terms of this Agreement.

"First Lien Term Loan Financing Agreements" shall have the meaning specified for the term "Financing Agreements" in the First Lien Term Loan Credit Agreement, each as in effect on the date hereof and as amended or otherwise modified from time to time in accordance with the terms of this Agreement.

"First Lien Term Loan Lenders" shall mean those certain lenders and other financial institutions from time to time party to the First Lien Term Loan Credit Agreement.

"First Lien Term Loan Obligations" shall have the meaning specified for the term "Obligations" in the First Lien Term Loan Credit Agreement.

"Fixed Charge Coverage Ratio" shall mean, as of the last day of each fiscal quarter, for the twelve month period then ending, the ratio of (a) (i) Consolidated EBITDA minus (ii) Capital Expenditures made during such period minus (iii) cash income taxes during such period minus (iv) tax distributions during such period to the direct or indirect holders of the Capital Stock of the Parent minus (v) all Silica-Related Claims Costs, to (b) Consolidated Fixed Charges.

"Foreign Lender" shall mean any Lender that is organized under the laws of a jurisdiction other than that in which a Borrower is resident for tax purposes, and with respect to a Borrower that is a "United States person" within the meaning of Section 7701(a)(30) of the Code, any Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" shall mean, with respect to any Person, any Subsidiary of such Person which is not a Domestic Subsidiary.

"Fund" shall mean any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funded Debt" shall mean, with respect to any Person, without duplication, the sum of the following (i) (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (e) the principal portion of all obligations of such Persons under Capital Leases, (f) (1) the maximum amount drawable under all letters of credit (including the Letters of Credit) issued or bankers' acceptances facilities created for the account of such Person in excess of $10,000,000 for all such letters of credit and bankers' acceptance facilities and (2) without duplication, all drafts drawn under any letters of credit (including the Letters of Credit) issued (to the extent unreimbursed) or bankers' acceptances facilities created (to the extent unreimbursed) for the amount of such Person, (g) the principal portion of all obligations of such Person under off-balance sheet financing arrangements, and (h) all preferred Capital Stock (other than Qualified Preferred Stock) issued by such Person plus (ii) all Indebtedness of another Person of the type referred to in clause (i) above secured by (or for which the holder of such Funded Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, plus (iii) all guarantees of such Person with respect to Indebtedness of the type referred to in clause (i) above of another Person, plus (iv) Indebtedness of the type referred to in clause (i) above of any partnership or unincorporated joint venture in which such Person is legally obligated or has a reasonable expectation of being liable with respect thereto. Notwithstanding the foregoing, Funded Debt shall not include (1) any obligations of the Loan Parties or any of their Subsidiaries in respect of rail lease obligations and (2) advances made to the Loan Parties or any of their Subsidiaries in respect of capital projects.

"Funding Bank" shall have the meaning given to such term in Section 3.3 hereof.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board which are applicable to the circumstances as of the date of determination consistently applied, except that, for purposes of Section 9.16 hereof and for purposes of calculating the Leverage Ratio and the Fixed Charge Coverage Ratio, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements delivered to the Agent prior to the date hereof.

"Governmental Authority" shall mean any nation or government, any state, province, or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantors" shall mean, collectively, (together with their respective successors and assigns) (a) the Parent and those Domestic Subsidiaries of the Parent identified as "Guarantor" on the signature pages hereto and (b) any other Person that at any time after the date hereof becomes party to a guarantee in favor of the Agent or any Lender or otherwise liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations (other than the Borrowers); each sometimes being referred to herein individually as a "Guarantor".

"Guaranty" shall mean the guaranty of Guarantors set forth in Section 14.

"Guaranty Obligations" shall mean, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting security therefor, (b) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (c) to lease or purchase property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (d) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

"Hanson Payment" shall mean that certain payment to be made by USS Holdings, Inc. in respect of contingent liabilities relating to zoning changes required pursuant to that certain sale agreement between USS Holdings, Inc. and Hanson Aggregates BMC, Inc.

"Hazardous Materials" shall mean any hazardous, toxic or dangerous substances, materials and wastes, including hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials, or wastes and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including any that are or become classified as hazardous or toxic under any Environmental Law).

"Hedging Agreement" shall mean, with respect to any Person, any agreement entered into to protect such Person against fluctuations in interest rates, or currency or raw materials values, including, without limitation, any interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more counterparties, any foreign currency exchange agreement, currency protection agreement, commodity purchase or option agreement or other interest or exchange rate hedging agreement.

"Hedging Agreement Provider" shall mean any Person that enters into (or has previously entered into) a Hedging Agreement with a Loan Party or any of its Subsidiaries, to the extent such Person is (a) a Lender or an Affiliate of a Lender or (b) any other Person (i) that was a Lender (or an Affiliate of a Lender) at the time such Person entered into such Hedging Agreement or (ii) with respect to any such Hedging Agreement that was in existence prior to the Closing Date, that was a Lender (or an Affiliate of a Lender) as of the Closing Date or on the date that is 30 days after the Closing Date, but, in the case of either clause (i) or (ii), has ceased to be a Lender (or whose Affiliate has ceased to be a Lender) under this Agreement.

"Indebtedness" shall mean, with respect to any Person, any liability, whether or not contingent, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) or evidenced by bonds, notes, debentures or similar instruments; (b) representing the balance deferred and unpaid of the purchase price of any property or services (other than an account payable to a trade creditor (whether or not an Affiliate) incurred in the ordinary course of business of such Person); (c) all obligations as lessee under leases which have been, or should be, in accordance with GAAP recorded as Capital Leases; (d) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (e) all preferred Capital Stock (other than Qualified Preferred Stock) issued by such Person; (f) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker's acceptances, drafts or similar documents or instruments issued for such Person's account; (g) all indebtedness of such Person in respect of indebtedness of another Person for borrowed money or indebtedness of another Person otherwise described in this definition which is secured by any consensual lien, security interest, collateral assignment, conditional sale, mortgage, deed of trust, or other encumbrance on any asset of such Person, whether or not such obligations, liabilities or indebtedness are assumed by or are a personal liability of such Person, all as of such time; (h) all obligations, liabilities and indebtedness of such Person (marked to market) arising under swap agreements, cap agreements and collar agreements and other agreements or arrangements designed to protect such person against fluctuations in interest rates or currency or commodity values; (i) indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer to the extent such Person is liable therefor as a result of such Person's ownership interest in such entity, except to the extent that the terms of such indebtedness expressly provide that such Person is not liable therefor or such Person has no liability therefor as a matter of law; and (j) the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing where such transaction is considered to be borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP. Notwithstanding the foregoing, Indebtedness shall not include (1) any obligations of the Loan Parties or any of their Subsidiaries in respect of rail lease obligations and (2) advances made to the Loan Parties or any of their Subsidiaries in respect of capital projects.

"Information Certificate" shall mean, collectively, the Information Certificates of the Loan Parties constituting Exhibit B hereto containing material information with respect to the Loan Parties, their respective businesses and assets provided by or on behalf of the Loan Parties to the Agent in connection with the preparation of this Agreement and the other Financing Agreements and the financing arrangements provided for herein.

"Intellectual Property" shall mean, as to each Loan Party, such Loan Party's now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright applications, copyright registrations, trademarks, servicemarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing and all applications, registrations and recordings relating to any of the foregoing as may be filed in the United States Copyright Office, the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country or jurisdiction, together with all rights and privileges arising under applicable law with respect to any Loan Party's use of any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or servicemark, or the license of any trademark or servicemark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

"Interest Period" shall mean for any Eurocurrency Rate Loan, a period of approximately one (1), two (2), three (3) or six (6) months (or, if available from all Lenders, nine (9) or twelve (12) months) duration as any Borrower (or the Company on behalf of such Borrower) may elect, the exact duration to be determined in accordance with the customary practice in the applicable Eurocurrency Rate market; provided, that, (a) such Borrower (or the Company on behalf of such Borrower) may not elect an Interest Period which will end after the Termination Date, (b) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day; provided that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day and (c) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Interest Rate" shall mean:

(a) For any day, the rate per annum set forth below opposite the applicable Tier then in effect (based on Quarterly Average Excess Availability for the immediately preceding calendar quarter), it being understood that the Interest Rate for (i) Revolving Loans that are Prime Rate Loans shall be a rate equal to the sum of (A) the Prime Rate plus (B) the percentage set forth under the column "Prime Rate Loans", (ii) Revolving Loans that are Eurocurrency Rate Loans shall be a rate equal to the sum of (A) the Adjusted Eurocurrency Rate plus (B) the percentage set forth under the column "Eurocurrency Rate Loans", (iii) the Letter of Credit Fee shall be the percentage set forth under the column "Letter of Credit Fee", and (iv) the Unused Line Fee shall be the percentage set forth under the column "Unused Line Fee":

Tier	Quarterly Average Excess Availability	Prime Rate Loans	Eurocurrency Rate Loans	Letter of Credit Fee	Unused Line Fee
1	>$ 10,000,000	0.500%	1.500%	1.500%	0.250%
2	≤$ 10,000,000	0.750%	1.750%	1.750%	0.250%

(b) Notwithstanding anything to the contrary contained in clause (a) of this definition, (i) automatically upon the occurrence and during the continuance of an Event of Default described in Section 10.1(a)(i), (e), (f) or (g), the Interest Rate with respect to all amounts then due and owing hereunder or under the other Financing Agreements (including principal, interest, fees and all other Obligations) shall be the rate two percent (2%) per annum in excess of the applicable amount set forth above, (ii) upon the occurrence and during the continuance of any other Event of Default, at the election of the Required Lenders, the Interest Rate with respect to all amounts then due and owing hereunder or under the other Financing Agreements (including principal, interest, fees and all other Obligations) shall be the rate two percent (2%) per annum in excess of the applicable amount set forth above and (iii) the Interest Rate with respect to Revolving Loans outstanding in excess of the Borrowing Base (whether or not such excess arises or is made with or without the Agent's or any Lender's knowledge or consent and whether made before or after an Event of Default) shall be the rate two percent (2%) per annum in excess of the applicable amount set forth above. Any increase in the Interest Rate pursuant to the foregoing clauses (i), (ii) or (iii) shall be without duplication and shall not exceed the rate two percent (2%) per annum in excess of the applicable amount set forth above.

(c) The initial Interest Rate shall be based on Tier 2 (as shown above) and shall remain at Tier 2 until the last day of the second complete fiscal quarter following the Closing Date.

(d) The "Interest Rate" margin set forth in clause (a) above shall be calculated and established once each calendar quarter, effective as of the first day of such calendar quarter and shall remain in effect until adjusted thereafter at the end of the next calendar quarter.

(e) In the event that any Borrowing Base Certificate or other financial information used to determine Excess Availability provided to the Agent in accordance with the provisions of Section 7.1 is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Interest Rate for any period (an "Applicable Period") than the Interest Rate applied for such Applicable Period, then (i) the Borrowers shall immediately deliver to the Agent a corrected Borrowing Base Certificate or corrected financial information for such Applicable Period, (ii) the Interest Rate shall be determined in accordance with such corrected Borrowing Base Certificate or financial information for such Applicable Period, and (iii) the Borrowers shall immediately pay to the Agent the accrued additional interest owing as a result of such increased Interest Rate for such Applicable Period.

"Inventory" shall mean, as to any Person, all of such Person's now owned and hereafter existing or acquired goods, wherever located, which (a) are leased by such Person as lessor; (b) are held by such Person for sale or lease or to be furnished under a contract of service; (c) are furnished by such Person under a contract of service; or (d) consist of raw materials, work in process, finished goods or materials used or consumed in its business.

"Inventory Appraisal" shall mean an appraisal of Inventory in form and containing assumptions and appraisal methods reasonably satisfactory to the Agent by an appraiser reasonably acceptable to the Agent, on which the Agent and the Lenders are expressly permitted to rely.

"Investment" shall mean (a) the acquisition (whether for cash, property, services, assumption of Indebtedness, securities or otherwise) of shares of Capital Stock, other ownership interests or other securities of any Person or bonds, notes, debentures or all or substantially all of the assets of any Person, (b) any deposit with, or advance, loan or other extension of credit to, any Person (other than deposits made in the ordinary course of business) or (c) any other capital contribution to or investment in any Person, including, without limitation, any Guaranty Obligation (including any support for a letter of credit issued on behalf of such Person) incurred for the benefit of such Person.

"Investment Property Control Agreement" shall mean an agreement in writing, in form and substance reasonably satisfactory to the Agent, by and among the Agent or the Control Agent, any Loan Party (as the case may be) and any securities intermediary, commodity intermediary or other person who has custody, control or possession of any investment property of such Loan Party acknowledging that such securities intermediary, commodity intermediary or other person has custody, control or possession of such investment property on behalf of the Agent or the Control Agent, that it will comply with entitlement orders originated by the Agent or the Control Agent with respect to such investment property, or other instructions of the Agent or the Control Agent, and has such other terms and conditions as the Agent may require.

"Issuing Bank" shall mean with respect to (a) Existing Letters of Credit, Wachovia and (b) with respect to Letters of Credit issued on or after the Closing Date, Wachovia.

"ITT" shall mean ITT Corporation, a Delaware corporation, and its successors and assigns.

"ITT Agreement" shall mean the Agreement of Purchase and Sale of the Capital Stock of Pennsylvania Glass Sand Corporation, dated as of September 12, 1985, made between ITT and Pacific Coast Resources Co., its successors and assigns, as amended or modified from time to time.

"ITT Receivables" shall mean amounts claimed by any Loan Party to be owing from ITT from time to time to a Loan Party in their capacity as successor-in-interest to and/or assignee of, the rights of Pacific Coast Resources Co. under the ITT Agreement, in respect of Silica-Related Claims for which the Loan Parties have sought indemnity from ITT in accordance with the terms of the ITT Agreement.

"Lenders" shall mean the financial institutions who are signatories hereto as Lenders and other persons made a party to this Agreement as a Lender in accordance with Section 13.7 hereof, and their respective successors and assigns; each sometimes being referred to herein individually as a "Lender".

"Letter of Credit Documents" shall mean, with respect to any Letter of Credit, such Letter of Credit, any amendments thereto, any documents delivered in connection therewith, any application therefor, and any agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned or at risk or (b) any collateral security for such obligations.

"Letter of Credit Fee" shall have the meaning set forth in Section 3.2.

"Letter of Credit Limit" shall mean $15,000,000.

"Letter of Credit Obligations" shall mean, at any time, the sum of (a) the aggregate undrawn amount of all Letters of Credit outstanding at such time, plus (b) the aggregate amount of all drawings under Letters of Credit for which the Issuing Bank has not at such time been reimbursed by the Borrower.

"Letters of Credit" shall mean (a) all letters of credit (whether documentary or stand-by and whether for the purchase of inventory, equipment or otherwise) issued by the Issuing Bank for the account of any Borrower pursuant to this Agreement and (b) any Existing Letter of Credit, in each case as such letter of credit may be amended, modified, extended, renewed or replaced from time to time.

"Leverage Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Funded Debt (net of cash and Cash Equivalents of the Loan Parties and their Subsidiaries on a consolidated basis, as determined in accordance with GAAP) on such date to (b) Consolidated EBITDA (computed for the twelve month period ending on the last day of the fiscal quarter ending on or immediately prior to such date).

"License Agreements" shall have the meaning set forth in Section 8.11 hereof.

"Loans" or "Revolving Loans" shall mean the loans now or hereafter made by or on behalf of any Lender or by the Agent for the account of any Lender on a revolving basis pursuant to the Credit Facility (involving advances, repayments and readvances) as set forth in Section 2.1 hereof.

"Loan Parties" shall mean, collectively, the Borrowers and the Guarantors (together with their respective successors and assigns); each sometimes being referred to herein individually as a "Loan Party".

"London Interbank Offered Rate" shall mean, with respect to any Eurocurrency Rate Loan for the Interest Period applicable thereto, the rate of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If, for any reason, such rate is not available, the term "London Interbank Offered Rate" shall mean, with respect to any Eurocurrency Loan for the Interest Period applicable thereto, the rate of interest per annum at which, as determined by the Agent in accordance with its customary practices, Dollars in an amount comparable to the Loans then requested are being offered to leading banks at approximately 11:00 a.m. London time, two (2) Business Days prior to the commencement of the applicable Interest Period for settlement in immediately available funds by leading banks in the London interbank market for a period equal to the Interest Period selected.

"Material Adverse Effect" shall mean a material adverse effect on (a) the financial condition, business, properties, performance or operations of the Loan Parties, taken as a whole; (b) the legality, validity or enforceability of this Agreement or any of the other Financing Agreements; (c) the legality, validity, enforceability, perfection or priority of the security interests and liens of the Agent upon a material portion of the Collateral; (d) the ability of the Borrowers taken as a whole to duly and punctually repay the Obligations in full or of the Borrowers taken as a whole to perform any of their material obligations under this Agreement or any of the other Financing Agreements as and when to be performed; or (e) the ability of the Agent or any Lender to enforce the Obligations or realize upon the Collateral or otherwise with respect to the rights and remedies of the Agent and the Lenders under this Agreement or any of the other Financing Agreements.

"Maximum Credit" shall mean the amount of $35,000,000 (as such amount may be reduced from time to time as provided in the definition of "Reserves" or in Section 2.1(e)).

"Maximum First Lien Indebtedness Amount" shall have the meaning ascribed to the term "Maximum First Lien Indebtedness Amount" in the Term Loan Intercreditor Agreement.

"Maximum Second Lien Indebtedness Amount" shall mean $43,000,000.

"Multiemployer Plan" shall mean a "multi-employer plan" as defined in Section 4001(a)(3) of ERISA contributed to by any Loan Party or, to any of their knowledge, any ERISA Affiliate and with respect to which any Loan Party or, to any of their knowledge, any ERISA Affiliate has incurred or may incur any liability.

"Net Cash Proceeds" shall mean the aggregate cash proceeds received by any Loan Party or any Subsidiary in respect of any Asset Disposition or Recovery Event, net of (a) direct costs (including, without limitation, legal, accounting and investment banking fees, and sales commissions) associated therewith, (b) amounts held in escrow to be applied as part of the purchase price of any Asset Disposition, (c) taxes paid or payable as a result thereof, (d) with respect to any Asset Disposition or Recovery Event, payment of the outstanding principal amount of, premium (if any) and interest on any Indebtedness secured by a lien on the assets subject to such Asset Disposition or Recovery Event and (e) with respect to any Recovery Event, amounts payable directly or indirectly to Governmental Authorities or which are payable pursuant to the regulations of or the order or directive of any Governmental Authorities or pursuant to any Environmental Law for such Recovery Event to the extent required by such Governmental Authorities or Contractual Obligations and any reserves established by the Loan Parties in connection therewith; it being understood that "Net Cash Proceeds" shall include, without limitation, (i) any cash proceeds from the sale or other disposition of any non-cash consideration (but only as and when such cash is actually received) received by any Loan Party or any Subsidiary in any Asset Disposition or Recovery Event, (ii) any cash released from escrow as part of the purchase price in connection with any Asset Disposition and (iii) any cash released from reserves established as set forth in clause (e) above.

"Notice of Borrowing" shall mean a request for a Revolving Loan borrowing pursuant to Section 2.1(a) in the form attached as Exhibit H.

"Notice of Continuation/Conversion" shall mean a request for a conversion to or continuation of a Eurocurrency Rate Loan or Prime Rate Loan pursuant to Section 3.1(b) in the form attached as Exhibit I.

"Obligations" shall mean any and all Loans, Letter of Credit Obligations and all other obligations, liabilities and indebtedness of every kind, nature and description owing by any or all of the Borrowers to the Agent or any Lender and/or any of their Affiliates or the Issuing Bank, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under this Agreement or any of the other Financing Agreements or on account of any Letter of Credit and all other Letter of Credit Obligations, and all Bank Product Debt, whether now existing or hereafter arising, whether arising before, during or after the term of this Agreement or after the commencement of any case with respect to such Borrower under the United States Bankruptcy Code or any similar statute

(including the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, or secured or unsecured.

"OFAC" shall mean the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Operating Leases" shall mean, as applied to any Person, any lease (including, without limitation, leases which may be terminated by the lessee at any time of any property (whether real, personal or mixed) which is not a Capital Lease other than any such lease in which that Person is the lessor.

"Other Taxes" shall have the meaning given to such term in Section 6.5(c) hereof.

"Parent" shall have the meaning set forth in the opening paragraph of this Agreement.

"Participant" shall mean any financial institution that acquires and holds a participation in the interest of any Lender in any of the Loans and Letters of Credit in conformity with the provisions of Section 13.7 of this Agreement governing participations.

"Patriot Act" shall mean the USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001.

"Pension Plan" shall mean a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which any Loan Party sponsors, maintains, or to which any Loan Party or, to any of their knowledge, ERISA Affiliate makes, is making, or is obligated to make contributions, other than a Multiemployer Plan.

"Permitted Acquisition" shall mean an acquisition or any series of related acquisitions by a Loan Party or any Foreign Subsidiary of (a) the assets or the outstanding Voting Stock or economic interests of any Person, (b) any division, line of business or other business unit of any Person or (c) Capital Stock of a joint venture constituting a majority of the Capital Stock of such Person to the extent such Loan Party or Foreign Subsidiary already owns Capital Stock of such joint venture (such Person or such division, line of business or other business unit of such Person or such joint venture shall be referred to herein as the "Target"), in each case that is a type of business (or assets used in a type of business) permitted to be engaged in by the Loan Parties and their Subsidiaries pursuant to the terms hereof, so long as (i) no Default or Event of Default shall then exist or would exist after giving effect thereto, (ii) to the extent required by Sections 9.20 and 9.21, the Agent, on behalf of the Lenders, shall have received (or shall receive in connection with the closing of such acquisition) a perfected security interest in all property (including, without limitation, Capital Stock) acquired with respect to the Target subject to Permitted Liens and in accordance with the Security Documents and the Target, if a Person, shall have executed a joinder agreement, (iii) such acquisition shall not be a "hostile" acquisition and shall have been approved by the Board of Directors and/or shareholders of the applicable Loan Party or Foreign

Subsidiary and the Target, (iv) after giving effect to such acquisition, there shall be at least $6,500,000 of Excess Availability (including Eligible Inventory and Eligible Accounts of the Target, it being agreed that no Inventory of the Target shall be Eligible Inventory until the Agent shall have received all documentation that it reasonably requests, including, without limitation, a satisfactory appraisal, and no Accounts of the Target shall be Eligible Accounts until the Agent shall have received all documentation that it reasonably requests, including, without limitation, a satisfactory field examination), (v) the Target shall have earnings before interest, taxes, depreciation and amortization for the four fiscal quarters prior to the acquisition date in an amount greater than $0 (with pro forma adjustments acceptable to the Agent), (vi) after giving effect to such acquisition on a Pro Forma Basis, (A) the Loan Parties are in compliance with the financial covenant set forth in Section 9.16 (without regard to the Excess Availability exception set forth therein) and (B) the Leverage Ratio is less than or equal to the lesser of (1) 4.60 to 1.0 or (2) the Leverage Ratio (as defined in the First Lien Term Loan Credit Agreement) then required pursuant to the First Lien Term Loan Credit Agreement (as in effect on the Closing Date) and (vii) the aggregate consideration (including without limitation earn out obligations, deferred compensation and the amount of Indebtedness and other liabilities assumed by the Loan Parties and their Subsidiaries, but excluding equity consideration, consideration paid from the proceeds of equity of the Parent issued to the Sponsor or capital contributions made by the Sponsor to the Parent and non-competition arrangements) paid by the Loan Parties and their Subsidiaries (A) in connection with any such acquisition shall not exceed $15,000,000, (B) for all acquisitions made during any twelve month period shall not exceed $25,000,000 and (C) for all acquisitions made during the term of this Agreement shall not exceed $45,000,000.

"Permitted Investments" shall have the meaning set forth in Section 9.10.

"Permitted Liens" shall have the meaning set forth in Section 9.8.

"Permits" shall have the meaning given to such term in Section 8.7(b) hereof.

"Person" or "person" shall mean any individual, sole proprietorship, partnership, corporation (including any corporation which elects subchapter S status under the Code), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

"Plan" shall mean an employee benefit plan (as defined in Section 3(3) of ERISA) which any Loan Party sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a Multiemployer Plan has made contributions at any time during the immediately preceding six (6) plan years and with respect to which any Loan Party may incur liability.

"Pledge Agreement" shall mean the ABL Pledge Agreement dated as of the Closing Date, executed by the Loan Parties party thereto in favor of the Agent, for the benefit of the Lenders, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with its terms.

"Prime Rate" shall mean, for any day, a rate per annum equal to the greater of (a) the prime rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "prime rate" shall mean, at any time, the rate of interest per annum publicly announced or otherwise identified from time to time by Wachovia at its principal office in Charlotte, North Carolina as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in the Prime Rate occurs. The parties hereto acknowledge that the rate announced publicly by Wachovia as its Prime Rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks; and "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published on the next succeeding Business Day, the average of the quotations for the day of such transactions received by the Agent from three federal funds brokers of recognized standing selected by it. If for any reason the Agent shall have determined (which determination shall be conclusive in the absence of manifest error) that it is unable to ascertain the Federal Funds Effective Rate, for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms above, the prime rate shall be determined without regard to clause (b) of the first sentence of this definition, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the prime rate due to a change in the prime rate or the Federal Funds Effective Rate shall be effective on the opening of business on the date of such change.

"Prime Rate Loans" shall mean any Loans or portion thereof on which interest is payable based on the Prime Rate in accordance with the terms thereof.

"Priority Collateral" shall mean ABL Priority Collateral as defined in the ABL Intercreditor Agreement.

"Pro Forma Basis" shall mean, with respect to any transaction, that such transaction shall be deemed to have occurred as of the first day of the twelve-month period ending as of the most recent month end preceding the date of such transaction.

"Pro Rata Share" shall mean, as to any Lender, the fraction (expressed as a percentage) the numerator of which is such Lender's Commitment and the denominator of which is the aggregate amount of all of the Commitments of the Lenders, as adjusted from time to time in accordance with the provisions of Section 13.7 hereof; provided, that, if the Commitments have been terminated, the numerator shall be the unpaid amount of such Lender's Loans and its interest in the Letters of Credit and the denominator shall be the aggregate amount of all unpaid Loans and Letters of Credit.

"Qualified Preferred Stock" shall mean any Capital Stock of Parent so long as the terms of any such Capital Stock (a) (i) do not contain any mandatory put, redemption, repayment, sinking fund or other similar provision and (ii) do not permit such Capital Stock to be converted into Indebtedness, in each case prior to the date which is six (6) months after the latest to occur of (1) so long as the Second Lien Term Loan Credit Agreement shall remain outstanding, the Termination Date (as defined in the Second Lien Term Loan Credit Agreement), (2) so long as the

First Lien Term Loan Credit Agreement shall remain outstanding, the Termination Date (as defined in the First Lien Term Loan Credit Agreement) or (3) the Termination Date and (b) do not require the cash payment of dividends, distributions or other Restricted Payments that would otherwise be prohibited by the terms of this Agreement.

"Quarterly Average Excess Availability" shall mean, at any time, the average of the aggregate amount of the Excess Availability of the Borrowers for the immediately preceding calendar quarter, as calculated by the Agent.

"Real Property" shall mean all now owned and hereafter acquired real property of each Loan Party, including leasehold interests, together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located.

"Receivables" shall mean all of the following now owned or hereafter arising or acquired property of each Loan Party: (a) all Accounts; (b) all interest, fees, late charges, penalties, collection fees and other amounts due or to become due or otherwise payable in connection with any Account; (c) all Payment Intangibles (as defined in the UCC); (d) letters of credit, indemnities, guarantees, security or other deposits and Proceeds thereof issued payable to such Loan Party or otherwise in favor of or delivered to such Loan Party in connection with any Account or Inventory; or (e) all other accounts and other forms of obligations owing to any Loan Party arising from the sale or lease of Inventory or Accounts or the rendition of services.

"Records" shall mean, as to each Loan Party, all of such Loan Party's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of any Loan Party with respect to the foregoing maintained with or by any other person).

"Recovery Event" shall mean theft, loss, physical destruction or damage, taking or similar event with respect to any ABL Collateral owned by the Loan Parties or any of their Subsidiaries which results in the receipt by the Loan Parties or any of their Subsidiaries of any cash insurance proceeds or condemnation award payable by reason thereof. The term "Recovery Event" shall not include the theft, loss, physical destruction or damage, taking or similar event with respect to any Term Loan Priority Collateral to the extent the Net Cash Proceeds therefrom are applied to reduce the Term Loan Obligations or are reinvested in accordance with the terms of the Term Loan Financing Agreements.

"Register" shall have the meaning set forth in Section 13.7 hereof.

"Required Lenders" shall mean, at any time, those Lenders whose Pro Rata Shares are greater than fifty percent (50%) of the Commitments of all Lenders, or if the Commitments shall have been terminated, those Lenders holding greater than fifty percent (50%) of the outstanding Loans and Letter of Credit Obligations.

"Reserves" shall mean as of any date of determination, such amounts as the Agent may from time to time establish and revise in accordance with its commercially reasonable customary practices and as may be applicable under the circumstances based on its field examinations and other due diligence reducing the amount of Revolving Loans and Letters of Credit which would otherwise be available to any Borrower under the lending formula(s) provided for herein: (a) to reflect events, conditions, contingencies or risks which, as determined by the Agent in its commercially reasonable discretion, adversely affect, or would have a reasonable likelihood of adversely affecting, either (i) the Priority Collateral, its value or the amount that might be received by the Agent from the sale or other disposition or realization upon such Priority Collateral or (ii) the security interests and other rights of the Agent or any Lender in the Collateral (including the enforceability, perfection and priority thereof) or (b) to reflect the Agent's commercially reasonable belief that any collateral report or financial information furnished by or on behalf of any Loan Party to the Agent is or may have been incomplete, inaccurate or misleading in any material respect. Without limiting the generality of the foregoing, Reserves may, at the Agent's option, be established to reflect: dilution with respect to the Accounts (based on the ratio of the aggregate amount of non-cash reductions in Accounts for any period to the aggregate dollar amount of the sales of such Borrower for such period) as calculated by the Agent for any period is or is reasonably anticipated to be greater than five percent (5%); returns, discounts, claims, credits and allowances of any nature that are not paid pursuant to the reduction of Accounts; sales, excise or similar taxes included in the amount of any Accounts reported to the Agent; a change in the turnover, age or mix of the categories of Inventory that adversely affects the aggregate value of all Inventory; amounts due or to become due to owners and lessors of premises where any Collateral is located, other than for those locations where the Agent has received a Collateral Access Agreement; obligations with respect to Bank Products; and amounts due or to become due to shippers and freight forwarders transporting any Collateral. The amount of any Reserve established by the Agent shall have a reasonable relationship to the event, condition or other matter which is the basis for such reserve as determined by the Agent in its commercially reasonable discretion and to the extent that such Reserve is in respect of amounts that may be payable to third parties the Agent may, at its option, deduct such Reserve from the Maximum Credit, at any time that the Maximum Credit is less than the amount of the Borrowing Base.

"Restricted Payment" shall mean (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of Capital Stock of the Loan Parties or any of their Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of the Loan Parties or any of their Subsidiaries, now or hereafter outstanding, (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of the Loan Parties or any of their Subsidiaries, now or hereafter outstanding, (d) any payment with respect to any earnout obligation, (e) any payment or prepayment of principal of, premium, if any, or interest on, redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to any Subordinated Debt, (f) any prepayment of the Term Loan Obligations or (g) any payment or prepayment of principal of, premium, if any, or interest on, redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Indebtedness the proceeds of which are used to refinance or repay the Term Loan Obligations.

"Restricted Subsidiary" shall mean each Subsidiary that is not an Unrestricted Subsidiary.

"Revolving Loans" or "Loans" shall mean the loans now or hereafter made by or on behalf of any Lender or by the Agent for the account of any Lender on a revolving basis pursuant to the Credit Facility (involving advances, repayments and readvances) as set forth in Section 2.1 hereof.

"Revolving Note" or "Revolving Notes" shall mean the promissory notes of any Borrower provided pursuant to Section 2.1 in favor of any of the Lenders evidencing the Revolving Loan provided by any such Lender pursuant to Section 2.1, individually or collectively, as appropriate, as such promissory notes may be amended, modified, extended, restated, replaced or supplemented from time to time.

"Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/sanctions/index.html, or as otherwise published from time to time.

"Sanctioned Person" shall mean (a) a Person named on the list of "Specially Designated Nationals and Blocked Persons" maintained by OFAC available at http://www.treas.gov/offices/ enforcement/ofac/sdn/index.html, or as otherwise published from time to time, or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

"Second Lien Term Loan Agent" shall mean Wachovia, in its capacity as the agent under the Second Lien Term Loan Credit Agreement and the other Second Lien Term Loan Financing Agreements.

"Second Lien Term Loan Commitment" shall mean "Commitments", as defined in the Second Lien Term Loan Credit Agreement.

"Second Lien Term Loan Credit Agreement" shall mean that certain Second Lien Term Loan and Security Agreement dated as of the date hereof by and among the Company, the guarantors from time to time party thereto, the Second Lien Term Loan Lenders and the Second Lien Term Loan Agent pursuant to which the Second Lien Term Loan Lenders agree to provide term loan facilities to the Company, as in effect on the date hereof and as amended or otherwise modified from time to time in accordance with the terms of this Agreement.

"Second Lien Term Loan Financing Agreements" shall have the meaning specified for the term "Financing Agreements" in the Second Lien Term Loan Credit Agreement, each as in effect on the date hereof and as amended or otherwise modified from time to time in accordance with the terms of this Agreement.

"Second Lien Term Loan Lenders" shall mean those certain lenders and other financial institutions from time to time party to the Second Lien Term Loan Credit Agreement.

"Second Lien Term Loan Obligations" shall have the meaning specified for the term "Obligations" in the Second Lien Term Loan Credit Agreement.

"Secured Parties" shall mean the Agent, the Issuing Bank, the Lenders and providers of Bank Products.

"Security Documents" shall mean the Pledge Agreement and all other agreements, documents and instruments relating to, arising out of, or in any way connected with any of the foregoing documents or granting to the Agent, liens or security interests to secure, *inter alia*, the Obligations whether now or hereafter executed and/or filed, each as may be amended from time to time in accordance with the terms hereof, executed and delivered in connection with the granting, attachment and perfection of the Agent's security interests and liens arising thereunder, including, without limitation, UCC financing statements.

"Silica-Related Claims" shall mean claims against the Loan Parties or any Subsidiaries thereof alleging silica exposure, including those that allege that silica products sold by any Loan Party or Subsidiary thereof (or their predecessors-in-interest) were defective or that said Persons acted negligently in selling products without a warning or with an inadequate warning.

"Silica-Related Claims Costs" shall mean costs incurred by the Loan Parties or their Subsidiaries from time to time in respect of Silica-Related Claims, including defense and settlement costs and payment of any judgments, net of billings to ITT in connection with ITT Receivables, the Silica-Related Claims Policies and other third party payments (including from co-defendants).

"Silica-Related Claims Policies" shall have the meaning given to such term in Section 9.5(b).

"Solvent" shall mean, at any time with respect to any Person, that at such time such Person (a) is able to pay its debts as they mature and has (and has a reasonable basis to believe it will continue to have) sufficient capital (and not unreasonably small capital) to carry on its business consistent with its practices as of the date hereof, and (b) the assets and properties of such Person at a fair valuation (and including as assets for this purpose at a fair valuation all rights of subrogation, contribution or indemnification arising pursuant to any guarantees given by such Person) are greater than the Indebtedness of such Person, and including subordinated and contingent liabilities computed at the amount which, such person has a reasonable basis to believe, represents an amount which can reasonably be expected to become an actual or matured liability (and including as to contingent liabilities arising pursuant to any guarantee the face amount of such liability as reduced to reflect the probability of it becoming a matured liability).

"Special Agent Advances" shall have the meaning set forth in Section 12.11 hereof.

"Sponsor" shall mean Harvest Partners, LLC or any Affiliate thereof.

"Stores" shall mean and consist of (a) spare parts and replacement parts for Equipment; and (b) fuel.

"Subordinated Debt" shall mean any Indebtedness incurred by any Loan Party which by its terms is specifically subordinated in right of payment to the prior payment of the Obligations and contains subordination and other terms reasonably acceptable to the Agent.

"Subsidiary" or "subsidiary" shall mean, with respect to any Person, any corporation, limited liability company, limited liability partnership or other limited or general partnership, trust, association or other business entity of which an aggregate of at least a majority of the outstanding Capital Stock or other interests entitled to vote in the election of the board of directors of such corporation (irrespective of whether, at the time, Capital Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency), managers, trustees or other controlling persons, or an equivalent controlling interest therein, of such Person is, at the time, directly or indirectly, owned by such Person and/or one or more subsidiaries of such Person. For all purposes of this Agreement (other than the definition of Unrestricted Subsidiary), the defined terms "Subsidiary" or "Subsidiaries" shall not include any Unrestricted Subsidiaries.

"Subsidiary Borrowers" shall have the meaning set forth in the opening paragraph of this Agreement.

"Target" shall have the meaning set forth in the definition of "Permitted Acquisition."

"Term Loan Financing Agreements" shall mean the First Lien Term Loan Financing Agreements and the Second Lien Term Loan Financing Agreements, as applicable.

"Term Loan Intercreditor Agreement" shall mean that certain Intercreditor Agreement dated as of the Closing Date by and among the Loan Parties, the First Lien Term Loan Agent, the Second Lien Term Loan Agent and the Wachovia Bank, National Association, as control agent, as in effect as of the date hereof and as amended or otherwise modified from time to time in accordance with the terms thereof.

"Term Loan Obligations" shall mean the First Lien Term Loan Obligations and the Second Lien Term Loan Obligations, as applicable.

"Term Loan Priority Collateral" shall have the meaning specified for the term "Term Loan Exclusive Collateral" in the ABL Intercreditor Agreement.

"Termination Date" shall have the meaning set forth in Section 13.1 hereof.

"Transactions" shall mean the closing of this Agreement and the other Financing Agreements and the consummation of the Acquisition and the other transactions contemplated hereby to occur in connection with such closing and the Acquisition (including, without limitation, the initial borrowings under the Financing Agreements and the payment of fees and expenses in connection with all of the foregoing).

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York, and any successor statute, as in effect from time to time (except that terms used herein which are defined in the Uniform Commercial Code as in effect in the State of New York on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as the Agent may otherwise determine).

"Unrestricted Subsidiaries" shall mean (a) any Subsidiary of the Parent (other than a Loan Party) designated as such by the Company upon notice to the Agent, (b) any newly created or acquired Subsidiary of the Parent designated by the Company as an Unrestricted Subsidiary upon notice to the Agent and (c) any Subsidiary of an Unrestricted Subsidiary; provided, that (i) at no time shall any creditor of any such Subsidiary have any claim (whether pursuant to a Guaranty Obligation, by operation of law or otherwise) against the Parent, the Company or any of their Restricted Subsidiaries in respect of any Indebtedness of any such Subsidiary; (ii) neither the Parent, the Company nor any of their Restricted Subsidiaries shall become a general partner of any such Subsidiary; (iii) no default with respect to any Indebtedness of any such Subsidiary (including any right which the holders thereof may have to take enforcement action against any such Subsidiary) shall permit (upon notice, lapse of time or both) any holder of any Indebtedness of the Parent, the Company or any of their Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity; (iv) no such Subsidiary shall own any Capital Stock of, or own or hold any lien on any property of, the Parent, the Company or any of their Restricted Subsidiaries; (v) no Investments may be made in any such Subsidiary by the Parent, the Company or any of its Restricted Subsidiaries except in compliance with Section 9.10; (vi) at the time of such designation, no Default or Event of Default shall have occurred and be continuing or would result therefrom; (vii) such Unrestricted Subsidiary shall have entered into a tax sharing agreement with the Parent and any applicable Subsidiaries of the Parent that own (directly or indirectly) the Capital Stock of such Unrestricted Subsidiary, in form and substance reasonably satisfactory to the Agent, whereby such Unrestricted Subsidiary agrees to reimburse the Parent or the applicable Subsidiary for taxes paid on the income of such Unrestricted Subsidiary as a result of filing a consolidated tax return; (viii) after giving effect to such designation on a Pro Forma Basis, the Loan Parties are in compliance with the financial covenant set forth in Section 9.16 (without regard to the Excess Availability exception set forth therein); and (ix) after giving effect to each such designation, the aggregate fair market value of assets (determined at the time of such designation by the Company in good faith, such valuation to be reasonably acceptable to the Agent) owned by all Subsidiaries that are designated as Unrestricted Subsidiaries shall not exceed $5,000,000. It is understood that Unrestricted Subsidiaries shall be disregarded for purposes of any calculation pursuant to this Agreement relating to financial matters with respect to any Loan Party. Any Subsidiary designated an "Unrestricted Subsidiary" by the Company may subsequently be designated a "Restricted Subsidiary" by notice from the Company of such designation to the Agent and certification by the Company to the Agent that, after giving effect to such designation on a Pro Forma Basis, the Loan Parties are in compliance with the financial covenant set forth in Section 9.16 (without regard to the Excess Availability exception set forth therein).

"Unused Line Fee" shall have the meaning set forth in Section 3.2.

"Value" shall mean, as determined by the Agent in its commercially reasonable discretion, with respect to Inventory, the lower of (a) cost computed on a first-in first-out basis in accordance with GAAP or (b) market value, provided, that, for purposes of the calculation of the Borrowing Base, (i) the Value of the Inventory shall not include: (A) the portion of the value of Inventory equal to the profit earned by any Affiliate on the sale thereof to any Borrower or (B) write-ups or write-downs in value with respect to currency exchange rates and (ii) notwithstanding anything to the contrary contained herein, the cost of the Inventory shall be computed in the same manner and consistent with the most recent appraisal of the Inventory received and accepted by the Agent prior to the date hereof, if any.

"Voting Stock" shall mean with respect to any Person, (a) one (1) or more classes of Capital Stock of such Person having general voting powers to elect at least a majority of the board of directors, managers or trustees of such Person, irrespective of whether at the time Capital Stock of any other class or classes have or might have voting power by reason of the happening of any contingency, and (b) any Capital Stock of such Person convertible or exchangeable without restriction at the option of the holder thereof into Capital Stock of such Person described in clause (a) of this definition.

"Wachovia" shall mean Wachovia Bank, National Association, in its individual capacity, and its successors and assigns.

"WIP" shall mean and consist of extracted minerals awaiting production.

SECTION 2

CREDIT FACILITIES

2.1 Loans.

(a) Subject to and upon the terms and conditions contained herein, each Lender severally (and not jointly) agrees to make prior to the Termination Date its Pro Rata Share of Revolving Loans to each Borrower, in Dollars, from time to time in amounts requested by such Borrower (or the Company on behalf of such Borrower) up to the aggregate amount outstanding for all Lenders at any time equal to the lesser of: (i) the Borrowing Base at such time or (ii) the Maximum Credit at such time. The applicable Borrower or the Company, on behalf of such Borrower, shall request a Revolving Loan by delivering a Notice of Borrowing to the Agent in accordance with the terms of Section 3.1(b).

(b) Except in the Agent's discretion, with the consent of all Lenders, or as otherwise provided herein, (i) the aggregate amount of the Loans and the Letter of Credit Obligations outstanding at any time shall not exceed the Maximum Credit and (ii) the aggregate principal amount of the Loans and Letter of Credit Obligations outstanding to the Borrowers at any time shall not exceed the Borrowing Base at such time.

(c) In the event that (i) the aggregate amount of the Loans and the Letter of Credit Obligations outstanding at any time exceeds the Maximum Credit or (ii) except as otherwise provided herein, the aggregate principal amount of the Loans outstanding to the Borrowers and Letter of Credit Obligations of the Borrowers outstanding exceeds the Borrowing Base, such event shall not limit, waive or otherwise affect any rights of the Agent or the Lenders in such circumstances or on any future occasions and the applicable Borrowers shall, upon demand by the Agent, which may be made at any time or from time to time, immediately repay to the Agent the entire amount of any such excess(es) for which payment is demanded. All such amounts required to be repaid shall be applied to Revolving Loans and (after all Revolving Loans have been repaid) to a cash collateral account held by the Agent in respect of Letter of Credit Obligations (in an amount equal to 105% of the aggregate amount thereof).

(d) The Borrowers shall have the right to repay Loans in whole or in part from time to time; provided, however, that each partial repayment of a Loan shall be in a minimum principal amount of $1,000,000 and integral multiples of $500,000 in excess thereof, and each partial repayment of a Loan made by the Agent in accordance with Section 6.11(a) shall be in a minimum principal amount of $100,000 and integral multiples of $100,000 in excess thereof. The applicable Borrower shall give three Business Days' irrevocable notice in the case of Eurocurrency Rate Loans and same-day irrevocable notice on any Business Day in the case of Prime Rate Loans, to the Agent (which shall notify the Lenders thereof as soon as practicable); provided that the Company may provide such notice on behalf of such Borrower. Payments shall be applied first to Prime Rate Loans and then to Eurocurrency Rate Loans in direct order of Interest Period maturities. All repayments under this Section 2.1(d) shall be subject to Section 3.3(d), but otherwise without premium or penalty. Interest on the principal amount prepaid shall be payable on the next occurring interest payment date that would have occurred had such Loan not been prepaid or, at the request of the Agent, interest on the principal amount prepaid shall be payable on any date that a repayment is made hereunder through the date of repayment. Amounts repaid may be reborrowed in accordance with the terms hereof.

(e) The Borrowers shall have the right to terminate or permanently reduce the unused portion of the Maximum Credit at any time or from time to time upon not less than five Business Days' prior notice to the Agent (which shall notify the Lenders thereof as soon as practicable) of each such termination or reduction, which notice shall specify the effective date thereof and the amount of any such reduction which shall be in a minimum amount of $1,000,000 or a whole multiple of $500,000 in excess thereof and shall be irrevocable and effective upon receipt by the Agent, provided that no such reduction or termination shall be permitted (i) if after giving effect thereto, and to any repayments of the Loans made on the effective date thereof, the aggregate amount of the Loans and the Letter of Credit Obligations outstanding would exceed the Maximum Credit or (ii) if such reduction or termination would reduce the Maximum Credit to below $10,000,000, unless such reduction or termination is in connection with the termination of this Agreement and repayment of the Obligations.

(f) In addition to the prepayment required in Section 2.1(c), the Borrowers shall make the following prepayments:

(i) To the extent Net Cash Proceeds received in connection with any Recovery Event are not used to acquire fixed or capital assets in replacement of the assets subject to such Recovery Event within 270 days of the receipt of such Net Cash Proceeds, immediately following the 270th day occurring after the receipt of such Net Cash Proceeds, the Borrowers shall prepay the Loans in an aggregate amount equal to 100% of such Net Cash Proceeds (such prepayment to be applied as set forth in clause (iii) below); provided that, (A) any Net Cash Proceeds shall be delivered to the Control Agent to be held in escrow until the earlier of (I) reinvestment in accordance with the terms of this Section 2.1(f)(i) and (II) the occurrence of an Event of Default at which time the Net Cash Proceeds shall be used to prepay the Loans as set forth herein and (B) after the occurrence and during the continuance of an Event of Default, any Net Cash Proceeds received in connection with any Recovery Event shall be promptly used to prepay the Loans (such prepayment to be applied as set forth in clause (iii) below) and the Borrowers and their Subsidiaries shall not have the right to reinvest such Net Cash Proceeds.

(ii) Promptly and in any event within five (5) Business Days following the occurrence of any Asset Disposition, the Borrowers shall prepay the Loans in an aggregate amount equal to the Net Cash Proceeds of the related Asset Disposition. Such prepayment shall be applied as set forth in clause (iii) below. Notwithstanding the foregoing provisions of this clause (ii), no prepayment shall be required on account of Asset Dispositions involving the sale, lease or other disposition of assets for an aggregate purchase price of $500,000 or less in any fiscal year; provided that, to the extent the assets subject to such Asset Dispositions comprise part of the Borrowing Base, (A) the Borrowing Base shall be reduced to reflect such Asset Disposition and (B) the Loan Parties shall make any prepayments required pursuant to Section 2.1(c) arising from any reduction to the Borrowing Base pursuant to preceding clause (A) resulting from such Asset Disposition.

(iii) Subject to the terms of the ABL Intercreditor Agreement, all amounts required to be paid pursuant to this Section 2.1(f) shall be applied to the Revolving Loans and (after all Revolving Loans have been repaid) to a cash collateral account held by the Agent in respect of Letter of Credit Obligations (in an amount equal to 105% of the aggregate amount thereof). Within the parameters of the applications set forth above for Revolving Loans, prepayments shall be applied first to Base Rate Loans and then to Eurocurrency Rate Loans in direct order of Interest Period maturities.

2.2 Letters of Credit.

(a) Subject to and upon the terms and conditions contained herein and in the Letter of Credit Documents, at the request of a Borrower (or the Company on behalf of such Borrower), the Issuing Bank agrees to issue, for the account of such Borrower, one or more Letters of Credit in Dollars for the ratable risk of each Lender according to its Pro Rata Share, containing terms and conditions acceptable to the Agent and the Issuing Bank. The Borrowers' reimbursement obligations in respect of each Existing Letter of Credit, and each Lender's participation obligations in connection therewith, shall be governed by the terms of this Agreement.

(b) Each Borrower requesting such Letter of Credit (or the Company on behalf of such Borrower) shall give the Agent and the Issuing Bank three (3) Business Days' prior written notice of such Borrower's request for the issuance of a Letter of Credit. Such notice shall be irrevocable and shall specify the original face amount of the Letter of Credit requested, the effective date (which date shall be a Business Day and in no event shall be a date less than ten (10) days prior to the Termination Date) of issuance of such requested Letter of Credit, whether such Letter of Credit may be drawn in a single or in partial draws, the date on which such requested Letter of Credit is to expire (which date shall be a Business Day and shall not be more than one year from the date of issuance nor after the Termination Date), the purpose for which such Letter of Credit is to be issued, and the beneficiary of the requested Letter of Credit. The applicable Borrower requesting the Letter of Credit (or the Company on behalf of such Borrower) shall attach to such notice the proposed terms of the Letter of Credit. At the Borrower's request, a Letter of Credit may contain a provision pursuant to which it is deemed to be automatically renewed unless notice of termination is given by the Issuing Bank (provided, no such Letter of Credit may be renewed if the expiration date would be extended beyond the Termination Date, unless such Letter of Credit is cash collateralized on terms acceptable to the Issuing Bank). The renewal or extension of any Letter of Credit shall, for purposes hereof be treated in all respects the same as the issuance of a new Letter of Credit hereunder.

(c) In addition to being subject to the satisfaction of the applicable conditions precedent contained in Section 4 hereof and the other terms and conditions contained herein, no Letter of Credit shall be available unless each of the following conditions precedent have been satisfied: (i) the Borrower requesting such Letter of Credit (or the Company on behalf of such Borrower) shall have delivered to the Issuing Bank at such times and in such manner as the Issuing Bank may reasonably require, an application, in form and substance reasonably satisfactory to the Issuing Bank and the Agent, for the issuance of the Letter of Credit and such other Letter of Credit Documents as may be required pursuant to the terms thereof, and the form and terms of the proposed Letter of Credit shall be reasonably satisfactory to the Agent and the Issuing Bank and (ii) as of the date of issuance, no order of any court, arbitrator or other Governmental Authority shall purport by its terms to enjoin or restrain money center banks generally from issuing letters of credit of the type and in the amount of the proposed Letter of Credit, and no law, rule or regulation applicable to money center banks generally and no request or

directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over money center banks generally shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or the issuance of such Letter of Credit.

(d) After giving effect to any Letter of Credit requested hereunder, except in the Agent's discretion, with the consent of all Lenders, or as otherwise provided herein, (i) the Letter of Credit Obligations shall not exceed the Letter of Credit Limit, and (ii) the aggregate principal amount of the Loans and the Letter of Credit Obligations outstanding shall not exceed the lesser of (1) the Maximum Credit and (2) the Borrowing Base at such time.

(e) Each Borrower shall reimburse the Issuing Bank for any draw under any Letter of Credit issued for the account of a Borrower on the Business Day immediately succeeding notice of such draw and pay the Issuing Bank the amount of all other charges and fees payable to the Issuing Bank in connection with any Letter of Credit issued for the account of a Borrower immediately when due, irrespective of any claim, setoff, defense or other right which any Borrower may have at any time against the Issuing Bank or any other Person. Each drawing under any Letter of Credit or other amount payable in connection therewith when due shall constitute a request by the Borrower for whose account such Letter of Credit was issued to the Agent for a Prime Rate Loan in the amount of such drawing or other amount then due, and shall be made by the Agent on behalf of the Lenders as a Revolving Loan (or Special Agent Advance, as the case may be) notwithstanding (i) the amount of such Revolving Loan may not comply with the minimum amount for borrowings of Revolving Loans otherwise required hereunder, (ii) whether any conditions specified in Section 4.2 are then satisfied, (iii) whether a Default or an Event of Default then exists, (iv) failure for any such request or deemed request for Revolving Loan to be made by the time otherwise required in Section 2.1, (v) the date of such Revolving Loan or (vi) any reduction in the Maximum Credit or Borrowing Base after any such Letter of Credit may have been drawn upon. The date of such Loan shall be the date of the drawing or as to other amounts, the due date therefor. Any payments made by or on behalf of the Agent or any Lender to the Issuing Bank and/or related parties in connection with any Letter of Credit shall constitute additional Revolving Loans to the Borrowers pursuant to this Section 2 (or Special Agent Advances as the case may be).

(f) The Loan Parties shall, jointly and severally, indemnify and hold the Agent and the Lenders harmless from and against any and all losses, claims, damages, liabilities, costs and expenses which the Agent or any Lender may suffer or incur in connection with any Letter of Credit and any documents, drafts or acceptances relating thereto, including any losses, claims, damages, liabilities, costs and expenses due to any action taken by the Issuing Bank or correspondent with respect to any Letter of Credit, except for such losses, claims, damages, liabilities, costs or expenses that are a result of (a) the willful misconduct, bad faith, fraud or gross negligence of the Agent or any Lender or (b) any dispute solely among Lenders or the Agent and any Lenders, other than claims against the Agent in its capacity or in fulfilling its role as the Agent under this

Agreement, in each case as determined pursuant to a final non-appealable order of a court of competent jurisdiction. Each Loan Party assumes all risks with respect to the acts or omissions of the drawer under or beneficiary of any Letter of Credit and for such purposes the drawer or beneficiary shall be deemed such Borrower's agent. Each Loan Party assumes all risks for, and agrees to pay, all foreign, Federal, State and local taxes, duties and levies relating to any goods subject to any Letter of Credit or any documents, drafts or acceptances thereunder. Each Loan Party hereby releases and holds the Agent and the Lenders harmless from and against any acts, waivers, errors, delays or omissions with respect to or relating to any Letter of Credit, except for the gross negligence or willful misconduct of the Agent or any Lender as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. The provisions of this Section 2.2(f) shall survive the payment of Obligations and the termination of this Agreement.

(g) Each Loan Party hereby irrevocably authorizes and directs the Issuing Bank to name such Loan Party as the account party in any Letter of Credit and to deliver to the Agent all instruments, documents and other writings and property received by the Issuing Bank pursuant to the Letter of Credit and to accept and rely upon the Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit or the Letter of Credit Documents with respect thereto. Nothing contained herein shall be deemed or construed to grant any Loan Party any right or authority to pledge the credit of the Agent or any Lender in any manner. The Loan Parties shall be bound by any commercially reasonable interpretation made in good faith by the Agent, or the Issuing Bank under or in connection with any Letter of Credit or any documents, drafts or acceptances thereunder, notwithstanding that such interpretation may be inconsistent with any instructions of any Loan Party.

(h) (A) On the Closing Date with respect to each Existing Letter of Credit and (B) immediately upon the issuance or amendment of any other Letter of Credit, each Lender shall be deemed to have irrevocably and unconditionally purchased and received, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Pro Rata Share of the liability with respect to such Letter of Credit and the obligations of the Borrowers with respect thereto (including all Letter of Credit Obligations with respect thereto). Each Lender shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and be obligated to pay to the Issuing Bank therefor and discharge when due, its Pro Rata Share of all of such obligations arising under such Letter of Credit. Without limiting the scope and nature of each Lender's participation in any Letter of Credit, to the extent that the Issuing Bank has not been reimbursed or otherwise paid as required hereunder or under any such Letter of Credit, each such Lender shall pay to the Issuing Bank its Pro Rata Share of such unreimbursed drawing or other amounts then due to the Issuing Bank in connection therewith.

(i) The obligations of the Borrowers to pay each Letter of Credit Obligations and the obligations of the Lenders to make payments to the Agent for the account of the Issuing Bank with respect to Letters of Credit shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this

Agreement under any and all circumstances whatsoever, notwithstanding the occurrence or continuance of any Default, Event of Default, the failure to satisfy any other condition set forth in Section 4 or any other event or circumstance. If such amount is not made available by a Lender when due, the Agent shall be entitled to recover such amount on demand from such Lender with interest thereon, for each day from the date such amount was due until the date such amount is paid to the Agent at the interest rate then payable by any Borrower in respect of Loans that are Prime Rate Loans. Any such reimbursement shall not relieve or otherwise impair the obligation of the Borrowers to reimburse the Issuing Bank under any Letter of Credit or make any other payment in connection therewith.

2.3 Commitments.

The aggregate amount of each Lender's Pro Rata Share of the Loans and Letter of Credit Obligations shall not exceed the amount of such Lender's Commitment, as the same may from time to time be amended in accordance with the provisions hereof.

SECTION 3

INTEREST AND FEES

3.1 Interest.

(a) The Borrowers may request Loans be made as Prime Rate Loans or Eurocurrency Rate Loans. The Borrowers shall pay to the Agent, for the benefit of the Lenders, interest on the outstanding principal amount of the Loans at the Interest Rate. All interest accruing hereunder on and after the date of any Event of Default or termination hereof shall be payable on demand.

(b) Each Borrower (or the Company on behalf of such Borrower) may from time to time (i) request a Prime Rate Loan or a Eurocurrency Rate Loan by delivering a Notice of Borrowing to the Agent or (ii) request that Prime Rate Loans be converted to Eurocurrency Rate Loans or that Eurocurrency Rate Loans be converted to Prime Rate Loans, or that any existing Eurocurrency Rate Loans continue for an additional Interest Period, by delivering a Notice of Continuation/Conversion to the Agent. Such request from a Borrower (or the Company on behalf of such Borrower) shall (i) be made not later than 11:00 a.m. (New York time) on (x) the Business Day prior to the date of the requested Borrowing of or conversion to a Prime Rate Loan and (y) the third Business Day prior to the date of the requested borrowing of or conversion to a Eurocurrency Rate Loan, (ii) specify the applicable Borrower, (iii) specify the date of the requested borrowing or conversion (which shall be a Business Day), (iv) specify the aggregate principal amount to be borrowed or converted (subject to the limits set forth below) and (v) with respect to a borrowing of or conversion to a Eurocurrency Rate Loan, specify the Interest Period to be applicable to such Eurocurrency Rate Loans. Subject to compliance with the foregoing terms and conditions, the requested Prime Rate Loans or Eurocurrency Rate Loans shall be made or converted to on the date requested; provided, that, (A) if any

Default or Event of Default shall exist or have occurred and be continuing, the Required Lenders (or the Agent on behalf of the Required Lenders) shall not have notified the Company in writing that Loans may no longer be made as, or converted to, Eurocurrency Rate Loans, (B) no more than five (5) Interest Periods may be in effect at any one time, (C) the aggregate amount of the Prime Rate Loans must be in an amount not less than $500,000 or in integral multiples of $100,000 in excess thereof, (D) the aggregate amount of the Eurocurrency Rate Loans must be in an amount not less than $1,000,000 or an integral multiple of $500,000 in excess thereof and (E) the Agent shall have determined that the Adjusted Eurocurrency Rate can be readily determined as of the date of the request for such Eurocurrency Rate Loan by such Borrower. Any request by or on behalf of a Borrower for Eurocurrency Rate Loans or to convert Prime Rate Loans to Eurocurrency Rate Loans or to continue any existing Eurocurrency Rate Loans shall be irrevocable. Notwithstanding anything to the contrary contained herein, the Agent and the Lenders shall not be required to purchase United States Dollar deposits in the London interbank market or other applicable Eurocurrency Rate market to fund any Eurocurrency Rate Loans, but the provisions hereof shall be deemed to apply as if the Agent and the Lenders had purchased such deposits to fund the Eurocurrency Rate Loans.

(c) Any Eurocurrency Rate Loans shall automatically convert to Prime Rate Loans upon the last day of the applicable Interest Period, unless the Borrowers request that such Eurocurrency Rate Loans continue for an additional Interest Period in accordance with Section 3.1(b). Any Eurocurrency Rate Loans shall, at the Agent's option, upon notice by the Agent to the Company, be subsequently converted to Prime Rate Loans in the event that this Agreement shall terminate. The Borrowers shall pay to the Agent, for the benefit of the Lenders, upon demand by the Agent (or the Agent may, at its option, charge any loan account of any Borrower) any amounts required to compensate any Lender or Participant for any loss, cost or expense incurred by such person (in each case calculated in accordance with the requirements of Section 3.3(d)), as a result of the conversion of Eurocurrency Rate Loans to Prime Rate Loans pursuant to any conversion as a result of termination described in the previous sentence.

(d) Interest shall be payable by the Borrowers to the Agent, for the account of the Agent and the Lenders as applicable, (i) as to any Prime Rate Loan, monthly in arrears not later than the first day of each calendar month, (ii) as to any Eurocurrency Rate Loan having an Interest Period of three months or less, the last day of such Interest Period and (iii) as to any Eurocurrency Rate Loan having an Interest Period longer than three months, (A) each three (3) month anniversary following the first day of such Interest Period and (B) the last day of such Interest Period. Interest payable hereunder with respect to any Prime Rate Loan shall be calculated on the basis of a year of 365 days (or 366 days, as applicable) for the actual days elapsed. All other fees, interest and all other amounts payable hereunder shall be calculated on the basis of a 360-day year for the actual days elapsed. The interest rate on non-contingent Obligations (other than Eurocurrency Rate Loans) shall increase or decrease by an amount equal to each increase or decrease in the Prime Rate effective on the date of any change in such Prime Rate. In no event shall charges constituting interest payable by the Borrowers to the Agent and the Lenders exceed the maximum amount or the rate permitted under any applicable law or regulation, and if any such part or provision of this Agreement is in contravention of any such law or regulation, such part or provision shall be deemed amended to conform thereto.

3.2 Fees.

(a) The Borrowers shall pay to the Agent, for the account of the Lenders, monthly an unused line fee ("Unused Line Fee") at a rate equal to the applicable margin per annum set forth in the definition of "Interest Rate" calculated on the average daily unused portion of the Maximum Credit during the immediately preceding month (or part thereof) while this Agreement is in effect and for so long thereafter as any of the Obligations are outstanding, which fee shall be payable on the first day of each month in arrears.

(b) The Borrowers shall pay to the Agent, for the account of the Lenders, a fee ("Letter of Credit Fee") at a rate equal to the applicable margin per annum set forth in the definition of "Interest Rate" on the average daily maximum amount available to be drawn under all of such Letters of Credit for the immediately preceding quarter (or part thereof), payable in arrears as of the first day of each succeeding quarter, computed for each day from the date of issuance to the date of expiration. The Borrowers shall pay, at the Agent's option, without notice, the Letter of Credit Fee at a rate two (2%) percent greater than the otherwise applicable rate on such average daily maximum amount to the extent required by the definition of "Interest Rate". Such letter of credit fees shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed and the obligation of the Borrowers to pay such fee shall survive the termination of this Agreement. In addition to the letter of credit fees provided above, the Borrowers shall pay to the Issuing Bank for its own account (without sharing with the Lenders) (i) a letter of credit fronting and negotiation fee of 0.125% per annum on the average daily maximum amount available to be drawn under each Letter of Credit issued by it and (ii) the reasonable and customary charges from time to time of the Issuing Bank with respect to the amendment, transfer, administration, cancellation and conversion of, and drawings under, the Letters of Credit, which fees shall be payable quarterly in arrears on the last Business Day of each calendar quarter.

(c) The Borrowers shall pay to the Agent the other fees and amounts set forth in the Fee Letter in the amounts and at the times specified therein. To the extent payment in full of the applicable fee is received by the Agent from the Borrowers on or about the date hereof, the Agent shall pay to each Lender its share of such fees in accordance with the terms of the arrangements of the Agent with such Lender.

3.3 Changes in Laws and Increased Costs of Loans.

(a) If after the date hereof, either (i) any change in, or in the interpretation of, any law or regulation is introduced, including, without limitation, with respect to reserve requirements, applicable to any Lender or any banking or financial institution from whom any Lender borrows funds or obtains credit (a "Funding Bank"), (ii) a Funding Bank or

any Lender complies with any future guideline or request from any central bank or other Governmental Authority or (iii) a Funding Bank, any Lender or the Issuing Bank determines that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof has or would have the effect described below, or a Funding Bank, any Lender or the Issuing Bank complies with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, and in the case of any event set forth in this clause (iii), such adoption, change or compliance has or would have the direct or indirect effect of reducing the rate of return on any Lender's or the Issuing Bank's capital as a consequence of its obligations hereunder to a level below that which such Lender or the Issuing Bank could have achieved but for such adoption, change or compliance (taking into consideration the Funding Bank's or Lender's or the Issuing Bank's policies with respect to capital adequacy) by an amount deemed by such Lender or the Issuing Bank to be material, and the result of any of the foregoing events described in clauses (i), (ii) or (iii) is or results in an increase in the cost to any Lender or the Issuing Bank of funding or maintaining the Loans, the Letters of Credit or its Commitment, then the Loan Parties shall from time to time upon demand by the Agent pay to the Agent additional amounts sufficient to indemnify such Lender or the Issuing Bank, as the case may be, against such increased cost on an after-tax basis (after taking into account applicable deductions and credits in respect of the amount indemnified). A certificate as to the amount of such increased cost shall be submitted to the Company by the Agent or the applicable Lender and shall be conclusive, absent manifest error. For the avoidance of doubt, this Section is inapplicable to Taxes, which are governed by Section 6.5.

(b) If prior to the first day of any Interest Period, (i) the Agent shall have determined in good faith (which determination shall be conclusive and binding upon the Loan Parties) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Adjusted Eurocurrency Rate for such Interest Period, (ii) the Agent has received notice from the Required Lenders that the Adjusted Eurocurrency Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Lenders of making or maintaining Eurocurrency Rate Loans during such Interest Period, or (iii) Dollar deposits in the principal amounts of the Eurocurrency Rate Loans to which such Interest Period is to be applicable are not generally available in the London interbank market, the Agent shall give telecopy or telephonic notice thereof to the Company as soon as practicable thereafter, and will also give prompt written notice to the Company when such conditions no longer exist. If such notice is given (A) any Eurocurrency Rate Loans requested to be made on the first day of such Interest Period shall be made as Prime Rate Loans, (B) any Loans that were to have been converted on the first day of such Interest Period to or continued as Eurocurrency Rate Loans shall be converted to or continued as Prime Rate Loans and (C) each outstanding Eurocurrency Rate Loan shall be converted, on the last day of the then-current Interest Period thereof, to Prime Rate Loans. Until such notice has been withdrawn by the Agent (which Agent agrees to do promptly when the circumstances giving rise to such notice no longer exist), no further Eurocurrency Rate Loans shall be made or continued as such, nor shall any Borrower (or the Company on behalf of any Borrower) have the right to convert Prime Rate Loans to Eurocurrency Rate Loans.

(c) Notwithstanding any other provision herein, if the adoption of or any change in any law, treaty, rule or regulation or final, non-appealable determination of an arbitrator or a court or other Governmental Authority or in the interpretation or application thereof occurring after the date hereof shall make it unlawful for the Agent or any Lender to make or maintain Eurocurrency Rate Loans as contemplated by this Agreement, (i) the Agent or such Lender shall promptly give written notice of such circumstances to the Company (which notice shall be withdrawn whenever such circumstances no longer exist), (ii) the commitment of such Lender hereunder to make Eurocurrency Rate Loans, continue Eurocurrency Rate Loans as such and convert Prime Rate Loans to Eurocurrency Rate Loans shall forthwith be canceled and, until such time as it shall no longer be unlawful for such Lender to make or maintain Eurocurrency Rate Loans, such Lender shall then have a commitment only to make a Prime Rate Loan when a Eurocurrency Rate Loan is requested and (iii) such Lender's Loans then outstanding as Eurocurrency Rate Loans, if any, shall be converted automatically to Prime Rate Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurocurrency Rate Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Loan Parties shall pay to such Lender such amounts, if any, as may be required pursuant to Section 3.3(d) below.

(d) The Loan Parties shall indemnify the Agent and each Lender and to hold the Agent and each Lender harmless from any loss or expense which the Agent or such Lender may sustain or incur as a consequence of (i) default by any Borrower in making a borrowing of, conversion into or extension of Eurocurrency Rate Loans after such Borrower (or the Company on behalf of such Borrower) has given a notice requesting the same in accordance with the provisions of this Agreement, (ii) default by any Borrower in making any prepayment of a Eurocurrency Rate Loan after such Borrower has given a notice thereof in accordance with the provisions of this Agreement, and (iii) the making of a prepayment of Eurocurrency Rate Loans on a day which is not the last day of an Interest Period with respect thereto. With respect to Eurocurrency Rate Loans, such indemnification may include an amount equal to the excess, if any, of (A) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or extended, for the period from the date of such prepayment or of such failure to borrow, convert or extend to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or extend, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Eurocurrency Rate Loans provided for herein (calculated net of the portion of interest allocable to the interest rate spread applicable thereto as set forth in the definition of "Interest Rate") over (B) the amount of interest (as determined by the Agent or such Lender) which would have accrued to the Agent or such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank Eurocurrency market. This covenant shall survive the termination of this Agreement and the payment of the Obligations.

SECTION 4

CONDITIONS PRECEDENT

4.1 Conditions Precedent to Initial Loans and Letters of Credit.

The obligation of the Lenders to make the initial Loans or of the Issuing Bank to issue the initial Letters of Credit hereunder is subject to the satisfaction of, or waiver of, immediately prior to or concurrently with the making of such Loan or the issuance of such Letter of Credit of each of the following conditions precedent:

(a) The Agent shall have received all releases, terminations and such other documents as the Agent may reasonably request to evidence and effectuate the termination of all Indebtedness of the Loan Parties (other than Indebtedness permitted under Section 9.9) and the termination and release, as the case may be, of any interest in and to any assets and properties of each Loan Party, including, but not limited to, (i) UCC termination statements for all UCC financing statements previously filed; and (ii) satisfactions and discharges of any mortgages, deeds of trust or deeds to secure debt by any Loan Party, in form acceptable for recording with the appropriate Governmental Authority.

(b) All requisite corporate action and proceedings in connection with this Agreement and the other Financing Agreements shall be satisfactory in form and substance to the Agent, and the Agent shall have received all information and copies of all documents, including records of requisite corporate action and proceedings which the Agent may have reasonably requested in connection therewith, such documents where requested by the Agent or its counsel to be certified by appropriate corporate officers or Governmental Authority (and including a copy of the certificate of incorporation (or equivalent) of each Loan Party certified by the Secretary of State (or equivalent Governmental Authority) which shall set forth the same complete corporate name of such Loan Party as is set forth herein and such document as shall set forth the organizational identification number of each Loan Party, if one is issued in its jurisdiction of incorporation).

(c) Since December 31, 2006, there not having occurred (i) any event, condition, circumstances or change, which has any adverse change in or effect on the properties, financial condition or results of operations of the Acquired Company or any of its subsidiaries which is material to the Acquired Company and its subsidiaries taken as a whole (a "Closing Date Material Adverse Effect"); provided, however, that the following shall not be considered a Closing Date Material Adverse Effect: (A) changes, events, inaccuracies, circumstances and effects that are caused by or arise out of (1) economic or business conditions in the United States generally and which do not materially

disproportionately impact the Acquired Company or any of its subsidiaries, (2) conditions effecting the industry in which the Acquired Company and its subsidiaries compete as a whole and which do not materially disproportionately impact the Acquired Company or any of its subsidiaries, (B) any effect attributable to or arising out of (1) the public announcement or the pendency of the Acquisition Agreement or the performance of the Acquisition Agreement, (2) any action taken by the Acquired Company in compliance with the Acquisition Agreement, or (3) changes in laws or GAAP or the enforcement or interpretation thereof, or (C) any effect arising out of a matter disclosed on a Schedule to the Acquisition Agreement; or (ii) any effect that would materially impair the Acquired Company's, the Buyer's (as defined in the Acquisition Agreement) or the Stockholders' (as defined in the Acquisition Agreement) ability to consummate the transactions contemplated by the Acquisition Agreement.

(d) The Agent shall have received, in form and substance satisfactory to the Agent, all consents, waivers, acknowledgments and other agreements from third persons which the Agent may reasonably deem necessary or desirable in order to permit, protect and perfect the Agent's security interests in and liens upon the Collateral or to effectuate the provisions or purposes of this Agreement and the other Financing Agreements, including, without limitation, Collateral Access Agreements; provided, that the foregoing condition will be deemed fulfilled to the extent the Loan Parties use commercially reasonable efforts to obtain such agreements.

(e) The Agent shall have received, in form and substance satisfactory to the Agent, (i) updated field examinations on the Loan Parties and their Subsidiaries and (ii) roll forward and take off field examination.

(f) The Agent shall have received a Borrowing Base Certificate calculating the Borrowing Base as of the most recent month end prior to the Closing Date for which financial statements are available on a Pro Forma Basis giving effect to the Transactions. Such certificate shall demonstrate that the Borrowers shall have minimum Excess Availability on the Closing Date of $5,000,000 after giving effect to the Transactions. Accounts payable of the Loan Parties must be at a level and condition consistent with historical practice and otherwise satisfactory to the Agent in its commercially reasonable discretion.

(g) The Agent shall have received, in form and substance satisfactory to the Agent, Account Control Agreements by and among the Agent, each Loan Party, as the case may be, and each bank where such Loan Party has an account, in each case, duly authorized, executed and delivered by such bank and the applicable Loan Party, as the case may be (or the Agent shall be the bank's customer with respect to such deposit account as the Agent may specify).

(h) The Agent shall have received evidence, in form and substance satisfactory to the Agent, that Agent has a valid perfected first priority security interest in the ABL Collateral (subject to the liens securing the Term Loan Obligations in accordance with the ABL Intercreditor Agreement).

(i) The Agent shall have received and reviewed lien and judgment search results for the jurisdiction of organization of each Loan Party, the jurisdiction of the chief executive office of each Loan Party and all jurisdictions in which assets of the Loan Parties are located, which search results shall be in form and substance satisfactory to the Agent.

(j) The Agent shall have received searches of ownership of intellectual property in the appropriate governmental offices of such patent/trademark/copyright filings as requested by the Agent.

(k) The Agent shall have received evidence that originals of the stock certificates

representing all of the issued and outstanding shares of the Capital Stock owned by any Loan Party, in each case together with stock powers duly executed in blank with respect thereto have been delivered to the Control Agent.

(l) The Agent shall have received evidence that all instruments and chattel paper (other than instruments and chattel paper with a value less than $250,000 in the aggregate) in possession of any Loan Party, together with such allonges or assignments as may be necessary or appropriate to perfect the Agent's security interest in the Collateral, have been delivered to the Control Agent.

(m) The Agent shall have received evidence of insurance coverage and lender's loss payee endorsements required hereunder and under the other Financing Agreements, in form and substance satisfactory to the Agent, and certificates of insurance policies and/or endorsements naming the Agent as lender's loss payee, including casualty, liability and business interruption insurance.

(n) The Agent shall have received, in form and substance satisfactory to the Agent, such opinion letters of counsel to the Loan Parties with respect to the Financing Agreements and such other matters as the Agent may reasonably request.

(o) The Agent shall have received (i) copies of audited consolidated financial statements for the Acquired Company and its Subsidiaries for fiscal years ended 2004, 2005 and 2006 and interim unaudited financial statements for each quarterly period ended since the last audited financial statements for which financial statements are available, (ii) consolidated financial statements for the Loan Parties and their Subsidiaries for the four-quarter period ended June 30, 2007 giving pro forma effect to the Transactions (including adjustments reasonably acceptable to the Agent) and a balance sheet of the Loan Parties and their Subsidiaries as of the Closing Date giving pro forma effect to the Transactions and (iii) projections prepared by management of balance sheets, income statements and cashflow statements of the Loan Parties and their Subsidiaries, which will be quarterly for the first fiscal year after the Closing Date and annually thereafter for the term of this Agreement.

(p) (i) All conditions precedent to the closing and initial extensions of credit under the First Lien Term Loan Credit Agreement and the Second Lien Term Loan Credit Agreement shall have been, or concurrently with the Closing Date and funding of the Loans shall be, satisfied, (ii) the First Lien Term Loan Credit Agreement shall make available to the Company not less than $145,000,000 of term loan facilities and (iii) the Second Lien Term Loan Credit Agreement shall make available to the Company not less than $39,000,000 of term loan facilities.

(q) The Agent shall have received a certificate satisfactory thereto for benefit of itself and the Lenders, provided by the Company that sets forth information required by the Patriot Act including, without limitation, the identity of the Loan Parties, the name and address of the Loan Parties and other information that will allow the Agent or any Lender, as applicable, to identify the Loan Parties in accordance with the Patriot Act.

(r) This Agreement and the other Financing Agreements and all instruments and documents hereunder and thereunder shall have been duly executed and delivered to the Agent, in form and substance satisfactory to the Agent.

(s) Payment by the Borrowers of all fees and expenses owed by them to the Lenders and the Agent, including, without limitation, payment to the Agent of the fees set forth in the Fee Letter.

(t) Receipt by the Agent of (i) a statement of sources and uses of funds covering all payments reasonably expected to be made by the Loan Parties in connection with the transactions contemplated by the Financing Agreements to be consummated on the Closing Date, including an itemized estimate of all fees, expenses and other closing costs and (ii) payment instructions with respect to each wire transfer to be made by the Agent on behalf of the Lenders or the Company or the Loan Parties on the Closing Date setting forth the amount of such transfer, the purpose of such transfer, the name and number of the account to which such transfer is to be made, the name and ABA number of the bank or other financial institution where such account is located and the name and telephone number of an individual that can be contacted to confirm receipt of such transfer.

(u) The Agent will have received (i) copies of Acquisition Documents and (ii) evidence of all consents and approvals required pursuant to the terms of the Acquisition Documents, including the consent of the board of directors of the sellers of the Acquired Company. The Acquisition will have been consummated in accordance with the terms and conditions of the Acquisition Documents without any waiver, modification or consent thereunder that is materially adverse to the Lenders unless approved in writing by the Agent.

(v) Receipt by the Parent of an equity contribution equal to 19.6% of the total pro forma capitalization of the Parent after giving effect to the Transactions from the Sponsor, its Affiliates and certain other investors reasonably acceptable to the Agent.

(w) The Agent shall have received an officer's certificate prepared by the chief financial officer of the Company as to the financial condition, solvency and related matters of the Loan Parties and their Subsidiaries, after giving effect to the Transactions and the initial borrowings under the Credit Documents, in substantially the form of Exhibit G hereto.

(x) The Loan Parties shall have established a cash management system in form and substance satisfactory to the Agent.

(y) The Agent shall have received confirmation, in form and substance satisfactory to the Agent, that irrevocable arrangements have been made for the purchase of each of the Existing Subordinated Notes outstanding as of the Closing Date.

4.2 Conditions Precedent to All Loans and Letters of Credit.

The obligation of the Lenders to make the Loans, including the initial Loans, or of the Issuing Bank to issue any Letter of Credit, including the initial Letters of Credit, is subject to the further satisfaction of, or waiver of, immediately prior to or concurrently with the making of each such Loan or the issuance of such Letter of Credit of each of the following conditions precedent:

(a) all representations and warranties of the Loan Parties contained herein and in the other Financing Agreements shall (i) with respect to representations and warranties that contain a materiality qualification, be true and correct and (ii) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects, in each case with the same effect as though such representations and warranties had been made on and as of the date of the making of each such Loan or providing each such Letter of Credit and after giving effect thereto, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date); and

(b) no Default or Event of Default shall exist or have occurred and be continuing on and as of the date of the making of such Loan or providing each such Letter of Credit and after giving effect thereto.

Notwithstanding the foregoing, the only representations and warranties relating to the Acquired Company, its subsidiaries and their businesses, the accuracy of which shall be a condition to the initial Loans on the Closing Date and the initial Letters of Credit on the Closing Date shall be (i) the representations and warranties made by the sellers of the Acquired Company or by the Acquired Company in the Acquisition Documents that are material to the interests of the Lenders, but only to the extent that the Parent or Hourglass Acquisition, Inc., a Delaware corporation, has the right to terminate their obligations under the Acquisition Documents as a result of a breach of such representations and warranties in the Acquisition Documents and (ii) the Specified Representations (as defined below). For purposes hereof, "Specified Representations" means the representations and warranties set forth in the first sentence of Section 8.1, in clauses (a) and (b) of the second sentence of Section 8.1, in the last sentence of Section 8.1, in clause (c) of Section 8.1 as it relates to Regulations T, U and X and in Sections 8.4, 8.12(d), 8.18, 8.20, 8.21 and 8.22.

SECTION 5

GRANT AND PERFECTION OF SECURITY INTEREST

5.1 Grant of Security Interest.

To secure payment and performance of all Obligations, each Loan Party hereby grants to the Agent, for itself and the benefit of the Lenders, Agent and the Issuing Bank, a continuing security interest in, a lien upon, and a right of set off against, and hereby assigns to the Agent, for itself and the benefit of the Lenders and Agent, as security, all of the following personal property and other interests in property, of each Loan Party, whether now owned or hereafter acquired or existing, and wherever located:

(a) all deposit accounts, monies, credit balances, deposits and other property of any Loan Party now or hereafter held or received by or in transit to the Agent, any Lender or its Affiliates or at any other depository or other institution from or for the account of any Loan Party, whether for safekeeping, pledge, custody, transmission, collection or otherwise;

(b) all Inventory;

(c) all Receivables (including ITT Receivables);

(d) all chattel paper (including, without limitation, all tangible chattel paper and electronic chattel paper), instruments (including, without limitation, all promissory notes) and documents, in each case to the extent relating to or constituting the proceeds of or otherwise representing or evidencing Receivables or Inventory, but excluding in any event those payment obligations constituting the proceeds of Term Loan Priority Collateral;

(e) all Intellectual Property, solely to the extent necessary to liquidate the Collateral (and except for License Agreements and software license agreements in which a Loan Party is a licensee and for which imposition of a lien would result in breach or cancellation of the License Agreement, unless the prohibitive provision with respect to such Intellectual Property is rendered ineffective pursuant to applicable law (including Sections 9-406, 9-407, 9-408 and 9-409 of the UCC of any relevant jurisdiction));

(f) in respect of items in clauses (a), (b) and (c) above, other than those obligations constituting the proceeds of Term Loan Priority Collateral, all letters of credit, banker’s acceptances and similar instruments and including all letter-of-credit rights;

(g) all supporting obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Receivables and other Collateral, including (i) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (ii) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (iii) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Receivables or other Collateral, including returned, repossessed and reclaimed goods, and (iv) deposits by and property of account debtors or other persons securing the obligations of account debtors;

(h) (i) 100% of the Capital Stock of the Company and its Domestic Subsidiaries and (ii) 65% of the Capital Stock of any first-tier Foreign Subsidiary of a Loan Party; provided, that the Capital Stock of the Company and its Subsidiaries is being pledged pursuant to the Pledge Agreement, and in the event of any conflict between the terms of this Agreement and the terms of the Pledge Agreement with respect to such pledge, the terms of the Pledge Agreement shall control;

(i) all Records related to the Collateral;

(j) all as-extracted collateral, including without limitation, all minerals as extracted and severed from owned and leased real property (including, without limitation, sandstone and silica byproducts thereof); and

(k) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Collateral.

To secure payment and performance of all Obligations, each Loan Party hereby grants to the Control Agent, for itself and for the benefit of the Lenders, Agent and the Issuing Bank, a continuing security interest in, a lien upon, and a right of setoff against, and hereby assigns to the Control Agent, for itself and for the benefit of the Lenders, Agent and the Issuing Bank, all Control Collateral of each Loan Party, whether now owned or hereafter acquired or existing, and wherever located.

For purposes of this Section 5.1, the term “Lender” shall include any Hedging Agreement Provider and any Bank Product Provider.

5.2 Perfection of Security Interests.

(a) Each Loan Party irrevocably and unconditionally authorizes the Agent (or its agents) to file at any time and from time to time such financing statements with respect to the Collateral naming the Agent or its designee as the secured party and such Loan Party as debtor, as the Agent may require, and including any other information with respect to such Loan Party or otherwise required by part 5 of Article 9 of the Uniform Commercial Code of such jurisdiction as

the Agent may determine, together with any amendment and continuations with respect thereto, which authorization shall apply to all financing statements filed on, prior to or after the date hereof. Each Loan Party hereby ratifies and approves all financing statements naming the Agent or its designee as secured party and such Loan Party, as the case may be, as debtor with respect to the Collateral (and any amendments with respect to such financing statements) filed by or on behalf of the Agent prior to the date hereof and ratifies and confirms the authorization of the Agent to file such financing statements (and amendments, if any), including, without limitation, any financing statement that describes the Collateral as "all personal property" or "all assets" of such Loan Party. Each Loan Party hereby authorizes the Agent to adopt on behalf of such Loan Party any symbol required for authenticating any electronic filing. In the event that the description of the collateral in any financing statement naming the Agent or its designee as the secured party and any Loan Party as debtor includes assets and properties of such Loan Party that do not at any time constitute Collateral, whether hereunder, under any of the other Financing Agreements or otherwise, the filing of such financing statement shall nonetheless be deemed authorized by such Loan Party to the extent of the Collateral included in such description and it shall not render the financing statement ineffective as to any of the Collateral or otherwise affect the financing statement as it applies to any of the Collateral. In no event shall any Loan Party at any time file, or permit or cause to be filed, any correction statement or termination statement with respect to any financing statement (or amendment or continuation with respect thereto) naming the Agent or its designee as secured party and such Loan Party as debtor.

(b) No Loan Party has any chattel paper (whether tangible or electronic) or instruments as of the date hereof, except as set forth in the Information Certificate. In the event that any Loan Party shall be entitled to or shall receive any chattel paper or instrument after the date hereof (other than instruments and chattel paper with a value less than $250,000 in the aggregate), the applicable Loan Party or the Company shall promptly notify the Agent thereof in writing. Promptly upon the receipt thereof by or on behalf of any Loan Party (including by any agent or representative), such Loan Party shall deliver, or cause to be delivered to the Agent, all tangible chattel paper and instruments that such Loan Party has or may at any time acquire (other than instruments and chattel paper with a value less than $250,000 in the aggregate), accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may from time to time specify, in each case except as the Agent may otherwise agree. At the Agent's option, each Loan Party shall, or the Agent may at any time on behalf of any Loan Party, cause the original of any such instrument or chattel paper to be conspicuously marked in a form and manner acceptable to the Agent with the following legend referring to chattel paper or instruments as applicable: "This [chattel paper][instrument] is subject to the security interest of Wachovia Bank, National Association and any sale, transfer, assignment or encumbrance of this [chattel paper][instrument] violates the rights of such secured party."

(c) In the event that any Loan Party shall at any time hold or acquire an interest in any electronic chattel paper or any "transferable record" (as such term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) (other than electronic chattel paper or "transferable records" with a value less than $250,000 in the aggregate), such Loan Party shall promptly notify the Agent thereof in writing. Promptly upon the Agent's request, such Loan Party shall take, or cause to be taken, such actions as the Agent

may request to give the Agent or the Control Agent control of such electronic chattel paper under Section 9-105 of the UCC and control of such transferable record under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as in effect in such jurisdiction.

(d) No Loan Party has any deposit, collection, clearing or concentration accounts as of the date hereof, except as set forth in the Information Certificate. The Loan Parties shall not, directly or indirectly, after the date hereof open, establish or maintain any deposit, collection, clearing or concentration account unless each of the following conditions is satisfied: (i) the Agent shall have received not less than five (5) Business Days prior written notice of the intention of any Loan Party to open or establish such account which notice shall specify in reasonable detail the name of the account, the owner of the account, the name and address of the bank or other financial institution at which such account is to be opened or established, the individual at such bank or financial institution with whom such Loan Party is dealing and the purpose of the account and (ii) on or before the opening of such account, such Loan Party shall, as the Agent may specify, either (A) deliver to the Agent an Account Control Agreement with respect to such account duly authorized, executed and delivered by such Loan Party and the bank or other financial institution at which such account is opened and maintained or (B) arrange for the Agent to become the customer of the bank or other financial institution with respect to such account on terms and conditions acceptable to the Agent. The terms of this subsection (d) shall not apply to (i) deposit accounts specifically and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of any Loan Party's salaried employees, (ii) other zero balance accounts, and (iii) other deposit accounts so long as at any time the balance in any such account does not exceed $50,000 and the aggregate balance in all such accounts does not exceed $250,000.

(e) No Loan Party owns or holds, directly or indirectly, beneficially or as record owner or both, any investment property, as of the date hereof, or has any investment account, securities account, commodity account or other similar account with any bank or other financial institution or other securities intermediary or commodity intermediary as of the date hereof, in each case except as set forth in the Information Certificate.

(i) In the event that any Loan Party shall be entitled to or shall at any time after the date hereof hold or acquire any certificated securities (other than securities with a value less than $250,000 in the aggregate), such Loan Party shall promptly endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may from time to time specify. If any securities (other than securities with a value less than $250,000 in the aggregate), now or hereafter acquired by any Loan Party are uncertificated and are issued to such Loan Party or its nominee directly by the issuer thereof, such Loan Party shall immediately notify the Agent thereof and shall use its commercially reasonable efforts to, as the Agent may specify, either (A) cause the issuer to agree to comply with instructions from the Agent as to such securities, without further consent of any Loan Party or such nominee, or (B) arrange for the Agent to become the registered owner of the securities.

(ii) The Loan Parties shall not, directly or indirectly, after the date hereof open, establish or maintain any investment account, securities account, commodity account or any other similar account (other than a deposit account) with any securities intermediary or commodity intermediary unless each of the following conditions is satisfied: (A) the Agent shall have received not less than five (5) Business Days prior written notice of the intention of such Loan Party to open or establish such account which notice shall specify in reasonable detail the name of the account, the owner of the account, the name and address of the securities intermediary or commodity intermediary at which such account is to be opened or established, the individual at such intermediary with whom such Loan Party is dealing and the purpose of the account and (B) on or before the opening of such investment account, securities account or other similar account with a securities intermediary or commodity intermediary, such Loan Party shall as the Agent may specify either (i) execute and deliver, and cause to be executed and delivered to the Agent, an Investment Property Control Agreement with respect thereto duly authorized, executed and delivered by such Loan Party and such securities intermediary or commodity intermediary or (ii) arrange for the Agent to become the entitlement holder with respect to such investment property on terms and conditions acceptable to the Agent.

(f) The Loan Parties are not the beneficiary or otherwise entitled to any right to payment under any letter of credit, banker's acceptance or similar instrument as of the date hereof, except as set forth in the Information Certificate. In the event that any Loan Party shall be entitled to or shall receive any right to payment under any letter of credit, banker's acceptance or any similar instrument (other than letters of credit, bankers' acceptances and similar instruments with a face amount less than $250,000 in the aggregate), whether as beneficiary thereof or otherwise after the date hereof, such Loan Party shall promptly notify the Agent thereof in writing. Such Loan Party shall immediately, as the Agent may specify, either (i) deliver, or cause to be delivered to the Agent, with respect to any such letter of credit, banker's acceptance or similar instrument, the written agreement of the issuer and any other nominated person obligated to make any payment in respect thereof (including any confirming or negotiating bank), in form and substance satisfactory to the Agent, consenting to the assignment of the proceeds of the letter of credit to the Agent by such Loan Party and agreeing to make all payments thereon directly to the Agent or as the Agent may otherwise direct or (ii) cause the Agent to become, at the Borrowers' expense, the transferee beneficiary of the letter of credit, banker's acceptance or similar instrument (as the case may be).

(g) The Loan Parties do not have any commercial tort claims as of the date hereof, except as set forth in the Information Certificate.

(h) The Loan Parties do not have any goods, documents of title or other Collateral in the custody, control or possession of a third party as of the date hereof, except as set forth in the Information Certificate and except for goods located in the United States in transit to a location of a Loan Party permitted herein in the ordinary course of business of such Loan Party in the possession of the carrier transporting such goods. In the event that any goods, documents of title or other Collateral are at any time after the date hereof in the custody, control or possession of any other person not referred to in the Information Certificate or such carriers, the Loan Parties

shall promptly notify the Agent thereof in writing. Promptly upon the Agent's request, the Loan Parties shall use their commercially reasonable efforts to deliver to the Agent a Collateral Access Agreement duly authorized, executed and delivered by such person and the Loan Party that is the owner of such Collateral.

(i) The Loan Parties shall take any other actions reasonably requested by the Agent from time to time to cause the attachment, perfection and first priority (subject to the liens securing the Term Loan Obligations in accordance with the ABL Intercreditor Agreement) of, and the ability of the Agent to enforce, the security interest of the Agent in any and all of the ABL Collateral, including, without limitation, (i) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the UCC or other applicable law, to the extent, if any, that any Loan Party's signature thereon is required therefor, (ii) causing the Agent's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Agent to enforce, the security interest of the Agent in such Collateral, (iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Agent to enforce, the security interest of the Agent in such Collateral, and (iv) obtaining the consents and approvals of any Governmental Authority or third party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, and taking all actions required by any earlier versions of the UCC or by other law, as applicable in any relevant jurisdiction.

(j) Notwithstanding anything herein to the contrary, the Collateral shall exclude the following: (i) any fee owned or leased real property; (ii) motor vehicles and other assets subject to certificates of title; (iii) pledges and security interests prohibited by law and permitted agreements (including Permitted Liens, leases and licenses) to the extent the prohibition relates only to the assets financed by or leased or licensed pursuant to such permitted agreement, other than to the extent the prohibitive provision in such permitted agreement is rendered ineffective pursuant to applicable law (including Sections 9-406, 9-407, 9-408 and 9-409 of the UCC); (iv) assets to the extent a security interest in such assets would result in material adverse tax consequences to the Loan Parties; and (v) those assets as to which the Agent in consultation with the Company reasonably determines that the burden or cost of obtaining a security interest, pledge or perfection thereof outweighs the benefit to the Lenders of the security to be afforded thereby (provided that such assets shall be excluded from the Borrowing Base in accordance with the terms hereof).

5.3 Control Collateral Held by Control Agent.

Notwithstanding any provision to the contrary herein, any Collateral that constitutes Control Collateral that is held by the Agent hereunder shall be deemed to be held by the Control Agent in accordance with the ABL Intercreditor Agreement.

5.4 Intercreditor Provisions.

Notwithstanding anything herein to the contrary, the lien and security interest granted to the Agent pursuant to this Agreement and the exercise of any right or remedy by the Agent hereunder are subject to the provisions of the ABL Intercreditor Agreement, as the same may be amended, supplemented, modified or replaced from time to time. In the event of any conflict between the terms of the ABL Intercreditor Agreement and this Agreement, the terms of the ABL Intercreditor Agreement shall govern.

SECTION 6

COLLECTION AND ADMINISTRATION

6.1 Borrowers' Loan Accounts.

The Agent shall maintain one or more loan account(s) on its books in which shall be recorded (a) all Loans, Letters of Credit and other Obligations and the Collateral, (b) all payments made by or on behalf of any Loan Party and (c) all other appropriate debits and credits as provided in this Agreement, including fees, charges, costs, expenses and interest. All entries in the loan account(s) shall be made in accordance with the Agent's customary practices as in effect from time to time.

6.2 Statements.

The Agent shall render to the Company each month a statement setting forth the balance in the Borrowers' loan account(s) maintained by the Agent for the Borrowers pursuant to the provisions of this Agreement, including principal, interest, fees, costs and expenses. Each such statement shall be subject to subsequent adjustment by the Agent but shall, absent manifest errors or omissions, be considered correct and deemed accepted by the Loan Parties and conclusively binding upon the Loan Parties as an account stated except to the extent that the Agent receives a written notice from the Company of any specific exceptions of the Company thereto within thirty (30) days after the date such statement has been received by the Company. Until such time as the Agent shall have rendered to the Company a written statement as provided above, the balance in any Borrower's loan account(s) shall be presumptive evidence of the amounts due and owing to the Agent and the Lenders by the Loan Parties.

6.3 Collection of Accounts.

(a) The Borrowers shall establish and maintain, at their expense, blocked accounts or lockboxes and related blocked accounts (in either case, "Blocked Accounts"), as the Agent may specify, with such banks as are acceptable to the Agent into which the Borrowers shall promptly deposit and direct their respective account debtors to directly remit all payments on Receivables and all payments constituting proceeds of Inventory or other Collateral in the identical form in which such payments are made, whether by cash, check or other manner. The Borrowers shall deliver, or cause to be delivered to the Agent an Account Control Agreement duly authorized, executed and delivered by each bank where a Blocked Account is maintained as provided in Section 5.2 or at any time

and from time to time the Agent may become the bank's customer with respect to any of the Blocked Accounts and promptly upon the Agent's request, the Borrowers shall execute and deliver such agreements and documents as the Agent may require in connection therewith. Each Loan Party agrees that all payments made to such Blocked Accounts or other funds received and collected by the Agent or any Lender, whether in respect of the Receivables, as proceeds of Inventory or other Collateral or otherwise shall be treated as payments to the Agent and the Lenders in respect of the Obligations and therefore shall constitute the property of the Agent and the Lenders to the extent of the then outstanding Obligations. In addition to such payments applied in respect of the Obligations, the Borrowers shall have the right to repay Loans in whole or in part from time to time as described in Section 2.1(d).

(b) For purposes of calculating the amount of the Loans available to the Borrowers, such payments will be applied (conditional upon final collection) to the Obligations on the Business Day of receipt by the Agent of immediately available funds in the Agent Payment Account provided such payments and notice thereof are received in accordance with the Agent's usual and customary practices as in effect from time to time and within sufficient time to credit such Borrower's loan account on such day, and if not, then on the next Business Day.

(c) Each Loan Party and their respective employees, agents and Subsidiaries shall, acting as trustee for the Agent, receive, as the property of the Agent, any monies, checks, notes, drafts or any other payment relating to and/or proceeds of Accounts or other Collateral which come into their possession or under their control and immediately upon receipt thereof, shall deposit or cause the same to be deposited in the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to the Agent. In no event shall the same be commingled with any Loan Party's own funds. The Borrowers agree to reimburse the Agent on demand for any amounts owed or paid to any bank or other financial institution at which a Blocked Account or any other deposit account or investment account is established or any other bank, financial institution or other person involved in the transfer of funds to or from the Blocked Accounts arising out of the Agent's payments to or indemnification of such bank, financial institution or other person. The obligations of the Borrowers to reimburse the Agent for such amounts pursuant to this Section 6.3 shall survive the termination of this Agreement.

(d) The parties hereto hereby agree that the Account Control Agreements entered into with respect to the accounts of the Borrowers in accordance with clause (a) above will contain provisions stating that the depository bank shall remit daily all amounts deposited in the Blocked Accounts to the Agent Payment Account.

6.4 Payments.

(a) All Obligations shall be payable to the Agent Payment Account as provided in Section 6.3 or such other place as the Agent may designate from time to time. Subject to the other terms and conditions contained herein, the Agent shall apply payments received or collected from any Loan Party or for the account of any Loan Party

(including the monetary proceeds of collections or of realization upon any Collateral) as follows: first, to pay any fees, indemnities or expense reimbursements then due to the Agent, the Lenders and the Issuing Bank from any Loan Party; second, to pay interest due in respect of any Loans (and including any Special Agent Advances) or Letter of Credit Obligations and Bank Product Debt (other than breakage and termination payments due under Hedging Agreements with Hedging Agreement Providers) to the extent that the Agent has established a Reserve; third, to pay or prepay principal in respect of Special Agent Advances; fourth, to pay principal due in respect of the Loans and Bank Product Debt (including, to the extent that the Agent has established a Reserve therefor, breakage and termination payments due under Hedging Agreements with Hedging Agreement Providers); fifth, to pay or prepay any other Obligations (including obligations in respect of Bank Products for which Reserves have not been established by the Agent) whether or not then due, in such order and manner as the Agent determines and at any time an Event of Default exists or has occurred and is continuing, to provide cash collateral for any Letter of Credit Obligations and sixth, to the Company as agent for the Borrowers. Notwithstanding anything to the contrary contained in this Agreement, (i) unless so directed by the Company, or unless a Default or an Event of Default shall exist or have occurred and be continuing, the Agent shall not apply any payments which it receives to any Eurocurrency Rate Loans, except (A) on the expiration date of the Interest Period applicable to any such Eurocurrency Rate Loans or (B) in the event that there are no outstanding Prime Rate Loans and (ii) to the extent any Borrower uses any proceeds of the Loans or Letters of Credit to acquire rights in or the use of any Collateral or to repay any Indebtedness used to acquire rights in or the use of any Collateral, payments in respect of the Obligations shall be deemed applied first to the Obligations arising from Loans and Letters of Credit that were not used for such purposes and second to the Obligations arising from Loans and Letters of Credit the proceeds of which were used to acquire rights in or the use of any Collateral in the chronological order in which such Borrower acquired such rights in or the use of such Collateral. Amounts distributed with respect to any Bank Product Debt shall be the lesser of the applicable Bank Product Amount last reported to the Agent or the actual Bank Product Debt as calculated by the methodology reported to the Agent for determining the amount due. The Agent shall have no obligation to calculate the amount to be distributed with respect to any Bank Product Debt, but may rely upon written notice of the amount (setting forth a reasonably detailed calculation) from the Secured Party. In the absence of such notice, the Agent may assume the amount to be distributed is the Bank Product Amount last reported to it. The Agent shall promptly distribute all payments to the applicable Lenders upon receipt in like funds as received.

(b) At the Agent's option, all principal, interest, fees, costs, expenses and other charges provided for in this Agreement or the other Financing Agreements may be charged directly to the loan account(s) of any Borrower maintained by the Agent. If after receipt of any payment of, or proceeds of Collateral applied to the payment of, any of the Obligations, the Agent, any Lender or the Issuing Bank is required to surrender or return such payment or proceeds to any Person for any reason, then the Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not

been received by the Agent or such Lender. The Loan Parties shall be liable to pay to the Agent, and do hereby indemnify and hold the Agent and the Lenders harmless for the amount of any payments or proceeds surrendered or returned. This Section 6.4(b) shall remain effective notwithstanding any contrary action which may be taken by the Agent or any Lender in reliance upon such payment or proceeds. This Section 6.4 shall survive the payment of the Obligations and the termination of this Agreement.

6.5 Taxes.

(a) Any and all payments by or on account of any of the Obligations shall be made free and clear of and without deduction or withholding for or on account of, any setoff, counterclaim, defense, duties, taxes, levies, imposts, fees, deductions, charges, withholdings, liabilities, restrictions or conditions of any kind, excluding (i) in the case of each Lender, the Issuing Bank and the Agent (A) taxes measured by its net income, and franchise taxes imposed on it, by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender, the Issuing Bank or the Agent (as the case may be) is organized or has its principal office or applicable lending office, (B) any United States withholding taxes (i) payable with respect to payments under the Financing Agreements under laws (including any statute, treaty or regulation or interpretation or application thereof by a Governmental Authority) in effect on the date hereof (or, in the case of an Eligible Transferee, the date of the Assignment and Acceptance) applicable to such Lender, the Issuing Bank or the Agent, as the case may be, but not excluding any United States withholding taxes payable as a result of any change in such laws occurring after the date hereof (or the date of such Assignment and Acceptance) or (ii) attributable to a Foreign Lender's failure or inability (other than as a result of any change in law) to comply with Section 6.5(g) and (C) any branch profits tax or any similar tax that is imposed by any jurisdiction described in clause (i) and (ii) in the case of each Lender, taxes measured by its net income, and franchise taxes imposed on it as a result of a present or former connection between such Lender and the jurisdiction of the Governmental Authority imposing such tax or any taxing authority thereof or therein (all such non-excluded taxes, levies, imposts, fees, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes").

(b) If any Taxes shall be required by law to be deducted from or in respect of any sum payable in respect of the Obligations to any Lender, the Issuing Bank or the Agent (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 6.5), such Lender, the Issuing Bank or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the relevant Loan Party shall make such deductions, (iii) the relevant Loan Party shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law and (iv) the relevant Loan Party shall deliver to the Agent evidence of such payment.

(c) In addition, each Loan Party agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies of the United States or any political subdivision thereof or any applicable foreign jurisdiction, and all liabilities with respect thereto, in each case arising from any payment made hereunder or under any of the other Financing Agreements or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any of the other Financing Agreements (collectively, "Other Taxes").

(d) Each Loan Party shall indemnify each Lender, the Issuing Bank and the Agent for the full amount of Taxes and Other Taxes (including any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 6.5) paid by such Lender, the Issuing Bank or the Agent (as the case may be) and any liability (including for penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days from the date such Lender, the Issuing Bank or the Agent (as the case may be) makes written demand therefor. A certificate as to the amount of such payment or liability delivered to the Company by a Lender, the Issuing Bank (with a copy to the Agent) or by the Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(e) As soon as practicable after any payment of Taxes or Other Taxes by any Loan Party, such Loan Party shall furnish to the Agent, at its address referred to herein, the original or a certified copy of a receipt evidencing payment thereof.

(f) Without prejudice to the survival of any other agreements of any Loan Party, Agent or Lender hereunder or under any of the other Financing Agreements, the agreements and obligations of such Loan Party, Agent or Lender contained in this Section 6.5 shall survive the termination of this Agreement and the payment in full of the Obligations.

(g) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the applicable Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any of the other Financing Agreements shall deliver to the Company (with a copy to the Agent), at the time or times prescribed by applicable law or reasonably requested by the Company or the Agent (in such number of copies as is reasonably requested by the recipient), whichever of the following is applicable (but only if such Foreign Lender is legally entitled to do so): (i) duly completed copies of Internal Revenue Service Form W-8BEN claiming exemption from, or a reduction to, withholding tax under an income tax treaty, or any successor form, (ii) duly completed copies of Internal Revenue Service Form W-8ECI claiming exemption from withholding because the income is effectively connection with a U.S. trade or business or any successor form, (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Sections 871(h) or 881(c) of the Code, (A) a certificate of the Lender to the effect that such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a Borrower within the meaning of Section 881(c)(3)(B) of the Code or a "controlled foreign corporation" described and Section 881(c)(3)(C) of the Code and (B) duly completed copies of

Internal Revenue Service Form W-8BEN claiming exemption from withholding under the portfolio interest exemption or any successor form or (iv) any other applicable form, certificate or document prescribed by applicable law as a basis for claiming exemption from or a reduction in United States withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit a Borrower to determine the withholding or deduction required to be made. Unless the Company and the Agent have received forms or other documents satisfactory to them indicating that payments hereunder or under any of the other Financing Agreements to or for a Foreign Lender are not subject to United States withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Borrowers or the Agent shall withhold amounts required to be withheld by applicable requirements of law from such payments at the applicable statutory rate.

(h) Each Lender that is a United States person, as defined in Section 7701(a)(30) of the Code, and is not an exempt recipient within the meaning of Treasury Regulations Section 1.6049-4(c) shall provide to the Company and the Agent two properly completed and executed original copies of an IRS Form W-9, or any successor form that such person is entitled to provide at such time in order to comply with United States back-up withholding requirements.

(i) Any Lender claiming any additional amounts payable pursuant to this Section 6.5 shall use its reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its applicable lending office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that would be payable or may thereafter accrue and would not, in the reasonable determination of such Lender, be otherwise disadvantageous to such Lender.

(j) If the Agent or any Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Loan Party, upon the request of the Agent or such Lender, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Lender in the event the Agent or such Lender is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Borrower or any other Person.

(k) If a Loan Party determines in good faith that a reasonable basis exists for contesting a Tax, the relevant Lender or Issuing Bank, as applicable, shall cooperate with the Loan Party in challenging such Tax at the Loan Party's expense and if requested by the Loan Party in writing; provided that no Lender or Issuing Bank shall be required to take any action hereunder which, in the sole discretion of such Lender or Issuing Bank, would cause such Lender, Issuing Bank or its applicable lending office to suffer a material economic, legal or regulatory disadvantage.

6.6 Authorization to Make Loans.

The Agent and the Lenders are authorized to make the Loans based upon telephonic or other instructions received from anyone purporting to be an officer of the Company or any Borrower or other authorized person or, at the discretion of the Agent, if such Loans are necessary to satisfy any Obligations. All requests for Loans or Letters of Credit hereunder shall be in compliance with the terms of Section 3.1(b) and 2.2(b), respectively, and shall specify (i) the applicable Borrower, (ii) the date on which the requested advance is to be made (which day shall be a Business Day) and (iii) the amount of the requested Loan. Requests received after 1:00 p.m., New York time on any day shall be deemed to have been made as of the opening of business on the immediately following Business Day. Requests for Prime Rate Loans must be made on the Business Day prior to the requested borrowing. Requests for Eurocurrency Rate Loans must be made as set forth in Section 3.1(b). All Loans and Letters of Credit under this Agreement shall be conclusively presumed to have been made to, and at the request of and for the benefit of, any Loan Party when deposited to the credit of any Loan Party or otherwise disbursed or established in accordance with the instructions of any Loan Party or in accordance with the terms and conditions of this Agreement.

6.7 Use of Proceeds.

The Borrowers shall use the initial proceeds of the Loans and Letters of Credit hereunder only: (a) to finance the Acquisition, (b) to refinance existing indebtedness of the Acquired Company and its Subsidiaries, (c) to pay any costs, fees and expenses associated with this Agreement, the other Financing Agreements and the Transactions, and (d) for ongoing working capital requirements, capital expenditures and other general corporate purposes, including, without limitation, Permitted Acquisitions. All other Loans made or Letters of Credit provided to or for the benefit of any Borrower pursuant to the provisions hereof shall be used by such Borrower only for general operating, working capital and other proper corporate purposes of such Borrower not otherwise prohibited by the terms hereof. None of the proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purposes of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Loans to be considered a "purpose credit" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended.

6.8 Appointment of Company as Agent for Requesting Loans and Receipts of Loans and Statements.

(a) Each Borrower hereby irrevocably appoints and constitutes the Company as its agent and attorney-in-fact to request and receive Loans and Letters of Credit pursuant to this Agreement and the other Financing Agreements from the Agent or any Lender in the name or on behalf of such Borrower. The Agent and the Lenders may disburse the Loans to such bank account of the Company or a Borrower or otherwise make such Loans to a Borrower and provide such Letters of Credit to a Borrower as the Company may designate or direct, without notice to any other Loan Party. Notwithstanding anything to the contrary contained herein, the Agent may at any time and from time to time require that Loans to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(b) The Company hereby accepts the appointment by the Borrowers to act as agent and attorney-in-fact of the Borrowers pursuant to this Section 6.8. The Company shall ensure that the disbursement of any Loans to each Borrower or the issuance of any Letter of Credit for a Borrower hereunder, shall be paid to or for the account of such Borrower.

(c) Each other Loan Party hereby irrevocably appoints and constitutes the Company as its agent to receive statements on account and all other notices from the Agent and the Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Financing Agreements.

(d) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Loan Party by the Company shall be deemed for all purposes to have been made by such Loan Party, as the case may be, and shall be binding upon and enforceable against such Loan Party to the same extent as if made directly by such Loan Party.

(e) No purported termination of the appointment of the Company as agent as aforesaid shall be effective, except after ten (10) days' prior written notice to the Agent.

6.9 Pro Rata Treatment.

Except to the extent otherwise provided in this Agreement or as otherwise agreed by the Lenders: (a) the making and conversion of Loans shall be made among the Lenders based on their respective Pro Rata Shares as to the Loans and (b) each payment on account of any Obligations to or for the account of one or more of the Lenders in respect of any Obligations due on a particular day shall be allocated among the Lenders entitled to such payments based on their respective Pro Rata Shares and shall be distributed accordingly.

6.10 Sharing of Payments, Etc.

(a) Each Loan Party agrees that, in addition to (and without limitation of) any right of setoff, banker's lien or counterclaim the Agent or any Lender may otherwise have, each Lender and each of its Affiliates shall be entitled, at its option (but subject, as among the Agent and the Lenders, to the provisions of Section 12.3(b) hereof), to offset balances held by it for the account of such Loan Party at any of its offices, in dollars or in any other currency, against any principal of or interest on any Loans owed to such Lender

or any other amount payable to such Lender hereunder, that is not paid when due (regardless of whether such balances are then due to such Loan Party), in which case it shall promptly notify the Company and the Agent thereof; provided, that, such Lender's failure to give such notice shall not affect the validity thereof.

(b) If any Lender (including the Agent) shall obtain from any Loan Party payment of any principal of or interest on any Loan owing to it or payment of any other amount under this Agreement or any of the other Financing Agreements through the exercise of any right of setoff, banker's lien or counterclaim or similar right or otherwise (other than from the Agent as provided herein), and, as a result of such payment, such Lender shall have received more than its Pro Rata Share of the principal of the Loans or more than its share of such other amounts then due hereunder or thereunder by any Loan Party to such Lender than the percentage thereof received by any other Lender, it shall promptly pay to the Agent, for the benefit of the Lenders, the amount of such excess and simultaneously purchase from such other Lenders a participation in the Loans or such other amounts, respectively, owing to such other Lenders (or such interest due thereon, as the case may be) in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all Lenders shall share the benefit of such excess payment (net of any expenses that may be incurred by such Lender in obtaining or preserving such excess payment) in accordance with their respective Pro Rata Shares or as otherwise agreed by the Lenders. To such end all Lenders shall make appropriate adjustments among themselves (by the resale of participation sold or otherwise) if such payment is rescinded or must otherwise be restored.

(c) Each Loan Party agrees that any Lender purchasing a participation (or direct interest) as provided in this Section may exercise, in a manner consistent with this Section, all rights of setoff, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans or other amounts (as the case may be) owing to such Lender in the amount of such participation.

(d) Nothing contained herein shall require any Lender to exercise any right of setoff, banker's lien, counterclaims or similar rights or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other Indebtedness or obligation of any Loan Party. If, under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this Section applies, such Lender shall, to the extent practicable, assign such rights to the Agent for the benefit of the Lenders and, in any event, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section to share in the benefits of any recovery on such secured claim.

6.11 Settlement Procedures.

(a) In order to administer the Credit Facility in an efficient manner and to minimize the transfer of funds between the Agent and the Lenders, the Agent may, at its option, subject to the terms of this Section, make available, on behalf of the Lenders, the full amount of the Loans requested or charged to any Borrower's loan account(s) or otherwise to be advanced by the Lenders pursuant to the terms hereof, without requirement of prior notice to the Lenders of the proposed Loans.

(b) With respect to all Loans made by the Agent on behalf of the Lenders as provided in this Section, the amount of each Lender's Pro Rata Share of the outstanding Loans shall be computed weekly, and shall be adjusted upward or downward on the basis of the amount of the outstanding Loans as of 5:00 p.m. New York time on the Business Day immediately preceding the date of each settlement computation; provided, that, the Agent retains the absolute right at any time or from time to time to make the above described adjustments at intervals more frequent than weekly, but in no event more than twice in any week. The Agent shall deliver to each of the Lenders after the end of each week, or at such lesser period or periods as the Agent shall determine, a summary statement of the amount of outstanding Loans for such period (such week or lesser period or periods being hereinafter referred to as a "Settlement Period"). If the summary statement is sent by the Agent and received by a Lender prior to 12:00 p.m. New York time, then such Lender shall make the settlement transfer described in this Section by no later than 3:00 p.m. New York time on the same Business Day and if received by a Lender after 12:00 p.m. New York time, then such Lender shall make the settlement transfer by not later than 3:00 p.m. New York time on the next Business Day following the date of receipt. If, as of the end of any Settlement Period, the amount of a Lender's Pro Rata Share of the outstanding Loans is more than such Lender's Pro Rata Share of the outstanding Loans as of the end of the previous Settlement Period, then such Lender shall forthwith (but in no event later than the time set forth in the preceding sentence) transfer to the Agent by wire transfer in immediately available funds the amount of the increase. Alternatively, if the amount of a Lender's Pro Rata Share of the outstanding Loans in any Settlement Period is less than the amount of such Lender's Pro Rata Share of the outstanding Loans for the previous Settlement Period, the Agent shall forthwith transfer to such Lender by wire transfer in immediately available funds the amount of the decrease. The obligation of each of the Lenders to transfer such funds and effect such settlement shall be irrevocable and unconditional and without recourse to or warranty by the Agent. The Agent and each Lender agrees to mark its books and records at the end of each Settlement Period to show at all times the dollar amount of its Pro Rata Share of the outstanding Loans and Letters of Credit. Each Lender shall only be entitled to receive interest on its Pro Rata Share of the Loans to the extent such Loans have been funded by such Lender. Because the Agent on behalf of the Lenders may be advancing and/or may be repaid Loans prior to the time when the Lenders will actually advance and/or be repaid such Loans, interest with respect to Loans shall be allocated by the Agent in accordance with the amount of Loans actually advanced by and repaid to each Lender and the Agent and shall accrue from and including the date such Loans are so advanced to but excluding the date such Loans are either repaid by the Borrowers or actually settled with the applicable Lender as described in this Section.

(c) To the extent that the Agent has made any such amounts available and the settlement described above shall not yet have occurred, upon repayment of any Loans by a Borrower, the Agent may apply such amounts repaid directly to any amounts made available by the Agent pursuant to this Section. In lieu of weekly or more frequent

settlements, the Agent may, at its option, at any time require each Lender to provide the Agent with immediately available funds representing its Pro Rata Share of each Loan, prior to the Agent's disbursement of such Loan to Borrower. In such event, all Loans under this Agreement shall be made by the Lenders simultaneously and proportionately to their Pro Rata Shares. No Lender shall be responsible for any default by any other Lender in the other Lender's obligation to make a Loan requested hereunder nor shall the Commitment of any Lender be increased or decreased as a result of the default by any other Lender in the other Lender's obligation to make a Loan hereunder.

(d) If the Agent is not funding a particular Loan to a Borrower (or the Company for the benefit of such Borrower) pursuant to Sections 6.11(a) and 6.11(b) above on any day, but is requiring each Lender to provide the Agent with immediately available funds on the date of such Loan as provided in Section 6.11(c) above, the Agent may assume that each Lender will make available to the Agent such Lender's Pro Rata Share of the Loan requested or otherwise made on such day and the Agent may, in its discretion, but shall not be obligated to, cause a corresponding amount to be made available to or for the benefit of such Borrower on such day. If the Agent makes such corresponding amount available to a Borrower and such corresponding amount is not in fact made available to the Agent by such Lender, the Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon for each day from the date such payment was due until the date such amount is paid to the Agent at the Federal Funds Rate for each day during such period (as published by the Federal Reserve Bank of New York or at the Agent's option based on the arithmetic mean determined by the Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of the three leading brokers of Federal funds transactions in New York City selected by the Agent) and if such amounts are not paid within three (3) days of the Agent's demand, at the highest Interest Rate provided for in Section 3.1 hereof applicable to Prime Rate Loans. During the period in which such Lender has not paid such corresponding amount to the Agent, notwithstanding anything to the contrary contained in this Agreement or any of the other Financing Agreements, the amount so advanced by the Agent to or for the benefit of any Borrower shall, for all purposes hereof, be a Loan made by the Agent for its own account. Upon any such failure by a Lender to pay the Agent, the Agent shall promptly thereafter notify the Company of such failure and the Borrowers shall pay such corresponding amount to the Agent for its own account within five (5) Business Days of the Company's receipt of such notice. A Lender who fails to pay the Agent its Pro Rata Share of any Loans made available by the Agent on such Lender's behalf, or any Lender who fails to pay any other amount owing by it to the Agent, is a "Defaulting Lender". The Agent shall not be obligated to transfer to a Defaulting Lender any payments received by the Agent for the Defaulting Lender's benefit, nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder (including any principal, interest or fees). Amounts payable to a Defaulting Lender shall instead be paid to or retained by the Agent. The Agent may hold and, in its discretion, relend to a Borrower the amount of all such payments received or retained by it for the account of such Defaulting Lender. For purposes of voting or consenting to matters with respect to this Agreement and the other Financing Agreements and determining Pro Rata Shares, such Defaulting Lender shall be

deemed not to be a "Lender" and such Lender's Commitment shall be deemed to be zero (0). This Section shall remain effective with respect to a Defaulting Lender until such default is cured. The operation of this Section shall not be construed to increase or otherwise affect the Commitment of any Lender, or relieve or excuse the performance by any Loan Party of their duties and obligations hereunder.

(e) Nothing in this Section or elsewhere in this Agreement or the other Financing Agreements shall be deemed to require the Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its Commitment hereunder or to prejudice any rights that any Borrower may have against any Lender as a result of any default by any Lender hereunder in fulfilling its Commitment.

6.12 Obligations Several; Independent Nature of Lenders' Rights.

The obligation of each Lender hereunder is several, and no Lender shall be responsible for the obligation or commitment of any other Lender hereunder. Nothing contained in this Agreement or any of the other Financing Agreements and no action taken by the Lenders pursuant hereto or thereto shall be deemed to constitute the Lenders to be a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and subject to Section 12.3 hereof, each Lender shall be entitled to protect and enforce its rights arising out of this Agreement and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

SECTION 7

COLLATERAL REPORTING AND COVENANTS

7.1 Collateral Reporting.

(a) The Borrowers shall provide the Agent with the following documents in a form reasonably satisfactory to the Agent:

(i) on a monthly basis (or twice per month upon request by the Agent at any time Excess Availability is less than $5,000,000), (A) schedules of sales made, credits issued and collections received, (B) a schedule of ineligible Accounts as of the last day of the prior month (together with a reconciliation to the previous month's schedule), and (C) a schedule of ineligible Inventory as of the last day of the prior month (together with a reconciliation to the previous month's schedule);

(ii) as soon as possible after the end of each month (but in any event within ten (10) Business Days after the end thereof), on a monthly basis (or twice per month upon request by the Agent at any time Excess Availability is less than $5,000,000), (A) perpetual inventory reports, (B) inventory reports by location

and category (and including the amounts of Inventory and the value thereof at any leased locations and at premises of warehouses, processors or other third parties), (C) accounts receivable aged trial balance at the immediately preceding month end for each account debtor, aged by due date, which aging reports shall indicate which Accounts are current, up to 30, 30-60 and over 60 days past due and shall list the names, telephone numbers, invoices, credit and debit memos and addresses of all applicable account debtors and (D) agings of accounts payable (and including information indicating the amounts owing to owners and lessors of leased premises, warehouses, processors and other third parties from time to time in possession of any Collateral);

(iii) upon the Agent's request, (A) copies of customer statements, purchase orders, sales invoices, credit memos, remittance advices and reports, and copies of deposit slips and bank statements, (B) copies of shipping and delivery documents, and (C) copies of purchase orders, invoices and delivery documents for Inventory and Equipment acquired by any Loan Party;

(iv) as soon as possible after the end of each month (but in any event within fifteen (15) Business Days after the end thereof) on a monthly basis (or twice per month upon request by the Agent at any time Excess Availability is less than $5,000,000), a Borrowing Base Certificate, duly completed and certified by the Company's chief executive officer, chief financial officer or treasurer; and

(v) upon the Agent's request, a general ledger summary and a trial balance with a reconciliation of the accounts receivable aging to the general ledger and a reconciliation of the perpetual inventory report to the general ledger.

(b) If any Loan Party's records or reports of the Collateral are prepared or maintained by an accounting service, contractor, shipper or other agent, such Loan Party hereby irrevocably authorizes such service, contractor, shipper or agent to deliver such records, reports, and related documents to the Agent and to follow the Agent's instructions with respect to further services at any time that an Event of Default exists or has occurred and is continuing.

7.2 Accounts Covenants.

(a) With respect to any Account in excess of $400,000 and with respect to any account debtor whose aggregate Accounts owed to the Loan Parties and their Subsidiaries exceed $400,000, the Borrowers shall notify the Agent promptly of: (i) any material delay in any Borrower's performance of any of its material obligations to any such account debtor or the assertion of any material claims, offsets, defenses or counterclaims by any such account debtor, or any material disputes with such account debtors, or any settlement, adjustment or compromise thereof, (ii) all material adverse information known to any Loan Party relating to the financial condition of any such account debtor and (iii) any event or circumstance which, to the best of any Loan Party's knowledge, would cause the Agent to consider any such Accounts as no longer constituting Eligible

Accounts. No credit, discount, allowance or extension or agreement for any Eligible Account shall be granted to any account debtor without the Agent's consent, except in the ordinary course of a Loan Party's business in accordance with historical practice. So long as no Event of Default exists or has occurred and is continuing, the Loan Parties shall settle, adjust or compromise any claim, offset, counterclaim or dispute with any account debtor. At any time that an Event of Default exists or has occurred and is continuing, the Agent shall, at its option, have the right to settle, adjust or compromise any claim, offset, counterclaim or dispute with account debtors or grant any credits, discounts or allowances; provided, that (A) the Borrower shall have the right to do any of the foregoing in the ordinary course of business and (B) the Agent shall provide prompt notice to the Company of its election to exercise such option.

(b) With respect to each Eligible Account: (i) the amounts shown on any invoice delivered to the Agent or schedule thereof delivered to the Agent shall be true and complete in all material respects, (ii) payments thereon received by any Loan Party shall be promptly delivered to the Agent pursuant to the terms of this Agreement, (iii) there shall be no setoffs, deductions, contras, defenses, counterclaims or disputes existing or asserted with respect thereto except as reported to the Agent in accordance with the terms of this Agreement, and (iv) none of the transactions giving rise thereto will violate in any material respect any applicable foreign, Federal, State or local laws or regulations, all documentation relating thereto will in all material respects be legally sufficient under such laws and regulations and all such documentation will in all material respects be legally enforceable in accordance with its terms.

(c) The Agent shall have the right, in the Agent's name or in the name of a nominee of the Agent, to verify the validity, amount or any other matter relating to any Receivables or other Collateral, by mail, telephone, facsimile transmission or otherwise; provided, that the Agent shall exercise such right (i) pursuant to up to four verification exercises per year; provided, that if the results of such exercises are not satisfactory to the Agent in its commercially reasonable discretion, the Agent shall be permitted to conduct such additional verification exercises as it deems necessary in its commercially reasonable discretion plus (ii) if (A) an Event of Default shall have occurred and is continuing or (B) Excess Availability is less than $10,000,000, pursuant to such additional verification exercises as reasonably required by the Agent in its commercially reasonable discretion.

7.3 Inventory Covenants.

With respect to the Eligible Inventory: (a) each Loan Party shall at all times maintain inventory records reasonably satisfactory to the Agent (it being understood that records maintained substantially in accordance with historical practice are acceptable to the Agent), keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, such Loan Party's cost therefor and daily withdrawals therefrom and additions thereto; (b) the Loan Parties shall conduct a physical count of the Inventory at least once each year but at any time or times as the Agent may request on or after an Event of Default, and promptly following such physical inventory shall supply the Agent with a report in the form

and with such specificity as may be satisfactory to the Agent concerning such physical count; (c) the Loan Parties shall not remove any Inventory from the locations set forth or permitted herein, except for sales of Inventory in the ordinary course of its business and except to move Inventory directly from one location set forth or permitted herein to another such location and except for Inventory shipped from the manufacturer thereof to such Loan Party which is in transit to the locations set forth or permitted herein unless (i) the Loan Parties shall give notice to the Agent of such removal and (ii) the Loan Parties shall comply with the requirements of Section 9.2 with respect to the new location of such Inventory; (d) the Loan Parties shall permit the Agent to conduct Inventory Appraisals in accordance with the terms of Section 7.7; (e) the Loan Parties shall produce, use, store and maintain the Inventory with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with applicable laws (including the requirements of the Federal Fair Labor Standards Act of 1938, as amended and all rules, regulations and orders related thereto); (f) none of the Inventory or other Collateral constitutes farm products or the proceeds thereof; (g) each Loan Party assumes all responsibility and liability arising from or relating to the production, use, sale or other disposition of the Inventory; (h) the Loan Parties shall not sell Inventory to any customer on approval, or any other basis which entitles the customer to return or may obligate any Loan Party to repurchase such Inventory; (i) the Loan Parties shall keep the Inventory in good and marketable condition; and (j) the Loan Parties shall not, without prior written notice to the Agent or the specific identification of such Inventory in a report with respect thereto provided by the Company to the Agent pursuant to Section 7.1(a) hereof, acquire or accept any Inventory on consignment or approval.

7.4 Equipment Covenants.

Except as could not reasonably be expected to have a Material Adverse Effect, with respect to the Equipment: (a) the Loan Parties shall keep the Equipment in good order, repair, running and marketable condition (ordinary wear and tear excepted); (b) the Equipment is now and shall remain personal property and the Loan Parties shall not permit any of the Equipment to be or become a part of or affixed to real property; (c) each Loan Party assumes all responsibility and liability arising from its use of the Equipment; (d) the Loan Parties shall use the Equipment with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with all applicable laws; and (e) the Equipment is and shall be used in the business of the Loan Parties and not for personal, family, household or farming use.

7.5 Power of Attorney.

Each Loan Party hereby irrevocably designates and appoints the Agent (and all persons designated by the Agent) as such Loan Party's true and lawful attorney-in-fact, and authorizes the Agent, in such Loan Party's or the Agent's name, to: (a) at any time an Event of Default exists or has occurred and is continuing (i) demand payment on Receivables or other Collateral, (ii) enforce payment of Receivables by legal proceedings or otherwise, (iii) exercise all of such Loan Party's rights and remedies to collect any Receivable or other Collateral, (iv) sell or assign any Receivable upon such terms, for such amount and at such time or times as the Agent deems advisable, (v) settle, adjust, compromise, extend or renew an Account, (vi) discharge and release any Receivable, (vii) prepare, file and sign such Loan Party's name on any proof of claim in bankruptcy or other similar document against an account debtor or other obligor in respect of any

Receivables or other Collateral, (viii) notify the post office authorities to change the address for delivery of remittances from account debtors or other obligors in respect of Receivables or other proceeds of Collateral to an address designated by the Agent, and open and dispose of all mail addressed to such Loan Party and handle and store all mail relating to the Collateral; and (ix) do all acts and things which are necessary, in the Agent's determination, to fulfill such Loan Party's obligations under this Agreement and the other Financing Agreements and (b) at any time to (i) take control in any manner of any item of payment in respect of Receivables or other Collateral, in each case received in or for deposit in the Blocked Accounts or otherwise received by the Agent or any Lender, (ii) have access to any lockbox or postal box into which remittances from account debtors or other obligors in respect of Receivables or other proceeds of Collateral are sent or received, (iii) endorse such Loan Party's name upon any items of payment in respect of Receivables or constituting Collateral received by the Agent and any Lender and deposit the same in the Agent's account for application to the Obligations, (iv) endorse such Loan Party's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Receivable or any goods pertaining thereto or any other Collateral, including any warehouse or other receipts, or bills of lading and other negotiable or non-negotiable documents, (v) clear Inventory the purchase of which was financed with a Letter of Credit through U.S. Customs or foreign export control authorities in such Loan Party's name, the Agent's name or the name of the Agent's designee, and to sign and deliver to customs officials powers of attorney in such Loan Party's name for such purpose, and to complete in such Loan Party's or the Agent's name, any order, sale or transaction, obtain the necessary documents in connection therewith and collect the proceeds thereof, and (vi) sign such Loan Party's name on any verification of Receivables and notices thereof to account debtors or any secondary obligors or other obligors in respect thereof. Each Loan Party hereby releases the Agent and the Lenders and their respective officers, employees and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of the Agent's or any Lender's own gross negligence or willful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.

7.6 Right to Cure.

The Agent may, at its option, upon notice to the Company, (a) cure any default by any Loan Party under any material agreement with a third party that affects the Collateral, its value or the ability of the Agent to collect, sell or otherwise dispose of the Collateral or the rights and remedies of the Agent or any Lender therein or the ability of any Loan Party to perform its obligations hereunder or under any of the other Financing Agreements, (b) pay or bond on appeal any judgment entered against any Loan Party, (c) discharge taxes, liens, security interests or other encumbrances at any time levied on or existing with respect to the Collateral and (d) pay any amount, incur any expense or perform any act which, in the Agent's judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of the Agent and the Lenders with respect thereto. The Agent may add any amounts so expended to the Obligations and charge any Borrower's account therefor, such amounts to be repayable by the Borrowers on demand. The Agent and the Lenders shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of any Loan Party. Any payment made or other action taken by the Agent or any Lender under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

7.7 Access to Premises.

From time to time as requested by the Agent (a) the Agent, Agent's designee or any Lender shall have complete access to all of each Loan Party's premises during normal business hours (or at any time if an Event of Default has occurred and is continuing) and after notice to the Company, for the purposes of inspecting, verifying and auditing the Collateral and all of each Loan Party's books and records, including the Records, and (b) each Loan Party shall promptly furnish to the Agent, Agent's designee or any Lender such copies of such books and records or extracts therefrom as such Person may request, and the Agent, Agent's designee or any Lender may use during normal business hours such of any Loan Party's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing and if an Event of Default exists or has occurred and is continuing for the collection of Receivables and realization of other Collateral. The foregoing clauses (a) and (b) shall be (i) during the continuance of an Event of Default, at the cost and expense of the Borrowers and (ii) otherwise, at the Lenders' expense.

Notwithstanding the foregoing terms of this Section, the Agent, in its sole discretion, reserves the right to conduct up to two (2) field exams (at an initial rate of $850 per day, per examiner (subject to periodic adjustment by the Agent in its reasonable discretion), plus reasonable out of pocket expenses) and two Inventory Appraisals per year at the Borrowers' expense and such additional field exams as Inventory Appraisals as the Agent may require in its sole discretion, such additional field exams and Inventory Appraisals to be at the Lenders' expense; provided that such additional field exams and Inventory Appraisals shall be at the Borrowers' expense at any time upon the occurrence and during the continuance of an Event of Default.

SECTION 8

REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to the Agent, the Lenders and the Issuing Bank the following (which shall survive the execution and delivery of this Agreement):

8.1 Corporate Existence, Power and Authority.

Each Loan Party and its Subsidiaries is a corporation, limited liability company or partnership duly organized and in good standing under the laws of its jurisdiction of organization and is duly qualified as a foreign corporation or organization and in good standing in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify could not reasonably be expected to have a Material Adverse Effect. The execution, delivery and performance of this Agreement, the other Financing Agreements and the Transactions (a) are all within each Loan Party's corporate powers, (b) have been duly

authorized, (c) are not in contravention of law (including Regulations T, U and X of the Federal Reserve Board) or the terms of any Loan Party's certificate of incorporation, bylaws, or other organizational documentation (or foreign equivalent), or any indenture, agreement or undertaking to which any Loan Party is a party or by which any Loan Party or its property are bound and (d) will not result in the creation or imposition of, or require or give rise to any obligation to grant, any lien, security interest, charge or other encumbrance upon any property of any Loan Party. This Agreement and the other Financing Agreements to which any Loan Party is a party constitute legal, valid and binding obligations of such Loan Party enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, reorganization or similar law and by general equitable principles.

8.2 Name; State of Organization; Chief Executive Office; Collateral Locations.

(a) The exact legal name of each Loan Party is as set forth on the signature page of this Agreement and in the Information Certificate. No Loan Party has, during the four months prior to the date of this Agreement, been known by or used any other corporate or fictitious name or been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business, except as set forth in the Information Certificate.

(b) Each Loan Party is an organization of the type and organized in the jurisdiction set forth in the Information Certificate. The Information Certificate accurately sets forth the organizational identification number of each Loan Party or accurately states that such Loan Party has none and accurately sets forth the federal employer identification number of each Loan Party.

(c) The chief executive office and mailing address of each Loan Party and each Loan Party's Records concerning Accounts are located only at the address identified as such in Schedule 8.2 to the Information Certificate and its only other places of business and the only other locations of Collateral, if any, are the addresses set forth in Schedule 8.2 to the Information Certificate, subject to the rights of any Loan Party to establish new locations in accordance with Section 9.2 below. The Information Certificate correctly identifies any of such locations which are not owned by a Loan Party and sets forth the owners and/or operators thereof.

8.3 Financial Statements; No Material Adverse Change.

The financial statements delivered pursuant to Section 4.1(o) or Section 9.6 have been prepared in accordance with GAAP (except as to any interim financial statements, to the extent such statements are subject to normal year-end adjustments and do not include any notes) and fairly present in all material respects the financial condition and the results of operation of such Loan Party or its Subsidiaries as at the dates and for the periods set forth therein. Except as disclosed in any interim financial statements furnished by the Loan Parties to the Agent prior to the date of this Agreement, there has been no act, condition or event which has had or could reasonably be expected to have a Material Adverse Effect since the date of the most recent audited financial statements of any Loan Party or its Subsidiaries furnished by any Loan Party to

the Agent prior to the date of this Agreement. The projections dated June 2007 for the fiscal years ending 2007 through 2012 that have been delivered to the Agent or any projections hereafter delivered to the Agent have been prepared in light of the past operations of the businesses of the Loan Parties and their Subsidiaries and are based upon estimates and assumptions stated therein, all of which the Loan Parties have determined to be reasonable and fair in light of the then current conditions and current facts and reflect the good faith and reasonable estimates of the Loan Parties of the future financial performance of the Loan Parties and their Subsidiaries and of the other information projected therein for the periods set forth therein (it being understood that actual results may differ from those set forth in such projected financial statements).

8.4 Priority of Liens; Title to Properties.

Each Loan Party and its Subsidiaries has good, valid and merchantable title to all of its material properties and assets subject to no liens, mortgages, pledges, security interests, encumbrances or charges of any kind, except those granted to the Agent and such others as are specifically listed on Schedule 8.4 to the Information Certificate or permitted under Section 9.8 hereof.

8.5 Tax Returns.

Each Loan Party and Subsidiary thereof has filed, or caused to be filed, in a timely manner all material tax returns, reports and declarations which are required to be filed by it. All information in such tax returns, reports and declarations is complete and accurate in all material respects. Each Loan Party and each of its Subsidiaries has paid or caused to be paid all material taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Loan Party or its applicable Subsidiary and with respect to which adequate reserves have been set aside on its books.

8.6 Litigation.

(a) There is no investigation by any Governmental Authority pending, or to the best of any Loan Party's knowledge threatened, against or affecting any Loan Party or any Subsidiary thereof, its or their respective assets or business and (b) there is no action, suit, proceeding or claim by any Person pending, or to the best of any Loan Party's knowledge threatened, against any Loan Party or any Subsidiary thereof or its or their respective assets or goodwill, or against or affecting any transactions contemplated by this Agreement, in each case, which could reasonably be expected to have a Material Adverse Effect.

8.7 Compliance with Other Agreements and Applicable Laws.

Except as could not reasonably be expected to have a Material Adverse Effect:

(a) The Loan Parties and their Subsidiaries are not in default in any respect under, or in violation in any respect of the terms of, any agreement, contract, instrument, lease or other commitment to which it is a party or by which it or any of its assets are bound. The Loan Parties and their Subsidiaries are in compliance with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority relating to their respective businesses, including, without limitation, those set forth in or promulgated pursuant to the Occupational Safety and Health Act of 1970, as amended, the Fair Labor Standards Act of 1938, as amended, ERISA, the Code, as amended, and the rules and regulations thereunder, and all Environmental Laws.

(b) The Loan Parties and their Subsidiaries have obtained all permits, licenses, approvals, consents, certificates, orders or authorizations of any Governmental Authority required for the lawful conduct of its business (the "Permits"). All of the Permits are valid and subsisting and in full force and effect. There are no actions, claims or proceedings pending or to the best of any Loan Party's knowledge, threatened that seek the revocation, cancellation, suspension or modification of any of the Permits.

8.8 Environmental Compliance.

Except as could not reasonably be expected to have a Material Adverse Effect:

(a) The Loan Parties and their Subsidiaries have not generated, used, stored, treated, transported, manufactured, handled, produced or disposed of any Hazardous Materials, on or off its premises (whether or not owned by it) in any manner which at any time violates any applicable Environmental Law or Permit, and the operations of the Borrowers, the Loan Parties and their Subsidiaries comply with all Environmental Laws and all Permits.

(b) There has been no investigation by any Governmental Authority or any proceeding, complaint, order, directive, claim, citation or notice by any Governmental Authority or any other person nor is any pending or to the best of any Loan Party's knowledge threatened, with respect to any non compliance with or violation of the requirements of any Environmental Law by any Loan Party and any Subsidiary of any Loan Party or the release, spill or discharge, threatened or actual, of any Hazardous Material or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials or any other environmental, health or safety matter.

(c) The Loan Parties and their Subsidiaries have no liability (contingent or otherwise) in connection with a release, spill or discharge, threatened or actual, of any Hazardous Materials or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials.

(d) The Loan Parties and their Subsidiaries have all Permits required to be obtained or filed in connection with the operations of the Loan Parties under any Environmental Law and all of such licenses, certificates, approvals or similar authorizations and other Permits are valid and in full force and effect.

8.9 Employee Benefits.

(a) Except as could not reasonably be expected to have a Material Adverse Effect, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or State law; (ii) each Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service (the "IRS") or is comprised of a master or prototype plan that has received a favorable opinion letter from the IRS and to any Loan Party's knowledge, nothing has occurred which would cause the loss of such qualification; and (iii) each Loan Party and, to its knowledge, its ERISA Affiliates have made all required contributions to any Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Pension Plan.

(b) There are no pending, or to any Loan Party's knowledge, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan, except to the extent such claim, action or lawsuit could not reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan except to the extent such prohibited transaction or violation could not reasonably be expected to have a Material Adverse Effect.

(c) Except as could not reasonably be expected to have a Material Adverse Effect, (i) no ERISA Event has occurred or is reasonably expected to occur; (ii) based on the latest valuation of each Pension Plan and on the actuarial methods and assumptions employed for such valuation (determined in accordance with the assumptions used for funding such Pension Plan pursuant to Section 412 of the Code), the aggregate current value of accumulated benefit liabilities of such Pension Plan under Section 4001(a)(16) of ERISA does not exceed the aggregate current value of the assets of such Pension Plan; (iii) each Loan Party, and, to their knowledge, their ERISA Affiliates, have not incurred and do not reasonably expect to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) each Loan Party, and, to their knowledge, their ERISA Affiliates, have not incurred any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) each Loan Party, and, to their knowledge, their ERISA Affiliates, have not engaged in a transaction that would be subject to Section 4069 or 4212(c) of ERISA. Each Lender, the Agent and each Loan Party hereby agree that, as of the Closing Date, the matters set forth on Schedule 8.9 hereto could not reasonably be expected to have a Material Adverse Effect.

8.10 Bank Accounts.

All of the deposit accounts, investment accounts or other accounts in the name of or used by any Loan Party maintained at any bank or other financial institution are set forth on Schedule 8.10 to the Information Certificate, subject to the right of each Loan Party to establish new accounts in accordance with Section 5.2.

8.11 Intellectual Property.

Each Loan Party and each of their Subsidiaries owns or licenses or otherwise has the right to use all Intellectual Property necessary for the operation of its business as presently conducted or proposed to be conducted. As of the date hereof, the Loan Parties and their Subsidiaries do not have any Intellectual Property, material to the business of the Loan Parties and their Subsidiaries taken as a whole, registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Schedule 8.11 to the Information Certificate and has not granted any licenses with respect thereto other than as set forth in Schedule 8.11 to the Information Certificate. No event has occurred which permits or would permit after notice or passage of time or both, the revocation, suspension or termination of such rights. To the best of any Loan Party's knowledge, no slogan or other advertising device, product, process, method, substance or other Intellectual Property that is material to the business of the Loan Parties and their Subsidiaries taken as a whole or goods bearing or using any such Intellectual Property presently contemplated to be sold by or employed by any Loan Party or any Subsidiary thereof infringes any patent, trademark, servicemark, tradename, copyright, license or other intellectual property owned by any other Person presently and no claim or litigation is pending or threatened against or affecting any Loan Party or any Subsidiary thereof contesting its right to sell or use any such Intellectual Property. Schedule 8.11 to the Information Certificate sets forth all of the agreements or other arrangements of each Loan Party and Subsidiary thereof pursuant to which such Loan Party or Subsidiary has a license or other right to use any trademarks, logos, designs, representations or other Intellectual Property, material to the business of the Loan Parties and their Subsidiaries taken as a whole, owned by another person as in effect on the date hereof and the dates of the expiration of such agreements or other arrangements of such Loan Party or Subsidiary as in effect on the date hereof (collectively, together with such agreements or other arrangements as may be entered into by any Loan Party or Subsidiary after the date hereof, collectively, the "License Agreements" and individually, a "License Agreement"). No trademark, servicemark, copyright or other Intellectual Property at any time used by any Loan Party or Subsidiary thereof which is material to the business of the Loan Parties and their Subsidiaries taken as a whole and owned by another person, or owned by such Loan Party or Subsidiary subject to any security interest, lien, collateral assignment, pledge or other encumbrance in favor of any person other than the Agent, is affixed to any Eligible Inventory, except (a) to the extent permitted under the term of the license agreements listed on Schedule 8.11 to the Information Certificate and (b) to the extent the sale of Inventory to which such Intellectual Property is affixed is permitted to be sold by such Loan Party or Subsidiary under applicable law (including the United States Copyright Act of 1976).

8.12 Subsidiaries; Affiliates; Capitalization; Solvency.

(a) As of the Closing Date, no Loan Party has any direct or indirect Subsidiaries or Affiliates nor is engaged in any joint venture or partnership except as set forth in Schedule 8.12 to the Information Certificate.

(b) As of the Closing Date, each Loan Party is the record and beneficial owner of all of the issued and outstanding shares of Capital Stock of each of the Subsidiaries listed on Schedule 8.12 to the Information Certificate as being owned by such Loan Party. As of and after the Closing Date, there are no proxies, irrevocable or otherwise, with respect to such shares and no equity securities of any of the Subsidiaries are or may become required to be issued by reason of any options, warrants, rights to subscribe to, calls or commitments of any kind or nature and there are no contracts, commitments, understandings or arrangements by which any Subsidiary is or may become bound to issue additional shares of it Capital Stock or securities convertible into or exchangeable for such shares.

(c) As of the Closing Date, the issued and outstanding shares of Capital Stock of each Loan Party and each Subsidiary thereof are directly and beneficially owned and held by the persons indicated in the Information Certificate, and in each case all of such shares have been duly authorized and are fully paid and non-assessable, free and clear of all claims, liens, pledges and encumbrances of any kind, except as disclosed in writing to the Agent prior to the date hereof. As of the Closing Date, the issued and outstanding shares of Capital Stock of Holdings are directly and beneficially owned and held by the persons indicated in the Information Certificate.

(d) Each Loan Party is Solvent as of the Closing Date.

8.13 Labor Disputes.

(a) Set forth on Schedule 8.13 to the Information Certificate is a list (including dates of termination) of all collective bargaining or similar agreements between or applicable to each Loan Party and Subsidiaries thereof and any union, labor organization or other bargaining agent in respect of the employees of any Loan Party or Subsidiary thereof on the date hereof.

(b) (i) Except as could not reasonably be expected to have a Material Adverse Effect, there is no unfair labor practice complaint pending against any Loan Party or Subsidiary thereof or, to the best of any Loan Party's knowledge, threatened against it, before the National Labor Relations Board, and no significant grievance or significant arbitration proceeding arising out of or under any collective bargaining agreement is pending on the date hereof against any Loan Party or Subsidiary thereof or, to best of any Loan Party's knowledge, threatened against it, and (ii) as of the Closing Date, no significant strike, labor dispute, slowdown or stoppage is pending against any Loan Party or Subsidiary thereof or, to the best of any Loan Party's knowledge, threatened against any Loan Party or Subsidiary thereof.

8.14 Restrictions on Subsidiaries.

Except for restrictions contained in this Agreement, any other agreement with respect to Indebtedness of any Loan Party permitted hereunder as in effect on the date hereof or any other agreement permitted under Section 9.15, there are no contractual or consensual restrictions on any Loan Party or any of its Subsidiaries which prohibit or otherwise restrict (a) the transfer of cash or other assets (i) between any Loan Party and any of its or their Subsidiaries or (ii) between any Subsidiaries of any Loan Party or (b) the ability of any Loan Party or any of its or their Subsidiaries to incur Indebtedness or grant security interests to the Agent or any Lender in the Collateral.

8.15 Payable Practices.

No Loan Party or any Subsidiary thereof has made any material change in the historical accounts payable practices from those in effect immediately prior to the date hereof that is adverse to the interests of the Lenders, unless approved by the Agent.

8.16 Accuracy and Completeness of Information.

All information (other than projections and forecasts) furnished in writing by or on behalf of any Loan Party or any Subsidiary thereof in writing to the Agent or any Lender in connection with this Agreement or any of the other Financing Agreements or any transaction contemplated hereby or thereby, including all information on the Information Certificate is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. All projections and forecasts furnished in writing by or on behalf of any Loan Party or any Subsidiary thereof in writing to the Agent or any Lender in connection with this Agreement or any of the other Financing Agreements or any transaction contemplated hereby or thereby have been prepared in good faith based upon reasonable assumptions (it being understood that actual results may differ from those set forth in such projected financial statements). As of the Closing Date, no event or circumstance has occurred which has had or could reasonably be expected to have a Material Adverse Affect, which has not been fully and accurately disclosed to the Agent in writing prior to the date hereof.

8.17 Survival of Warranties; Cumulative.

All representations and warranties contained in this Agreement or any of the other Financing Agreements shall survive the execution and delivery of this Agreement and shall be deemed to have been made again to the Agent and the Lenders on the date of each additional borrowing or other credit accommodation hereunder as though made on and as of such date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate as of such earlier date) and shall be conclusively presumed to have been relied on by the Agent and the Lenders regardless of any investigation made or information possessed by the Agent or any Lender. The representations and warranties set forth herein shall be cumulative and in addition to any other representations or warranties which any Loan Party shall now or hereafter give, or cause to be given, to the Agent or any Lender.

8.18 Investment Company Act.

No Loan Party or any Subsidiary thereof is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party or any Subsidiary thereof is a subject to regulation under the Federal Power Act, the Interstate Commerce Act, or any federal or state statute or regulation limiting its ability to incur the Obligations.

8.19 Brokers' Fees.

None of the Loan Parties or their Subsidiaries has any obligation to any Person in respect of any finder's, broker's, investment banking or other similar fee in connection with the Financing Agreements other than the closing and other fees payable pursuant to this Agreement and as set forth in the Fee Letter.

8.20 Security Documents.

This Agreement and the Security Documents create valid security interests in, and liens on, the Collateral purported to be covered thereby. Except as set forth herein and in the Security Documents, such security interests and liens are currently (or will be, upon (a) the filing of appropriate financing statements with the Secretary of State of the state of incorporation or organization for each Loan Party, the filing of appropriate assignments or notices with the United States Patent and Trademark Office and the United States Copyright Office, in each case in favor of the Agent, on behalf of itself, the Agent and the Lenders, and (b) the Agent (or the Control Agent) obtaining Control (as defined in the Security Agreement) or possession over those items of Collateral in which a security interest is perfected through Control or possession) perfected security interests and liens, prior to all other liens other than Permitted Liens.

8.21 Classification of Senior Indebtedness.

The Obligations constitute "Senior Debt", "Senior Indebtedness", "Designated Senior Indebtedness" or any similar designation under and as defined in any agreement governing any Subordinated Debt and the subordination provisions set forth in each such agreement are legally valid and enforceable against the parties thereto.

8.22 Anti-Terrorism Laws.

No Loan Party or any of their Subsidiaries is an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 *et seq*.), as amended. No Loan Party or any of their Subsidiaries is in violation of (a) the Trading with the Enemy Act, as amended, (b) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or (c) the Patriot Act. No Loan Party or any of their Subsidiaries (i) is a blocked person described in Section 1 of the Anti-Terrorism Order or (ii) to the best of its knowledge, engages in any dealings or transactions, or is otherwise associated, with any such blocked person.

8.23 Compliance with OFAC Rules and Regulations.

None of the Loan Parties or their Subsidiaries or their respective Affiliates (a) is a Sanctioned Person, (b) has more than 15% of its assets in Sanctioned Countries, or (c) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. To the knowledge of the Loan Parties, no part of the proceeds of any Extension of Credit hereunder will be used directly or indirectly to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country.

8.24 Compliance with FCPA.

Each of the Loan Parties and their Subsidiaries are in compliance with the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq.*, and any foreign counterpart thereto. None of the Loan Parties or their Subsidiaries has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or any candidate for foreign political office, and (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to such Loan Party or its Subsidiary or to any other Person, in violation of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq.*

8.25 Consummation of Acquisition.

The Acquisition and related transactions have been consummated substantially in accordance with the terms of the Acquisition Documents as of the Closing Date. As of the Closing Date, the Acquisition Documents have not been altered, amended or otherwise modified or supplemented in any material respect or any material condition thereof waived without the prior written consent of the Agent. As of the Closing Date, each of the representations and warranties made in the Acquisition Documents by the Loan Parties and their Subsidiaries or, to the best knowledge of the Loan Parties, made by any third party is true and correct in all material respects.

8.26 Insurance.

The insurance coverage of the Loan Parties and their Subsidiaries as of the Closing Date is outlined as to carrier, policy number, expiration date, type and amount on Schedule 8.26 and such insurance coverage complies with the requirements set forth in Section 9.5.

SECTION 9

AFFIRMATIVE AND NEGATIVE COVENANTS

9.1 Maintenance of Existence.

(a) Each Loan Party shall, and shall cause any Subsidiary to, at all times preserve, renew and keep in full force and effect its organizational existence. Except as could not reasonably be expected to have a Material Adverse Effect, each Loan Party shall, and shall cause any Subsidiary to, at all times preserve, renew and keep in full force and effect its rights and franchises with respect thereto and maintain in full force and effect all licenses, trademarks, tradenames, approvals, authorizations, leases, contracts and Permits necessary to carry on the business as presently or proposed to be conducted, except, with respect to any Guarantor, as permitted in Section 9.7 hereto.

(b) No Loan Party shall change its name unless each of the following conditions is satisfied: (i) the Agent shall have received not less than ten (10) days' (or such lesser number of days as may be agreed in writing by the Agent) prior written notice from the Company of such proposed change in a Loan Party's corporate name, which notice shall accurately set forth the new name; (ii) the Agent shall have received a copy of the amendment to the Certificate of Incorporation (or foreign equivalent) of such Loan Party providing for the name change certified by the Secretary of State of the jurisdiction of incorporation or organization of such Loan Party as soon as it is available; and (iii) such Loan Party has taken such action, satisfactory to the Agent, as may be necessary to maintain at all times the priority of the security interest in the Collateral.

(c) No Loan Party shall change its chief executive office or its mailing address or organizational identification number (or if it does not have one, shall not acquire one) unless the Agent shall have received not less than ten (10) days' (or such lesser number of days as may be agreed in writing by the Agent) prior written notice from the Company of such proposed change, which notice shall set forth such information with respect thereto as the Agent may require and the Agent shall have received such agreements as the Agent may reasonably require in connection therewith. No Loan Party shall change its type of organization, jurisdiction of organization or other legal structure; provided that any Loan Party may convert into a Delaware limited liability company.

9.2 New Collateral Locations.

Each Loan Party may only open any new location where Priority Collateral is located within the continental United States provided such Loan Party (a) gives the Agent ten (10) Business Days (or such shorter period as approved by the Agent) prior written notice of the intended opening of any such new location and (b) executes and delivers, or causes to be executed and delivered, to the Agent such agreements, documents, and instruments as the Agent may deem reasonably necessary or desirable to protect its interests in the Collateral at such location.

9.3 Compliance with Laws, Regulations, Etc.

(a) Except as could not reasonably be expected to have a Material Adverse Effect, each Loan Party shall, and shall cause any Subsidiary to, at all times, comply in all material respects with all laws, rules, regulations, licenses, approvals, orders and other Permits applicable to it and duly observe all requirements of any foreign, Federal, State or local Governmental Authority.

(b) The Loan Parties shall give written notice to the Agent promptly upon any Loan Party's receipt of any notice of, or any Loan Party otherwise obtaining knowledge of, (i) the occurrence of any event involving the release, spill or discharge, threatened or actual, of any Hazardous Material or (ii) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (A) any non-compliance with or violation of any Environmental Law by any Loan Party or any Subsidiary thereof or (B) the release, spill or discharge, threatened or actual, of any Hazardous Material other than in the ordinary course of business and other than as permitted under any applicable Environmental Law. Copies of all environmental surveys, audits, assessments, feasibility studies and results of remedial investigations shall be promptly furnished, or caused to be furnished, by such Loan Party to the Agent. Each Loan Party shall, and shall cause each Subsidiary to, take prompt action to respond to any material non-compliance with any of the Environmental Laws and shall regularly report to the Agent on such response.

(c) Without limiting the generality of the foregoing, whenever the Agent reasonably determines that there is non-compliance, or any condition which requires any action by or on behalf of any Loan Party or any Subsidiary thereof in order to avoid any non-compliance, with any Environmental Law, the Borrowers shall, at the Agent's request and the Borrowers' expense: (i) cause an independent environmental engineer reasonably acceptable to the Agent to conduct such tests of the site where non-compliance or alleged non compliance with such Environmental Laws has occurred as to such non-compliance and prepare and deliver to the Agent a report as to such non-compliance setting forth the results of such tests, a proposed plan for responding to any environmental problems described therein, and an estimate of the costs thereof and (ii) provide to the Agent a supplemental report of such engineer whenever the scope of such non-compliance, or such Loan Party's response thereto or the estimated costs thereof, shall change in any material respect.

(d) Each Loan Party shall indemnify and hold harmless the Agent and the Lenders and their respective directors, officers, employees, agents, invitees, representatives, successors and assigns, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses) directly or indirectly arising out of or attributable to the use, generation, manufacture, reproduction, storage, release, threatened release, spill, discharge, disposal or presence of a Hazardous Material, including the costs of any required or necessary repair, cleanup or other remedial work with respect to any property of any Loan Party or any Subsidiary thereof and the preparation and implementation of any closure, remedial or other required plans. All representations, warranties, covenants and indemnifications in this Section 9.3 shall survive the payment of the Obligations and the termination of this Agreement.

9.4 Payment of Taxes and Claims.

Each Loan Party shall, and shall cause any Subsidiary to, duly pay and discharge all material taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except for taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Loan Party or Subsidiary, as the case may be, and with respect to which adequate reserves have been set aside on its books to the extent required by GAAP.

9.5 Insurance.

(a) Subject, in the case of Silica-Related Claims, to the terms of Section 9.5(b) below, each Loan Party shall, and shall cause any Subsidiary to, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by organizations of established reputation engaged in the same or similar businesses and similarly situated (including, without limitation, liability and business interruption insurance). Said policies of insurance shall be reasonably satisfactory to the Agent as to form, amount and insurer (it being acknowledged and agreed that insurance policies substantially consistent with those in place as of the Closing Date are satisfactory to the Agent). The Loan Parties shall furnish certificates, policies or endorsements to the Agent or the Control Agent as the Agent shall reasonably require as proof of such insurance, and, if any Loan Party fails to do so, the Agent is authorized, but not required, to obtain such insurance at the expense of the Borrowers. All policies shall provide for at least thirty (30) days prior written notice to the Agent or the Control Agent of any cancellation or reduction of coverage and that the Agent or the Control Agent may act as attorney-in-fact for each Loan Party in obtaining, and at any time an Event of Default exists or has occurred and is continuing, adjusting, settling, amending and canceling such insurance. The Loan Parties shall cause the Agent or the Control Agent to be named as a mortgagee's and lender's loss payee and an additional insured (but without any liability for any premiums) under such insurance policies and the Loan Parties shall obtain non-contributory lender's loss payable endorsements to all insurance policies in form and substance satisfactory to the Agent. Such lender's loss payable endorsements shall specify that the proceeds of such insurance shall be payable to the Agent or the Control Agent as its interests may appear and further specify that the Agent or the Control Agent shall be paid regardless of any act or omission by any Loan Party or any of its or their Affiliates. Subject to the reinvestment provisions of Section 2.1(f)(i), without limiting any other rights of the Agent, the Control Agent or the Lenders, any insurance proceeds related to ABL Collateral received by the Agent or the Control Agent at any time may be applied to payment of the Obligations, whether or not then due, in any order and in such manner as the Agent may determine. Upon application of such proceeds to the Revolving Loans, Revolving Loans may be available subject and pursuant to the terms hereof to be used for the costs of repair or

replacement of the Collateral lost or damages resulting in the payment of such insurance proceeds. Any proceeds of insurance and any awards for condemnation of any Collateral shall be paid to the Control Agent for distribution in accordance with the terms of the ABL Intercreditor Agreement.

(b) Notwithstanding the terms of Section 9.5(a) to the contrary, with respect to Silica-Related Claims, the only insurance which the Loan Parties and their Subsidiaries shall be required to maintain shall be the insurance evidenced by those insurance policies in existence on the Closing Date and listed by general description on Schedule 8.26 hereto in which the Loan Parties are named as insured (or additional insured), either directly or indirectly or as successor-in-interest to, or assignee of, ITT, U.S. Borax Company, Pennsylvania Glass Sand Corporation or Ottawa Silica Company, in respect of Silica-Related-Claims (the "Silica-Related Claims Policies"). In regard thereto, the Loan Parties will (i) continue to keep all such policies in full force and effect at all times hereafter and (ii) notify the Agent promptly, but in any event within five (5) Business Days after receiving any notice or knowledge of any actual, pending or threatened termination or cancellation or denial of coverage thereunder.

9.6 Financial Statements and Other Information.

(a) Each Loan Party shall, and shall cause any Subsidiary to, keep proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to the Collateral and the business of such Loan Party and its Subsidiaries in accordance with GAAP. The Loan Parties shall promptly furnish to the Agent and the Lenders all such financial and other information as the Agent shall reasonably request relating to the Collateral and the assets, business and operations of the Loan Parties and their Subsidiaries, and the Loan Parties shall notify the auditors and accountants of the Loan Parties and their Subsidiaries that the Agent is authorized to obtain such information directly from them; provided, that the Agent shall not solicit such information from the auditors and accountants of the Loan Parties unless such information is not furnished reasonably promptly by the Loan Parties upon request therefor by the Agent and the Agent has notified the Company that it intends to solicit such information from the Loan Parties' auditors and accountants. Without limiting the foregoing, the Loan Parties shall furnish or cause to be furnished to the Agent (which shall promptly furnish to the Lenders), the following:

(i) within ninety (90) days after the end of each fiscal year (or such earlier date if required by the Securities Exchange Commission), audited consolidated financial statements of the Loan Parties and their Subsidiaries (including in each case balance sheets, statements of income and loss, statements of cash flow and statements of shareholders' equity), and the accompanying notes thereto, all in reasonable detail, fairly presenting in all material respects the financial position and the results of the operations of the Loan Parties and their Subsidiaries as of the end of and for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, together with (I) a compliance certificate substantially in the form of Exhibit C hereto (a

"Compliance Certificate"), along with a schedule in form reasonably satisfactory to the Agent of the calculations used in determining whether the Loan Parties were in compliance with the covenant set forth in Section 9.16 of this Agreement on the last day of such fiscal year to the extent then applicable, (II) the opinion of independent certified public accountants, unqualified as to scope of audit, with respect to the audited consolidated financial statements, which accountants shall be an independent accounting firm of nationally recognized standing selected by the Company, that such audited consolidated financial statements have been prepared in accordance with GAAP, and present fairly in all material respects the results of operations and financial condition of the Loan Parties and their Subsidiaries as of the end of and for the fiscal year then ended, and (III) all management letters delivered to management of the Loan Parties or their Subsidiaries by such accountants.

(ii) Within forty-five (45) days after the end of each fiscal quarter (or such earlier date if required by the Securities Exchange Commission), quarterly unaudited consolidated financial statements (including (1) in each case balance sheets, statements of income and loss and statements of cash flow and (2) in the case of the end of the second and fourth fiscal quarters of the Company, statements of shareholders' equity), all in reasonable detail, fairly presenting in all material respects the financial position and the results of the operations of the Loan Parties and their Subsidiaries as of the end of and through such fiscal quarter, in each case setting forth in comparative form consolidated figures for the corresponding period or periods of the preceding fiscal year, certified to be correct by the chief financial officer of the Company, subject to normal year-end adjustments and accompanied by a Compliance Certificate, along with (A) a schedule in form reasonably satisfactory to the Agent of the calculations used in determining whether the Loan Parties were in compliance with the covenant set forth in Section 9.16 of this Agreement on the last day of such quarter to the extent then applicable and (B) an update on material developments in the status of ongoing silica-related litigation matters involving the Loan Parties and their Subsidiaries.

(iii) As soon as available and in any event within thirty (30) days after the end of each month, monthly unaudited consolidated financial statements (including balance sheets, statements of income and loss and statements of cash flow), all in reasonable detail, fairly presenting in all material respects the financial position and the results of the operations of (A) the Loan Parties and their Subsidiaries and (B) the Company and its Subsidiaries, in each case as of the end of and through such month and setting forth in comparative form consolidated figures for the corresponding period or periods of the preceding fiscal year, certified to be correct by the chief financial officer of the Company, subject to normal year-end adjustments and accompanied by a Compliance Certificate.

(iv) At such time as available, but in no event later than the end of each fiscal year, projected consolidated financial statements (including in each case, forecasted balance sheets, statements of income and loss, statements of cash flow and monthly Borrowing Base availability) of the Loan Parties and their Subsidiaries for the next fiscal year, all in reasonable detail, and in a format consistent with the projections delivered by the Loan Parties to the Agent prior to the date hereof, together with such supporting information as the Agent may reasonably request. Such projected financial statements shall be prepared on a monthly basis for the next succeeding year. Such projections shall have been prepared on the basis of the assumptions set forth therein which the Loan Parties believe are fair and reasonable as of the date of preparation in light of then current business conditions (it being understood that actual results may differ from those set forth in such projected financial statements). At any time a Default or Event of Default has occurred and is continuing, the Loan Parties shall provide to the Agent updates with respect to such projections as frequently as the Agent may require.

(b) The Loan Parties shall promptly notify the Agent (which shall promptly notify the Lenders) in writing of the details of (i) any loss, damage, investigation, action, suit, proceeding or claim relating to Collateral having a value of more than $500,000 or which if adversely determined could reasonably be expected to have a Material Adverse Effect, (ii) any order, judgment or decree in excess of $500,000 shall have been entered against any Loan Party, any of its Subsidiaries or any of its or their properties or assets, (iii) any notification of violations of laws or regulations received by any Loan Party or any Subsidiary which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (iv) the occurrence of any ERISA Event which could reasonably be expected to have a Material Adverse Effect, (v) the occurrence of any Default or Event of Default of which any Loan Party is aware, and in any event within five Business Days, (vi) any event of default or material breach under any contractual obligation of any Loan Party or any of their Subsidiaries which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or any event of default or material breach under any Indebtedness in a principal amount in excess of $1,000,000; (vii) any litigation or investigation or proceeding known to any Loan Party (A) affecting any Loan Party or any of its Subsidiaries which, if adversely determined, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (B) affecting or with respect to this Agreement or any other Financing Agreement or (C) involving an environmental claim or potential liability under Environmental Laws in excess of $500,000; and (viii) any other development or event which could reasonably be expected to have a Material Adverse Effect.

(c) Promptly after the sending or filing thereof, the Loan Parties shall send to the Agent (which shall promptly furnish to the Lenders) copies of (i) all reports and registration statements which the Loan Parties or any of their Subsidiaries files with the Securities Exchange Commission, any national or foreign securities exchange or the National Association of Securities Dealers, Inc., and such other reports as the Agent may hereafter specifically identify to the Loan Parties that the Agent will require be provided to the Agent, (ii) all press releases and (iii) all other statements concerning material changes or developments in the business of a Loan Party or any Subsidiary thereof made available by any Loan Party or Subsidiary to the public.

(d) The Loan Parties shall furnish or cause to be furnished to the Agent (which shall promptly furnish to the Lenders) such other information respecting the Collateral and the business of the Loan Parties and their Subsidiaries, as the Agent may from time to time reasonably request. Subject to Section 13.5, the Agent is hereby authorized to deliver a copy of any financial statement or any other information relating to the business of the Loan Parties and their Subsidiaries to any court or other Governmental Authority or to any Lender or Participant or prospective Lender or Participant or any Affiliate of any Lender or Participant. Each Loan Party hereby irrevocably authorizes and directs all accountants or auditors to deliver to the Agent, at the Borrowers' expense, copies of the financial statements of any Loan Party or any Subsidiary thereof and any reports or management letters prepared by such accountants or auditors on behalf of any Loan Party or Subsidiary and to disclose to the Agent and the Lenders such information as they may have regarding the business of any Loan Party or Subsidiary; provided, that the Agent shall not solicit such information from the auditors and accountants of the Loan Parties unless such information is not furnished reasonably promptly by the Loan Parties upon request therefor by the Agent and the Agent has notified the Company that it intends to solicit such information from the Loan Parties' auditors and accountants.

9.7 Sale of Assets, Consolidation, Merger, Dissolution, Etc.

Each Loan Party shall not, and shall not permit any Subsidiary to, directly or indirectly,

(a) merge into or with or consolidate with any other Person or permit any other Person to merge into or with or consolidate with it except that any wholly-owned domestic Subsidiary of the Parent may merge with and into or consolidate with any other wholly-owned Domestic Subsidiary of the Parent; provided, that each of the following conditions is satisfied: (i) the Agent shall have received not less than ten (10) Business Days' (or such shorter period of time as agreed to by the Agent) prior written notice of the intention of such Subsidiaries to so merge or consolidate, which notice shall set forth in reasonable detail, the Persons that are merging or consolidating, which Person will be the surviving entity, the locations of the assets of the Persons that are merging or consolidating (to the extent there is a change in the location of such assets), and the material agreements and documents relating to such merger or consolidation; (ii) the surviving corporation shall expressly confirm, ratify and assume the Obligations and the Financing Agreements to which either Subsidiary is a party in writing, in form and substance reasonably satisfactory to the Agent, and the Loan Parties shall execute and deliver such other agreements, documents and instruments as the Agent may reasonably request in connection therewith; and (iii) if a Borrower is a party to such merger or consolidation, then such Borrower shall be the surviving corporation of such merger or consolidation;

(b) sell, issue, assign, lease, license, transfer or otherwise dispose of any Capital Stock or Indebtedness (including by governmental condemnation or taking) to any other Person or any of its assets or property to any other Person except for

(i) sales of Inventory in the ordinary course of business;

(ii) the sale or other disposition of Equipment so long as such sales or other dispositions do not involve Equipment having an aggregate fair market value in excess of $1,000,000 for all such Equipment disposed of in any fiscal year of the Company or as the Agent may otherwise agree;

(iii) (A) the sale or other disposition of worn-out or obsolete Equipment or Equipment no longer used or useful in the business of any Loan Party or (B) the trade-in of Equipment in the ordinary course of business;

(iv) (A) the issuance and sale by any Loan Party of Capital Stock of such Loan Party to a Loan Party and (B) the issuance and sale by the Parent of Capital Stock of the Parent; provided, that all of the proceeds of any sale and issuance of Capital Stock by the Parent shall be paid to the Agent or the Control Agent to the extent required by, and for application in accordance with, the terms hereof and the terms of the ABL Intercreditor Agreement;

(v) Recovery Events (including any governmental condemnation or taking which does not result in a condemnation award);

(vi) the sale, lease or transfer of property or assets between or among any Borrower and any Guarantor (other than the Parent);

(vii) the sale of defaulted receivables (other than Eligible Accounts) in the ordinary course of business not to exceed $500,000 in the aggregate in any fiscal year;

(viii) the sale or other disposition of real property so long as such sales or other dispositions do not involve real property having an aggregate fair market value in excess of $2,000,000 for all such real property disposed of in any fiscal year of the Company or as the Agent may otherwise agree; and

(ix) the sale, lease or transfer of property or assets (other than Priority Collateral) not to exceed $500,000 in the aggregate in any fiscal year.

provided, that (A) with respect to clauses (i), (ii) and (ix) above, in each case at least 75% of the consideration received therefor by such Loan Party or any such Subsidiary is in the form of cash or Cash Equivalents, and (B) with respect to clauses (ii) and (ix) above, in each case no Default or Event of Default then exists or shall result from such asset disposition; provided, further, that with respect to sales of assets permitted hereunder only, the Agent shall be entitled, without the consent of the Required Lenders, to release the Agent's (or the Control Agent's) liens relating to the particular assets sold;

(c) wind up, liquidate or dissolve except that any Loan Party (other than the Parent or a Borrower) may wind up, liquidate and dissolve; provided, that, each of the following conditions is satisfied, (i) effective upon such winding up, liquidation or dissolution, all of the assets and properties of such Guarantor shall be duly and validly transferred and assigned to a Loan Party free and clear of any liens, restrictions or encumbrances other than the security interest and liens of the Agent and the Control Agent (and the Agent shall have received such evidence thereof as the Agent may reasonably require) and the Agent shall have received such deeds, assignments or other agreements as the Agent may reasonably request to evidence and confirm the transfer of such assets of such Guarantor to such Loan Party and (ii) as of the date of such winding up, liquidation or dissolution and after giving effect thereto, no Default or Event of Default shall exist or have occurred; or

(d) agree to do any of the foregoing, other than agreements entered into to effect a sale by the Sponsor of the business of the Loan Parties and their Subsidiaries; provided, that any such agreement shall contemplate the termination of the facilities hereunder and the repayment of all Obligations upon the consummation of such sale.

9.8 Encumbrances.

Each Loan Party shall not, and shall not permit any Subsidiary to, create, incur, assume or suffer to exist any security interest, mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on any of its assets or properties, including the Collateral, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any security interest or lien with respect to any such assets or properties, except ("Permitted Liens"):

(a) the security interests and liens of the Agent and the Control Agent for itself and the benefit of the Agent, the Issuing Bank, Lenders, Bank Product Providers and Hedging Agreement Providers;

(b) liens securing the payment of taxes, assessments or other governmental charges or levies either not yet overdue or the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Loan Party or Subsidiary, as the case may be and with respect to which adequate reserves have been set aside on its books;

(c) non-consensual statutory liens (other than liens securing the payment of taxes) arising in the ordinary course of such Loan Party's or Subsidiary's business to the extent: (i) such liens secure Indebtedness which is not overdue or (ii) such liens secure Indebtedness relating to claims or liabilities which are fully insured and being defended at the sole cost and expense and at the sole risk of the insurer or being contested in good faith by appropriate proceedings diligently pursued and available to such Loan Party or such Subsidiary, in each case prior to the commencement of foreclosure or other similar proceedings and with respect to which adequate reserves have been set aside on its books;

(d) zoning restrictions, easements, licenses, covenants and other restrictions affecting the use of Real Property which do not interfere in any material respect with the use of such Real Property or ordinary conduct of the business of such Loan Party or such Subsidiary as presently conducted thereon or materially impair the value of the Real Property which may be subject thereto;

(e) purchase money security interests in Equipment (including Capital Leases) and purchase money mortgages on Real Property to secure Indebtedness permitted under Section 9.9(d) hereof;

(f) pledges and deposits of cash by any Loan Party after the date hereof in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security benefits consistent with the current practices of such Loan Party as of the date hereof;

(g) pledges and deposits of cash by any Loan Party after the date hereof to secure the performance of tenders, bids, leases, trade contracts (other than for the repayment of Indebtedness for borrowed money), statutory obligations and other similar obligations in each case in the ordinary course of business consistent with the current practices of such Loan Party as of the date hereof; provided, that, in connection with any performance bonds issued by a surety or other person, the issuer of such bond shall have waived in writing any rights in or to, or other interest in, any of the Collateral in an agreement, in form and substance satisfactory to the Agent;

(h) liens arising from (i) operating leases and the precautionary UCC financing statement filings in respect thereof and (ii) equipment or other materials which are not owned by any Loan Party located on the premises of such Loan Party (but not in connection with, or as part of, the financing thereof) from time to time in the ordinary course of business and consistent with current practices of such Loan Party and the precautionary UCC financing statement filings in respect thereof;

(i) judgments and other similar liens arising in connection with court proceedings that do not constitute an Event of Default, provided, that, (i) a stay of enforcement of any such liens is in effect and (ii) the Agent may establish a Reserve with respect thereto;

(j) the security interests and liens set forth on Schedule 8.4 to the Information Certificate and extensions and renewals thereof; provided that (i) no such lien shall at any time be extended to cover property or assets other than the property or assets subject thereto on the Closing Date and improvements thereon and (ii) the principal amount of the Indebtedness secured by such Lien shall not be extended, renewed, refunded or refinanced except to the extent permitted under Section 9.9(c);

(k) liens securing the Term Loan Obligations, so long as the ABL Intercreditor Agreement or a replacement intercreditor agreement reasonably satisfactory to the Agent and the Required Lenders is in effect;

(l) liens in favor of any escrow agent or a seller solely on and in respect of any cash earnest money deposits made by the Loan Parties or any of their Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(m) licenses of patents, trademarks and other Intellectual Property rights granted by the Loan Parties or any of their Subsidiaries in the ordinary course of business and not interfering in any material respect with the ordinary conduct of the business of such Loan Party or Subsidiary;

(n) Liens that are contractual rights of set-off arising in the ordinary course of business (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Loan Parties or their Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of such Loan Party or its Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Loan Parties or their Subsidiaries in the ordinary course of business;

(o) prepayments and other credits to suppliers made in the ordinary course of business;

(p) liens arising from deposits and/or escrows to be applied in satisfaction of the Existing Subordinated Notes;

(q) liens arising from amounts on deposit in the Hanson Escrow Account (as defined in Section 9.11(j)) in an aggregate amount not to exceed $1,500,000 at any time outstanding;

(r) liens securing Indebtedness permitted pursuant to Section 9.9(k); and

(s) Permitted Encumbrances (as defined in the Mortgages);

(t) leases or subleases permitted pursuant to Section 9.7;

(u) liens and other interests of lessor in respect of rental obligations under mining leases entered into by the Loan Parties and their Subsidiaries, as lessee in the ordinary course of business; and

(v) other Liens securing Indebtedness in an aggregate amount not to exceed $1,000,000 at any time outstanding.

9.9 Indebtedness.

Each Loan Party shall not, and shall not permit any Subsidiary to, incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any Indebtedness, or guarantee, assume, endorse, or otherwise become responsible for (directly or indirectly), the Indebtedness, performance, obligations or dividends of any other Person, except:

(a) the Obligations;

(b) the First Lien Term Loan Obligations and Second Lien Term Loan Obligations of the Company in an aggregate principal amount not to exceed the Maximum First Lien Indebtedness Amount and the Maximum Second Lien Indebtedness Amount, respectively, and renewals, refinancings or extensions thereof in whole or in part (provided, that the outstanding principal amount of the First Lien Term Loan Obligations and Second Lien Term Loan Obligations, as applicable, is not increased (other than on account of accrued interest, premium and fees and expenses) at the time of such renewal, refinancing or extension), so long as the ABL Intercreditor Agreement or a replacement intercreditor agreement satisfactory to the Agent and the Required Lenders is in effect;

(c) Indebtedness of the Loan Parties and their Subsidiaries existing as of the Closing Date as referenced in the financial statements delivered to the Agent and as set out more specifically in Schedule 9.9 to the Information Certificate and renewals, refinancings or extensions thereof; provided, that (i) the outstanding principal amount of such Indebtedness is not increased (other than on account of accrued interest, premium and fees and expenses) at the time of such renewal, refinancing or extension and (ii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any renewal, refinancing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such renewal, refinancing or extending Indebtedness does not exceed the then applicable market interest rate;

(d) (i) purchase money Indebtedness (including Capital Leases and seller notes in connection with a Permitted Acquisition) arising after the date hereof to the extent secured by purchase money security interests in Equipment (including Capital Leases) and purchase money mortgages on Real Property not to exceed $5,000,000 in the aggregate at any time outstanding so long as such security interests and mortgages do not apply to any property of such Loan Party or Subsidiary other than the Equipment or Real Property so acquired, and the Indebtedness secured thereby does not exceed the cost of the Equipment or Real Property so acquired, as the case may be and (ii) Subordinated Debt consisting of seller notes issued in connection with a Permitted Acquisition not to exceed $10,000,000 in the aggregate at any time outstanding;

(e) unsecured intercompany Indebtedness (i) among the Loan Parties; provided that any such Indebtedness shall be (A) fully subordinated to the Obligations hereunder on terms reasonably satisfactory to the Agent and (B) evidenced by promissory notes which shall be pledged to the Agent as Collateral for the Obligations, or (ii) made or issued by Foreign Subsidiaries to the Loan Parties;

(f) Bank Product Debt and unsecured Indebtedness and obligations owing under Hedging Agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes;

(g) Guaranty Obligations in respect of Indebtedness of a Loan Party to the extent such Indebtedness is permitted to exist or be incurred pursuant to this Section 9.9;

(h) Indebtedness under the Existing Subordinated Notes in an aggregate amount not to exceed $14,000,000; provided, that such Indebtedness and all other amounts due under the Existing Subordinated Notes Indenture shall be paid in full no later than September 30, 2007;

(i) other Subordinated Debt and unsecured Indebtedness of the Loan Parties and their Subsidiaries (excluding Guaranty Obligations of any Loan Party in favor of any Foreign Subsidiary and excluding any seller financing incurred in connection with a Permitted Acquisition) so long as, after giving effect to such Indebtedness on a Pro Forma Basis, (A) the Loan Parties are in compliance with the financial covenant set forth in Section 9.16 (without regard to the Excess Availability exception set forth therein) and (B) the Leverage Ratio is less than or equal to the lesser of (1) 4.60 to 1.0 or (2) the maximum Leverage Ratio (as defined in the First Lien Term Loan Credit Agreement) required as of the end of the then-current fiscal quarter pursuant to the First Lien Term Loan Credit Agreement (as in effect on the Closing Date);

(j) Indebtedness in respect of netting services and overdraft protections in connection with deposit accounts in the ordinary course of business and substantially in accordance with historical practice of the Loan Parties and their Subsidiaries;

(k) Indebtedness assumed in connection with Permitted Acquisitions and not incurred in contemplation thereof in an aggregate amount at any time outstanding not to exceed $1,000,000;

(l) Indebtedness consisting of surety bonds in the ordinary course of business and substantially in accordance with historical practice of the Loan Parties and their Subsidiaries; and

(m) other Indebtedness (whether or not secured) of the Loan Parties and their Subsidiaries in an aggregate amount at any time outstanding not to exceed $500,000.

9.10 Loans, Investments, Speculative Transactions, Etc.

Each Loan Party shall not, and shall not permit any Subsidiary to, directly or indirectly, make any loans or advance money or property to any person, enter into any speculative transaction or invest in (by capital contribution, dividend or otherwise) or purchase or repurchase the Capital Stock or Indebtedness or all or a substantial part of the assets or property of any person, or acquire any Subsidiaries, or agree to do any of the foregoing, except (the "Permitted Investments"):

(a) cash and Cash Equivalents;

(b) receivables owing to the Loan Parties or any of their Subsidiaries and advances to suppliers, including, without limitation, notes receivable owing from customers, in each case if created, acquired or made in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(c) (i) Investments and loans by any Loan Party in or to any Loan Party and (ii) Investments and loans by any Foreign Subsidiary in or to any Loan Party;

(d) loans and advances to employees in existence as of the Closing Date and set forth on Schedule 9.10 to the Information Certificate and additional loans and advances to employees in an aggregate amount not to exceed $500,000 at any time outstanding; provided that such loan or advance is not made in violation of any law;

(e) Investments received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(f) Hedging Agreements to the extent permitted pursuant to Section 9.9;

(g) Permitted Acquisitions;

(h) Investments arising from non-cash consideration received in connection with Asset Dispositions;

(i) loans and advances to employees used to finance the purchase from the Parent of Capital Stock of the Parent on a dollar for dollar basis; and

(j) additional loan advances and/or Investments of a nature not contemplated by the foregoing clauses hereof, provided that such loans, advances and/or Investments made pursuant to this subsection shall not exceed an aggregate amount of $1,000,000.

9.11 Restricted Payments.

The Loan Parties will not, nor will they permit any Subsidiary to, directly or indirectly, declare, order, make or set apart any sum for or pay any Restricted Payment, except:

(a) to make dividends payable solely in Capital Stock of such Person;

(b) to make dividends or other distributions (directly or indirectly through Subsidiaries) payable to any Loan Party;

(c) subject to the terms of the ABL Intercreditor Agreement, the Company may voluntarily prepay the Term Loan Obligations;

(d) subject to the terms of the ABL Intercreditor Agreement, the Company may make the mandatory prepayments required by the terms of the First Lien Term Loan Credit Agreement and the Second Lien Term Loan Credit Agreement;

(e) so long as (i) no Default or Event of Default has occurred and is continuing at such time or would be directly or indirectly caused as a result thereof, (ii) Excess Availability is in excess of $6,500,000 both before and after the payment thereof and (iii) after giving effect to such Restricted Payment on a Pro Forma Basis, the Loan Parties are in compliance with the financial covenant set forth in Section 9.16 (without regard to the Excess Availability exception set forth therein), to make additional Restricted Payments after September 1, 2007 so long as after giving effect to such Restricted Payment on a Pro Forma Basis, (A) the Leverage Ratio is less than or equal to 3.0 to 1.0 and (B) the aggregate amount of all such Restricted Payments during the period beginning with September 1, 2007 through the date of such Restricted Payment does not exceed 50% of Consolidated Net Income for the period beginning September 1, 2007 through the most recent month end prior to such Restricted Payment for which financial statements are available (treated as a single accounting period and including any losses incurred during such period);

(f) to make distributions to the direct or indirect holders of the Capital Stock of the Parent sufficient to permit each such holder to pay United States federal, state, local and foreign income taxes that are required to be paid by it with respect to its Capital Stock in the Parent, as estimated by the Parent in good faith;

(g) to pay all fees, costs and expenses incurred in connection with the Transactions on the Closing Date;

(h) to redeem the Existing Subordinated Notes in accordance with the terms thereof;

(i) so long as no Default or Event of Default has occurred and is continuing at such time or would be directly or indirectly caused as a result thereof, dividends to purchase capital stock from present or former officers or employees of the Loan Parties or their Subsidiaries upon the death, disability, retirement or termination of employment of such officer or employee; provided, that any such repurchases do not involve any cash payments by the Loan Parties or their Subsidiaries or, to the extent cash payments are made by the Loan Parties or their Subsidiaries, the aggregate amount of dividend

payments during any fiscal year to fund purchases described above shall not exceed (i) $1,000,000 plus (ii) the unused amount available for such dividend payments under this clause 9.11(i) for the immediately two preceding fiscal years (excluding any carry-forward available from any previous fiscal year); provided, that with respect to any fiscal year, any such dividend payments made during such fiscal year shall be deemed to be made first with respect to the applicable limitation for such year and then with respect to any carry-forward amount to the extent applicable;

(j) to make the Hanson Payment in an aggregate amount during the term of this Agreement not to exceed $1,500,000; provided, that such payment shall be made from the proceeds of funds deposited in an escrow account (the "Hanson Escrow Account") on or prior to the Closing Date;

(k) to pay (i) management fees to the Sponsor in an aggregate annual amount not to exceed $1,250,000 and (ii) transaction fees arising from the consummation of any Permitted Acquisition in an amount not to exceed 2.5% of the aggregate consideration paid with respect to such Permitted Acquisition, in each case, so long as (1) no Event of Default has occurred and is continuing at such time or would be directly or indirectly caused as a result thereof and (2) Excess Availability is in excess of $6,500,000 both before and after the payment thereof; provided, that in the event such fees may not be paid pursuant to the terms of this clause (k), such fees shall accrue and may be payable on the first day on which the conditions applicable thereto set forth in this clause (k) are satisfied (regardless of whether the dollar limitation set forth above is exceeded as a result of such payment); and

(l) so long as (i) no Default or Event of Default has occurred and is continuing at such time or would be directly or indirectly caused as a result thereof and (ii) Excess Availability is in excess of $6,500,000 both before and after the payment thereof, to pay earnout obligations incurred in connection with Permitted Acquisitions.

9.12 Transactions with Affiliates.

Each Loan Party shall not, nor will they permit any Subsidiary to, directly or indirectly:

(a) purchase, acquire or lease any property from, or sell, transfer or lease any property to, any officer, director or other Affiliate of any Loan Party or any Subsidiary thereof, except in the ordinary course of and pursuant to the reasonable requirements of such Loan Party's or Subsidiary's business and upon fair and reasonable terms no less favorable to such Loan Party or Subsidiary than such Loan Party or Subsidiary would obtain in a comparable arm's length transaction with an unaffiliated person; provided, that loans and advances to employees permitted by Section 9.10(i) shall not be prohibited by this Section 9.12; or

(b) make any payments (whether by dividend, loan or otherwise) of management, consulting or other fees for management or similar services, or of any Indebtedness owing to any officer, employee, shareholder, director or any other Affiliate of such Loan Party or Subsidiary, except (i) reasonable compensation to officers, employees and directors for services rendered to such Loan Party or Subsidiary in the ordinary course of business, (ii) payments by any such Loan Party or Subsidiary to the Parent for actual and necessary reasonable out-of-pocket legal and accounting, insurance, marketing, payroll and similar types of services paid for by the Parent on behalf of such Loan Party or Subsidiary, in the ordinary course of their respective businesses or as the same may be directly attributable to such Loan Party or Subsidiary and for the payment of taxes by or on behalf of the Parent and (iii) payment of management fees permitted pursuant to Section 9.11(k).

9.13 Fiscal Years; Fiscal Quarters; Accounting Policies.

No Loan Party shall, nor shall it permit any of its Subsidiaries to, (a) change its fiscal year or fiscal quarters for financial reporting purposes from its fiscal year and fiscal quarters as in effect on the Closing Date or (b) change its accounting policies and methods except from the policies and methods in effect on the Closing Date, except in accordance with GAAP.

9.14 Change in Business.

Each Loan Party shall not, nor will they permit any Subsidiary to, engage in any business other than the business of such Loan Party or Subsidiary on the date hereof and any business reasonably related, ancillary or complimentary to the business in which such Loan Party or Subsidiary is engaged on the date hereof.

9.15 Limitation of Restrictions Affecting Subsidiaries.

Each Loan Party shall not, nor will they permit any Subsidiary to, directly, or indirectly, create or otherwise cause or suffer to exist any encumbrance or restriction which prohibits or limits the ability of any Subsidiary of such Person to (a) pay dividends or make other distributions or pay any Indebtedness owed to such Person or any Subsidiary of such Person; (b) make loans or advances to such Person or any Subsidiary of such Person, (c) transfer any of its properties or assets to such Person or any Subsidiary of such Person; or (d) create, incur, assume or suffer to exist any lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than encumbrances and restrictions arising under (i) applicable law, (ii) this Agreement, (iii) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of such Person or any Subsidiary of such Person, (iv) customary restrictions on dispositions of real property interests found in reciprocal easement agreements of such Person or any Subsidiary of such Person, (v) any agreement relating to permitted Indebtedness incurred by a Subsidiary of such Person prior to the date on which such Subsidiary was acquired by such Person and outstanding on such acquisition date, (vi) the Term Loan Financing Agreements, (vii) any agreement relating to Indebtedness permitted pursuant to Section 9.9(i); provided, that such Indebtedness shall not prohibit or limit the liens granted to secure the ABL Collateral or the ability of the Loan Parties to satisfy the Obligations and (viii) the extension or continuation of contractual obligations in existence on the date hereof; provided, that, any such encumbrances or restrictions contained in such extension or continuation are no less favorable to the Agent and the Lenders than those encumbrances and restrictions under or pursuant to the contractual obligations so extended or continued.

9.16 Fixed Charge Coverage Ratio.

If during any fiscal quarter ending after January 1, 2008 Excess Availability falls below $10,000,000, the Loan Parties shall maintain, until Excess Availability is equal to or greater than $10,000,000, a Fixed Charge Coverage Ratio of not less than 1.1 to 1.0, which Fixed Charge Coverage Ratio shall be calculated based on the most recent financial statements, and shall be set forth in the most recent Compliance Certificate, delivered pursuant to Section 9.6. If during the fiscal quarter ended December 31, 2007 Excess Availability falls below $10,000,000, the Loan Parties shall maintain, as of the end of such fiscal quarter and thereafter until Excess Availability is equal to or greater than $10,000,000, a Fixed Charge Coverage Ratio of not less than 1.1 to 1.0, which Fixed Charge Coverage Ratio shall be calculated based on the most recent financial statements, and shall be set forth in the most recent Compliance Certificate, delivered pursuant to Section 9.6.

Notwithstanding the above, the parties hereto acknowledge and agree that, for purposes of all calculations made in determining compliance with this Section 9.16, any cash equity contribution (which equity shall be common equity or Qualified Preferred Stock) made to the Parent by the Sponsor after the end of a fiscal quarter and on or prior to the day that is ten (10) Business Days after the day on which compliance with this Section 9.16 is tested for such fiscal quarter will, at the request of the Company, be included in the calculation of Consolidated EBITDA for the purposes of determining compliance with the financial covenant contained herein at the end of such fiscal quarter (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution"); provided that (a) in each four fiscal quarter period, there shall be at least two consecutive fiscal quarters in respect of which no Specified Equity Contribution is made, (b) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Loan Parties to be in compliance with the financial covenant set forth above and (c) a Specified Equity Contribution shall only be included in the computation of the financial covenant for purposes of determining compliance by the Loan Parties with this Section 9.16 and not for any other purpose under this Agreement. Upon the making of a Specified Equity Contribution, the financial covenant in this Section 9.16 shall be recalculated giving effect to the increase in Consolidated EBITDA. If, after giving effect to such recalculation, the Loan Parties are in compliance with the financial covenant, the Loan Parties shall be deemed to have satisfied the requirements of the financial covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date.

9.17 License Agreements.

Except with respect to any License Agreement, the loss or termination of which could not reasonably be expected to have a Material Adverse Effect:

(a) Each Loan Party and Subsidiary thereof shall (i) promptly and faithfully observe and perform all of the terms, covenants, conditions and provisions of the License Agreements to which it is a party to be observed and performed by it, at the times set forth therein, if any, (ii) not do, permit, suffer or refrain from doing anything that could reasonably be expected to result in a default under or breach of any of the terms of any License Agreement, (iii) not cancel, surrender, modify, amend, waive or release any License Agreement in any respect or any term, provision or right of the licensee thereunder in any respect, or consent to or permit to occur any of the foregoing; except, that, subject to Section 9.17(b) below, such Person may cancel, surrender or release any License Agreement in the ordinary course of the business of such Person; provided, that, such Person (as the case may be) shall give the Agent not less than thirty (30) days prior written notice of its intention to so cancel, surrender and release any such License Agreement, (iv) give the Agent prompt written notice of any License Agreement entered into by such Person after the date hereof, together with a true, correct and complete copy thereof and such other information with respect thereto as the Agent may request, (v) give the Agent prompt written notice of any breach of any obligation, or any default, by any party under any License Agreement, and deliver to the Agent (promptly upon the receipt thereof by such Person in the case of a notice to such Person and concurrently with the sending thereof in the case of a notice from such Person) a copy of each notice of default and every other notice and other communication received or delivered by such Person in connection with any License Agreement which relates to the right of such Person to continue to use the property subject to such License Agreement, and (vi) furnish to the Agent, promptly upon the request of the Agent, such information and evidence as the Agent may reasonably require from time to time concerning the observance, performance and compliance by such Person or the other party or parties thereto with the terms, covenants or provisions of any License Agreement.

(b) Each Loan Party and Subsidiary thereof will either exercise any option to renew or extend the term of each License Agreement to which it is a party in such manner as will cause the term of such License Agreement to be effectively renewed or extended for the period provided by such option and give prompt written notice thereof to the Agent or give the Agent prior written notice that such Person does not intend to renew or extend the term of any such License Agreement or that the term thereof shall otherwise be expiring, not less than sixty (60) days prior to the date of any such non-renewal or expiration. In the event of the failure of such Person to extend or renew any License Agreement to which it is a party, the Agent shall have, and is hereby granted, the irrevocable right and authority, at its option, to renew or extend the term of such License Agreement, whether in its own name and behalf, or in the name and behalf of a designee or nominee of the Agent or in the name and behalf of such Person, as the Agent shall determine at any time that an Event of Default shall exist or have occurred and be continuing. The Agent may, but shall not be required to, perform any or all of such obligations of such Person under any of the License Agreements, including, but not limited to, the payment of any or all sums due from such Person thereunder. Any sums so paid by the Agent shall constitute part of the Obligations.

9.18 Foreign Assets Control Regulations, Etc.

None of the requesting or borrowing of the Loans or the requesting or issuance, extension or renewal of any Letter of Credit or the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 USC §1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (including, but not limited to (a) Executive order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56). None of the Loan Parties or any of their Subsidiaries or other Affiliates is or will become a "blocked person" as described in the Executive Order, the Trading with the Enemy Act or the Foreign Assets Control Regulations or engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person".

9.19 Costs and Expenses.

The Loan Parties shall pay to the Agent and Arrangers within five (5) Business Days of demand all reasonable costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, syndication, administration, collection, liquidation, enforcement and defense of the Obligations, the Agent's rights in the Collateral, this Agreement, the other Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including: (a) all costs and expenses of filing or recording (including Uniform Commercial Code financing statement filing taxes and fees, documentary taxes, intangibles taxes and fees, if applicable); (b) except to the extent otherwise expressly agreed to herein, costs and expenses and fees for insurance premiums, environmental audits, title insurance premiums, surveys, assessments, engineering reports and inspections, appraisal fees and search fees, background checks, costs and expenses of remitting loan proceeds, collecting checks and other items of payment, and establishing and maintaining the Blocked Accounts, together with the Agent's customary charges and fees with respect thereto; (c) charges, fees or expenses charged by the Issuing Bank in connection with any Letter of Credit; (d) reasonable costs and expenses of preserving and protecting the Collateral; (e) after the occurrence and during the continuance of an Event of Default, costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of the Agent, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of this Agreement and the other Financing Agreements or defending any claims made or threatened against the Agent or any Lender arising out of the transactions contemplated hereby and thereby (including preparations for and consultations concerning any such matters); (f) subject to the limitations of Section 7.7, all out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by the Agent during the course of periodic field examinations of the Collateral and such Loan Party's operations, plus a per diem charge at the Agent's then standard rate for the Agent's examiners in the field and office (which rate as of the date hereof is $850 per person per day); and (g) the reasonable fees and disbursements of counsel (including legal assistants) to the Agent and Arrangers in connection with any of the foregoing.

9.20 Additional Loan Parties.

Upon any Person becoming a direct or indirect Subsidiary of the Parent, the Loan Parties will (a) provide the Agent with written notice thereof setting forth information in reasonable detail describing all of the assets of such Person in which a security interest cannot be granted hereunder and perfected by the filing of a financing statement pursuant to the UCC (including, without limitation, all chattel paper, electronic chattel paper, deposit accounts, securities accounts, investment accounts, commodity accounts, collection, clearing or concentration accounts, investment property (including certificated securities), letter of credit rights, commercial tort claims or assets subject to certificates of title), (b) cause any such Person that is a wholly-owned Domestic Subsidiary to execute and deliver to the Agent a Borrower Joinder Agreement in substantially the form of Exhibit D causing such Subsidiary to become a party to this Agreement as a joint and several "Borrower"; provided, however, in lieu of the foregoing, at the option of the Agent, the Loan Parties shall cause such Person to execute and deliver to the Agent a Guarantor Joinder Agreement in substantially the form of Exhibit E causing such Subsidiary to become a party to this Agreement as a joint and several "Guarantor" and (c) deliver such other documentation as the Agent may reasonably request in connection with the foregoing, including, without limitation, appropriate UCC-1 financing statements, certified resolutions and other organizational and authorizing documents of such Person and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to above), all in form, content and scope reasonably satisfactory to the Agent.

9.21 Pledged Assets.

Each of the Loan Parties will cause the ABL Collateral to be subject at all times to a first priority (subject to the liens securing the Term Loan Obligations in accordance with the ABL Intercreditor Agreement), perfected lien in favor of the Agent pursuant to the terms and conditions hereof and of the Security Documents or such other security documents as the Agent shall reasonably request.

9.22 Amendment of Subordinated Debt, Organizational Documents; Term Loan Financing Agreements.

(a) The Loan Parties will not, nor will they permit any Subsidiary to, without the prior written consent of the Required Lenders, (i) amend, restate, modify, waive or extend or permit the amendment, restatement, modification, waiver or extension of any term of any document governing or relating to any Subordinated Debt in a manner that is materially adverse to the interests of the Lenders or (ii) amend, restate, modify, waive or terminate or permit the amendment, modification, waiver or termination of its articles or certificate of incorporation, operating or limited liability company agreement, partnership agreement, bylaws or other charter or organizational document in a manner that is adverse to the interests of the Lenders.

(b) The Loan Parties will not, nor will they permit any Subsidiary to, amend, replace, refinance, refund, restructure, amend, supplement, extend or otherwise modify the First Lien Term Loan Credit Agreement or the Second Lien Term Loan Credit Agreement to violate the provisions of the ABL Intercreditor Agreement.

9.23 Sale Leasebacks.

The Loan Parties will not, nor will they permit any Subsidiary to, directly or indirectly, become or remain liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capital Lease, of any property (whether real, personal or mixed), whether now owned or hereafter acquired, (a) which any Loan Party or any Subsidiary has sold or transferred or is to sell or transfer to a Person which is not a Loan Party or a Subsidiary or (b) which any Loan Party or any Subsidiary intends to use for substantially the same purpose as any other property which has been sold or is to be sold or transferred by a Loan Party or a Subsidiary to another Person which is not a Loan Party or a Subsidiary in connection with such lease.

9.24 No Further Negative Pledges.

The Loan Parties will not, nor will they permit any Subsidiary to, enter into, assume or become subject to any agreement prohibiting or otherwise restricting the creation or assumption of any lien upon any of their properties or assets, whether now owned or hereafter acquired, or requiring the grant of any security for such obligation if security is given for some other obligation, except (a) pursuant to this Agreement and the other Financing Agreements, (b) pursuant to any document or instrument governing Indebtedness incurred pursuant to Section 9.9(b); provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith, (c) pursuant to the Term Loan Financing Agreements, (d) in connection with any Permitted Lien or any document or instrument governing any Permitted Lien; provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (e) pursuant to any agreement in connection with an Asset Disposition permitted hereunder; provided that any such restriction contained therein relates only to the asset or assets subject to such Asset Disposition and (f) pursuant to any agreement relating to Indebtedness permitted pursuant to Sections 9.9(i) and 9.9(k); provided, that such agreement shall not prohibit or limit the liens granted to secure the ABL Collateral or the ability of the Loan Parties to satisfy the Obligations.

9.25 Designation of Senior Debt.

The Loan Parties will not, nor will they permit any Subsidiary to, designate any Indebtedness other than the Obligations and the Term Loan Obligations of such Loan Party or such Subsidiary as "Senior Debt", "Senior Indebtedness", "Designated Senior Indebtedness" or any similar designation under and as defined in any agreement governing any Subordinated Debt.

9.26 Capital Expenditures.

The Loan Parties will not, nor will they permit any Subsidiary to, make Capital Expenditures during any fiscal year of the Company in an amount in excess of (a) for the period from the Closing Date through the end of fiscal year 2007, $7,500,000 and (b) for each fiscal year thereafter, (i) $13,500,000 plus (ii) 50% of the unused amount available for Capital Expenditures under this Section 9.26 for the immediately preceding fiscal year or period, as applicable (excluding any carry forward available from any prior fiscal year or period, as applicable); provided, that with respect to any fiscal year, capital expenditures made during any such fiscal year shall be deemed to be made first with respect to the applicable limitation for such year and then with respect to any carry forward amount to the extent applicable.

9.27 Public/Private Information; Further Assurances.

(a) Public/Private Designation. The Loan Parties will cooperate with the Agent in connection with the publication certain materials and/or information provided by or on behalf of the Loan Parties or their Subsidiaries to the Agent and the Lenders (collectively, "Information Materials") pursuant to this Agreement and will designate Information Materials (i) that are either available to the public or not material with respect to the Loan Parties and their Subsidiaries or any of their respective securities for purposes of United States federal and state securities laws, as "Public Information" and (ii) that are not Public Information as "Private Information".

(b) Further Assurances. At the request of the Agent at any time and from time to time, the Loan Parties shall, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Financing Agreements. The Agent may at any time and from time to time request a certificate from an officer of any Loan Party representing that all conditions precedent to the making of Loans and providing Letters of Credit contained herein are satisfied. In the event of such request by the Agent, the Agent and the Lenders may, at the Agent's option, cease to make any further Loans or provide any further Letters of Credit until the Agent has received such certificate and, in addition, the Agent has determined that such conditions are satisfied.

9.28 Parent.

The Parent will not incur or permit to exist any Indebtedness nor grant or permit to exist any liens upon any of its properties or assets nor engage in any operations, business or activity other than (i) owning 100% of the Capital Stock of the Company and all operations incidental thereto, (ii) pledging its interests therein and other assets to the Agent, (iii) executing the Financing Agreement and the Term Loan Financing Agreements, (iv) fulfilling its obligations under the Financing Agreements and the Term Loan Financing Agreements, and (v) performing administrative functions in connection with the operation of the business of its Subsidiaries.

9.29 Hedging Agreement.

Within 90 days following the Closing Date, cause at least 50% of the aggregate Term Loan Obligations then outstanding, and projected to be outstanding, to be hedged pursuant to Hedging Agreements for a term of at least three (3) years.

9.30 ITT Agreement.

The Loan Parties will (a) maintain the ITT Agreement in full force and effect at all times hereafter, (b) not amend or modify the ITT Agreement in any manner that is materially adverse to the interests of the Lenders without the prior consent of the Agent, (c) not cancel or terminate the ITT Agreement and (d) notify the Agent promptly, but in any event within five (5) business Days of any actual, pending or threatened termination or cancellation of the ITT Agreement or any denial of coverage in respect of the indemnity set forth thereon.

9.31 Post-Closing Covenant.

As soon as practicable but in any event within thirty (30) days after the Closing Date (or such extended period of time as agreed to in writing by the Agent), the Loan Parties shall deliver mortgagee's and lender's loss payee endorsements with respect to the casualty, liability and business interruption insurance of the Loan Parties, in form and substance satisfactory to the Agent.

SECTION 10

EVENTS OF DEFAULT AND REMEDIES

10.1 Events of Default.

The occurrence or existence of any one or more of the following events are referred to herein individually as an "Event of Default", and collectively as "Events of Default":

(a) (i) any Borrower fails to pay any principal on any Loan when due in accordance with the terms hereof; or any Borrower fails to reimburse the Issuing Bank for any Letter of Credit Obligations when due in accordance with the terms hereof or of any Letter of Credit Document; or any Borrower fails to pay any

interest on any Loan or any fee or other amount payable hereunder when due in accordance with the terms hereof and such failure to pay such interest or fee shall continue unremedied for two (2) Business Days (or any Guarantor shall fail to pay on the Guaranty in respect of any of the foregoing or in respect of any other Guaranty Obligations thereunder);

(ii) any Loan Party shall fail to perform, comply with or observe any term, covenant or agreement applicable to it contained in Section 9.1 or any of Sections 9.6 through 9.31; or

(iii) any Loan Party shall fail to comply with any other covenant, contained in this Agreement or the other Financing Agreements (other than as described in Sections 10.1(a)(i) or (ii) above), and such breach or failure to comply is not cured within thirty (30) days of the earlier to occur of (A) written notice thereof by the Agent to the Company or (B) any senior or executive officer of a Loan Party becoming aware of such breach or failure to comply;

(b) any representation or warranty made by any Loan Party to the Agent in this Agreement, the other Financing Agreements or any other written agreement, schedule, confirmatory assignment or otherwise shall when made or deemed made (i) with respect to representations and warranties that contain a materiality qualification, be false or misleading and (ii) with respect to representations and warranties that do not contain a materiality qualification, be false or misleading in any material respects;

(c) any Guarantor revokes or terminates or purports to revoke or terminate in writing its obligations under the Guaranty;

(d) any judgments for the payment of money are rendered against any Loan Party in an amount in excess of $2,000,000 in the aggregate (to the extent not covered by insurance where the insurer has assumed responsibility in writing for such judgment) and shall remain undischarged or unvacated for a period in excess of thirty (30) days or execution shall at any time not be effectively stayed;

(e) any Loan Party makes an assignment for the benefit of creditors;

(f) a case or proceeding under the bankruptcy laws of the United States of America or other applicable jurisdiction now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed against any Loan Party or all or any part of its properties and such petition or application is not dismissed within sixty (60) days after the date of its filing or any Loan Party shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(g) a case or proceeding under the bankruptcy laws of the United States of America or comparable proceeding under the laws of any other applicable jurisdiction now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at a law or equity) is filed by any Loan Party or for all or any part of its property;

(h) any default in respect of any Indebtedness of any Loan Party (other than Indebtedness owing to the Agent and the Lenders hereunder), in any case in an amount in excess of $2,000,000, which default (1) continues for more than the applicable cure period, if any, with respect thereto and (2) permits the holders of such Indebtedness to accelerate the maturity thereof;

(i) any material provision hereof or of any of the other Financing Agreements shall for any reason cease to be valid, binding and enforceable with respect to any party hereto or thereto (other than the Agent) in accordance with its terms, or any such party shall challenge in writing the enforceability hereof or thereof, or shall assert in writing, or take any action or fail to take any action based on the assertion that any provision hereof or of any of the other Financing Agreements has ceased to be or is otherwise not valid, binding or enforceable in accordance with its terms, or any security interest provided for herein or in any of the other Financing Agreements shall cease to be a valid and perfected first priority (subject to the liens securing the Term Loan Obligations in accordance with the ABL Intercreditor Agreement) security interest in any of the Collateral purported to be subject thereto (except as otherwise permitted herein or therein);

(j) an ERISA Event shall occur which could reasonably be expected to have a Material Adverse Effect;

(k) any Change of Control; or

(l) (i) the subordination provisions contained in or governing any Subordinated Debt shall cease to be in full force and effect or to give the Lenders the rights, powers and privileges purported to be created thereby; or (ii) the Obligations shall cease to be classified or qualify as “Senior Debt”, “Senior Indebtedness”, “Designated Senior Indebtedness” or any similar designation under and as defined in any agreement governing any Subordinated Debt.

10.2 Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, the Agent and the Lenders shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the UCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by any Loan Party, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to the Agent and the Lenders hereunder, under any of the other Financing Agreements, the UCC or other applicable law, are cumulative,

not exclusive and enforceable, in the Agent's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by any Loan Party of this Agreement or any of the other Financing Agreements. Subject to Section 12 hereof, the Agent may, and at the direction of the Required Lenders shall, at any time or times, proceed directly against any Loan Party to collect the Obligations without prior recourse to the Collateral.

(b) Without limiting the generality of the foregoing, at any time an Event of Default exists or has occurred and is continuing, the Agent may, at its option and shall upon the direction of the Required Lenders, (i) upon notice to the Company, accelerate the payment of all Obligations and demand immediate payment thereof to the Agent for itself and the benefit of the Lenders (provided, that, upon the occurrence of any Event of Default described in Sections 10.1(e), 10.1(f) or 10.1(g), all Obligations shall automatically become immediately due and payable), and (ii) terminate the Commitments whereupon the obligation of each Lender to make any Loan and the Issuing Bank to issue any Letter of Credit shall immediately terminate (provided, that, upon the occurrence of any Event of Default described in Sections 10.1(e), 10.1(f) or 10.1(g), the Commitments and any other obligation of the Agent or a Lender hereunder shall automatically terminate).

(c) Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, subject to the terms of the ABL Intercreditor Agreement, the Agent may, in its discretion (i) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral, (ii) require any Loan Party, at the Borrowers' expense, to assemble and make available to the Agent any part or all of the Collateral at any place and time designated by the Agent, (iii) collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral, (iv) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, (v) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of the Agent or elsewhere) at such prices or terms as the Agent may deem reasonable, for cash, upon credit or for future delivery, with the Agent having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of any Loan Party, which right or equity of redemption is hereby expressly waived and released by the Loan Parties and/or (vi) terminate this Agreement. If any of the Collateral is sold or leased by the Agent upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by the Agent. If notice of disposition of Collateral is required by law, ten (10) days prior notice by the Agent to the Company designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and the Loan Parties waive any other notice. In the event the

Agent institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, each Loan Party waives the posting of any bond which might otherwise be required. At any time an Event of Default exists or has occurred and is continuing, upon the Agent's request, the Borrowers will either, as the Agent shall specify, furnish cash collateral to the Issuing Bank to be used to secure and fund the reimbursement obligations to the Issuing Bank in connection with any Letter of Credit Obligations or furnish cash collateral to the Agent for the Letter of Credit Obligations. Such cash collateral shall be in the amount equal to one hundred ten (110%) percent of the amount of the Letter of Credit Obligations plus the amount of any fees and expenses payable in connection therewith through the end of the latest expiration date of the Letters of Credit giving rise to such Letter of Credit Obligations.

(d) At any time or times that an Event of Default exists or has occurred and is continuing and subject to the terms of the ABL Intercreditor Agreement, the Agent may, in its discretion, enforce the rights of any Loan Party against any account debtor, secondary obligor or other obligor in respect of any of the Accounts or other Receivables. Without limiting the generality of the foregoing, the Agent may, in its discretion, at such time or times (i) notify any or all account debtors, secondary obligors or other obligors in respect thereof that the Receivables have been assigned to Collateral Agent and that the Agent has a security interest therein and the Agent may direct any or all account debtors, secondary obligors and other obligors to make payment of Receivables directly to the Agent, (ii) extend the time of payment of, compromise, settle or adjust for cash, credit, return of merchandise or otherwise, and upon any terms or conditions, any and all Receivables or other obligations included in the Collateral and thereby discharge or release the account debtor or any secondary obligors or other obligors in respect thereof without affecting any of the Obligations, (iii) demand, collect or enforce payment of any Receivables or such other obligations, but without any duty to do so, and the Agent and the Lenders shall not be liable for any failure to collect or enforce the payment thereof nor for the negligence of its agents or attorneys with respect thereto and (iv) take whatever other action the Agent may deem necessary or desirable for the protection of its interests and the interests of the Lenders. At any time that an Event of Default exists or has occurred and is continuing, at the Agent's request, all invoices and statements sent to any account debtor shall state that the Accounts and such other obligations have been assigned to the Agent and are payable directly and only to the Agent and the Loan Parties shall deliver to the Agent such originals of documents evidencing the sale and delivery of goods or the performance of services giving rise to any Accounts as the Agent may require. In the event any account debtor returns Inventory when an Event of Default exists or has occurred and is continuing, the Borrowers shall, upon the Agent's request, hold the returned Inventory in trust for the Agent, segregate all returned Inventory from all of its other property, dispose of the returned Inventory solely according to the Agent's instructions, and not issue any credits, discounts or allowances with respect thereto without the Agent's prior written consent.

(e) To the extent that applicable law imposes duties on the Agent or any Lender to exercise remedies in a commercially reasonable manner (which duties cannot be waived under such law), each Loan Party acknowledges and agrees that it is not commercially unreasonable for the Agent or any Lender (i) to fail to incur expenses reasonably deemed significant by the Agent or any Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain consents of any Governmental Authority or other third party for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account debtors, secondary obligors or other persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (iv) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other persons, whether or not in the same business as any Loan Party, for expressions of interest in acquiring all or any portion of the Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, (xi) to purchase insurance or credit enhancements to insure the Agent or the Lenders against risks of loss, collection or disposition of Collateral or to provide to the Agent or the Lenders a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any of the Collateral. Each Loan Party acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by the Agent or any Lender would not be commercially unreasonable in the exercise by the Agent or any Lender of remedies against the Collateral and that other actions or omissions by the Agent or any Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section. Without limitation of the foregoing, nothing contained in this Section shall be construed to grant any rights to any Loan Party or to impose any duties on the Agent or the Lenders that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

(f) For the purpose of enabling the Agent to exercise the rights and remedies hereunder, each Loan Party hereby grants to the Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable at any time an Event of Default shall exist or have occurred and for so long as the same is continuing) without payment of royalty or other compensation to any Loan Party, to use, assign, license or sublicense any of the trademarks, service-marks, trade names, business names, trade styles, designs, logos and other source of business identifiers and other Intellectual Property and general intangibles now owned or hereafter acquired by any Loan Party, wherever the same maybe located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(g) At any time an Event of Default exists or has occurred and is continuing, the Agent may apply the cash proceeds of Collateral actually received by the Agent from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in accordance with the terms hereof, whether or not then due or may hold such proceeds as cash collateral for the Obligations. The Loan Parties shall remain liable to the Agent and the Lenders for the payment of any deficiency with interest at the highest rate provided for herein and all costs and expenses of collection or enforcement, including attorneys' fees and expenses.

(h) Without limiting the foregoing, upon the occurrence of a Default or an Event of Default, (i) the Agent and the Lenders may, at the Agent's option, and upon the occurrence of an Event of Default at the direction of the Required Lenders, the Agent and the Lenders shall, without notice, (A) cease making Loans or arranging for Letters of Credit or reduce the lending formulas or amounts of Loans and Letters of Credit available to the Borrowers and/or (B) terminate any provision of this Agreement providing for any future Loans to be made by the Agent and the Lenders or Letters of Credit to be issued by the Issuing Bank and (ii) the Agent may, at its option, establish such Reserves as the Agent determines, without limitation or restriction, notwithstanding anything to the contrary contained herein.

SECTION 11

JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

11.1 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements (except as otherwise provided therein) and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York, but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than New York.

(b) The Loan Parties, the Agent, the Lenders and the Issuing Bank irrevocably consent and submit to the non-exclusive jurisdiction of the courts of the State of New York sitting in New York County, New York and the United States District Court of the Southern District of New York, whichever the Agent may elect, and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related

hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that the Agent and the Lenders shall have the right to bring any action or proceeding against any Loan Party or its or their property in the courts of any other jurisdiction which the Agent deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against any Loan Party or its or their property).

(c) Each Loan Party hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at the Agent's option, by service upon any Loan Party (or the Company on behalf of such Loan Party) in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, such Loan Party shall appear in answer to such process, failing which such Loan Party shall be deemed in default and judgment may be entered by the Agent against such Loan Party for the amount of the claim and other relief requested.

(d) BORROWERS, GUARANTORS, AGENT, LENDERS AND ISSUING BANK EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWERS, GUARANTORS, AGENT, LENDERS AND ISSUING BANK EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY BORROWER, ANY GUARANTOR, AGENT, ANY LENDER OR ISSUING BANK MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) The Agent, the Lenders and the Issuing Bank shall not have any liability to any Loan Party (whether in tort, contract, equity or otherwise) for losses suffered by such Loan Party in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on the Agent, such Lender and the Issuing Bank, that the losses were the result of acts or omissions constituting willful misconduct, bad faith, fraud or gross negligence. In any such litigation, the Agent, the Lenders and the Issuing Bank shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with

the exercise of ordinary care in the performance by it of the terms of this Agreement. Each Loan Party: (i) certifies that neither the Agent, any Lender, the Issuing Bank nor any representative, agent or attorney acting for or on behalf of the Agent, any Lender or the Issuing Bank has represented, expressly or otherwise, that the Agent, the Lenders and the Issuing Bank would not, in the event of litigation, seek to enforce any of the waivers provided for in this Agreement or any of the other Financing Agreements and (ii) acknowledges that in entering into this Agreement and the other Financing Agreements, the Agent, the Lenders and the Issuing Bank are relying upon, among other things, the waivers and certifications set forth in this Section 11.1 and elsewhere herein and therein.

11.2 Waiver of Notices.

Each Loan Party hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonor with respect to any and all instruments and chattel paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on any Loan Party which the Agent or any Lender may elect to give shall entitle such Loan Party to any other or further notice or demand in the same, similar or other circumstances.

11.3 Amendments and Waivers.

(a) Neither this Agreement nor any other Financing Agreement nor any terms hereof or thereof may be amended, waived, discharged or terminated unless such amendment, waiver, discharge or termination is in writing signed by the Agent and the Required Lenders or at the Agent's option, by the Agent with the authorization or consent of the Required Lenders, and as to amendments to any of the Financing Agreements (other than with respect to any provision of Section 12 hereof), by any Borrower and such amendment, waiver, discharger or termination shall be effective and binding as to all Lenders and the Issuing Bank only in the specific instance and for the specific purpose for which given; except, that, no such amendment, waiver, discharge or termination shall:

(i) reduce the interest rate or any fees or extend the time of payment of principal, interest or any fees or reduce the principal amount of any Loan or Letters of Credit, in each case without the consent of each Lender directly affected thereby,

(ii) increase the Commitment of any Lender over the amount thereof then in effect or provided hereunder, in each case without the consent of the Lender directly affected thereby,

(iii) release all or substantially all of the Collateral (except as expressly required hereunder or under any of the other Financing Agreements or applicable law and except as permitted under Section 12.11(b) hereof), without the consent of the Agent and all of the Lenders,

(iv) release any Borrower or release all or substantially all of the Guarantors from obligations hereunder (except as expressly required hereunder or under any of the other Financing Agreements or applicable law), without the consent of the Agent and all of the Lenders,

(v) reduce any percentage specified in the definition of Required Lenders, without the consent of the Agent and all of the Lenders,

(vi) consent to the assignment or transfer by any Loan Party of any of their rights and obligations under this Agreement, without the consent of the Agent and all of the Lenders,

(vii) amend, modify or waive any terms of this Section 11.3 hereof, without the consent of the Agent and all of the Lenders,

(viii) except as expressly permitted in this Agreement, modify the definition of "Borrowing Base" or any defined term or component set forth in the definition thereof such that more credit would be available to the Borrowers, without the consent of the Agent and all of the Lenders; provided that (i) the foregoing shall not limit the adjustment by the Agent of any reserve implemented by the Agent and (ii) the foregoing shall not prevent the Agent from restoring any component of the Borrowing Base which had been lowered by the Agent back to the value of such component in effect on the Closing Date or to an intermediate value,

(ix) amend, modify or waive any requirements of Section 12.8 or 12.11 such that the amount of permitted overadvances or Special Agent Advances may be increased without the consent of the Agent and each Lender,

(x) amend Section 6.4(a) or Section 6.9 without the consent of the Agent and each Lender,

(xi) increase the Letter of Credit Limit without the consent of the Agent and all of the Lenders,

(xii) change the amount of Excess Availability required in the various provisions of this Agreement without the consent of the Agent and each Lender, or

(xiii) require any Lender to make available Interest Periods with a duration longer than six (6) months without the consent of such Lender.

(b) The Agent, the Lenders and the Issuing Bank shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its or their rights, powers and/or remedies unless such waiver shall be in writing and signed as provided herein. Any such waiver shall be enforceable only to the extent specifically set

forth therein. A waiver by the Agent, any Lender or the Issuing Bank of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Agent, any Lender or the Issuing Bank would otherwise have on any future occasion, whether similar in kind or otherwise.

(c) Notwithstanding anything to the contrary contained in Section 11.3(a) above, in connection with any amendment, waiver, discharge or termination, in the event that any Lender whose consent thereto is required shall fail to consent or fail to consent in a timely manner (such Lender being referred to herein as a "Non-Consenting Lender"), but the consent of any Required Lenders to such amendment, waiver, discharge or termination are obtained, then the Company shall have the right, but not the obligation, at any time thereafter, and upon the exercise by the Company of such right, such Non-Consenting Lender shall have the obligation, to sell, assign and transfer to such Eligible Transferee as the Company may specify, the Commitment of such Non-Consenting Lender and all rights and interests of such Non-Consenting Lender pursuant thereto. The Company shall provide the Non-Consenting Lender with prior written notice of its intent to exercise its right under this Section, which notice shall specify on date on which such purchase and sale shall occur. Such purchase and sale shall be pursuant to the terms of an Assignment and Acceptance (whether or not executed by the Non-Consenting Lender), except that on the date of such purchase and sale, such Eligible Transferee specified by the Company shall pay to the Non-Consenting Lender (except as such Eligible Transferee and such Non-Consenting Lender may otherwise agree) the amount equal to: (i) the principal balance of the Loans held by the Non-Consenting Lender outstanding as of the close of business on the business day immediately preceding the effective date of such purchase and sale, plus (ii) amounts accrued and unpaid in respect of interest and fees payable to the Non-Consenting Lender to the effective date of the purchase and all other amounts payable to it hereunder and under the other Financing Agreements (including any amounts under Section 3.3 and Section 6.5). Such purchase and sale shall be effective on the date of the payment of such amount to the Non-Consenting Lender and the Commitment of the Non-Consenting Lender shall terminate on such date.

(d) The consent of the Agent shall be required for any amendment, waiver or consent affecting the rights or duties of the Agent hereunder or under any of the other Financing Agreements, in addition to the consent of the Lenders otherwise required by this Section and the exercise by the Agent of any of its rights hereunder with respect to Reserves or Eligible Accounts or Eligible Inventory shall not be deemed an amendment to the advance rates provided for in this Section 11.3. The consent of the Issuing Bank shall be required for any amendment, waiver or consent affecting the rights or duties of the Issuing Bank hereunder or under any of the other Financing Agreements, in addition to the consent of the Lenders otherwise required by this Section, provided, that, the consent of the Issuing Bank shall not be required for any other amendments, waivers or consents. Notwithstanding anything to the contrary contained in Section 11.3(a) above, (i) in the event that the Agent shall agree that any items otherwise required to be delivered to the Agent as a condition of the initial Loans and Letters of Credit hereunder may be delivered after the date hereof, the Agent may, in its discretion, agree to extend the date for delivery of such items or take such other action as the Agent may deem

appropriate as a result of the failure to receive such items as the Agent may determine or may waive any Event of Default as a result of the failure to receive such items, in each case without the consent of any Lender and (ii) the Agent may consent to any change in the type of organization, jurisdiction of organization or other legal structure of any Loan Party or any of their Subsidiaries and amend the terms hereof or of any of the other Financing Agreements as may be necessary or desirable to reflect any such change, in each case without the approval of any Lender.

11.4 Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.3, or requires the Borrowers to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 6.5, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.3 or Section 6.5, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.3, or if the Loan Parties are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 6.5, or if any Lender defaults in its obligation to fund Loans hereunder, then the Company may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 13.7), all of its interests, rights and obligations under this Agreement and the related Financing Agreements to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Loan Parties shall have paid to the Agent the assignment fee specified in Section 13.7;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Financing Agreements (including any amounts under Section 3.3 and Section 6.5) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.3 or payments required to be made pursuant to Section 6.5, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

11.5 Waiver of Counterclaims.

Each Loan Party waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other then compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

11.6 Indemnification.

Each Loan Party shall, jointly and severally, indemnify and hold the Agent, each Lender, the Arrangers and the Issuing Bank, and their respective officers, directors, agents, employees, advisors and counsel and their respective Affiliates (each such person being an "Indemnitee"), harmless from and against any and all losses, claims, damages, liabilities, costs or expenses (including attorneys' fees and expenses) imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including amounts paid in settlement, court costs, and the fees and expenses of counsel except that the Loan Parties shall not have any obligation under this Section 11.5 to indemnify an Indemnitee with respect to a matter covered hereby to the extent determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (a) the willful misconduct, bad faith, fraud or gross negligence of such Indemnitee, its Affiliates or any of their respective officers, directors, employees, agents and controlling persons or (b) any dispute solely among Indemnitees other than claims against any Indemnitee in its capacity or in fulfilling its role as an agent or arranger or any other similar role under this Agreement. The Loan Parties shall have no obligation to reimburse any such Indemnitee for fees and expenses unless such Indemnitee provides the Company an undertaking in which such Indemnitee agrees to refund and return any and all amounts paid by the Loan Parties to such Indemnitee to the extent it is determined that such indemnitee is not entitled to indemnification for such fees and expenses in accordance with the terms of the previous sentence. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, the Loan Parties shall pay the maximum portion which it is permitted to pay under applicable law to the Agent and the Lenders in satisfaction of indemnified matters under this Section. To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability for special, indirect, consequential or punitive damages (as

opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Financing Agreements or any undertaking or transaction contemplated hereby. No Indemnitee referred to above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or any of the other Financing Agreements or the transaction contemplated hereby or thereby. All amounts due under this Section shall be payable upon demand. The foregoing indemnity shall survive the payment of the Obligations and the termination of this Agreement.

SECTION 12

THE AGENT

12.1 Appointment, Powers and Immunities.

Each Lender and the Issuing Bank irrevocably designates, appoints and authorizes Wachovia to act as the Agent hereunder and under the other Financing Agreements with such powers as are specifically delegated to the Agent by the terms of this Agreement and of the other Financing Agreements, together with such other powers as are reasonably incidental thereto. The Agent (a) shall have no duties or responsibilities except those expressly set forth in this Agreement and in the other Financing Agreements, and shall not by reason of this Agreement or any other Financing Agreement be a trustee or fiduciary for any Lender; (b) shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or in any of the other Financing Agreements, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or any other Financing Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Financing Agreement or any other document referred to or provided for herein or therein or for any failure by any Loan Party or any other Person to perform any of its obligations hereunder or thereunder; and (c) shall not be responsible to the Lenders for any action taken or omitted to be taken by it hereunder or under any other Financing Agreement or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, except for its own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The Agent may employ agents and attorneys in fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys in fact selected by it in good faith. The Agent may deem and treat the payee of any note as the holder thereof for all purposes hereof unless and until the assignment thereof pursuant to an agreement (if and to the extent permitted herein) in form and substance satisfactory to the Agent shall have been delivered to and acknowledged by the Agent.

12.2 Reliance by the Agent.

The Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telecopy, telex, telegram or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Agent. As to any matters not expressly provided for by this Agreement or any other Financing Agreement, the Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or thereunder in accordance with instructions given by the Required Lenders or all of the Lenders as is required in such circumstance, and such instructions of the Agent and any action taken or failure to act pursuant thereto shall be binding on all Lenders.

12.3 Events of Default.

(a) The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or an Event of Default or other failure of a condition precedent to the Loans and Letters of Credit hereunder, unless and until the Agent has received written notice from a Lender, or the Loan Parties specifying such Event of Default or any unfulfilled condition precedent, and stating that such notice is a "Notice of Default or Failure of Condition". In the event that the Agent receives such a Notice of Default or Failure of Condition, the Agent shall give prompt notice thereof to the Lenders. The Agent shall (subject to Section 12.7) take such action with respect to any such Event of Default or failure of condition precedent as shall be directed by the Required Lenders to the extent provided for herein; provided, that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to or by reason of such Event of Default or failure of condition precedent, as it shall deem advisable in the best interest of the Lenders. Without limiting the foregoing, and notwithstanding the existence or occurrence and continuance of an Event of Default or any other failure to satisfy any of the conditions precedent set forth in Section 4 of this Agreement to the contrary, unless and until otherwise directed by the Required Lenders, the Agent may, but shall have no obligation to, continue to make Loans and the Issuing Bank may, but shall have no obligation to, issue or cause to be issued any Letter of Credit for the ratable account and risk of the Lenders from time to time if the Agent believes making such Loans or issuing or causing to be issued such Letter of Credit is in the best interests of the Lenders.

(b) Except with the prior written consent of the Agent, neither any Lender nor the Issuing Bank may assert or exercise any enforcement right or remedy in respect of the Loans, Letter of Credit Obligations or other Obligations, as against any Loan Party or any of the Collateral or other property of any Loan Party.

12.4 Wachovia in its Individual Capacity.

With respect to its Commitment and the Loans made and Letters of Credit issued or caused to be issued by it (and any successor acting as the Agent), so long as Wachovia shall be a Lender hereunder, it shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include Wachovia in its individual capacity as Lender hereunder. Wachovia (and any successor acting as the Agent) and its

Affiliates may (without having to account therefor to any Lender) lend money to, make investments in and generally engage in any kind of business with the Borrowers (and any of its Subsidiaries or Affiliates) as if it were not acting as the Agent, and Wachovia and its Affiliates may accept fees and other consideration from any Loan Party and any of its Subsidiaries and Affiliates for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

12.5 Indemnification.

The Lenders agree to indemnify the Agent and the Issuing Bank (to the extent not reimbursed by the Borrowers hereunder and without limiting any obligations of the Borrowers hereunder) ratably, in accordance with their Pro Rata Shares, for any and all claims of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Agent (including by any Lender) arising out of or by reason of any investigation in or in any way relating to or arising out of this Agreement or any other Financing Agreement or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including the costs and expenses that the Agent is obligated to pay hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents, provided, that, no Lender shall be liable for any of the foregoing to the extent it arises from the gross negligence or willful misconduct of the party to be indemnified as determined by a final non-appealable judgment of a court of competent jurisdiction. The foregoing indemnity shall survive the payment of the Obligations and the termination of this Agreement.

12.6 Non-Reliance on Agent and Other Lenders.

Each Lender agrees that it has, independently and without reliance on the Agent or other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Loan Parties and has made its own decision to enter into this Agreement and that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or any of the other Financing Agreements. The Agent shall not be required to keep itself informed as to the performance or observance by any Loan Party of any term or provision of this Agreement or any of the other Financing Agreements or any other document referred to or provided for herein or therein or to inspect the properties or books of any Loan Party. The Agent will use reasonable efforts to provide the Lenders with any information received by the Agent from any Loan Party which is required to be provided to the Lenders or deemed to be requested by the Lenders hereunder and with a copy of any Notice of Default or Failure of Condition received by the Agent from any Borrower or any Lender; provided, that, the Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable to the Agent's own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent or deemed requested by the Lenders hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any other credit or other information concerning the affairs, financial condition or business of any Loan Party that may come into the possession of the Agent.

12.7 Failure to Act.

Except for action expressly required of the Agent hereunder and under the other Financing Agreements, the Agent shall in all cases be fully justified in failing or refusing to act hereunder and thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under Section 12.5 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

12.8 Additional Loans.

The Agent shall not make any Revolving Loans or the Issuing Bank provide any Letter of Credit to any Borrower on behalf of the Lenders intentionally and with actual knowledge that such Revolving Loans or Letter of Credit would cause the aggregate amount of the total outstanding Revolving Loans and Letters of Credit to exceed the Borrowing Base, without the prior consent of all the Lenders, except, that, the Agent may make such additional Revolving Loans or the Issuing Bank may provide such additional Letter of Credit on behalf of the Lenders, intentionally and with actual knowledge that such Revolving Loans or Letter of Credit will cause the total outstanding Revolving Loans and Letters of Credit to exceed the Borrowing Base, as the Agent may deem necessary or advisable in its discretion, provided, that: (a) the total principal amount of the additional Revolving Loans or additional Letters of Credit to any Borrower which the Agent may make or provide after obtaining such actual knowledge that the aggregate principal amount of the Revolving Loans equal or exceed the Borrowing Base, plus the amount of Special Agent Advances made pursuant to Section 12.11(a)(ii) hereof then outstanding, shall not exceed the aggregate amount equal to ten percent (10%) of the Maximum Credit and shall not cause the total principal amount of the Loans and Letters of Credit to exceed the Maximum Credit and (b) no such additional Revolving Loan or Letter of Credit shall be outstanding more than ninety (90) days after the date such additional Revolving Loan or Letter of Credit is made or issued (as the case may be), except as the Required Lenders may otherwise agree. Each Lender shall be obligated to pay the Agent the amount of its Pro Rata Share of any such additional Revolving Loans or Letters of Credit.

12.9 Concerning the Collateral and the Related Financing Agreements.

Each Lender authorizes and directs the Agent to enter into this Agreement and the other Financing Agreements. Each Lender agrees that any action taken by the Agent or Required Lenders in accordance with the terms of this Agreement or the other Financing Agreements and the exercise by the Agent or Required Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

12.10 Field Exam, Examination Reports and other Information; Disclaimer by Lenders.

By signing this Agreement, each Lender: is deemed to have requested that the Agent furnish such Lender, promptly after it becomes available, a copy of each field exam or examination report and report with respect to the Borrowing Base prepared or received by the Agent (each field exam or examination report and report with respect to the Borrowing Base being referred to herein as a "Report" and collectively, "Reports"), appraisals with respect to the Collateral and financial statements with respect to the Loan Parties and their Subsidiaries received by the Agent;

(a) expressly agrees and acknowledges that the Agent (i) does not make any representation or warranty as to the accuracy of any Report, appraisal or financial statement or (ii) shall not be liable for any information contained in any Report, appraisal or financial statement;

(b) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agent or any other party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel; and

(c) agrees to keep all Reports confidential and strictly for its internal use in accordance with the terms of Section 13.5 hereof, and not to distribute or use any Report in any other manner.

12.11 Collateral Matters.

(a) The Agent may, at its option, from time to time, at any time on or after an Event of Default and for so long as the same is continuing or upon any other failure of a condition precedent to the Loans and Letters of Credit hereunder, make such disbursements and advances ("Special Agent Advances") which the Agent, in its sole discretion, (i) deems necessary or desirable either to preserve or protect the Collateral or any portion thereof or (ii) to enhance the likelihood or maximize the amount of repayment by the Loan Parties of the Loans and other Obligations, provided, that, (A) the aggregate principal amount of the Special Agent Advances pursuant to this clause (ii) outstanding at any time, plus the then outstanding principal amount of the additional Loans and Letters of Credit which the Agent may make or provide as set forth in Section 12.8 hereof, shall not exceed the amount equal to ten percent (10%) percent of the Maximum Credit and (B) the aggregate principal amount of the Special Agent Advances pursuant to this clause (ii) outstanding at any time, plus the then outstanding principal amount of the Loans, shall not exceed the Maximum Credit, except at the Agent's option, provided, that, to the extent that the aggregate principal amount of Special Agent Advances plus the then outstanding principal amount of the Loans exceed the Maximum Credit the Special Agent Advances that are in excess of the Maximum Credit shall be for the sole account and risk of the Agent and notwithstanding anything to the contrary set

forth below, no Lender shall have any obligation to provide its share of such Special Agent Advances in excess of the Maximum Credit, or (iii) to pay any other amount chargeable to any Loan Party pursuant to the terms of this Agreement or any of the other Financing Agreements consisting of (A) costs, fees and expenses and (B) payments to the Issuing Bank in respect of any Letter of Credit Obligations. The Special Agent Advances shall be repayable on demand and together with all interest thereon shall constitute Obligations secured by the Collateral. Special Agent Advances shall not constitute Loans but shall otherwise constitute Obligations hereunder. Interest on Special Agent Advances shall be payable at the Interest Rate then applicable to Prime Rate Loans and shall be payable on demand. Without limitation of its obligations pursuant to Section 6.11, each Lender agrees that it shall make available to the Agent, upon the Agent's demand, in immediately available funds, the amount equal to such Lender's Pro Rata Share of each such Special Agent Advance. If such funds are not made available to the Agent by such Lender, such Lender shall be deemed a Defaulting Lender and the Agent shall be entitled to recover such funds, on demand from such Lender together with interest thereon for each day from the date such payment was due until the date such amount is paid to the Agent at the Federal Funds Rate for each day during such period (as published by the Federal Reserve Bank of New York or at the Agent's option based on the arithmetic mean determined by the Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of the three leading brokers of Federal funds transactions in New York City selected by the Agent) and if such amounts are not paid within three (3) days of the Agent's demand, at the highest Interest Rate provided for in Section 3.1 hereof applicable to Prime Rate Loans.

(b) The Lenders hereby irrevocably authorize the Agent, at its option and in its discretion to release any security interest in or lien upon, any of the Collateral (i) upon termination of the Commitments and payment and satisfaction of all of the Obligations and delivery of cash collateral to the extent required under Section 13.1 below, or (ii) constituting property being sold or disposed of if the Company or any Loan Party certifies to the Agent that the sale or disposition is made in compliance with Section 9.7 hereof (and the Agent may rely conclusively on any such certificate, without further inquiry), or (iii) constituting property in which any Loan Party did not own an interest at the time the security interest or lien was granted or at any time thereafter, or (iv) having a value in the aggregate in any twelve (12) month period of less than $500,000, and to the extent the Agent may release its security interest in and lien upon any such Collateral pursuant to the sale or other disposition thereof, such sale or other disposition shall be deemed consented to by the Lenders, or (v) if required or permitted under the terms of any of the other Financing Agreements, including any intercreditor agreement, or (vi) approved, authorized or ratified in writing by all of the Lenders. Except as provided above, the Agent will not release any security interest in or lien upon, any of the Collateral without the prior written authorization of all of the Lenders. Upon request by the Agent at any time, the Lenders will promptly confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section. In no event shall the consent or approval of the Issuing Bank to any release of Collateral be required.

(c) Without in any manner limiting the Agent's authority to act without any specific or further authorization or consent by the Required Lenders, each Lender agrees to confirm in writing, upon request by the Agent, the authority to release Collateral conferred upon the Agent under this Section. The Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the security interest or liens granted to the Agent upon any Collateral to the extent set forth above; provided, that, (i) the Agent shall not be required to execute any such document on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligations or entail any consequence other than the release of such security interest or liens without recourse or warranty and (ii) such release shall not in any manner discharge, affect or impair the Obligations or any security interest or lien upon (or obligations of any Loan Party in respect of) the Collateral retained by such Loan Party.

(d) The Agent shall have no obligation whatsoever to any Lender, the Issuing Bank or any other Person to investigate, confirm or assure that the Collateral exists or is owned by any Loan Party or is cared for, protected or insured or has been encumbered, or that any particular items of Collateral meet the eligibility criteria applicable in respect of the Loans or Letters of Credit hereunder, or whether any particular reserves are appropriate, or that the liens and security interests granted to the Agent pursuant hereto or any of the Financing Agreements or otherwise have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to the Agent in this Agreement or in any of the other Financing Agreements, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, subject to the other terms and conditions contained herein, the Agent may act in any manner it may deem appropriate, in its discretion, given the Agent's own interest in the Collateral as a Lender and that the Agent shall have no duty or liability whatsoever to any other Lender or the Issuing Bank.

12.12 Agency for Perfection.

Each Lender and the Issuing Bank hereby appoints the Agent and each other Lender and the Issuing Bank as agent and bailee for the purpose of perfecting the security interests in and liens upon the Collateral of the Agent in assets which, in accordance with Article 9 of the UCC can be perfected only by possession (or where the security interest of a secured party with possession has priority over the security interest of another secured party) and the Agent and each Lender and the Issuing Bank hereby acknowledges that it holds possession of any such Collateral for the benefit of the Agent as secured party. Should any Lender or the Issuing Bank obtain possession of any such Collateral, such Lender shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or the Control Agent or in accordance with the Agent's instructions.

12.13 Successor Agent.

The Agent may resign as Agent upon thirty (30) days' notice to the Lenders and the Company; provided, that if the Agent resigns, it shall also resign as Issuing Bank. If the Agent and the Issuing Bank resign under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent and Issuing Bank for the Lenders. If no successor agent and Issuing Bank is appointed prior to the effective date of the resignation of the Agent and Issuing Bank, the Agent may appoint, after consulting with the Lenders and the Company, a successor agent and Issuing Bank from among the Lenders. Upon the acceptance by the Lender so selected of its appointment as successor agent and Issuing Bank hereunder, such successor agent shall succeed to all of the rights, powers and duties of the retiring Agent and Issuing Bank and the terms "Agent" and "Issuing Bank" as used herein and in the other Financing Agreements shall mean such successor agent and Issuing Bank and the retiring Agent's and Issuing Bank's appointment, powers and duties as Agent and Issuing Bank shall be terminated. After any retiring Agent's and Issuing Bank's resignation hereunder as Agent and Issuing Bank, the provisions of this Section 12 shall inure to its benefit as to any actions taken or omitted by it while it was the Agent and Issuing Bank under this Agreement. If no successor agent has accepted appointment as Agent and Issuing Bank by the date which is thirty (30) days after the date of a retiring Agent's and Issuing Bank's notice of resignation, the retiring Agent's and Issuing Bank's resignation shall nonetheless thereupon become effective and the Lenders shall perform all of the duties of the Agent and Issuing Bank hereunder until such time, if any, as the Required Lenders appoint a successor agent and Issuing Bank as provided for above.

Upon the Issuing Bank's resignation hereunder, such Issuing Bank's obligations to issue Letters of Credit shall terminate but it shall retain all of the rights and obligations of the Issuing Bank hereunder with respect to Letters of Credit outstanding as of the effective date of its resignation and all Letter of Credit Obligations with respect thereto (including the right to require the Lenders to make Revolving Loans or fund risk participations in outstanding Letter of Credit Obligations) shall continue.

12.14 Other Agent Designations.

The Agent may at any time and from time to time determine that a Lender may, in addition, be a "Co-Agent", "Syndication Agent", "Documentation Agent", "Control Agent" or similar designation hereunder and enter into an agreement with such Lender to have it so identified for purposes of this Agreement. Any such designation shall be effective upon written notice by the Agent to the Company of any such designation. Any Lender that is so designated as a Co-Agent, Syndication Agent, Documentation Agent, Control Agent or such similar designation by the Agent shall have no right, power, obligation, liability, responsibility or duty under this Agreement or any of the other Financing Agreements other than those applicable to all the Lenders as such. Without limiting the foregoing, the Lenders so identified shall not have or be deemed to have any fiduciary relationship with any Lender and no Lender shall be deemed to have relied, nor shall any Lender rely, on a Lender so identified as a Co-Agent, Syndication Agent, Documentation Agent, Control Agent or such similar designation in deciding to enter into this Agreement or in taking or not taking action hereunder.

12.15 Intercreditor Agreement.

Each of the Lenders hereby acknowledges that it has received and reviewed the ABL Intercreditor Agreement and agrees to be bound by the terms thereof. Each Lender (and each Person that becomes a Lender hereunder pursuant to Section 13.7) hereby (i) acknowledges that Wachovia is acting under the ABL Intercreditor Agreement in multiple capacities as Agent, First Lien Term Loan Agent, Second Lien Term Loan Agent and Control Agent and (ii) waives any conflict of interest, now contemplated or arising hereafter, in connection therewith and agrees not to assert against Wachovia any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto. Each Lender (and each Person that becomes a Lender hereunder pursuant to Section 13.7) hereby authorizes and directs Wachovia to enter into the ABL Intercreditor Agreement on behalf of such Lender and agrees that Wachovia, in its various capacities thereunder, may take such actions on its behalf as is contemplated by the terms of the ABL Intercreditor Agreement.

SECTION 13

TERM OF AGREEMENT; MISCELLANEOUS

13.1 Term.

(a) This Agreement and the other Financing Agreements shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on the date five (5) years from the date hereof (the "Termination Date"). Upon the Termination Date, or earlier if accelerated pursuant to Section 10.2, the Borrowers shall pay to the Agent all outstanding and unpaid Obligations and shall furnish cash collateral to the Agent (or at the Agent's option, a letter of credit issued for the account of the Borrowers and at the Borrowers' expense, in form and substance satisfactory to the Agent, by an issuer acceptable to the Agent and payable to the Agent as beneficiary) in such amounts as the Agent determines are reasonably necessary to secure the Agent, the Lenders and the Issuing Bank from loss, cost, damage or expense, including attorneys' fees and expenses, in connection with any contingent Obligations, including issued and outstanding Letter of Credit Obligations and checks or other payments provisionally credited to the Obligations and/or as to which the Agent or any Lender has not yet received final and indefeasible payment and any continuing obligations of the Agent or any Lender pursuant to any Account Control Agreement. The amount of such cash collateral (or letter of credit, as the Agent may determine) as to any Letter of Credit Obligations shall be in the amount equal to one hundred ten (110%) percent of the amount of the Letter of Credit Obligations plus the amount of any fees and expenses payable in connection therewith through the end of the latest expiration date of the Letters of Credit giving rise to such Letter of Credit Obligations. Such payments in respect of the Obligations and cash collateral shall be remitted by wire transfer in Federal funds to the Agent Payment Account or such other bank account of the Agent, as the Agent may, in its discretion, designate in writing to the Company for such purpose. Interest shall be due until and including the next Business Day, if the amounts so paid by the Borrowers to the Agent Payment Account or other bank account designated by the Agent are received in such bank account later than 12:00 p.m., New York time.

(b) No termination of the Commitments, this Agreement or any of the other Financing Agreements shall relieve or discharge any Loan Party of its respective duties, obligations and covenants under this Agreement or any of the other Financing Agreements until all Obligations have been fully and finally discharged and paid, and the Agent's continuing security interest in the Collateral and the rights and remedies of the Agent and the Lenders hereunder, under the other Financing Agreements and applicable law, shall remain in effect until all such Obligations have been fully and finally discharged and paid. Accordingly, each Loan Party waives any rights it may have under the UCC to demand the filing of termination statements with respect to the Collateral and the Agent shall not be required to send such termination statements to the Loan Parties, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations paid and satisfied in full in immediately available funds.

13.2 Interpretative Provisions.

All terms used herein which are defined in Article 1, Article 8 or Article 9 of the UCC shall have the meanings given therein unless otherwise defined in this Agreement.

(a) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

(b) All references to any Borrower, Guarantor, the Agent and the Lenders pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns.

(c) The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(d) The word "including" when used in this Agreement shall mean "including, without limitation" and the word "will" when used in this Agreement shall be construed to have the same meaning and effect as the word "shall".

(e) An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 11.3 or is cured.

(f) All references to the term "good faith" used herein when applicable to the Agent or any Lender shall mean, notwithstanding anything to the contrary contained herein or in the UCC, honesty in fact in the conduct or transaction concerned. The Loan Parties shall have the burden of proving any lack of good faith on the part of the Agent or any Lender alleged by any Loan Party at any time.

(g) Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method for inventory valuation as used in the preparation of the financial statements of the Company most recently received by the Agent prior to the date hereof. Notwithstanding anything to the contrary contained in GAAP or any interpretations or other pronouncements by the Financial Accounting Standards Board or otherwise, the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that is unqualified and also does not include any explanation, supplemental comment or other comment concerning the ability of the applicable person to continue as a going concern or the scope of the audit.

(h) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including".

(i) Unless otherwise expressly provided herein, (i) references herein to any agreement, document or instrument shall be deemed to include all subsequent amendments, modifications, supplements, extensions, renewals, restatements or replacements with respect thereto, but only to the extent the same are not prohibited by the terms hereof or of any other Financing Agreement, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, recodifying, supplementing or interpreting the statute or regulation.

(j) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(k) This Agreement and other Financing Agreements may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(l) This Agreement and the other Financing Agreements are the result of negotiations among and have been reviewed by counsel to the Agent and the other parties, and are the products of all parties. Accordingly, this Agreement and the other Financing Agreements shall not be construed against the Agent or the Lenders merely because of the Agent's or any Lender's involvement in their preparation.

13.3 Notices.

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. Notices delivered through electronic communications shall be effective to the extent set forth in Section 13.3(b) below. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

The Company and the other Borrowers and Guarantors:	U.S. Silica Company 106 Sand Mine Road Berkeley Springs, WV 25411 Attention: John A. Ulizio and James I. Manion Telecopier: (304) 258-3500 Telephone: (304) 258-8258 (John A. Ulizio) Telephone: (304) 258-8202 (James I. Manion) With a copy to: Harvest Partners, LLC 280 Park Avenue, 33rd Floor New York, NY 10017 Attention: Michael B. DeFlorio and Michael Cardito tele: (212) 599-6300 fax: (212) 812-0100 White & Case LLP 1155 Avenue of the Americas New York, NY 10036 Attention: Joseph H. Brazil tele: (212) 819-8401 fax: (212) 354-8113
The Agent:	Wachovia Bank, National Association, as Agent 1 South Broad Street PA4812 Philadelphia, Pennsylvania 19107 Attention: Jim Kelly Telecopier: (267) 321-6741 Telephone: (267) 321-6685
The Lenders:	The address set forth on each Lender’s Administrative Details Form.

(b) Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent or as otherwise determined by the Agent, provided, that, the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Section 2 hereof if such Lender or the Issuing Bank, as applicable, has notified the Agent that it is incapable of receiving notices under such Section by electronic communication. Unless the Agent otherwise requires, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided, that, if such notice or other communication is not given during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communications is available and identifying the website address therefor.

13.4 Partial Invalidity.

If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

13.5 Confidentiality.

(a) The Agent, each Lender and the Issuing Bank shall use all reasonable efforts to keep confidential, in accordance with its customary procedures for handling confidential information and safe and sound lending practices, any non-public information supplied to it by any Borrower pursuant to this Agreement which is clearly and conspicuously marked as confidential at the time such information is furnished by such Borrower to the Agent, such Lender or the Issuing Bank, provided, that, nothing contained herein shall limit the disclosure of any such information: (i) to the extent (A) required by statute, rule, regulation, subpoena or court order or (B) requested by any regulatory authority purporting to have jurisdiction over the Agent or such Lender (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (ii) to bank examiners and other regulators, auditors and/or accountants, in connection with any litigation to which the Agent, such Lender or the Issuing Bank is a party, (iii) to any Lender or Participant (or prospective Lender or Participant) or the Issuing Bank or to any Affiliate of any Lender so long as such Lender, Participant (or prospective Lender or Participant), the Issuing Bank or Affiliate shall have been

instructed to treat such information as confidential in accordance with this Section 13.5, (iv) to any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative or securitization transaction related to the obligations under this Agreement, (v) to counsel for the Agent, any Lender, Participant (or prospective Lender or Participant) or the Issuing Bank or (vi) to the Agent's or such Lender's Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential).

(b) In the event that the Agent, any Lender or the Issuing Bank receives a request or demand to disclose any confidential information pursuant to any subpoena or court order, the Agent or such Lender or the Issuing Bank, as the case may be, agrees (i) to the extent permitted by applicable law or if permitted by applicable law, to the extent the Agent or such Lender or the Issuing Bank determines in good faith that it will not create any risk of liability to the Agent or such Lender or the Issuing Bank, the Agent or such Lender or the Issuing Bank will promptly notify the Company of such request so that the Company may seek a protective order or other appropriate relief or remedy and (ii) if disclosure of such information is required, disclose such information and, subject to reimbursement by the Borrowers of the Agent's or such Lender's or the Issuing Bank's expenses, cooperate with the Company in the reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the disclosed information which the Company so designates, to the extent permitted by applicable law or if permitted by applicable law, to the extent the Agent or such Lender or the Issuing Bank determines in good faith that it will not create any risk of liability to the Agent or such Lender or the Issuing Bank.

In no event shall this Section 13.5 or any other provision of this Agreement, any of the other Financing Agreements or applicable law be deemed: (i) to apply to or restrict disclosure of information that has been or is made public by any Loan Party or any third party or otherwise becomes generally available to the public other than as a result of a disclosure in violation hereof, (ii) to apply to or restrict disclosure of information that was or becomes available to the Agent, any Lender (or any Affiliate of any Lender) or the Issuing Bank on a non-confidential basis from a person other than a Loan Party, or (iii) to require the Agent, any Lender or the Issuing Bank to return any materials furnished by a Loan Party to the Agent, a Lender or the Issuing Bank or prevent the Agent, a Lender or the Issuing Bank from responding to routine informational requests in accordance with the Code of Ethics for the Exchange of Credit Information promulgated by The Robert Morris Associates or other applicable industry standards relating to the exchange of credit information. The obligations of the Agent, the Lenders and the Issuing Bank under this Section 13.5 shall supersede and replace the obligations of the Agent, the Lenders and the Issuing Bank under any confidentiality letter signed prior to the date hereof or any other arrangements concerning the confidentiality of information provided by any Loan Party to the Agent or any Lender. In addition, the Agent and the Lenders may disclose information relating to the Credit Facility to Gold Sheets and other publications, with such information to consist of deal terms and other information customarily found in such publications and that Wachovia may otherwise use the corporate name and logo of the Loan Parties or deal terms in "tombstones" or other advertisements, public statements or marketing materials.

13.6 Successors.

This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by the Agent, the Lenders, the Issuing Bank, the Loan Parties and their respective successors and assigns, except that the Loan Parties may not assign their rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of the Agent and each of the Lenders. Any such purported assignment without such express prior written consent shall be void. No Lender may assign its rights and obligations under this Agreement without the prior written consent of the Agent, except as provided in Section 13.7 below. The terms and provisions of this Agreement and the other Financing Agreements are for the purpose of defining the relative rights and obligations of the Loan Parties, the Agent, the Lenders and the Issuing Bank with respect to the transactions contemplated hereby and there shall be no third party beneficiaries of any of the terms and provisions of this Agreement or any of the other Financing Agreements.

13.7 Assignments; Participations.

(a) Each Lender may, with the prior written consent of the Agent (which such approval shall not be unreasonably withheld or delayed) and, so long as there is no Default or Event of Default arising pursuant to Section 10.1(a)(i), (a)(ii) (only to the extent arising pursuant to the covenant set forth in Section 9.16), (e), (f) or (g) that has occurred and is continuing (which such approval shall not be unreasonably withheld or delayed), the Company (it being understood and agreed that consent by the Company shall not be required for an assignment to an existing Lender, an affiliate of a Lender or an Approved Fund), assign all or, if less than all, a portion equal to at least $5,000,000 in the aggregate for the assigning Lender (treating simultaneous assignments by related funds as a single assignment for purposes of such requirement), of such rights and obligations under this Agreement to one or more Eligible Transferees (but not including for this purpose any assignments in the form of a participation), each of which assignees shall become a party to this Agreement as a Lender by execution of an Assignment and Acceptance; provided, that, (i) such transfer or assignment will not be effective until recorded by the Agent on the Register and (ii) the Agent shall have received for its sole account payment of a processing fee from the assigning Lender or the assignee in the amount of $3,500 (unless waived by the Agent) (treating simultaneous assignments by related funds as a single assignment for purposes of such requirement); provided, that the processing fee set forth above shall not be required for assignments from a Lender to its Affiliates. The Agent shall maintain a register of the names and addresses of the Lenders, their Commitments and the principal amount of their Loans (the "Register"). The Agent shall also maintain a copy of each Assignment and Acceptance delivered to and accepted by it and shall modify the Register to give effect to each Assignment and Acceptance. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and any of the Loan Parties, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(b) Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and to the other Financing Agreements and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations (including, without limitation, the obligation to participate in Letter of Credit Obligations) of a Lender hereunder and thereunder and the assigning Lender shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement.

(c) By execution and delivery of an Assignment and Acceptance, the assignor and assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Financing Agreements or the execution, legality, enforceability, genuineness, sufficiency or value of this Agreement or any of the other Financing Agreements furnished pursuant hereto, (ii) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or any of their Subsidiaries or the performance or observance by any Loan Party of any of the Obligations; (iii) such assignee confirms that it has received a copy of this Agreement and the other Financing Agreements, together with such other documents and information it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such assignee will, independently and without reliance upon the assigning Lender, the Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Financing Agreements, (v) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Financing Agreements as are delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Financing Agreements are required to be performed by it as a Lender. The Agent and the Lenders may furnish any information concerning any Loan Party in the possession of the Agent or any Lender from time to time to assignees and Participants.

(d) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement and the other Financing Agreements (including, without limitation, all or a portion of its Commitments and the Loans owing to it and its participation in the Letter of Credit Obligations, without

the consent of the Agent or the other Lenders); provided, that, (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) and the other Financing Agreements shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and the Loan Parties, the other Lenders and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Financing Agreements, and (iii) the Participant shall not have any rights under this Agreement or any of the other Financing Agreements (the Participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the Participant relating thereto) and all amounts payable by any Loan Party hereunder shall be determined as if such Lender had not sold such participation; provided, that the agreement executed by such Lender in favor of the Participant relating thereto may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to Section 11.3(a) that affects such Participant.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) The Loan Parties shall assist the Agent or any Lender permitted to sell assignments or participations under this Section 13.7 in whatever manner reasonably necessary in order to enable or effect any such assignment or participation, including (but not limited to) the execution and delivery of any and all agreements, notes and other documents and instruments as shall be requested and the delivery of informational materials, appraisals or other documents for, and the participation of relevant management in meetings and conference calls with, potential Lenders or Participants. The Borrowers shall certify the correctness, completeness and accuracy, in all material respects, of all descriptions of the Loan Parties and their affairs provided, prepared or reviewed by any Loan Party that are contained in any selling materials and all other information provided by it and included in such materials.

13.8 Entire Agreement.

This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written. In the event of any inconsistency between the terms of this Agreement and any schedule or exhibit hereto, the terms of this Agreement shall govern.

13.9 USA Patriot Act.

Each Lender subject to the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Act") hereby notifies the Loan Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies each person or corporation who opens an account and/or enters into a business relationship with it, which information includes the name and address of the Loan Parties and other information that will allow such Lender to identify such person in accordance with the Act and any other applicable law. The Loan Parties are hereby advised that any Loans or Letters of Credit hereunder are subject to satisfactory results of such verification.

13.10 Counterparts, Etc.

This Agreement or any of the other Financing Agreements may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement or any of the other Financing Agreements by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement or any of such other Financing Agreements. Any party delivering an executed counterpart of any such agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of such agreement.

13.11 Concerning Joint and Several Liability of Borrowers.

(a) Each of the Borrowers is accepting joint and several liability hereunder in consideration of the financial accommodation to be provided by the Lenders under this Agreement, for the mutual benefit, directly and indirectly, of each of the Borrowers and in consideration of the undertakings of each of the Borrowers to accept joint and several liability for the obligations of each of them.

(b) Each of the Borrowers jointly and severally hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers with respect to the payment and performance of all of the Obligations, it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each of the Borrowers without preferences or distinction among them.

(c) If and to the extent that any of the Borrowers shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event, the other Borrowers will make such payment with respect to, or perform, such Obligation.

(d) The obligations of each Borrower under the provisions of this Section 13.11 constitute full recourse obligations of such Borrower, enforceable against it to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstances whatsoever.

(e) Except as otherwise expressly provided herein, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of any Loan made under this Agreement, notice of occurrence of any Event of Default, or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by any Lender under or in respect of any of the Obligations, any requirement of diligence and, generally, all demands, notices and other formalities of every kind in connection with this Agreement. Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by any Lender at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by any Lender in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Lender, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with the applicable laws or regulations thereunder which might, but for the provisions of this Section 13.11, afford grounds for terminating, discharging or relieving such Borrower, in whole or in part, from any of its obligations under this Section 13.11, it being the intention of each Borrower that, so long as any of the Obligations remain unsatisfied, the obligations of such Borrower under this Section 13.11 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 13.11 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any Borrower or any Lender. The joint and several liability of the Borrowers hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of any Borrower or any Lender.

(f) The provisions of this Section 13.11 are made for the benefit of the Lenders and their respective successors and assigns, and may be enforced by any such Person from time to time against any of the Borrowers as often as occasion therefor may arise and without requirement on the part of any Lender first to marshal any of its claims or to exercise any of its rights against any of the other Borrowers or to exhaust any remedies available to it against any of the other Borrowers or to resort to any other source or means of obtaining payment of any of the Obligations or to elect any other remedy. The provisions of this Section 13.11 shall remain in effect until all the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by any Lender upon the insolvency, bankruptcy or reorganization of any of the Borrowers, or otherwise, the provisions of this Section 13.11 will forthwith be reinstated in effect, as though such payment had not been made.

(g) Notwithstanding any provision to the contrary contained herein or in any other of the Financing Agreements, to the extent the joint obligations of a Borrower shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers) then the obligations of each Borrower hereunder shall be limited to the maximum amount that is permissible under applicable law (whether federal or state and including, without limitation, the Bankruptcy Code).

(h) the Borrowers hereby agree, as among themselves, that if any Borrower shall become an Excess Funding Borrower (as defined below), each other Borrower shall, on demand of such Excess Funding Borrower (but subject to the next sentence hereof and to subsection (B) below), pay to such Excess Funding Borrower an amount equal to such Borrower's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, assets, liabilities and debts of such Excess Funding Borrower) of such Excess Payment (as defined below). The payment obligation of any Borrower to any Excess Funding Borrower under this Section 13.11(h) shall be subordinate and subject in right of payment to the prior payment in full of the Obligations of such Borrower under the other provisions of this Agreement, and such Excess Funding Borrower shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such Obligations. For purposes hereof, (i) "Excess Funding Borrower" shall mean, in respect of any Obligations arising under the other provisions of this Credit Agreement (hereafter, the "Joint Obligations"), a Borrower that has paid an amount in excess of its Pro Rata Share of the Joint Obligations; (ii) "Excess Payment" shall mean, in respect of any Joint Obligations, the amount paid by an Excess Funding Borrower in excess of its Pro Rata Share of such Joint Obligations; and (iii) "Pro Rata Share", for the purposes of this Section 13.11(h) only, shall mean, for any Borrower, the ratio (expressed as a percentage) of (A) the amount by which the aggregate present fair salable value of all of its assets and properties exceeds the amount of all debts and liabilities of such Borrower (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of such Borrower hereunder) to (B) the amount by which the aggregate present fair salable value of all assets and other properties of such Borrower and all of the other Borrowers exceeds the amount of all of the debts and liabilities (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of such Borrower and the other Borrowers hereunder) of such Borrower and all of the other Borrowers, all as of the Closing Date (if any Borrower becomes a party hereto subsequent to the Closing Date, then for the purposes of this Section 13.11(h) such subsequent Borrower shall be deemed to have been a Borrower as of the Closing Date and the information pertaining to, and only pertaining to, such Borrower as of the date such Borrower became a Borrower shall be deemed true as of the Closing Date).

SECTION 14

GUARANTY OF OBLIGATIONS

14.1 The Guaranty.

In order to induce the Lenders to enter into this Agreement with the Company or any of its Domestic Subsidiaries and to extend credit hereunder, and in recognition of the direct benefits to be received by Guarantors from the Revolving Loans hereunder, each of the Guarantors hereby agrees with the Agent and the Lenders as follows: each Guarantor hereby unconditionally and irrevocably jointly and severally guarantees as primary obligor and not merely as surety the full and prompt payment when due, whether upon maturity, by acceleration or otherwise, of any and all indebtedness of the Borrowers to the Agent, and the Lenders. If any or all of the indebtedness of the Borrowers to the Agent and the Lenders becomes due and payable hereunder, each Guarantor unconditionally promises to pay such indebtedness to the Agent and the Lenders, or order, on demand, together with any and all reasonable expenses which may be incurred by the Agent, or the Lenders in collecting any of the indebtedness. The word "indebtedness" is used in this Section 14 in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of the Borrowers, including all Obligations, arising in connection with this Agreement, or the other Financing Agreements, in each case, heretofore, now, or hereafter made, incurred or created, whether voluntarily or involuntarily, absolute or contingent, liquidated or unliquidated, determined or undetermined, whether or not such indebtedness is from time to time reduced, or extinguished and thereafter increased or incurred, whether the Borrowers may be liable individually or jointly with others, whether or not recovery upon such indebtedness may be or hereafter become barred by any statute of limitations, and whether or not such indebtedness may be or hereafter become otherwise unenforceable. The Guaranty set forth in this Section 14 is a guaranty of timely payment and not of collection.

Notwithstanding any provision to the contrary contained herein or in any other of the Financing Agreements, to the extent the obligations of a Guarantor shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers) then the obligations of each such Guarantor hereunder shall be limited to the maximum amount that is permissible under applicable law (whether federal or state and including, without limitation, the United States Bankruptcy Code).

14.2 Bankruptcy.

Additionally, each of the Guarantors unconditionally and irrevocably guarantees jointly and severally the payment of any and all indebtedness of the Borrowers to the Lenders whether or not due or payable by the Borrowers upon the occurrence of any of the events specified in Sections 10.1(e), 10.1(f) or 10.1(g), and unconditionally promises to pay such indebtedness to the Agent for the account of the Lenders, or order, on demand, in lawful money of the United States. Each of the Guarantors further agrees that to the extent that the Borrowers or a Guarantor shall make a payment or a transfer of an interest in any property to the Agent, or any Lender,

which payment or transfer or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, or otherwise is avoided, and/or required to be repaid to a Borrower or a Guarantor, the estate of a Borrower or a Guarantor, a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such avoidance or repayment, the obligation or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment had not been made.

14.3 Nature of Liability.

The liability of each Guarantor hereunder is exclusive and independent of any security for or other guaranty of the indebtedness of the Borrowers whether executed by any such Guarantor, any other guarantor or by any other party, and no Guarantor's liability hereunder shall be affected or impaired by (a) any direction as to application of payment by any Borrower or by any other party, (b) any other continuing or other guaranty, undertaking or maximum liability of a Guarantor or of any other party as to the indebtedness of the Borrowers, (c) any payment on or in reduction of any such other guaranty or undertaking, (d) any dissolution, termination or increase, decrease or change in personnel by any Borrower, or (e) any payment made to the Agent, or any Lenders on the indebtedness which the Agent, repay the Borrowers pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each of the Guarantors waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding.

14.4 Independent Obligation.

The obligations of each Guarantor hereunder are independent of the obligations of any other guarantor or the Borrowers, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor or the Borrowers and whether or not any other Guarantor or any Borrower is joined in any such action or actions.

14.5 Authorization.

Each of the Guarantors authorizes the Agent, and each Lender without notice or demand (except as shall be required by applicable statute and cannot be waived), and without affecting or impairing its liability hereunder, from time to time to (a) renew, compromise, extend, increase, accelerate or otherwise change the time for payment of, or otherwise change the terms of the indebtedness or any part thereof in accordance with this Agreement, including any increase or decrease of the rate of interest thereon, (b) take and hold security from any guarantor or any other party for the payment of the Guaranty or the indebtedness and exchange, enforce waive and release any such security, (c) apply such security and direct the order or manner of sale thereof as the Agent and the Lenders in their discretion may determine and (d) release or substitute any one or more endorsers, guarantors, the Borrowers or other obligors.

14.6 Reliance.

It is not necessary for the Agent, or the Lenders to inquire into the capacity or powers of any Borrower or the officers, directors, members, partners or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

14.7 Waiver.

(a) Each of the Guarantors waives any right (except as shall be required by applicable statute and cannot be waived) to require the Agent, or any Lender to (i) proceed against any Borrower, any other guarantor or any other party, (ii) proceed against or exhaust any security held from any Borrower, any other guarantor or any other party, or (iii) pursue any other remedy in the Agent's, or any Lender's power whatsoever. Each of the Guarantors waives any defense based on or arising out of any defense of any Borrower, any other guarantor or any other party other than payment in full of the indebtedness, including, without limitation, any defense based on or arising out of (1) the disability of any Borrower, any other guarantor or any other party, (2) the unenforceability of the indebtedness or any part thereof from any cause, (3) the cessation from any cause of the liability of any Borrower other than payment in full of the indebtedness, (4) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of, or consent to departure from, any other guaranty, for all or any of the obligations of the Guarantors hereunder, (5) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations or any other Obligations of any other Loan Party under or in respect of the Financing Agreements, or any other amendment or waiver of or any consent to departure from any Financing Agreement, (6) to the fullest extent permitted by law, any law, regulation, decree or order of any jurisdiction, or any other event, affecting any term of any Obligation or the Agent and the Lenders' rights with respect thereto or (7) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Agent or any Lender that might otherwise constitute a defense available to, or a discharge of, such Guarantor or any other guarantor or surety. The Agent or any of the Lenders may, at their election, exercise any right or remedy the Agent and any Lender may have against any Borrower or any other party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the indebtedness has been paid. Each of the Guarantors waives any defense arising out of any such election by the Agent and each of the Lenders, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantors against any Borrower or any other party.

(b) Each of the Guarantors waives all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notice of protest, notices of dishonor, notices of acceptance of the Guaranty, and notices of the existence, creation or incurring of new or additional indebtedness. Each Guarantor assumes all responsibility for being and keeping itself

informed of the Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the indebtedness and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that neither the Agent nor any Lender shall have any duty to advise such Guarantor of information known to it regarding such circumstances or risks.

(c) Each of the Guarantors hereby agrees it will not exercise any rights of subrogation which it may at any time otherwise have as a result of the Guaranty (whether contractual, under Section 509 of the United States Bankruptcy Code, or otherwise) to the claims of the Lenders against any Borrower or any other guarantor of the indebtedness of any Borrower owing to the Lenders (collectively, the "Other Parties") and all contractual, statutory or common law rights of reimbursement, contribution or indemnity from any Other Party which it may at any time otherwise have as a result of the Guaranty until such time as the Loans hereunder shall have been paid and the Commitments have been terminated. Each of the Guarantors hereby further agrees not to exercise any right to enforce any other remedy which the Agent, or the Lenders now has or may hereafter have against any Other Party, any endorser or any other guarantor of all or any part of the indebtedness of any Borrower and any benefit of, and any right to participate in, any security or collateral given to or for the benefit of the Lenders to secure payment of the indebtedness of any Borrower until such time as the Loans hereunder shall have been paid and the Commitments have been terminated.

14.8 Limitation on Enforcement.

The Lenders agree that this Guaranty may be enforced only by the action of the Agent acting upon the instructions of the Required Lenders and that no Lender shall have any right individually to seek to enforce or to enforce the Guaranty, it being understood and agreed that such rights and remedies may be exercised by the Agent for the benefit of the Lenders under the terms of this Agreement. The Lenders further agree that this Guaranty may not be enforced against any director, officer, employee or stockholder of Guarantors.

14.9 Confirmation of Payment.

The Agent and the Lenders will, upon request after payment in cash in full of the indebtedness and obligations which are the subject of the Guaranty and termination of the Commitments relating thereto, confirm to the Borrowers, the Guarantors or any other Person that such indebtedness and obligations have been paid and the Commitments relating thereto terminated.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Agent, the Lenders and the Loan Parties have caused these presents to be duly executed as of the day and year first above written.

COMPANY:

U.S. SILICA COMPANY,
a Delaware corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

PARENT:

HOURGLASS HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: Authorized Signatory

GUARANTORS:

USS HOLDINGS, INC.,
a Delaware corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

BMAC HOLDINGS, INC.,
a Delaware corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

BETTER MINERALS & AGGREGATES COMPANY,
a Delaware corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

BMAC SERVICES CO., INC.,
a Delaware corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

THE FULTON LAND AND TIMBER COMPANY,
a Pennsylvania corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

GEORGE F. PETTINOS, LLC,
a Delaware limited liability company

By: U.S. Silica Company,
its sole and managing partner

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

PENNSYLVANIA GLASS SAND CORPORATION,
a Delaware corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

OTTAWA SILICA COMPANY,
a Delaware corporation

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President and Chief Executive Officer

AGENT AND LENDERS:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Agent and a Lender

By: /s/ James A. Kelly
Name: James A. Kelly
Title: Vice President

EXHIBIT A
to
ABL LOAN AND SECURITY AGREEMENT

Form of Assignment and Acceptance

This Assignment and Acceptance (the "Assignment and Acceptance") is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint][1] Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement identified below (as amended, the "Loan Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Loan Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Loan Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the] [any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____
   _____

2. Assignee[s]: _____
   _____
   [for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]

3. Borrowers: U.S. Silica Company, a Delaware corporation (the "Company") and those certain Subsidiaries of the Company from time to time party to the Loan Agreement.

[1] Include bracketed language if there are either multiple Assignors or multiple Assignees.

4. Administrative Agent: Wachovia Bank, National Association, as the administrative agent under the Loan Agreement

5. Loan Agreement: The ABL Loan and Security Agreement dated as of _____ __, 2007 among the Borrowers, the Guarantors from time to time party thereto, the lenders and other financial institutions from time to time party thereto, and Wachovia Bank, National Association, as Administrative Agent (together with all modifications, renewals, extensions, supplements, amendments, restatements and replacements from time to time, the "Loan Agreement").

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Facility Assigned	Aggregate Amount of Commitment/ Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/ Loans	CUSIP Number
		Revolving Loan	$	$	%	

[7. Trade Date: _____][2]

Effective Date: _____ __, 20__.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[1] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and] Accepted:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By _____
Title:

[Consented to:]

[NAME OF RELEVANT PARTY]

By _____
Title:

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement or any other Financing Agreement, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Financing Agreements or any collateral thereunder, (iii) the financial condition of the Borrowers, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Financing Agreement or (iv) the performance or observance by the Borrowers, any of their Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Financing Agreement.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Loan Agreement, (ii) it meets all the requirements to be an assignee under the Loan Agreement (subject to such consents, if any, as may be required under the Loan Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder and, to the extent of [the] [the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Loan Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Loan Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the] [any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Financing Agreements, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Financing Agreements are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the] [the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B
TO
ABL LOAN AND SECURITY AGREEMENT

Information Certificate

[See attached]

INFORMATION CERTIFICATE
OF
USS HOLDINGS, INC.,
HOURGLASS HOLDINGS, LLC
AND CERTAIN OF THEIR SUBSIDIARIES

Dated: August 9, 2007

To: Wachovia Bank, National Association, as Agent

In connection with the (a) ABL Loan and Security Agreement dated as of August 9, 2007, by and among U.S. Silica Company, a Delaware corporation (the "ABL Borrower"), certain Subsidiaries of the ABL Borrower from time to time party thereto, as Subsidiary Borrowers (the "Subsidiary Borrowers"). Hourglass Holdings, LLC, a Delaware limited liability company (the "Parent") and certain subsidiaries of the Parent from time to time party thereto, as guarantors, the Lenders from time to time party thereto (the "ABL Lenders") and Wachovia Bank, National Association, as Agent for the ABL Lenders (the "ABL Administrative Agent") (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "ABL Loan Agreement"; capitalized terms not otherwise defined herein shall have the meanings given to them in the ABL Loan Agreement), (b) First Lien Term Loan and Security Agreement dated as of August 9, 2007, by and among U.S. Silica Company, a Delaware corporation (the "First Lien Permanent Borrower"), USS Holdings, Inc., a, Delaware corporation (the "First Lien Initial Borrower"), the Parent and certain subsidiaries of the Parent from time to time party thereto, as guarantors, the Lenders from time to time party thereto (the "First Lien Lenders") and Wachovia Bank, National Association, as Agent for the First Lien Lenders (the "First Lien Administrative Agent") (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "First Lien Term Loan Agreement") and (c) Second Lien Term Loan and Security Agreement dated as of August 9, 2007, by and among U.S. Silica Company, a Delaware corporation (the "Second Lien Permanent Borrower"), USS Holdings, Inc., a Delaware corporation (the "Second Lien Initial Borrower"), the Parent and certain subsidiaries of the Parent from time to time party thereto, as guarantors, the Lenders from time to time party thereto (the "Second Lien Lenders", and together with the ABL Lenders and the First Lien Lenders, the "Lenders") and Wachovia Bank, National Association, as Agent for the Second Lien Lenders (the "Second Lien Administrative Agent"; together with the ABL Administrative Agent and the *First Lien Administrative Agent*, *the "Administrative Agents") (as amended*, *modified*, *extended*, restated, replaced, or supplemented from time to time, the "Second Lien Term Loan Agreement", and together with the ABL Loan Agreement and the First Lien Loan Agreement, the "Loan Agreements"), each of the undersigned (individually, a "Company" and, collectively, the "Companies") jointly and severally represents and warrants to Administrative Agents and Lenders the following information about it, its organizational structure and other matters of interest to Administrative Agents and Lenders:

I. The full and exact name of each Company as set forth in its certificate of incorporation (or its certificate of formation or other organizational document filed with the applicable state governmental authority, as the case may be) is as follows:

Hourglass Holdings, LLC
USS Holdings, Inc.
BMAC Holdings, Inc.
Better Minerals & Aggregates Company
U.S. Silica Company
BMAC Services Co., Inc.
The Fulton Land and Timber Company
George F. Pettinos, LLC
Pennsylvania Glass Sand Corporation
Ottawa Silica Company

2. Each Company is a registered organization of the following type (for example, corporation, limited partnership, Limited Liability Company, etc.):

Company	Type
Hourglass Holdings, LLC	Limited liability company
USS Holdings, Inc.	Corporation
BMAC Holdings, Inc.	Corporation
Better Minerals & Aggregates Company	Corporation
U.S. Silica Company	Corporation
BMAC Services Co., Inc.	Corporation
The Fulton Land and Timber Company	Corporation
George F. Pettinos, LLC	Limited liability Company
Pennsylvania Glass Sand Corporation	Corporation
Ottawa Silica Company	Corporation

3. Each Company was organized on the date indicated for such company below, under the laws of the State indicated below for such Company, and each Company is in good standing under the laws of such State.

Company	Date of Organization	Jurisdiction of Organization
Hourglass Holdings, LLC	6/15/2007	Delaware
USS Holdings, Inc.	9/19/1995	Delaware
BMAC Holdings, Inc.	9/10/1999	Delaware
Better Minerals & Aggregates Company	1/09/1996	Delaware
U.S. Silica Company	6/03/1968	Delaware
BMAC Services Co., Inc.	11/16/2000	Delaware
The Fulton Land and Timber Company	4/13/1942	Pennsylvania
George F. Pettinos, LLC	3/20/1930	Delaware
Pennsylvania Glass Sand Corporation	10/24/1986	Delaware
Ottawa Silica Company	10/24/1986	Delaware

4. The organizational identification-number of each Company issued by its jurisdiction of organization is as set forth below (or if none is issued by the jurisdiction of organization indicate “none”):

Company	ID No.
Hourglass Holdings, LLC	4370463
USS Holdings, Inc.	2543882
BMAC Holdings, Inc.	3095059
Better Minerals & Aggregates Company	2579867
U.S. Silica Company	0679419
BMAC Services Co., Inc.	3317602
The Fulton Land and Timber Company	132854
George F. Pettinos, LLC	0278906
Pennsylvania Glass Sand Corporation	2105431
Ottawa Silica Company	2105430

5. The Federal Employer Identification Number of each Company is as follows:

Company	FEIN
Hourglass Holdings, LLC	26-0421467
USS Holdings, Inc.	13-3872710
BMAC Holdings, Inc.	54-1959795
Better Minerals & Aggregates Company	55-0749125
U.S. Silica Company	23-0958670
BMAC Services Co., Inc.	55-0777773
The Fulton Land and Timber Company	23-1622540
George F. Pettinos, LLC	86-1073928
Pennsylvania Glass Sand Corporation	94-3024593
Ottawa Silica Company	94-3093543

6. Each Company is duly qualified and authorized to transact business as a foreign organization in the following states and is in good standing in such states:

Company	Jurisdiction
Hourglass Holdings, LLC	DE
USS Holdings, Inc.	DE, WV, NY
BMAC Holdings, Inc.	DE, WV
Better Minerals & Aggregates Company	DE, IL, NJ, TX, WV, MD, CT, PA, VA, NY
U.S. Silica Company	DE, IL, NJ, TX, NC, MO, NV, KS, WV, MS, LA, IN, FL, GA, MD, CT, PA, AL, MI, KY, OH, OK, SC, TN, VA, WI
BMAC Services Co., Inc.	DE, IL, NJ, TX, MO, WV, PA, CT, NY
The Fulton Land and Timber Company	PA
George F. Pettinos, LLC	DE, NJ
Pennsylvania Glass Sand Corporation	DE, CT, PA
Ottawa Silica Company	DE, LA

7. During the four-month period immediately preceding the date hereof, the name of each Company as set forth in its organizational documentation as filed of record with the applicable state authority has been changed as follows:

Company	Date of Change	Prior Name
NONE		

8. During the four-month period immediately preceding the date hereof, each Company has made or entered into the following mergers or acquisitions:

Company	Merger/Acquisition	Date
NONE		

9. The chief executive office and mailing address of each Company is located at the address indicated for such Company on Schedule 8.2 hereto.

10. The Records of each Company pertaining to Accounts; and other places of business and locations of Collateral assets are located at the addresses indicated for such Company on Schedule 8.2 hereto.

11. Each Company's property and assets are owned and held free and clear of liens, mortgages, pledges, security interests, encumbrances or charges except those granted to Agent and such others as set forth on Schedule 8.4 hereto.

12. No Company has any deposit accounts, investment accounts, securities account or similar accounts with any bank, savings and loan or other financial institution, except as set forth on Schedule 8.10 hereto.

13. No Company owns or licenses any trademarks, patents, copyrights or other intellectual property that is registered with the United States Patent and Trademark Office or any similar office or agency in the United States, any State hereof, any political subdivision thereof or in any other country, except as set forth on Schedule 8.11 hereto (indicate type of intellectual property and whether owned or licensed, registration number, date of registration, and, if licensed, the name and address of the licensor). Schedule 8.11 sets forth all License Agreements of the Company and its Subsidiaries.

14. Each Company is affiliated with, or has ownership in, the corporations (including subsidiaries) and other organizations set forth on Schedule 8.12 hereto.

15. The names of the stockholders (or members or partners, including general partners and limited partners) of each Company and their holdings are as set forth on Schedule 8.12 hereto (if stock or other interests are widely held indicate only holders owning 10% or more of the voting stock or other interests).

16. No Company is a party to or bound by a collective bargaining or similar agreement with any union, labor organization or other bargaining agent except as set forth on Schedule 8.13 hereto (indicate date of agreement, parties to agreement, description of employees covered, and date of termination).

17. No Company has any Indebtedness except as set forth on Schedule 9.9 hereto or as otherwise permitted under Section 9.9 of the Loan and Security Agreement.

18. No Company has made any loans or advances or guaranteed or otherwise become liable for the obligations of any others, except as set forth on Schedule 9.10 hereto or as otherwise permitted under Section 9.10 of the Loan and Security Agreement.

19. No Company has any chattel paper (whether tangible or electronic) or instruments as of the date hereof, except as follows:

NONE.

20. No Company has any commercial tort claims, except as follows:

NONE.

21. The officers of each Company and their respective titles are as follows:

	Company	Title	Name
(a)	Company: **Hourglass Holdings, LLC.**	Authorized Signatories	Michael B. DeFlorio Michael J. Cardito
(b)	Company: **USS Holdings, Inc.**	President Vice President-Finance Treasurer Secretary	John A. Ulizio William A. White Michael L. Thompson James I. Manion
(c)	Company: **BMAC Holdings, Inc.**	President and Chief Executive Officer Vice President-Finance Treasurer Secretary	John A. Ulizio William A. White Michael L. Thomson James I. Manion
(d)	Company: **Better Minerals & Aggregates Company**	President Vice President-Finance Treasurer Secretary	John A. Ulizio William A. White Michael L. Thomson James I. Manion
(e)	Company: **BMAC Services Co., Inc.**	President and Chief Executive Officer Vice President-Finance Treasurer Secretary	John A. Ulizio William A. White Michael L. Thomson James I. Manion
(f)	Company: **U. S. Silica Company**	President and Chief Executive Officer Vice President-Finance Sr. Vice President Vice President-Operations Vice President Treasurer Secretary	John A. Ulizio William A. White Paul F. Guttmann George H. Didawick, Jr. Robert H. Morrow Michael L. Thompson James I. Manion

(g)	Company: **The Fulton Land and Timber Company**	President and Chief Executive Officer	John A. Ulizio
		Vice President-Finance	William A. White
		Treasurer	Michael L. Thompson
		Secretary	James I. Manion
(h)	Company: **Ottawa Silica Company**	President and Chief Executive Officer	John A. Ulizio
		Vice President-Finance	William A. White
		Treasurer	Michael L. Thompson
		Secretary	James I. Manion
(i)	Company: **Pennsylvania Glass Sand Corporation**	President and Chief Executive Officer	John A. Ulizio
		Vice President-Finance	William A. White
		Treasurer	Michael L. Thompson
		Secretary	James I. Manion
(j)	Company: **George F. Pettinos, LLC**	Sole and Managing Member	U. S. Silica Company (see officers above)

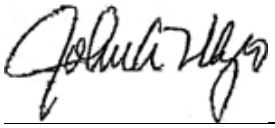
22. The members of the Board of Directors of each Company (or, if the Company is a limited partnership, the general partner or, if the Company is a limited liability company, the managers) are:

Company	Directors
Hourglass Holdings, LLC	John A. Ulizio, Michael B DeFlorio and Michael J. Cardito
USS Holdings, Inc.	John A. Ulizio, Michael B DeFlorio and Michael J. Cardito
BMAC Holdings, Inc.	John A. Ulizio, James I. Manion and Michael L. Thompson
Better Minerals & Aggregates Company	John A. Ulizio, Michael B DeFlorio and Michael J. Cardito
U.S. Silica Company	John A. Ulizio, Michael B DeFlorio and Michael J. Cardito
BMAC Services Co., Inc.	John A. Ulizio, James I. Manion and Michael L. Thompson
The Fulton Land and Timber Company	John A. Ulizio, James I. Manion and Michael L. Thompson
George F. Pettinos, LLC	U. S. Silica Company, Sole and Managing Member
Pennsylvania Glass Sand Corporation	John A. Ulizio, James I. Manion and Michael L. Thompson
Ottawa Silica Company	John A. Ulizio, James I. Manion and Michael L. Thompson

Lender shall be entitled to rely upon the foregoing in all respects and each of the undersigned is duly authorized to execute and deliver this Information Certificate on behalf of the Company for which he or she is signing.

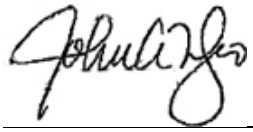
Very truly yours,

Hourglass Holdings, LLC



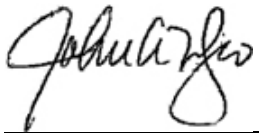
By: _____
Name: John A. Ulizio
Title: Authorized Signatory

USS Holdings, Inc.



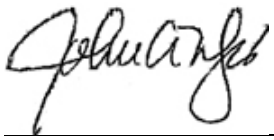
By: _____
Name: John A. Ulizio
Title: President

BMAC Holdings, Inc.



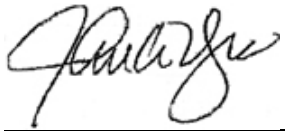
By: _____
Name: John A. Ulizio
Title: President and Chief Executive Officer

Better Mineral & Aggregates Company



By: _____
Name: John A. Ulizio
Title: President

U.S. Silica Company



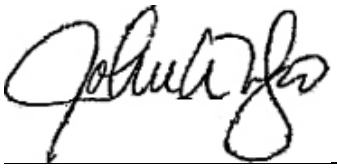
By: _____
Name: John A. Ulizio
Title: President and Chief Executive Officer

BMAC Services Co., Inc.

By: _____
Name: John A. Ulizio
Title: President and Chief Executive Officer

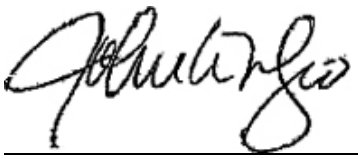
George F. Pettinos, LLC

By: U.S. Silica Company, its Sole and Managing Member

By: 

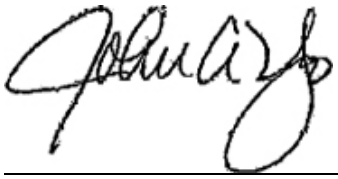
Name: John A. Ulizio
Title: President and Chief Executive Officer

Pennsylvania Glass Sand Corporation

By: 

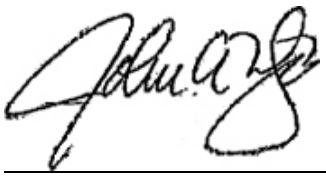
Name: John A. Ulizio
Title: President and Chief Executive Officer

The Fulton Land and Timber Company

By: 

Name: John A. Ulizio
Title: President and Chief Executive Officer

Ottawa Silica Company

By: 

Name: John A. Ulizio
Title: President and Chief Executive Officer

EXHIBIT C
TO
ABL LOAN AND SECURITY AGREEMENT

Compliance Certificate

Dated as of _____, 20__

To: Wachovia Bank, National Association, as Agent
301 South College Street, NC 0479
Charlotte, North Carolina 28288
Attention:

Ladies and Gentlemen:

I hereby certify to you pursuant to Section 9.6 of the Loan Agreement (as defined below), solely as the Treasurer of U.S. Silica Company, a Delaware corporation ("Company"), and not individually, that:

1. I am the duly elected Treasurer of the. Company. Capitalized terms used herein without definition shall have the meanings given to such terms in the ABL Loan and Security Agreement, dated as of _____ __, 2007 by and among Wachovia Bank, National Association, as administrative agent for the financial institutions party thereto as lenders (in such capacity, "Agent"), the financial institutions party thereto as lenders (collectively, "Lenders"), the Company, certain Subsidiaries of the Company from time to time part thereto, as Subsidiary Borrowers (together with the Company, the "Borrowers"), Hourglass Holdings, LLC, a Delaware limited liability company (the "Parent") and certain subsidiaries of the Parent from time to time party thereto, as guarantors (together with the Parent, the "Guarantors") (together with all modifications, renewals, extensions, supplements, amendments, restatements and replacements from time to time, the "Loan Agreement").

2. I have reviewed the terms of the Loan Agreement, and have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and the financial condition of the Loan Parties, during the immediately preceding fiscal [month][quarter][year].

3. The review described in Section 2 above did not disclose the existence during or at the end of such fiscal [month][quarter][year], and I have no knowledge of the existence and continuance on the date hereof, of any condition or event which constitutes a Default or an Event of Default, except as set forth on Schedule I attached hereto. Described on Schedule I attached hereto are the exceptions, if any, to this Section 3 listing, in detail, the nature of the condition or event, the period during which it has existed and the action Which any Loan Party has taken, is taking, or proposes to take with respect to such condition or event.

4. I further certify that, based on the review described in Section 2 above, no Loan Party has at any time during or at the end of such fiscal [month][quarter] [year], except as specifically described on Schedule II attached hereto or as permitted by the Loan Agreement, done any of the following:

(a) Changed its respective corporate name, or transacted business under any trade name, style, or fictitious name, other than those previously described to you and set forth in the Financing Agreements.

(b) Except as previously disclosed in writing to the Agent in accordance with the applicable provisions of the Loan Agreement, changed the location of its chief executive office, changed its jurisdiction of incorporation, changed its type of organization, changed the location of or disposed of any of its properties or assets (other than pursuant to the sale of Inventory in the ordinary course of its business or as otherwise permitted by Section 9.7 of the Loan Agreement) or established any new locations where Priority Collateral is located.

(c) [Reserved.]

(d) Permitted or suffered to exist any security interest in or liens on any of its properties, whether real or personal, other than as specifically permitted in the Financing Agreements.

(e) Received any notice of, or obtained knowledge of any of the following not previously disclosed to Agent: (i) any loss, damage, investigation, action, suit, proceeding or claim relating to Collateral having a value of more than $500,000 or which if adversely determined could reasonably be expected to have a Material Adverse Effect (ii) any order, judgment or decree in excess of $500,000 entered against any Loan Party, any of its Subsidiaries or any of its or their properties or assets, (iii) a material violation of laws or regulations, (iv) any ERISA Event which could reasonably be expected to have a Material Adverse Effect, (v) the occurrence of any Default or Event of Default, (vi) any event of default or material breach under any contractual obligation which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or involve a monetary claim in excess of $1,000,000; (vii) any litigation or investigation or proceeding (A) affecting any Loan Party or any of its Subsidiaries which, if adversely determined, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (B) affecting or with respect to this Agreement or any other Financing Agreement or (C) involving an environmental claim or potential liability under Environmental Laws in excess of $500,000; and (viii) any other development or event which could reasonably be expected to have a Material Adverse Effect.

5. Attached hereto as Schedule III are the calculations used in determining, as of the end of the immediately preceding fiscal quarter, whether the Loan Parties are in compliance with the covenants set forth in Section 9.16 of the Loan Agreement for such fiscal quarter.

The foregoing certifications are made and delivered as of the date first written above.

Very truly yours,

U.S. SILICA COMPANY

By: _____

Name: _____

Title: Treasurer

EXHIBIT D
TO
ABL LOAN AND SECURITY AGREEMENT

Form of Borrower Joinder Agreement

THIS BORROWER JOINDER AGREEMENT (this "Agreement"), dated as of _____, 20__, is by and between _____, a _____ (the "Applicant Borrower") and WACHOVIA BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent (the "Agent") under that certain ABL Loan and Security Agreement (together with all modifications, renewals, extensions, supplements, amendments, restatements and replacements from time to time, the "Loan Agreement"), dated as of _____ __, 2007, by and among U.S. Silica Company, a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, as Subsidiary Borrowers (together with the Company, the "Borrowers"). Hourglass Holdings, LLC, a Delaware limited liability company (the "Parent"), certain subsidiaries of the Parent from time to time party thereto, as guarantors (together with the Parent, the "Guarantors"), the Lenders from time to time party thereto and the Agent. All of the defined terms in the Loan Agreement are incorporated herein by reference.

The Applicant Borrower has indicated its desire to become a Borrower pursuant to the terms of the Loan Agreement.

Accordingly the Applicant Borrower hereby agrees as follows with the Agent, for the benefit of the Lenders:

1. The Applicant Borrower hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Applicant Borrower will be deemed to be a party to the Loan Agreement and a "Borrower" for all purposes of the Loan Agreement and the other Financing Agreements, shall have all of the obligations of a Borrower thereunder as if it has executed the Loan Agreement and the other Financing Agreements, and shall be jointly and severally liable with the other Borrowers for all of the Obligations. The Applicant Borrower hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Loan Agreement and in the Financing Agreements, including without limitation (i) all of the representations and warranties set forth in Section 8 of the Loan Agreement and (ii) all of the affirmative and negative covenants set forth in Section 9 of the Loan Agreement.

2. The Applicant Borrower hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Applicant Borrower will be deemed to be a party to the Security Documents applicable to the Applicant Borrower, and shall have all the obligations of a "Pledgor" (as such term is defined in the Pledge Agreement) thereunder as if it had executed the Pledge Agreement. The Applicant Borrower hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Pledge Agreement. Without limiting generality of the foregoing terms of this paragraph 2, the Applicant Borrower hereby grants to the Agent, for the benefit of the Lenders, a continuing security interest in, and a right of set off against any and all right, title and interest of the Applicant Borrower in and to the Pledged Collateral (as such term is defined in Section 2 of the Pledge Agreement) of the Applicant Borrower.

3. The Applicant Borrower acknowledges and confirms that it has received a copy of the Loan Agreement and exhibits thereto, and the Pledge Agreement and the schedules and exhibits thereto. The Information Certificate and the schedules to the Pledge Agreement are amended (to the extent permitted by the Loan Agreement or the Pledge Agreement, as applicable) to provide the information shown on the attached Schedule A.

4. The Applicant Borrower confirms that all of the Obligations under the Loan Agreement, upon the Applicant Borrower becoming a Borrower will and shall continue to be, in full force and effect and that immediately upon the Applicant Borrower becoming a Borrower, the term “Obligations”, as used in the Loan Agreement, shall include all Obligations of such Applicant Borrower under the Loan Agreement and under each other Financing Agreement.

5. The Applicant Borrower agrees that at any time and from time to time, upon the written request of the Agent, it will execute and deliver such further documents and do such further acts and things as the Agent may reasonably request in order to effect the purposes of this Agreement

6. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

7. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PROVISIONS THEREOF other than Section 5-1401 of the New York General Obligations Law.

IN WITNESS WHEREOF, the Applicant Borrower has caused this Borrower Joinder Agreement to be duly executed by its authorized officers, and the Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[APPLICANT BORROWER]

By: _____
Name: _____
Title: _____

WACHOVIA BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

SCHEDULE A
to
Borrower Joinder Agreement

[Identify Schedules in Information Certificate to be Amended]

Schedule 2(a) to Pledge Agreement
Pledged Capital Stock

EXHIBIT E
TO
ABL LOAN AND SECURITY AGREEMENT

Form of Guarantor Joinder Agreement

THIS GUARANTOR JOINDER AGREEMENT (this "Agreement"), dated as of _____, 20___, is by and between _____, a _____ (the "Joining Guarantor") and WACHOVIA BANK, NATIONAL ASSOCIATION, in its capacity as Agent (the "Agent") under that certain ABL Loan and Security Agreement (together with all modifications, renewals, extensions, supplements, amendments, restatements and replacements from time to time, the "Loan Agreement"), dated as of _____ __, 2007, by and among U.S. Silica Company, a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, as Subsidiary Borrowers (together with the Company, the "Borrowers"), Hourglass Holdings, LLC, a Delaware limited liability company (the "Parent"), certain subsidiaries of the Parent from time to time party thereto, as guarantors (together with the Parent, the "Guarantors"), the Lenders from time to time party thereto and the Agent. All of the defined terms in the Loan Agreement are incorporated herein by reference.

The Joining Guarantor is required to become a Guarantor pursuant to the terms of the Loan Agreement.

Accordingly the Joining Guarantor hereby agrees as follows with the Agent, for the benefit of the Lenders:

1. The Joining Guarantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Joining Guarantor will be deemed to be a party to the Loan Agreement and a "Guarantor" for all purposes of the Loan Agreement and the other Financing Agreements, shall have all of the obligations of a Guarantor thereunder as if it has executed the Loan Agreement and the other Financing Agreements, as applicable, and shall be jointly and severally liable with the other Guarantors for all of the Obligations. The Joining Guarantor hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Loan Agreement and in the Financing Agreements applicable to a Guarantor, including without limitation (i) all of the representations and warranties set forth in Section 8 of the Loan Agreement and (ii) all of the affirmative and negative covenants set forth in Section 9 of the Loan Agreement.

2. The Joining Guarantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Joining Guarantor will be deemed to be a party to the Security Documents applicable to the Joining Guarantor, and shall have all the obligations of a "Pledgor" (as such term is defined in the Pledge Agreement) thereunder as if it had executed the Pledge Agreement. The Joining Guarantor hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Pledge Agreement, Without limiting generality of the foregoing terms of this paragraph 2, the Joining Guarantor hereby grants to the Agent, for the benefit of the Lenders, a continuing security interest in, and a right of set off against any and all right, title and interest of the Joining Guarantor in and to the Pledged Collateral (as such term is defined in Section 2 of the Pledge Agreement) of the Joining Guarantor.

3. The Joining Guarantor acknowledges and confirms that it has received a copy of the Loan Agreement and exhibits thereto, and the Pledge Agreement and the schedules and exhibits thereto. The Information Certificate and the schedules to the Pledge Agreement are amended (to the extent permitted by the Loan Agreement or the Pledge Agreement, as applicable) to provide the information shown on the attached Schedule A.

4. The Joining Guarantor confirms that all of the Obligations under the Loan Agreement, upon the Joining Guarantor becoming a Guarantor will and shall continue to be, in full force and effect and that immediately upon the Joining Guarantor becoming a Guarantor, the term “Obligations”, as used in the Loan Agreement, shall include all Obligations of such Joining Guarantor under the Loan Agreement and under each other Financing Agreement.

5. The Joining Guarantor agrees that at any time and from time to time, upon the written request of the Agent, it will execute and deliver such further documents and do such further acts and things as the Agent may reasonably request in order to effect the purposes of this Agreement.

6. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

7. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PROVISIONS THEREOF other than Section 5-1401 of the New York General Obligations Law.

IN WITNESS WHEREOF, the Joining Guarantor has caused this Guarantor Joinder Agreement to be duly executed by its authorized officers, and the Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[JOINING GUARANTOR]

By: _____
Name: _____
Title: _____

WACHOVIA BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

SCHEDULE A
to
Guarantor Joinder Agreement

[Identify Schedules in Information Certificate to be Amended]

Schedule 2(a) to Pledge Agreement
Pledged Capital Stock

EXHIBIT F
TO
ABL LOAN AND SECURITY AGREEMENT

Form of Borrowing Base Certificate

On file with Agent.

EXHIBIT G
TO
ABL LOAN AND SECURITY AGREEMENT

Form of Solvency Certificate

To: Wachovia Bank, National Association, as Agent
1 South Broad Street PA4812
Philadelphia, Pennsylvania 19107
Attention: Jim Kelly

Ladies and Gentlemen:

I hereby certify to you pursuant to Section 4.1(w) of the Loan Agreement (as defined below), solely as the Treasurer of U.S. Silica Company, a Delaware corporation ("Company"), and not individually, that:

1. I am the duly elected Treasurer of the Company. Capitalized terms used herein without definition shall have the meanings given to such terms in the ABL Loan and Security Agreement, dated as of _____ __, 2007 by and among Wachovia Bank, National Association, as administrative agent for the financial institutions party thereto as lenders (in such capacity, "Agent"), the financial institutions party thereto as lenders (collectively, "Lenders"), the Company, certain Subsidiaries of the Company from time to time part thereto, as Subsidiary Borrowers (together with the Company, the "Borrowers"). Hourglass Holdings, LLC, a Delaware limited, liability company (the "Parent") and certain subsidiaries of the Parent from time to time party thereto, as guarantors (together with the Parent, the "Guarantors") (together with all modifications, renewals, extensions, supplements, amendments, restatements and replacements from time to time, the "Loan Agreement").

2. I hereby certify that I have made such investigation and inquiries as to the financial condition of the. Loan Parties and their Subsidiaries as I deem necessary and prudent for the purpose of providing this Certificate. I acknowledge that the Agent and the Lenders are relying on the truth and accuracy of this Certificate in connection with the making of Loans and. other Extensions of Credit under the Loan Agreement.

3. I further certify that the financial information, projections and assumptions which underlie and form the basis for the representations made in this Certificate were reasonable when made and were made in good faith and continue to be reasonable as of the date hereof.

4. BASED ON THE FOREGOING, I hereby certify that, both before and after giving effect to the Transactions, each of the Loan Parties is Solvent.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

U.S. SILICA COMPANY,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT H
TO
ABL LOAN AND SECURITY AGREEMENT

[FORM OF]
NOTICE OF BORROWING

_____ __, 2007

Wachovia Bank, National Association,
as Administrative Agent
201 South College Street, CP-8
Charlotte, North Carolina 28288-0680
Attention: Syndication Agency Services

Ladies and Gentlemen:

Pursuant to Section 2.1 and Section 6.6 of the ABL Loan and Security Agreement dated as of _____ ___, 2007 (as amended, restated or otherwise modified, the "Loan Agreement"), by and among U.S. Silica Company, a Delaware corporation (the "Company"), certain Subsidiaries of the Company from, time to time party thereto, as Subsidiary Borrowers (together with the Company, the "Borrowers"). Hourglass Holdings, LLC, a Delaware limited liability company (the "Parent"), certain Subsidiaries of the Parent from time to time party thereto, as guarantors (together with the Parent, the "Guarantors"), the lenders from time to time party thereto (the "Lenders") and Wachovia Bank, National Association, as administrative agent for the Lenders (the "Agent"). Company hereby requests, on its behalf or on behalf of another Borrower, the following:

Revolving Loans be made on _____, 20__ as follows (the "Proposed Borrowing"):

(1)	Total Amount of Revolving Loans	$
(2)	Borrower	
(3)	Amount of (1) to be allocated to Eurocurrency Rate Loans	$
(4)	Amount of (1) to be allocated to Prime Rate Loans	$
(5)	Interest Periods and amounts to be allocated thereto in respect of Eurocurrency Rate Loans (amounts must total (3)):	
	(i) one month	$
	(ii) two months	$
	(iii) three months	$
	(iv) six months	$
	(v) nine months (if available to all Lenders)	$
	(vi) twelve months (if available to all Lenders)	$
	Total Eurocurrency Rate Loans	$

NOTE: BORROWINGS MUST BE IN MINIMUM AGGREGATE DOLLAR AMOUNTS OF (A) WITH RESPECT TO EUROCURRENCY RATE LOANS, $1,000,000 AND $500,000 INCREMENTS IN EXCESS THEREOF AND (B) WITH RESPECT TO PRIME RATE LOANS, $500,000 AND $100,000 INCREMENTS IN EXCESS THEREOF.

Terms defined in the Loan Agreement shall have the same meanings when used herein.

The undersigned hereby certifies that the following statements are true on the date hereof and will be true on the date of the Proposed Borrowing:

(A) all representations and warranties made in the Loan Agreement and in the other Financing Agreements (i) with respect to representations and warranties that contain a materiality qualification, are true and correct and (ii) with respect to representations and warranties that do not contain a materiality qualification, are true and correct in all material respects, in each case with the same effect as though such representations and Warranties had been made on and as of the date of the borrowing requested hereby and after giving effect thereto, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date).

(B) no Default or Event of Default exists or has occurred and is continuing on and as of the date of the Proposed Borrowing after giving effect thereto.

Very truly yours,

U.S. SILICA COMPANY,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT I
TO
ABL LOAN AND SECURITY AGREEMENT

[FORM OF]
NOTICE OF CONTINUATION/CONVERSION

_____ __, 2007

Wachovia Bank, National Association,
as Administrative Agent
Charlotte Plaza
201 South College Street, CP-8
Charlotte, North Carolina 28288-0680
Attn: Syndication Agency Services

Ladies and Gentlemen:

Pursuant to Section 3.1(b) of the ABL Loan and Security Agreement dated as of _____ __, 2007 (as amended, restated or otherwise modified, the "Loan Agreement by and among U.S. Silica Company, a Delaware corporation (the "Company"), certain Subsidiaries of the Company from time to time party thereto, as Subsidiary Borrowers (together with the Company, the "Borrowers"), Hourglass Holdings, LLC, a Delaware limited liability company (the "Parent"), certain Subsidiaries of the Parent from time to time party thereto, as guarantors (together with the Parent, the "Guarantors"), the lenders from time to time party thereto (the "Lenders") and Wachovia Bank, National Association, as administrative agent for the Lenders (the "Agent"), Company hereby requests, on its behalf or on behalf of another Borrower, conversion or continuation of the following Loans be made on _____, 20__ as follows (the "Proposed Conversion/Continuation"):

Applicable Revolving Loan:

(1)	Total Amount of Loans to be converted/continued	$
(2)	Borrower	
(3)	Amount of (1) to be allocated to Eurocurrency Rate Loans	$
(4)	Amount of (1) to be allocated to Prime Rate Loans	$
(5)	Interest Periods and amounts to be allocated thereto in respect of Eurocurrency Rate Loans (amounts must total (3)):	
	(i) one month	$
	(ii) two months	$
	(iii) three months	$
	(iv) six months	$
	(v) nine months (if available to all Lenders)	$
	(vi) twelve months (if available to all Lenders)	$
	Total Eurocurrency Rate Loans	$

NOTE: PARTIAL CONVERSIONS MUST BE IN MINIMUM AGGREGATE DOLLAR AMOUNTS OF (A) WITH RESPECT TO EUROCURRENCY RATE LOANS, $1,000,000 AND $500,000 INCREMENTS IN EXCESS THEREOF AND (B) WITH RESPECT TO PRIME RATE LOANS, $500,000 AND $100,000 INCREMENTS IN EXCESS THEREOF

Terms defined in the Loan Agreement shall have the same meanings when used herein.

The undersigned hereby certifies that, to the extent the Proposed Conversion/Continuation relates to a conversion or continuation of Eurocurrency Rate Loans, no Default or Event of Default exists or has occurred and is continuing on and as of the date of the Proposed Conversion/Continuation after giving, effect thereto.

Very truly yours,

U.S. SILICA COMPANY,
a Delaware corporation

By: _____
Name: _____
Title: _____

AMENDMENT NO. 1 AND CONSENT TO LOAN AND SECURITY AGREEMENT

AMENDMENT NO. 1 AND CONSENT TO LOAN AND SECURITY AGREEMENT, dated as of November 25, 2008 (this "Amendment No. 1"), is by and among Wachovia Bank, National Association, a national banking association, in its capacity as agent for the Lenders (as hereinafter defined) pursuant to the Loan Agreement defined below (in such capacity, "Agent"), the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders"), U.S. Silica Comp any, a Delaware corporation (the "Company"), Hourglass Holdings , LLC, a Delaware limited liability company ("Hourglass"), the subsidiaries of the Company from time to time party to the Loan Agreement as borrowers (each individually, together with the Company , a "Borrower" and collectively, "Borrowers") and certain subsidiaries of USS Holdings, Inc., a Delaware corporation ("Parent") from time to time party to the Loan Agreement as Guarantors (individually, each a "Guarantor" and collectively, "Guarantors").

WITNESSETH:

WHEREAS, Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the ABL Loan and Security Agreement, dated as of August 9, 2007, by and among Agent, Lenders, Borrowers and Guarantors (as from time to time amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement", and together with all agreements, documents and instruments at any time executed and/or delivered in connection therewith or related thereto, as from time to time amended, modified, supplemented, extended, renewed, restated, or replaced, collectively, the "Financing Agreements");

WHEREAS, Borrowers and Guarantors desire to consent to certain transactions and amend certain provisions of the Loan Agreement as set forth herein, and Agent and Lenders are willing to agree to such consents and amendments on the terms and subject to the conditions set forth herein; and

WHEREAS, by this Amendment No. 1, Agent, Lenders, Borrowers and Guarantors desire and intend to evidence such amendments and consents.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Additional Definitions. As used herein or in the Loan Agreement or any of the other Financing Agreements, the following terms shall have the respective meanings set forth below:

(i) "Amendment No. 1" shall mean Amendment No. 1 and Consent to Loan and Security Agreement, dated as of November 25, 2008 by and among Agent, Lenders, Borrowers and Guarantors, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, and the Loan Agreement and the other Financing Agreements shall be deemed and are hereby amended to include, in addition and not in limitation, such definition.

(ii) "Board of Directors" shall mean the board of directors or other body having the power to direct or cause the direction of the management and policies of a Person that is a corporation, partnership, trust or limited liability company.

(iii) "Borrower Merger" shall mean the transaction in which, immediately following the occurrence of the Parent Merger, GGC USS Borrower Co., Inc., a Delaware corporation, will merge with and into Company.

(iv) "Cash" means money, currency or a credit balance in a deposit account maintained by a Borrower or Guarantor in accordance with the terms hereof.

(v) "Consolidated Adjusted EBITDA" means, for any period, the sum, without duplication, of the amounts for such period of (i) Consolidated EBITDA, (ii) amortization and impairment of intangibles (including goodwill), (iii) any extraordinary, unusual and non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), (iv) stock-option compensation expenses including expenses paid to the Boards of Directors of the Loan Parties which are permitted to be paid hereunder, including those from granting, remeasuring or accelerating stock options, warrants and any other equity-related incentives, (v) transaction costs, fees and expenses (including those relating to the Transactions and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted under Section 9.9, any disposition of assets or property permitted under Section 9.7 or any recapitalization, Permitted Acquisitions or other Investment permitted under Section 9.7 or 9.10 (in each case, whether or not successful) in an aggregate amount (other than with respect to the Transactions) not to exceed $500,000 for each fiscal year, (vi) all amounts accrued as expenses with respect to payments of the type described in Section 9.11(k) hereof, (vii) dividends on stock as permitted pursuant to the terms hereof, (viii) all losses realized upon the disposition of properties or assets which are not sold or otherwise disposed of in the ordinary course of business, (ix) any loss from discontinued operations and any loss on disposal of discontinued operations in accordance with GAAP or if otherwise reasonably acceptable to Agent and in an aggregate amount not to exceed $1,000,000 during the term of this Agreement, (x) to the extent covered by insurance and actually reimbursed, expenses with respect to liability or casualty events or business interruption, (xi) expenses to the extent covered by contractual indemnification or refunding provisions in favor of any Loan Party and actually paid or refunded, (xii) non cash silica litigation adjustments, any costs associated with exit or disposal activities, including employee severance and termination benefits, costs to consolidate facilities, costs to relocate employees, costs to terminate contracts, and other costs associated with the disposal of long-lived assets, in each case to the extent such costs are permitted by GAAP to be recorded as restructuring, and any related accretion expenses deducted in such period in computing Consolidated Net Income; provided, that, with respect to such restructuring charges and accretion expenses, Company shall have delivered to Agent a certificate of the chief financial officer of Company specifying and quantifying such charge or expense and stating that such charge or expense is such a restructuring charge or related

accretion expense, (xiv) any income or charge attributable to a post-employment benefit scheme other than current service costs, (xv) any unrealized gains or losses on any Hedging Agreement and (xvi) any expenses or income related solely to purchase accounting recorded in connection with the Transactions or any of the transactions described in clause (v) and any other non-cash items decreasing Consolidated Net Income for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or which are the result of timing differences due to GAAP revenue recognition rules), all as determined on a consolidated basis, but only, in the case of clauses (ii)-(xvi), to the extent deducted in the calculation of Consolidated Net Income, and (xvii) proceeds from any business interruption insurance (in the case of this clause (xviii) to the extent not reflected as revenue or income in such statement or such Consolidated Net Income), minus, without duplication, to the extent included in the calculation of such Consolidated Net Income, the sum of (a) any extraordinary, unusual and non-recurring income and gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), (b) any non-cash items increasing Consolidated Net Income for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or which are the result of timing differences due to GAAP revenue recognition rules), all as determined on a consolidated basis, (c) the aggregate gain realized upon the disposition of properties or assets which are not sold or otherwise disposed of in the ordinary course of business, (d) any gain from discontinued operations and any gain on disposal of discontinued operations, and (e) any credit from income tax; provided, that, for purposes of calculating Consolidated Adjusted EBITDA of Parent, Company and its Subsidiaries for any period, (A) the Consolidated Adjusted EBITDA of any Person acquired (or all or substantially all of whose assets are acquired) by Company or its Subsidiaries in a Permitted Acquisition during such period shall be included on a Pro Forma Basis for such period (but assuming the consummation of such acquisition and the incurrence or assumption of any Indebtedness in connection therewith occurred on the first day of such period, and assuming (for such period and applicable subsequent periods) any synergies and cost savings to the extent certified by Company as having been determined in good faith to be reasonably anticipated to be realizable) and (B) the Consolidated Adjusted EBITDA of any Person disposed of by Company or its Subsidiaries during such period shall be excluded on a Pro Forma Basis for such period (assuming the consummation of such disposition and the repayment of any Indebtedness in connection therewith occurred on the first day of such period), all of the foregoing as determined on a consolidated basis for Company and its Subsidiaries in conformity with GAAP.

(vi) "Consolidated Cash Interest Expense" shall mean, for any period, Consolidated Interest Expense for such period excluding, however, any interest expense not payable in Cash, including amortization of discount and amortization of debt issuance costs (it being understood that interest expense that is not paid in Cash as a result of an election by the payor or the payee thereof to receive payment in kind shall not be considered Consolidated Cash Interest Expense). For purposes of the foregoing, Consolidated Cash Interest Expense shall be determined after giving effect to any net payments (on account of interest payments made by Company and its Subsidiaries) made or received by Company and its Subsidiaries under Hedging Agreements pertaining to interest rates.

(vii) "Conveyance of Undivided Mineral Interest" means that certain Conveyance of Undivided Mineral Interest dated as of the date hereof between Company and Preferred Rocks USS.

(viii) "Continuing Members" shall mean, as of any date of determination any member of the Board of Directors of Parent or Company who (i) was a member of such Board of Directors on the Amendment No. 1 execution date, or (ii) was nominated for election or elected to such Board of Directors with the affirmative vote of a majority of the members who were either members of such Board of Directors on the date of Amendment No. 1 or whose nomination or election was previously so approved.

(ix) "Disqualified Stock" shall mean any Capital Stock which, by its terms (or by the terms of any Securities into which it is convertible, or for which it is exercisable or exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the first anniversary of the Maturity Date (as defined in the First Lien Term Loan Credit Agreement), (b) is convertible into or .exercisable or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock referred to in (a) above, in each case at any time prior to the first anniversary of the Maturity Date (as defined in the First Lien Term Loan Credit Agreement), (c) contains any repurchase obligation which may come into effect prior to the first anniversary of the Maturity Date(as defined in the First Lien Term Loan Credit Agreement), (d) requires the payment of any dividends (other than the payment of dividends solely in the form of Qualified Capital Stock) prior to the first anniversary of the Maturity Date (as defined in the First Lien Term Loan Credit Agreement), or (e) provides the holders of such Capital Stock thereof with any rights to receive any Cash upon the occurrence of a change in control prior to the first anniversary of the Maturity Date (as defined in the First Lien Term Loan Credit Agreement), unless the rights to receive such Cash are contingent upon the prior payment in full in cash of the Obligations. Disqualified Stock shall not include any Capital Stock which would be Qualified Capital Stock but for a requirement that such Capital Stock be redeemed in connection with (x) a change of control or (y) any asset disposition made pursuant to Section 9.7 hereof or otherwise permitted by Administrative Agent so long as such Capital Stock requires the prior payment in full in Cash (as defined in the Intercreditor Agreement) of the Obligations prior to any payments being made pursuant to such Capital Stock. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require Company to repurchase such Capital Stock (or such Capital Stock is mandatorily redeemable) upon the occurrence of a change of control or a public offering will not constitute Disqualified Stock if the terms of such Capital Stock provide that Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 9.11 hereof.

(x) "Financing Transactions" shall mean, collectively, (i) the execution and delivery by each Loan *Party* of each of the First Lien Term Loan Agreements and the borrowing of loans thereunder as of the date of Amendment No. 1, (ii) the execution and delivery by each applicable Loan Party of each of the GGC Subordinated Loan Financing Agreements (and each of the documents related thereto) to which it is a party and the borrowing

of the loans thereunder on the Amendment No. 1 execution date, and (iii) the execution and delivery by each applicable Loan Party of this Amendment No. 1 and each of the other Financing Agreements (if any) as of the date of Amendment No. 1.

(xi) "GGC" shall mean GGC Finance Partnership, L.P., a Cayman Islands limited partnership affiliated with Golden Gate, together with its successors and assigns.

(xii) "GGC Subordinated Loan Agreement" shall mean the Note Purchase Agreement, dated as of the date of Amendment No. 1, between GGC, USS Holdings, Inc., the Company and the Subsidiary Guarantors party thereto, as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(xiii) "GGC Subordinated Loan Documents" has the meaning assigned to the term "Note Documents" GGC Subordinated Loan Agreement.

(xiv) "GGC Subordination Agreement" shall mean the Subordination Agreement, dated as of the date of Amendment No. 1, among GGC, the Agent, the First Lien Term Loan Agent and the Loan Parties party thereto, as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(xv) "Golden Gate" shall mean Golden Gate Capital and/or one or more of its Affiliates.

(xvi) "Incremental Equity" means the issuance of up to $5, 000,000 of Capital Stock in Company to BNP Paribas or one of its Affiliates after the date of Amendment No. 1.

(xvii) "Intermediate Holding Companies" means BMAC Services Co., Inc., BMAC Holdings, Inc. and Better Minerals & Aggregates Company.

(xviii) "Management Agreements" shall mean, collectively, in each case, as amended, restated and otherwise modified from time to time as permitted by the terms of the First Lien Term Loan Credit Agreement, (A) that certain Advisory Agreement dated on or about the date of Amendment No. 1, by and among Company, Parent, Preferred Rocks USS, Inc., a Delaware corporation ("Preferred Rocks"), GGC USS Holdings, LLC, a Delaware limited liability company ("Topco"), and GGC Administration , LLC, a Delaware limited liability company ; and (B) that Advisory Agreement dated on or about the date of Amendment No. 1, by and among Company, Parent , Preferred Rocks, Topco and Preferred Associates, a [_____],[1] and/or one or more of its Affiliates.

(xix) "Parent" shall mean USS Holdings, Inc., a Delaware corporation.

(xx) "Parent Merger" shall mean the transaction in which, as of the date of Amendment No. 1, GGC USS Acquisition Sub, Inc., a Delaware corporation, will acquire all of the outstanding Capital Stock of Parent pursuant to the Acquisition Documents by merging with and into Parent.

[1] Term note defined in the BNPP Credit Agreement either.

(xxi) "Permitted Discretion" shall mean, with reference to Agent, a determination made in good faith in the exercise of its reasonable business judgment based on how an asset-based lender with similar rights providing a credit facility of the type set forth in this Agreement would act in similar circumstances at the time with the information then available to it.

(xxii) "Preferred Rocks USS" shall mean Preferred Rocks USS, Inc., a Delaware corporation.

(xxiii) "Qualified Capital Stock" shall mean any Capital Stock of any Person that is not Disqualified Stock.

(xxiv) "Sand Purchase Agreements" shall mean, collectively, the Sand Purchase Agreements, each dated as of the date of Amendment No. 1, between Preferred Rocks USS, Inc. and each of Superior Well Services, Inc. and Schlumberger Technology Corporation, as each of the foregoing now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(xxv) "Sand Purchase Documents" shall mean (a) the Sand Purchase Agreements, (b) the Conveyance of the Undivided Mineral Interest, (c) the Sand Processing and Delivery Agreements and (d) the agreements, documents and instruments executed and/or delivered in connection with the Sand Purchase Agreements, as all of the foregoing now exist and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(xxvi) "Sand Processing and Delivery Agreement" shall mean, collectively, each Sand Processing and Delivery Agreement, dated as of the date of Amendment No. 1, between the Company and Preferred Rocks USS, Inc., pursuant to which the Company shall make sand available to Preferred Rocks USS, Inc. to enable Preferred Rocks USS, Inc. to perform its obligations under the Sand Purchase Documents, as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(xxvii) "Securities" shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of Indebtedness, secured or unsecured, convertible, subordinated, certificated or uncertificated, or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

(xxviii) "Tax" or "Taxes" shall mean any present or future tax, levy, impost, duty, fee, assessment, deduction, withholding or other charge of any nature and whatever called, imposed by a Government Authority, on whomsoever and wherever imposed, levied, collected, withheld or assessed, including interest, penalties, additions to tax and any similar liabilities with respect thereto.

(xxix) "Transaction Documents" shall mean the Financing Agreements, the First Lien Term Loan Financing Agreements, the GGC Subordinated Loan Documents and the Acquisition Documents.

(b) Amendment to Definitions. As used herein or in the Loan Agreement or any of the other Financing Agreements, the following terms are hereby amended as set forth below:

(i) The definition of "ABL Intercreditor Agreement" is hereby amended by deleting the definition in its entirety and substituting the following in its place:

""ABL Intercreditor Agreement" shall mean that certain ABL/Term Loan Intercreditor Agreement dated as of the date of Amendment No. 1, by and among, Parent, Company, GGC USS Acquisition Sub, Inc., GGC USS Borrower Co., Inc., the other Loan Parties named therein, Agent and First Lien Term Loan Agent, as may from time to time be amended, restated, modified or supplemented in accordance with its terms."

(ii) Except as such term is used in Section 4.1 of the Loan Agreement, the definition of "Acquisition" is hereby amended by deleting the definition in its entirety and substituting the following in its place:

""Acquisition" shall mean the acquisition (indirectly) by GGC USS Holdings, Inc. of all of the Capital Stock of Parent pursuant to the Acquisition Agreement by means of the Parent Merger."

(iii) Except as such term is used in Section 4.1 of the Loan Agreement, the definition of "Acquisition Documents" is hereby amended by deleting the definition in its entirety and substituting the following in its place:

""Acquisition Documents" shall mean (a) the Acquisition Agreement, dated as of June 27, 2008, by and among Harbinger Capital Partners Master Fund I , Ltd., Hourglass Acquisition I, LLC, Preferred Unlimited Inc. and Preferred Rocks USS, Inc., as amended by First Amendment to the Acquisition Agreement, dated as of November 4, 2008, by and among the foregoing parties and the Second Amendment to the Acquisition Agreement, dated as of November 10, 2008, by and among the foregoing parties, as such Acquisition Agreement now exists and may hereafter be amended, restated, modified, or supplemented and (b) all agreements , documents and instruments executed and/or delivered in connection with the Acquisition Agreement , as all of the foregoing now exist and may hereafter be amended, restated, modified, or supplemented."

(iv) The definition of "Borrowing Base" is hereby amended by deleting the reference in clause (b) of such definition to "$5,000,000" and substituting "$7,500,000" in its place.

(v) The definition of "Capital Expenditures" is hereby deleted in its entirety and the following substituted in its place:

""Capital Expenditures" means, for any period, the sum of the aggregate of all expenditures (whether paid in Cash or other consideration or accrued as a liability and including that portion of Capital Leases which is capitalized on the consolidated balance sheet of Company and its Subsidiaries) by Company and its Subsidiaries during that period that, in conformity with GAAP, are included in "additions to property, plant or equipment" or comparable items reflected in the consolidated statement of cash flows of Company and its Subsidiaries, but excluding (a) solely for purposes of Section 9.26 hereof, expenditures made to restore, replace, rebuild, develop, maintain, improve, or upgrade property, to the extent such expenditures are made with or are subsequently reimbursed out of, insurance proceeds, indemnity payments, condemnations or similar awards (or payments in lieu of) or damage recovery proceeds, or other settlements relating to any damage, loss, destruction or condemnation of such property, (b) solely for purposes of Section 9.26 hereof, expenditures constituting permitted reinvestments of cash proceeds of asset sales permitted hereunder, takings and insurance claims that would otherwise be required, if not so reinvested, to be applied to repay the First Lien Term Loan Obligations pursuant to Section 2.4(b)(ii)(A) or (B) of the First Lien Term Loan Credit Agreement, except as Section 2.1(f) of this Agreement may otherwise provide, (c) expenditures reimbursed by (or covered by an irrevocable reimbursement obligation from) a third party, (d) expenditures funded by the issuance of Capital Stock (other than Disqualified Stock (as defined in the First Lien Term Loan Credit Agreement) to the extent not required to prepay the First Lien Term Loan Obligations pursuant to Section 2.4(b)(ii) of the First Lien Term Loan Credit Agreement. For purposes of this definition, the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment or with insurance proceeds shall be included in Capital Expenditures only to the extent of the gross amount of such purchase price less the credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such proceeds, as the case may be."

(vi) The definition of "Change of Control" is hereby deleted in its entirety and the following substituted in its place:

""Change in Control" shall mean any of the following: (i) Sponsor shall cease to beneficially own and control (directly or indirectly) more than 50.1 % of the issued and outstanding Voting Stock of Parent entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Board of Directors of Parent; (ii) Sponsor shall cease to beneficially own (directly or indirectly) more than 50.1 % of the economic value of the Capital Stock of Parent, (iii) the occurrence of a change in the composition of the Board of Directors of Parent or Company such that a majority of the members of any such Board of Directors are not Continuing Members, (iv) the failure at any time of Parent to legally and beneficially own and control 100% of the issued and outstanding Capital Stock of Company or the failure at any time of Parent to have the ability to elect all of the Board of Directors of Company and (v) the occurrence of any "Change in Control" or "Change of Control" (or similar term) under the First Lien Term Loan Credit Agreement or the GGC Subordinated Loan Agreement. As used herein, the term "beneficially own" or "beneficial ownership" shall have the meaning assigned to that term in the Exchange Act and the rules and regulations promulgated thereunder."

(vii) The definition of "Consolidated EBITDA" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Consolidated EBITDA" means, for any period, the sum, without duplication, of the amounts for such period of (i) Consolidated Net Income, (ii) Consolidated Interest Expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness or Hedging Agreements; (iii) provisions for Taxes based on income (or franchise tax in the nature of income tax), (iv) total depreciation expense, (v) total amortization expense and (vi) depletion expenses, but only, in the case of clauses (ii)-(vi), to the extent deducted in the calculation of Consolidated Net Income, all of the foregoing as determined on a consolidated basis for Company and its Subsidiaries in conformity with GAAP."

(viii) The definition of "Consolidated Fixed Charges" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Consolidated Fixed Charges" shall mean, for any period, the sum (without duplication) of the amounts for such period of (i) Consolidated Cash Interest Expense, (ii) scheduled principal payments in respect of Consolidated Total Debt, (iii) cash payments, net of any receipts or credits, for Taxes based on income, (iv) Restricted Payments made pursuant to Section 9.11(f)

and (k) hereof, and (v) the aggregate amount of all rents paid or payable during that period under all Capital Leases to which Company or any of its Subsidiaries is a party as a lessee, all of the foregoing as determined on a consolidated basis for Company and its Subsidiaries in conformity with GAAP."

(ix) The definition of "Consolidated Interest Expense" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Consolidated Interest Expense" shall mean, for any period, total interest expense (including that portion attributable to Capital Leases in accordance with GAAP and capitalized interest) of Company and its Subsidiaries on a consolidated basis in accordance with GAAP with respect to all outstanding Indebtedness of Comp any and its Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, net costs under Hedging Agreements and amounts referred to in Section 3.2 payable to Agent and Lenders that are considered interest expense in accordance with GAAP, but excluding, however, any such amounts referred to in Section 3.2 hereof payable on or before the Closing Date and any upfront fees or original issue discount payable in connection with the financing of the Acquisition, net of any interest income on a consolidated basis in accordance with GAAP."

(x) The definition of "Consolidated Net Income" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Consolidated Net Income" shall mean, for any period, the net income (or loss) of Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP; provided, that, there shall be excluded (i) the income (or loss) of any Person (other than a Subsidiary of Company) in which any other Person (other than Company or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Company or any of its Subsidiaries by such Person during such period, (ii) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of Company or is merged into or consolidated with Company or any of its Subsidiaries or that Person's assets are acquired by Company or any of its Subsidiaries, (iii) except to the extent of the amount of dividends or other distributions actually paid by such Person during such period to Company or any of its Subsidiaries that are not subject to the relevant restriction, the income of any Subsidiary of Company

to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, (iv) any after-tax gains or losses attributable to asset sales or returned surplus assets of any pension plan, and (v) (to the extent not included in clauses (i) through (iv) above) any net extraordinary gains or net non-cash extraordinary losses."

(xi) The definition of "Consolidated Total Debt" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Consolidated Total Debt" shall mean, as at any date of determination, the aggregate stated balance sheet amount of all Indebtedness of Company and its Subsidiaries for borrowed money, purchase money indebtedness (including Capital Leases), Indebtedness listed on Schedule 9.9, Subordinated Indebtedness and all Indebtedness secured by any Lien on any property or asset owned or held by a Loan Party, determined on a consolidated basis in accordance with GAAP."

(xii) The definition of "Control Agent" is hereby amended by deleting the reference therein to "shall have the meaning provided in the ABL Intercreditor Agreement" and substituting "[Intentionally omitted]" in its place.

(xiii) The definition of "Eligible Accounts" is hereby amended by (A) deleting the phrase "customary practices" from the first sentence thereof and substituting "Permitted Discretion" therefor and (B) deleting the phrase "commercially reasonable discretion" from the first sentence thereof after clause (q) thereof and substituting "Permitted Discretion" in its place.

(xiv) The definition of "Eligible Inventory" is hereby amended by (A) deleting the phrase "customary practices" from the first sentence thereof and substituting "Permitted Discretion" therefor and (B) deleting the phrase "commercially reasonable discretion" from the second sentence thereof and substituting "Permitted Discretion" in its place.

(xv) The definition of "First Lien Term Loan Agent" is hereby amended by deleting the reference therein to "Wachovia" and substituting "BNP Paribas" in its place.

(xvi) The definition of "First Lien Term Loan Credit Agreement" is hereby amended by deleting the phrase "First Lien Term Loan and Security Agreement" and substituting "Credit Agreement" and deleting the phrase "dated as of the date hereof" and substituting "dated as of the date of Amendment No. 1" in its place.

(xvii) The definition of "First Lien Term Loan Financing Agreements" is hereby amended by deleting the reference therein to "Financing Agreements" in the second line and substituting "Loan Documents" in its place.

(xviii) The definition of "Fixed Charge Coverage Ratio" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Fixed Charge Coverage Ratio" shall mean, as of the last day of each fiscal quarter, for the twelve month period then ending, the ratio of (i) Consolidated Adjusted EBITDA less Capital Expenditures plus capital expenditures funded within 24 months after the date of Amendment No. 1 using an amount not in excess of the amount of unrestricted cash on hand on the balance sheet of Company and its Subsidiaries on the date of Amendment No. 1 (together with cash available upon the funding of the Incremental Equity) allocated to fund capital expenditures as set forth in a certificate of the chief financial officer of Company specifying and quantifying such capital expenditures, to (ii) Consolidated Fixed Charges during such four-fiscal quarter period."

(xix) The definition of "GAAP" is hereby amended by deleting both references to the phrase "the date hereof" and substituting in each place the phrase "the date of Amendment No. 1".

(xx) The definition of "Indebtedness" is hereby amended by inserting the following sentences immediately after to the period at the end thereof:

"Obligations incurred under pension and OPEB arrangements, shall not constitute Indebtedness. Obligations under Operating Leases (other than the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing where such transaction is considered to be borrowed money for Tax purposes but is classified as an operating lease in accordance with GAAP), employment agreements, deferred compensation and contingent post-closing adjustments or earn outs shall not constitute Indebtedness. Obligations arising from transactions consummated pursuant to the S and Purchase Documents and from undrawn letters of credit shall not constitute Indebtedness."

(xxi) Paragraph (a) of the definition of "Interest Rate" is hereby deleted in its entirety and the following substituted in its place:

"(a) For any day after the date of Amendment No. 1, the rate per annum set forth below opposite the applicable Tier then in effect (based on Quarterly Average Excess Availability for the immediately preceding calendar quarter), it being understood that the Interest Rate for (i) Revolving Loans that are Prime Rate Loans shall be at a rate equal to the sum of (A) the Prime Rate plus (B) the percentage set forth under the column "Prime Rate Loans", (ii)

Revolving Loans that are Eurocurrency Rate Loans shall be a rate equal to the sum of (A) the Adjusted Eurocurrency Rate plus (B) the percentage set forth under the column "Eurocurrency Rate Loans", (iii) the Letter of Credit Fee shall be the percentage set forth under the column "Letter of Credit Fee", and (iv) the Unused Line Fee shall be the percentage set forth under the column "Unused Line Fee":

Tier	Quarterly Average Excess Availability	Prime Rate Loans	Eurocurrency Rate Loans	Letter of Credit Fee	Unused Line Fee
1	> $10,000,000	1.75	2.75	2.75	.50
2	≤ $10,000,000	2.00	3.00	3.00	.75"

(xxii) Paragraph (c) of the definition of "Interest Rate" is hereby deleted in its entirety and the following substituted in its place: "(c) the Interest Rate as of the date of Amendment No. 1 shall be based on Tier 1 (as shown above) and shall remain at Tier 1 until the last day of the second complete fiscal quarter following the date of Amendment No. 1".

(xxiii) The definition of "Permitted Acquisition" is hereby amended by deleting the reference in clause (iv) thereof to "$6,500,000" and substituting "$6,000,000" in its place, and deleting from clause (vi) thereof (1) subclause (B) thereof in its entirety, and (2) the reference to "(A)" in the remaining text of clause (vi).

(xxiv) The definition of "Pro Forma Basis" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Pro Forma Basis" shall mean, with respect to compliance with any test or covenant hereunder, compliance with such test or covenant after giving effect to (a) the Transactions, (b) any proposed Permitted Acquisition, (c) any asset sale permitted pursuant to Section 9.7 hereof of a Subsidiary or operating entity for which historical financial statements for the relevant period are available or (d) any incurrence of Indebtedness (including (i) pro forma adjustments arising out of events which are directly attributable to the Transactions, the proposed Permitted Acquisition, asset sale permitted pursuant to Section 9.7 hereof or incurrence of Indebtedness, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X, as interpreted by the staff of the Securities and Exchange Commission and (ii) such other adjustments as are reasonably satisfactory to Agent, in each case as certified by the chief financial officer of Company) using, for purposes of determining such compliance, the historical financial statements of all entities or assets so acquired or sold and the consolidated financial statements of Company and its Subsidiaries, which shall be

reformulated as if such Permitted Acquisitions or such asset sale permitted pursuant to Section 9.7 hereof, and all other Permitted Acquisitions or asset sales permitted pursuant to Section 9.7 hereof of such type that have been consummated during the period, and any Indebtedness or other liabilities to be incurred or repaid in connection therewith had been consummated and incurred or repaid at the beginning of such period (and assuming that such Indebtedness to be incurred bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding Loans incurred during such period)."

(xxv) The definition of "Reserves" is hereby amended by (A) deleting both references therein to "commercially reasonable discretion" and substituting "Permitted Discretion" therefor and (B) deleting the phrase "amounts due or to become due to owners or lessors of premises where any Collateral is located, other than for those locations where the has received a Collateral Access Agreement;" and substituting the following in its place:

"amounts due or to become due to owners or lessors of premises where Collateral having an aggregate Value in excess of $100,000 is located, other than for those locations where the Agent has received a Collateral Access Agreement;"

(xxvi) The definition of "Sponsor" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Sponsor" shall mean individually and collectively, Golden Gate, the Affiliates thereof, and their respective successors and assigns."

(xxvii) Except for purposes of Section 4.1 of the Loan Agreement, the definition of "Transactions" is hereby amended by deleting the definition thereof in its entirety and substituting the following in its place:

""Transactions" shall mean the Financing Transactions, the Acquisition, the Parent Merger and the Borrower Merger."

(c) Interpretation. For purposes of this Amendment No. 1, all terms used herein which are not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Loan Agreement as amended by this Amendment No. 1.

2. Interest. Section 3.1 of the Loan Agreement is hereby amended by deleting the phrase "365 days (or 366 days, as applicable)" and substituting "360 days" in its place.

3. Conditions Precedent to All Loans and Letters of Credit. Section 4.2 of the Loan Agreement is hereby amended by deleting the last paragraph thereof in its entirety.

4. Grant of Security Interest.

(a) Section 5.1(h) of the Loan Agreement is hereby amended by deleting such clause in its entirety and the substituting "[intentionally omitted]" in its place.

(b) Section 5.1(j) of the Loan Agreement is hereby amended by deleting such clause in its entirety and the substituting the following in its place:

"all as-extracted collateral, including, without limitation, all minerals as extracted and severed from owned and leased real property other than the owned property of the Company located in Ottawa, Illinois (but including all Accounts receivable and other proceeds and products of the sale or other disposition thereof) including, without limitation, sandstone and silica byproducts thereof;"

5. Use of Proceeds. Section 6.7(b) of the Loan Agreement is hereby amended by deleting the reference therein to "Acquired Company" and substituting "Parent" in its place.

6. Financial Statements and Other Information.

(a) Section 9.6(a)(i) of the Loan Agreement is hereby amended by deleting the reference therein to "ninety (90) days" and substituting therefor "one hundred twenty (120) days after the fiscal year ending December 31, 2008 and within ninety (90) days after the end of each fiscal year thereafter".

(b) Section 9.6(a)(iv) of the Loan Agreement is hereby amended by deleting the reference therein to "At such time as available, but in no event later than the end of each fiscal year" and substituting therefor "As soon as practicable, and in any event no later than (1) April 30, 2009, for the fiscal year beginning January 1, 2009, and (2) the beginning of each fiscal year for each fiscal year thereafter".

7. Sale of Assets, Consolidation, Merger, Dissolution, Etc.

(a) Section 9.7(b) of the Loan Agreement is hereby amended by deleting clause (ii) thereof and substituting the following in its place:

"(ii) so long as no Default or Event of Default has occurred and is continuing immediately after giving effect thereto and at least 75% of the consideration received therefor is in the form of cash or Cash Equivalents, (A) an Asset Disposition by the Loan Parties with respect to Collateral having an aggregate fair market value not to exceed $3,000,000 for all such assets disposed of during the term hereof so long as the Net Cash Proceeds therefrom are contemporaneously remitted to Agent pursuant to Section 2.1(f)(ii) hereof; and (B) the sale or other disposition of assets of the Loan Parties and their Subsidiaries not constituting ABL Collateral (without regard to type of asset) having an aggregate fair market value not to exceed $30,000,000 for all such assets disposed during the term hereof;"

(b) Section 9.7(b) of the Loan Agreement is hereby amended by deleting the "and" at the end of clause (viii) thereof, deleting the "." at the end of clause (ix)thereof and substituting therefor ";", and adding at the end thereof the following new clauses (x) and (xi):

"(x) Company or a Subsidiary may sell or dispose of shares of Capital Stock of any of its Subsidiaries to the extent necessary in order to qualify members of the Board of Directors of the Subsidiary if required by applicable law; and

(xi) Without duplication, Liens expressly permitted by Section 9.8 hereof, Restricted Payments expressly permitted by Section 9.11 hereof, and the Acquisition and Investments permitted by Section 9.10 hereof."

8. Encumbrances.

(a) Section 9.8(k) of the Loan Agreement is hereby amended by inserting immediately after the reference to "Term Loan Obligations" the phrase "and obligations in respect of Hedging Agreements";

(b) Section 9.8(r) of the Loan Agreement is hereby amended by (i) inserting the following immediately prior to the ";" at the end thereof: "provided, however, that, such Liens exist at the time the Target (as defined in the definition of Permitted Acquisitions) becomes a Subsidiary and are not created in anticipation of such acquisition and, in any event, do not in the aggregate secure Indebtedness in excess of $2,000,000 for all such Liens so incurred during the term hereof;" and (ii) deleting the word "and" at the end thereof; and

(c) Section 9.8(v) of the Loan Agreement is hereby amended by deleting the references to "Indebtedness" and "$1,000,000" and substituting therefor "obligations" and "$2,000,000", respectively.

9. Indebtedness.

(a) Section 9.9(c) of the Loan Agreement is hereby amended by inserting the following language immediately after the reference to "thereof" in the fourth line thereof: "and existing as of the date of the Amendment No. 1 as set forth on Schedule 9.9(c)".

(b) Section 9.9(f) of the Loan Agreement is hereby amended by deleting the phrase "and not for speculative purposes;" and substituting therefor the phrase "to which Company and its Subsidiaries are exposed in the conduct of their business and the management of their liabilities consistent with past practice and/or to the extent required hereunder or under the First Lien Term Loan Agreement as in effect on the date hereof;"

(c) Section 9.9(h) of the Loan Agreement is hereby amended by deleting the clause in its entirety and substituting the following in its place:

"(h) Indebtedness under the GGC Subordinated Loan Agreement in an aggregate principal amount not to exceed the amount permitted under the Subordination Agreement;"

(d) Section 9.9(i) of the Loan Agreement is hereby amended by deleting the clause in its entirety and substituting in its place the following:

"(i) Subordinated Indebtedness and Indebtedness that is unsecured in an aggregate principal amount not to exceed $5,000,000 at any time outstanding (plus any interest paid in kind), so long as, immediately after giving effect to the incurrence of such Indebtedness on a Pro Forma Basis, the Loan Parties are in compliance with the financial covenants set forth in Section 6.6 of the First Lien Term Loan Credit Agreement and no Event of Default shall have occurred and be continuing, and, without limiting any of the foregoing, any refinancings, refundings, renewals, replacement, waivers, amendments, amendments and restatements or extensions thereof;"

(e) Section 9.9(k) of the Loan Agreement is hereby amended by deleting the clause in its entirety and substituting the following in its place:

"(k) Indebtedness of any Person assumed in connection with a Permitted Acquisition, and a Person that becomes a direct or indirect wholly-owned Subsidiary of the Company as a result of a Permitted Acquisition may remain liable with respect to Indebtedness existing on the date of the such acquisition; provided, that, such Indebtedness is not created in anticipation of such Permitted Acquisition and does not exceed $2,000,000 for all such Indebtedness so assumed or retained during the term hereof;"

(f) Section 9.9(m) of the Loan Agreement is hereby amended by deleting the reference to "$500,000" therein and substituting "$2,000,000" in its place.

10. Loans and Investments.

(a) Section 9.10 of the Loan Agreement is amended by deleting the phrase "enter into any speculative transaction or" therefrom;

(b) Section 9.10(j) of the Loan Agreement is hereby amended by deleting the reference therein to "of a nature not contemplated by" and substituting therefor "not permitted under", and deleting the reference to "$1,000,000" and substituting "$2,000,000" in its place; and;

(c) Section 9.10 of the Loan Agreement is hereby amended by adding at the end thereof the following new clause (k):

"(k) Capital Expenditures permitted by Section 9.26 hereof."

11. Restricted Payments.

(a) Section 9.11(f) of the Loan Agreement is hereby amended by deleting the clause in its entirety and substituting therefor the following:

"(f) to make distributions to the extent necessary to permit (i) Parent (or the relevant taxpaying Affiliate of Company or Parent), to discharge Tax liabilities (or estimates thereof) of Parent and its Subsidiaries, so long as Company or Parent (or the relevant taxpaying Affiliate) promptly applies the amount of any such distributions for such purpose; and (ii) Parent or any direct or indirect holding company of Parent to pay overhead expenses, so long as Company or Parent (or such relevant holding company) promptly applies the amount of any such distribution for such purpose;"

(b) Section 9.11(g) of the Loan Agreement is hereby amended by adding immediately prior to the ";" at the end thereof the phrase ", and to fund the Acquisition Financing Requirements".

(c) Section 9.11(h) of the Loan Agreement is hereby amended by deleting the clause in its entirety and substituting the following in its place:

"(h) Company may make regularly scheduled payments of interest in respect of the Indebtedness evidenced by the GGC Subordinated Loan Documents, payments to avoid the application of Internal Revenue Code Section 163(e)(5) thereto) in accordance with the terms of the GGC Subordinated Loan Documents and the other payments permitted under the GGC Subordinated Loan Documents, in each case subject to the terms hereof and to the terms of the GGC Subordination Agreement;"

(d) Section 9.11(k) of the Loan Agreement is hereby amended by deleting the clause in its entirety and substituting in its place the following:

"(k) to pay management fees and other fees expressly permitted under the Management Agreements and to reimburse expenses in accordance with the Management Agreements; provided that (i) no such management fees and other fees may be paid during the continuance of any Event of Default and (ii) any such fees that are not paid because of the occurrence of any Event of Default shall be permitted to be paid at such time (or after) such Event of Default ceases to be continuing for any reason;"

(e) Section 9.11 of the Loan Agreement is hereby amended by deleting the "." at the end of clause (l) thereof and substituting in its place "; and" and adding at the end of such Section the following new clauses (m), (n) and (o):

"(m) distributions of Capital Stock of Hourglass Acquisition I LLC and Hourglass Holdings LLC held by Loan Parties to their respective parent entities as of the date of Amendment No. 1 whereupon all of the Capital Stock of Hourglass Acquisition I LLC will be owned directly by GGC USS Holdings, Inc. and all of the Capital Stock of Hourglass Holdings LLC will be held by Hourglass Acquisition I LLC;

(n) Company may make non-cash Restricted Payments (in the form of deliveries of sand and crediting of prepaid amounts) as specifically required by the Sand Purchase Documents; and

(o) reasonable and customary fees paid to members of the Board of Directors of Parent and its Subsidiaries and compensation and benefit arrangements for officers, directors and employees entered into in the ordinary course."

12. Transactions with Affiliates. Notwithstanding anything to the contrary set forth in Section 9.12 of the Loan Agreement, the following will not be deemed to constitute transactions prohibited thereby:

(a) payment of reasonable and customary fees to members of the Board of Directors of Parent and its Subsidiaries and compensation and benefit arrangements for officers, directors and employees entered into in the ordinary course;

(b) the performance by Company of its obligations under the Sand Purchase Agreements and under the Conveyance of Undivided Mineral Interest entered into in connection therewith, in each case as in effect on the date of Amendment No. 1, with such amendments or other modifications as do not adversely affect the Lenders without in each case obtaining the prior written consent of the Agent to such amendments or other modifications;

(c) performance under the Management Agreements as in effect on the date hereof, to the extent permitted hereunder;

(d) any acquisitions or other Investments expressly permitted by Section 9.10 hereof,

(e) performance under the GGC Subordinated Loan Agreement and any documents executed in connection with such agreement with the holders of the Indebtedness evidenced thereby;

(f) any intercompany loan from Company to Parent or any direct or indirect holding company of the Company comprising a Restricted Payment permitted under Section 9.11 hereof; or

(g) any Restricted Payments expressly permitted by Section 9.11.

13. Limitations on Restrictions Affecting Subsidiaries. Section 9.15 of the Loan Agreement is hereby amended by adding immediately prior to the "." at the end thereof the following:

", (ix) any agreement evidencing Indebtedness secured by Liens permitted by Section 9.8(e) hereof, as to the assets securing such Indebtedness, and any agreement evidencing Indebtedness permitted by Section 9.9(h) hereof, (x) any agreement evidencing an asset sale permitted pursuant to Section 9.7 hereof, as to the assets being sold, and (xi) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder".

14. Fixed Charge Coverage Ratio; Excess Availability. Section 9.16 of the Loan Agreement is hereby amended by (a) restating the heading thereof as "Fixed Charge Coverage Ratio; Excess Availability.", (b) deleting each reference in the first paragraph thereof to "$10,000,000" and substituting "$7,500,000" therefor and (c) adding the following additional paragraph at the end thereof:

"The aggregate Excess Availability of Borrowers shall not at any time be less than $6,000,000."

15. Amendment of Subordinated Debt. Section 9.22 of the Loan Agreement is hereby amended by deleting clause (i) thereof in its entirety and substituting the following in its place:

"(i) amend, restate, modify or extend or permit the amendment, restatement, modification, waiver or extension of any term of any document governing or relating to (x) the GGC Subordinated Loan Agreement, other than in accordance with the GGC Subordination Agreement, or (y) any other Subordinated Debt in a manner that is materially adverse to the interests of the Lenders or violates the terms of any applicable subordination agreement with respect thereto, or".

16. Negative Pledge Restrictions. Section 9.24 of the Loan Agreement is hereby amended by adding immediately prior to the "." at the end the following in its place:

", (g) any agreement evidencing Indebtedness secured by Liens permitted by Section 9.8(e) hereof, as to the assets securing such Indebtedness, and any agreement evidencing Indebtedness permitted by Section 9.9(h) hereof, and (h) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder".

17. Capital Expenditures. Section 9.26 of the Loan Agreement is hereby amended by deleting it in its entirety and substituting the following in its place:

"9.26 Capital Expenditures.

No Loan Party will, nor will it permit its Subsidiaries to, make or incur Capital Expenditures, in any fiscal year indicated below, in an aggregate amount in excess of the corresponding amount set forth below opposite such fiscal year; provided, however, that, the amount of any Capital Expenditures permitted to be made in respect of any fiscal year shall be increased by 50% of the unused amount of Capital Expenditures that were permitted to be made during the immediately preceding fiscal year (without giving effect to any adjustments in accordance with this proviso); provided, further, that, with respect to any fiscal year, Capital Expenditures made during such fiscal year shall be deemed-to be made first with respect to the applicable limitation for such fiscal year and then with respect to any carry forward amount to the extent applicable:

fiscal year	Amount
fiscal year 2009	$ 25,000,000
fiscal year 2010	$ 25,000,000
fiscal year 2011	$ 25,000,000
fiscal year 2012	$ 19,000,000
fiscal year 2013	$12,000,000"

18. Parent. Section 9.28 of the Loan Agreement is hereby amended by deleted in its entirety and substituting the following in its place:

"9.28 Parent.

From and after the Amendment No. 1 execution date, Parent shall not (i) engage in any business or own, lease, manage or otherwise operate any properties or assets other than (A) entering into and performing its obligations under and in accordance with the Transaction Documents to which it is a party, (B) owning the Capital Stock of the Intermediate Holding Companies and/or the Company and engaging in activities directly related thereto, (C) issuing Capital Stock and options, warrants or similar equivalents in respect thereof and (D) taking actions required by law to maintain its corporate existence, incurring Indebtedness pursuant to Section 9.9 hereof to the extent expressly permitted thereby, contingent obligations not prohibited hereunder and Restricted Payments permitted pursuant to Section 9.11 hereof; (ii) incur any Indebtedness (other than nonconsensual obligations imposed by operation of law and obligations pursuant to the Loan Documents to which it is a party) other than Indebtedness permitted under Section 9.9 hereof, or (iii) issue any Capital Stock that constitutes Disqualified Stock or create or acquire any Subsidiary or own any Investment (other than Investments permitted under Section 9.10 hereof) in any Person other than the Intermediate Holding Companies and/or the Company."

19. Interest Rate Hedging. Section 9.29 of the Loan Agreement is hereby amended by deleted in its entirety and substituting therefor the following:

"9.29 Hedging Agreement.

Within 90 days following the date of Amendment No. 1, Company shall maintain in effect one or more agreements for a period of not less than three years, to provide interest rate protection with respect to an aggregate notional principal amount of not less than 50% of the principal amount of the Company's obligations under the First Lien Term Loan Financing Agreements, each such agreement to be in form and substance reasonably satisfactory to Agent."

20. Events of Default. Section 10.1(h) of the Loan Agreement is hereby amended by adding immediately after the ";" at the end thereof the following:

"; except, that, with respect only to a default under Section 6.6 of the First Lien Term Loan Credit Agreement, such default shall not (on only one occasion in any period of twelve (12) consecutive calendar months) constitute a Default or an Event of Default hereunder unless not cured or waived within thirty (30) days after the date on which financial information used to determine compliance with such covenant was or should have been delivered to Term Loan Agent by any obligor under the First Lien Term Loan Credit Agreement;"

21. Term. Section 13.1 of the Loan Agreement is hereby deleted in its entirety and the following substituted therefor:

"(a) This Agreement the other Financing Agreements shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on the date four (4) years from the date of Amendment No. 1, as such date may be extended by up to two (2) additional one (1) year periods thereafter in Agent's reasonable discretion; provided, that, as of the third and/or fourth anniversaries of the date of Amendment No. 1, as applicable, no Default or Event of Default shall exist or have occurred and be continuing (such date, as it may be so extended, the "Termination Date"). Upon the Termination Date, or earlier if accelerated pursuant to Section 10.2, the Borrowers shall pay to the Agent all outstanding and unpaid Obligations and shall furnish cash collateral to the Agent (or at the Agent's option, a letter of credit issued for the account of the Borrowers and at the Borrowers' expense, in form and substance satisfactory to the Agent, by an issuer acceptable to the Agent and payable to the Agent as beneficiary) in such amounts as the Agent determines are reasonably necessary to secure the Agent, the Lenders and the Issuing Bank from loss, cost, damage or expense, including attorneys' fees and expenses, in connection with any contingent obligations, including issues and outstanding Letter of Credit Obligations

and checks or other payments provisionally credited to the Obligations and/or as to which the Agent or any Lender has not yet received final and indefeasible payment and any continuing obligations of the Agent or any Lender pursuant to any Account Control Agreement. The amount of such cash collateral (or letter of credit, as the Agent may determine) as to any Letter of Credit Obligations shall be in the amount equal to one hundred ten (110%) percent of the amount of the Letter of Credit Obligations plus the amount of any fees and expenses payable in connection therewith through the end of the latest expiration date of the Letters of Credit giving rise to such Letter of Credit Obligations. Such payments in respect of the Obligations and cash collateral shall be remitted by wire transfer in Federal funds to the Agent Payment Account or such other bank account of the Agent; as the Agent may, in its discretion, designate in writing to the company for such purpose. Interest shall be due until and including the next Business Day, if the amounts so paid by the Borrowers to the Agent Payment Account or other bank account designated by the Agent are received in such bank account later than 12:00 p.m., New York time.

(b) No termination of the Commitments, this Agreement or any of the other Financing Agreements shall relieve or discharge any Loan Party of its respective duties, obligations and covenants under this Agreement or any of the other Financing Agreements until all Obligations have been fully and finally discharged and paid, and the Agent's continuing security interest in the Collateral and the rights and remedies of the Agent and the Lenders hereunder, under the other Financing Agreements and applicable law, shall remain in effect until all such obligations have been fully and finally discharged and paid. Accordingly, each Loan Party waives any rights it may have under the UCC to demand the filing of termination statements to the Loan Parties, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations paid and satisfied in full in immediately available funds.

(c) If for any reason this Agreement is terminated prior to the Termination Date, in view of the impracticality and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of Agent's and each Lender's lost profits as a result thereof, Borrowers agree to pay to Agent, for the benefit of Lenders, upon the effective date of such termination, an early termination fee in the amount equal to the amount in the table below corresponding to the relevant period set for the below during which such termination occurs:

	Amount	Period
(i)	2% of Maximum Credit	From the date of Amendment No. 1 to and including the first anniversary of the date of Amendment No. 1

	Amount	Period
(ii)	1% of Maximum Credit	From and after the first anniversary of the date of Amendment No. 1 to and including the second anniversary of Amendment No. 1
(iii)	1/2% of Maximum Credit	From and after the second anniversary of the date of Amendment No. 1 to but not including the fourth anniversary of the date of Amendment No. 1 or if the term of this Agreement is extended, at any time prior to the end of the then current term.

(d) Such early termination fee shall be presumed to be the amount of damages sustained by Agent and Lenders as a result of such early termination and the Loan Parties agree that it is reasonable under the circumstances currently existing (including, but not limited to, the borrowings that are reasonably expected by Borrowers hereunder and the interest, fees and other charges that are reasonably expected to be received by Agent and Lenders pursuant to the Credit Facility). In addition, Agent and Lenders shall be entitled to such early termination fee upon the occurrence of any Event of Default described in Sections 10.1(f) and 10.1(g) hereof, even if Agent and Lenders do not exercise the right to terminate this Agreement, but elect, at their option, to provide financing to any Borrower or permit the use of cash collateral under the United States Bankruptcy Code. The early termination fee provided for in this Section 13.1 shall be deemed included in the Obligations."

22. New Schedule 9.9(c). The Loan Agreement is hereby amended by adding a new Schedule 9.9(c) in the form of Schedule 9.9(c) attached hereto.

23. Certain Sand Purchase Transactions. The Loan Parties hereby acknowledge and agree that that Accounts arising from transactions under the Sand Processing and Delivery Agreement shall not in any event constitute Eligible Accounts. Notwithstanding the preceding sentence, after the prepayments made pursuant to the Sand Purchase Documents have been repaid in full in accordance with the terms thereof, such Accounts may constitute Eligible Accounts to the extent that they satisfy the criteria therefor set forth in the definition of Eligible Accounts in the Loan Agreement.

24. Consent.

(a) Lenders hereby waive the Change of Control occasioned by the consummation of the transactions contemplated by the Acquisition Documents as in effect on the date hereof.

(b) As of the effectiveness of this Amendment No. 1, Hourglass will no lodger be a party to any Financing Agreement and all references to Parent in the Loan Agreement (other than any such reference in Section 4.1 of the Loan Agreement) shall be deemed to refer to USS Holdings, Inc., a Delaware corporation. Upon and after the date of this Amendment No. 1, Hourglass shall have no liability as a guarantor under the Financing Agreements.

25. Representations and Warranties. Each of the Loan Parties, jointly and severally, hereby represents and warrants with and to Agent and Lenders as follows, which representations and warranties shall survive the execution and delivery hereof, the truth and accuracy of, or compliance with each, together with the representations, warranties and covenants in the other Financing Agreements, being a continuing condition of the making of any Loans by Lenders (or Agent on behalf of Lenders) to Borrowers:

(a) after giving effect to this Amendment No. 1, no Default or Event of Default exists or has occurred and is continuing as of the date of this Amendment No. 1; and

(b) this Amendment No. 1 has been duly executed and delivered by the Loan Parties and the agreements and obligations of the Loan Parties contained herein constitute legal, valid and binding obligations of the Loan Parties enforceable against the Loan Parties in accordance with their respective terms.

26. Conditions Precedent. The amendments contained herein shall only be effective upon the satisfaction of each of the following conditions precedent in a manner satisfactory to Agent:

(a) Agent shall have received counterparts of this Amendment No. 1, duly authorized, executed and delivered by the Loan Parties and Lenders;

(b) Agent shall have received counterparts of an Amended and Restated Fee Letter in form and substance reasonably satisfactory to Agent, duly authorized, executed and delivered by Borrowers and Agent;

(c) Agent shall have received true, correct and complete copies of each of the following, as in effect on the date hereof, together with all exhibits and schedules thereto but excluding any fee letter executed in connection therewith: (i) the First Lien Term Loan Financing Agreements, (ii) the Acquisition Documents, and (iii) the GGC Subordinated Loan Agreement.

(d) Agent shall have received a true and correct copy of each consent, waiver or approval (if any) to or of this Amendment No. 1, which the Loan Parties are required to obtain from any other Person, and such consent, approval or waiver (if any) shall be in form and substance reasonably satisfactory to Agent;

(e) The transactions contemplated by the Acquisition Documents to occur on the closing date of the Acquisition shall have been consummated with effect as of the date hereof;

(f) The Company shall have received from the lenders thereunder the proceeds of the loans contemplated to be made under the First Lien Term Loan Financing Agreements and the GGC Subordinated Loan Agreement; and

(g) After giving effect to this Amendment No. 1, no Default or Event of Default shall exist or have occurred and be continuing as of the date of this Amendment No. 1.

27. Effect of Amendment No. 1. Except as expressly set forth herein, no other consents, amendments, changes or modifications to the Financing Agreements are intended or implied, and in all other respects the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof and the Loan Parties shall not be entitled to any other or further amendment by virtue of the provisions of this Amendment No. 1 or with respect to the subject matter of this Amendment No. 1. To the extent of conflict between the terms of this Amendment No. 1 and the other Financing Agreements, the terms of this Amendment No. 1 shall control. The Loan Agreement and this Amendment No. 1 shall be read and construed as one agreement.

28. Governing Law. The validity, interpretation and enforcement of this Amendment No. 1 and any dispute arising out of the relationship between the parties hereto whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

29. Jury Trial Waiver. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AMENDMENT NO. 1 OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AMENDMENT NO. 1 OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT BORROWERS, GUARANTORS, AGENT OR ANY LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AMENDMENT NO. 1 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

30. Binding Effect. This Amendment No. 1 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

31. Waiver, Modification, Etc. No provision or term of this Amendment No. 1 may be modified, altered, waived, discharged or terminated orally, but only by an instrument in writing executed by the party against whom such modification, alteration, waiver, discharge or termination is sought to be enforced.

32. Further Assurances. The Loan Parties shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent to effectuate the provisions and purposes of this Amendment No. 1.

33. Entire Agreement. This Amendment No. 1 represents the entire agreement and understanding concerning the subject matter hereof among the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

34. Headings. The headings listed herein are for convenience only and do not constitute matters to be construed in interpreting this Amendment No. 1.

35. Counterparts. This Amendment No. 1 may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment No. 1 by telefacsimile or other electronic method of transmission shall have the same force and effect as delivery of an original executed counterpart of this Amendment No. 1. Any party delivering an executed counterpart of this Amendment No. 1 by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart of this Amendment No. 1, but the failure to do so shall not affect the validity, enforceability, and binding effect of this Amendment No. 1.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed and delivered by their authorized officers as of the day and year first above written.

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent and a Lender

By: /s/ James A. Kelly
Title: Director

[SIGNATURES CONTINUED ON NEXT PAGE]

U.S. SILICA COMPANY

By: /s/ John A. Ulizio
Title:

HOURGLASS HOLDINGS, LLC

By: /s/ John A. Ulizio
Title:

THE FULTON LAND AND TIMBER COMPANY

By: /s/ John A. Ulizio
Title:

USS HOLDINGS, INC.

By: /s/ John A. Ulizio
Title:

GEORGE F. PETTINOS LLC
By: U.S. SILICA COMPANY, its sole member

By: /s/ John A. Ulizio
Title:

BMAC HOLDINGS, INC.

By: /s/ John A. Ulizio
Title:

PENNSYLVANIA GLASS SAND CORPORATION

By: /s/ John A. Ulizio
Title:

BMAC SERVICES CO., INC.

By: /s/ John A. Ulizio
Title:

OTTAWA SILICA COMPANY

By: /s/ John A. Ulizio
Title:

BETTER MINERALS & AGGREGATES COMPANY

By: /s/ John A. Ulizio
Title:

EXHIBIT 10.3

[EXECUTION]

AMENDMENT NO. 2 TO LOAN AND SECURITY AGREEMENT AND CONSENT

AMENDMENT NO. 2 TO LOAN AND SECURITY AGREEMENT AND CONSENT, dated as of May 7, 2010 (this "Amendment No. 2"), by and among Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, a national banking association, in its capacity as agent for the Lenders (as hereinafter defined) pursuant to the Loan Agreement as defined below (in such capacity, "Agent"), the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders"), U.S. Silica Company, a Delaware corporation (the "Company"), the subsidiaries of the Company from time to time party to the Loan Agreement as borrowers (each individually, together with the Company, a "Borrower" and collectively, "Borrowers"), USS Holdings, Inc., a Delaware corporation ("Parent") and certain subsidiaries of Parent from time to time party to the Loan Agreement as Guarantors (individually, each a "Guarantor" and collectively, "Guarantors").

WITNESSETH:

WHEREAS, Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the ABL Loan and Security Agreement, dated as of August 9, 2007, as amended by Amendment No. 1 and Consent to Loan and Security Agreement, dated as of November 25, 2008, by and among Agent, Lenders, Borrowers and Guarantors (as from time to time amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement", and together with all agreements, documents and instruments at any time executed and/or delivered in connection therewith or related thereto, as from time to time amended, modified, supplemented, extended, renewed, restated, or replaced, collectively, the "Financing Agreements");

WHEREAS, Borrowers and Guarantors wish to (a) make a one-time cash dividend payment in an aggregate amount not to exceed $52,000,000 by Borrowers to Hourglass Holdings LLC, (b) make a payment of $10,203,240.93 with respect to obligations under the GGC Subordinated Loan Documents, (c) amend and restate the GGC Subordinated Loan Agreement and amend and restate the First Lien Term Loan Credit Agreement, and (d) amend certain provisions of the Loan Agreement as set forth herein, and Agent and Lenders are willing to consent to such one-time cash dividend payment, such payment of the obligations under the GGC Subordinated Loan Documents, and the amendment and restatement of such financing documents in the form presented on the date hereof, and agree to such amendments on the terms and subject to the conditions set forth herein; and

WHEREAS, by this Amendment No. 2, Agent, Lenders, Borrowers and Guarantors intend to evidence such amendments.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Additional Definitions. As used herein or in the Loan Agreement or any of the other Financing Agreements, the following terms shall have the respective meanings set forth below:

(i) "Amendment No. 2" shall mean Amendment No. 2 to Loan and Security Agreement and Consent, dated as of May 7, 2010 by and among Agent, Lenders, Borrowers and Guarantors, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, and the Loan Agreement and the other Financing Agreements shall be deemed and are hereby amended to include, in addition and not in limitation, such definition.

(ii) "Amendment No. 2 Effective Date" shall mean the date on which each of the conditions precedent to the effectiveness of Amendment No. 2 are satisfied or are waived by Agent.

(iii) "Multiemployer Plan" shall mean, a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) which is maintained for, or contributed to (or to which there is an obligation to contribute) on behalf of, employees of any Loan Party or ERISA Affiliate or to which any Loan Party or ERISA Affiliate has or could have any liability or obligation.

(iv) "Permitted Holders" shall mean Golden Gate Private Equity Inc., its Affiliates, and the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any such Person or a trust, the beneficiaries of which, or a corporation or partnership, the stockholders or general and limited partners of which, or a limited liability company, the members of which, include only such Person or his or her spouse or lineal descendants, in each case to whom such Person has transferred the beneficial ownership of any Capital Stock of Parent.

(v) "Repurchase Offer" shall mean the acquisition of First Lien Term Loan Obligations pursuant to a "Repurchase Offer" under, and as defined in the First Lien Term Loan Credit Agreement.

(b) Amendment to Definitions. As used herein or in the Loan Agreement or any of the other Financing Agreements, the following terms are hereby amended as set forth below:

(i) The definition of "Change of Control" is hereby deleted in its entirety and the following substituted therefor:

""Change in Control" shall mean any of the following: (i) after the occurrence of any equity issuance by the Parent consisting of an initial public offering of the common Stock of the Parent (an "IPO"), if a group other than Permitted Holders acquires beneficial ownership of thirty-five (35%) percent or more of the voting or economic interest of Capital Stock issued by Parent; (ii) prior to the occurrence of an IPO, Sponsor shall cease to beneficially own and

control (directly or indirectly) more than 50.1% of the issued and outstanding Voting Stock of Parent entitled to vote for the election of members of the Board of Directors of Parent; (iii) prior to the occurrence of an IPO, Sponsor shall cease to beneficially own (directly or indirectly) more than 50.1 % of the economic value of the Capital Stock of Parent, (iv) the occurrence of a change in the composition of the Board of Directors of Parent or Company such that a majority of the members of any such Board of Directors are not Continuing Members, (v) the failure at any time of Parent to legally and beneficially own and control 100% of the issued and outstanding Capital Stock of Company or the failure at any time of Parent to have the ability to elect all of the Board of Directors of Company and (vi) the occurrence of any "Change in Control" or "Change of Control" (or similar term) under the First Lien Term Loan Credit Agreement or the GGC Subordinated Loan Agreement. As used herein, the term "beneficially own" or "beneficial ownership" shall have the meaning assigned to that term in the Exchange Act and the rules and regulations promulgated thereunder."

(ii) The definition of "Consolidated Adjusted EBITDA" is hereby amended as follows:

(A) By deleting clause (v) in its entirety and substituting the following therefor: "transaction costs, fees and expenses (including those relating to the Transactions and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted under Section 9.9, any disposition of assets or property permitted under Section 9.7 or any recapitalization, Permitted Acquisitions or other Investment permitted under Section 9.7 or 9.10, or amendment to any Indebtedness (including costs and expenses of Agent and Lender that are reimbursed) (in each case, whether or not successful) in an aggregate amount (other than with respect to the Transactions) not to exceed (A) $1,000,000 for each Fiscal Year, for an unconsummated transactions and (B) 10% of the purchase price or indebtedness obligations for any consummated transactions";

(B) By amending clause (xv) by adding the following at the end thereof: "any gains or losses on any Hedge Agreement entered into prior to November 25,2008, and fees and expenses in connection with Hedge Agreements, in an aggregate amount with respect to all such gains, losses, fees and expenses, not to exceed $2,800,000";

(C) By renumbering clause (xvi) to (xxiii) and clause (xvii) to (xxiv), and by changing the reference to "(xviii)" in renumbered clause (xxiv) to "(xxiv)";

(D) By inserting the following new clauses (xvi) through (xxii):

"(xvi) expenses related to the withdrawal from the third party pension plan at the Rockwood, MI plant in an aggregate amount not to exceed $600,000, (xvii) costs and expenses from moving the corporate headquarters incurred during 2010 in an aggregate amount not to exceed $500,000, (xviii) charges and expenses in connection with business expansion and business

optimization projects and severance costs and lease termination costs, in each case, made within 12 months of any Permitted Acquisition and related to such Permitted Acquisition in an aggregate amount not to exceed $1,000,000 for each Fiscal Year, recruiting fees and expenses in 2010 in an aggregate amount not to exceed $250,000, (xx) the reasonable costs and expenses incurred in connection with an initial public offering (whether, or not, such initial public offering is consummated, and including one-time costs and other non-recurring expenses associated with becoming Sarbanes-Oxley Act compliant) in an aggregate amount not to exceed $2,000,000 during such period, (xxi) costs, fees and expenses (including, but not limited to, any legal fees of Agent and Lenders) incurred during such period in connection with this Agreement and the Loan Documents, reasonable costs and expenses directly incurred during such period in connection with (a) the opening of arty new sand processing or mining facilities or (b) any substantial expansions of existing sand processing or mining facilities with a capital cost in excess of $5,000,000, in each case of (a) and (b) not to exceed 10% of the capital cost of each such expansion, and"

(E) By adding the following at the end of clause (A) prior to the last word "and" therein: "and assuming (for such period and applicable subsequent periods) any synergies and cost savings to the extent certified by Company as having been determined in good faith to be reasonably anticipated to be realizable and which do not account for more than 25% of Consolidated Adjusted EBITDA of such acquired Person or another amount to be agreed in writing by Administrative Agent)".

(iii) The definition of "Consolidated Interest Expense" is hereby amended by deleting "Closing Date" and substituting "Amendment No. 2 Effective Date" therefor.

(iv) The definition of "Continuing Member" is hereby amended by deleting each reference to "Amendment No. 1 execution date" and substituting "Amendment No. 2 Effective Date" therefor.

(v) The definition of "Golden Gate" is hereby amended by deleting "Golden Gate Capital" and substituting "Golden Gate Private Equity Inc." therefor.

(vi) The definition of "Leverage Ratio" is hereby deleted in its entirety and the following substituted therefor:

""Leverage Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Funded Debt (excluding Indebtedness under the GGC Subordinated Loan Documents and any Subordinated Debt), net of cash and Cash Equivalents of the Loan Parties and their Subsidiaries on a consolidated basis, as determined in accordance with GAAP on such date to (b) Consolidated Adjusted EBITDA (computed for the twelve-month period ending on the last day of the fiscal quarter ending on or immediately prior to such date)."

(vii) The definition of "Permitted Acquisition" is hereby amended by deleting the reference in clause (iv) thereof to "$6,000,000" and substituting "$5,500,000" therefor, (B) deleting the word "aggregate" from clause (vii), and (C) deleting clauses (vii)(A) through (C) and substituting the following therefor: "shall not exceed in the aggregate (A) $25,000,000 of cash on hand and (B) all or any portion of the Subordinated Debt permitted under Section 9.9(i) provided that no more than $10,000,000 of such aggregate consideration may be in the form of seller financing permitted under Section 9.9.

(viii) The definition of "Plan" is hereby deleted in its entirety and the following substituted therefor:

""Plan" means, an "employee pension benefit plan" as defined in Section 3(2) of ERISA subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA (other than a Multiemployer Plan), which is maintained for, or contributed to (or to which there is an obligation to contribute) on behalf of, employees of any Loan Party or ERISA Affiliate or to which any Loan Party or ERISA Affiliate has any liability or obligation."

(ix) "Refinancing Indebtedness" shall have the meaning set forth in Section 9.9(f) of this Agreement.

(x) The definition of "Subordinated Debt" is hereby deleted in its entirety and the following substituted therefor:

"Subordinated Debt" shall mean any Indebtedness of any Loan Party subordinated in right of payment to the Obligations on substantially similar subordination terms as the terms set forth in the GGC Subordination Agreement provided that such terms are at least as favorable to the Lenders as the terms set forth in the GGC Subordination Agreement or as otherwise reasonably satisfactory to Agent.

(c) Interpretation. For purposes of this Amendment No. 2, all terms used herein which are not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Loan Agreement as amended by this Amendment No. 2.

2. Mandatory Prepayments. The first sentence of Section 2.1(f)(iii) is hereby amended by deleting such sentence in its entirety and substituting the following therefor:

"Subject to the terms of the ABL Intercreditor Agreement, all amounts required to be paid pursuant to this Section 2.1(f) shall be applied to the Revolving Loans and, to the extent there is an Event of Default or the aggregate amount of the Loans and the Letter of Credit Obligations exceed the Maximum Credit, to a cash collateral account held by the Agent in respect of Letter of Credit Obligations (in an amount equal to 105% of the aggregate amount thereof)."

3. Unused Line Fee. Section 3.2(a) of the Loan Agreement is hereby amended by deleting such Section in its entirety and substituting the following therefor:

"(a) The Borrowers shall pay to Agent, for the account of Lenders, monthly an unused line fee ("Unused Line Fee") at a rate equal to three eighths (.375%) percent per annum calculated on the average daily unused portion of the Maximum Credit during the immediately preceding month (or part thereof) while this Agreement is in effect and for so long thereafter as any of the Obligations are outstanding, which fee shall be payable on the first day of each month in arrears."

4. Collateral Reporting.

(a) Section 7.1 (a)(i) of the Loan Agreement is hereby amended by deleting the reference therein to "$5,000,000" and substituting "$5,500,000" therefor.

(b) Section 7.1(a)(iv) of the Loan Agreement is hereby amended by deleting the reference therein to "$5,000,000" and substituting "$5,500,000" therefor.

5. Employee Benefits. Section 8.9(c) of the Loan Agreement is hereby amended by deleting the reference therein to "no ERISA Event has occurred" and substituting "except as set forth on Schedule 8.9, no ERISA Event has occurred" therefor.

6. Capital Expenditures. Section 9.26 of the Loan Agreement is hereby amended by deleting such Section in its entirety and substituting the following therefor: "Reserved."

7. Asset Sales.

(a) Section 9.7(b) of the Loan Agreement is hereby amended by deleting clause (ii)(B) thereof in its entirety and substituting the following therefor: "(B) the sale or other disposition of assets of the Loan Parties and their Subsidiaries not constituting ABL Collateral (without regard to type of asset) having an aggregate fair market value not to exceed $30,000,000 from and after the Amendment No. 2 Effective Date."

(b) Section 9.7(b) is hereby amended by adding the following subclause (xii) at the end thereof: "(xii) cancellation of Indebtedness under the First Lien Term Loan Obligations which may be acquired thereunder pursuant to the Repurchase Offer."

8. Encumbrances.

(a) Section 9.8(r) of the Loan Agreement is hereby amended by deleting the reference therein to "$2,000,000" and substituting "$5,000,000" therefor.

(b) Section 9.8(v) of the Loan Agreement is hereby amended by deleting the reference therein to "$2,000,000" and substituting "$5,000,000" therefor.

9. Indebtedness.

(a) Term Loan Indebtedness. Section 9.9(b) of the Loan Agreement is hereby amended by deleting such Section in its entirety and substituting the following therefor:

"(b) the First Lien Term Loan Obligations and Second Lien Term Loan Obligations of the Company, in each case in a principal amount not to exceed one hundred and ten (110%) percent of (i) the principal amount thereof as of the Amendment No. 2 Effective Date and (ii) $25,000,000, respectively, and renewals, refinancings or extensions thereof in whole or in part (provided, that the outstanding principal amount of the First Lien Term Loan Obligations and Second Lien Term Loan Obligations, as applicable, is not increased beyond the maximum amount provided for in this section less any mandatory prepayments and amortization applied thereto (other than on account of accrued interest, premium and fees and expenses) at the time of such renewal, refinancing or extension), so long as the ABL Intercreditor Agreement or a replacement intercreditor agreement satisfactory to the Agent and the Required Lenders is in effect;"

(b) Intercompany Indebtedness. Section 9.9(e) of the Loan Agreement is hereby amended by adding the following subclause (iii) at the end thereof: "(iii) among Subsidiaries that are not Loan Parties".

(c) Guarantee Obligations. Section 9.9(g) of the Loan Agreement is hereby amended by deleting such Section in its entirety and substituting the following therefor:

"(g) (i) Guaranty Obligations in respect of Indebtedness of a Loan Party to the extent such Indebtedness is permitted to exist or be incurred pursuant to this Section 9.9 or (ii) Guaranty Obligations in respect of Indebtedness of an Affiliate of a Loan Party that is not a Loan Party with respect to Indebtedness incurred by another Affiliate of a Loan Party that is not a Loan Party, in the case of clauses (g)(i) and (g)(ii), to the extent such Indebtedness is permitted to exist or be incurred pursuant to this Section 9.9."

(d) Subordinated Indebtedness. Section 9.9(i) of the Loan Agreement is hereby amended by deleting such Section in its entirety and substituting the following therefor:

"(i) other Subordinated Debt and unsecured Indebtedness of the Loan Parties and their Subsidiaries (excluding Guaranty Obligations of any Loan Party in favor of any Foreign Subsidiary) so long as, such Indebtedness is in an amount equal to the lesser of: (A) $25,000,000; (B) an amount such that the Leverage Ratio (calculated to include all Indebtedness under the GGC Subordinated Loan Agreement and any Subordinated Debt as of such day but exclude unrestricted cash as of such

day) is not greater than 4.50:1.00, so long as, (1) such Subordinated Indebtedness is on terms which when taken as a whole are not more restrictive than the GGC Subordinated Loan Agreement unless the Agent shall have consented in writing thereto, provided, that, with respect to (A) and (B) herein, (1) the applicable cash rate of interest and payment in kind rate of interest payable thereunder shall not, in the aggregate, exceed by more than two (2%) percent the aggregate rate of interest under the GGC Subordinated Loan Agreement as of the Amendment No. 2 Effective Date, (2) the proceeds of such Subordinated Indebtedness are used to fund Permitted Acquisitions, and (3) after giving effect to such Indebtedness on a Pro Forma Basis, the Loan Parties are in compliance with the financial covenant set forth in Section 9.16 (without regard to the Excess Availability exception set forth therein) and (4) no Event of Default shall have occurred and be continuing before or immediately after giving effect to such other Subordinated Debt or unsecured Indebtedness."

(e) Other Indebtedness. Section 9.9(m) of the Loan Agreement is hereby amended by deleting the reference therein to "$2,000,000" and substituting "$5,000,000" therefor.

(f) Section 9.9 of the Loan Agreement is hereby amended by deleting the "and" at the end of clause (l) thereof, deleting the "." at the end of clause (m) thereof and substituting therefor ";", and adding at the end thereof the following new clauses (n):

"(n) Indebtedness arising after the date hereof issued in exchange for, or the proceeds of which are used to extend, refinance, replace or substitute for Subordinated Indebtedness or Indebtedness under the GGC Subordinated Loan Agreement permitted under this Agreement (the "Refinancing Indebtedness"); provided, that, as to any such Refinancing Indebtedness, each of the following conditions is satisfied: (i) Agent shall have received not less than ten (10) Business Days' prior written notice of the intention to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent, the amount of such Indebtedness, the schedule of repayments and maturity date with respect thereto and such other information with respect thereto as Agent may reasonably request, (ii) promptly upon Agent's request, Agent shall have received true, correct and complete copies of all agreements, documents and instruments evidencing or otherwise related to such Indebtedness, as duly authorized, executed and delivered by the parties thereto, (iii) the Refinancing Indebtedness shall have a weighted average life to maturity and a final maturity equal to or greater than the weighted average life to maturity and the final maturity, respectively, of the Indebtedness being extended, refinanced, replaced, or substituted for, (iv) the Refinancing Indebtedness shall rank in right of payment no more senior than, and be at least as subordinated (if subordinated) to, the Obligations as the Indebtedness being extended, refinanced, replaced or substituted for, (v) the Refinancing Indebtedness shall not include terms and conditions with

respect to Borrowers and Guarantors which are more burdensome or restrictive in any material respect than those included in the Indebtedness so extended, refinanced, replaced or substituted for, taken as a whole, so that in view of all of the terms and conditions of the Refinancing Indebtedness, such terms and conditions are no less favorable to Borrowers and Guarantors; except, that, the applicable cash rate of interest and payment in kind rate of interest on such Refinanced Indebtedness may not exceed by more than two (2%) percent the aggregate rate of interest under the Subordinated Indebtedness or Indebtedness under the GGC Subordinated Loan Agreement as of the Amendment No. 2 Effective Date, (vi) as of the date of incurring such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, (vii) the principal amount of such Refinancing Indebtedness shall not exceed the principal amount of the Indebtedness so extended, refinanced, replaced or substituted for (plus the lesser of (A) the stated amount of any premium or other payment required to be paid in connection with such refinancing pursuant to the terms of the Indebtedness being refinanced, (B) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of reasonable expenses of Borrowers and Guarantors incurred in connection with such refinancing, and (C) related fees and expenses incurred in connection therewith), (viii) the Refinancing Indebtedness shall be secured by substantially the same assets; provided, that, such security interests (if any) with respect to the Refinancing Indebtedness shall have a priority no more senior than, and be at least as subordinated, if subordinated (on terms and conditions substantially similar to the subordination provisions applicable to the Indebtedness so extended, refinanced, replaced or substituted for or as is otherwise acceptable to Agent) as the security interest with respect to the Indebtedness so extended, refinanced, replaced or substituted for."

10. Loans, Investments.

(a) Section 9.10(d) of the Loan Agreement is hereby amended by deleting the reference therein to "$500,000" and substituting "$1,000,000" therefor.

(b) Section 9.10(j) of the Loan Agreement is hereby amended by deleting the reference therein to "$2,000,000" and substituting "$5,000,000" therefor.

(c) Section 9.10 of the Loan Agreement is hereby amended by (i) deleting the "and" at the end of clause (i) thereof, (ii) deleting the "." at the end of clause (j) thereof and substituting ";", therefor and (iii) adding the following new clauses (k), (l) and (m) at the end thereof:

"(k) Investments in Foreign Subsidiaries in an aggregate amount not to exceed $5,000,000, at any time outstanding;"

"(l) Investments by any Foreign Subsidiary in or to any other Foreign Subsidiary; and"

"(m) Investments pursuant to a Repurchase Offer."

11. Restricted Payments. Section 9.11 (h) of the Loan Agreement is hereby amended by deleting such section in its entirety and substituting the following therefor:

"(h) Company may make regularly scheduled payments of interest in respect of the Indebtedness evidenced by the GGC Subordinated Loan Documents and other Subordinated Debt permitted under Section 9.9, payments to avoid the application of Internal Revenue Code Section 163(e)(5) thereto in accordance with the terms of the GGC Subordinated Loan Documents or such Subordinated Debt, and the other payments permitted under the GGC Subordinated Loan Documents or such Subordinated Debt, in each case subject to the terms hereof and to the terms of the GGC Subordination Agreement or the other applicable subordination agreement, including in connection with any refinancing of such Indebtedness permitted hereunder, and Company and its Subsidiaries may convert Indebtedness evidenced by the GGC Subordinated Loan Documents or such Subordinated Debt to, or exchange Indebtedness evidenced by the GGC Subordinated Loan Documents or other Subordinated Debt for Capital Stock in accordance with the terms of the GGC Subordinated Loan Documents as in effect on the Amendment No. 2 Effective Date;"

12. Affiliate Agreements. The following shall be added at the end of Section 9.12: "Notwithstanding anything herein to the foregoing, Repurchase Offers shall be permitted by Loan Parties, any Subsidiary or any Affiliate thereof."

13. Fixed Charge Coverage Ratio/Minimum Excess Availability. Section 9.16 of the Loan Agreement is hereby amended by (a) deleting the reference therein to "$7,500,000" and substituting "$6,500,000" therefor and (b) deleting the reference therein to "$6,000,000" and substituting "$5,500,000" therefor.

14. Events of Default. Section 10.1(d) of the Loan Agreement is hereby amended by deleting the reference therein to "$2,000,000" and substituting "$10,000,000" therefor.

15. Release of Guarantor. Section 11.3(a)(iv) is hereby amended by deleting such Section in its entirety and substituting the following therefor:

"(iv) release any Borrower or any Guarantors (with material assets in excess of $2,000,000) from obligations hereunder (except as expressly required hereunder or under any of the other Financing Agreements or applicable law), without the consent of the Agent and all of the Lenders,"

16. Term. Section 13.1 of the Loan Agreement is hereby deleted in its entirety and the following substituted therefor:

"(a) This Agreement the other Financing Agreements shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on October 31, 2015 (such date, the "Termination Date"). Upon the Termination Date, or earlier if accelerated pursuant to Section 10.2, the Borrowers shall pay to the Agent all outstanding and unpaid Obligations and shall furnish cash collateral to the Agent (or at the Agent's option, a letter of credit issued for the account of the Borrowers and at the Borrowers' expense, in form and substance satisfactory to the Agent, by an issuer acceptable to the Agent and payable to the Agent as beneficiary) in such amounts as the Agent determines are reasonably necessary to secure the Agent, the Lenders and the Issuing Bank from loss, cost, damage or expense, including attorneys' fees and expenses; provided, that, in no event shall Borrowers be required to reimburse Agent for legal fees for more than one (1) law firm acting for and on behalf of Agent (other than local counsel as Agent may deem necessary) and for one (1) additional law firm acting for and on behalf of the Lenders, in connection with any contingent obligations, including issues and outstanding Letter of Credit Obligations and checks or other payments provisionally credited to the Obligations and/or as to which the Agent or any Lender has not yet received final and indefeasible payment and any continuing obligations of the Agent or any Lender pursuant to any Account Control Agreement. The amount of such cash collateral (or letter of credit, as the Agent may determine) as to any Letter of Credit Obligations shall be in the amount equal to one hundred five (105%) percent of the amount of the Letter of Credit Obligations plus the amount of any fees and expenses payable in connection therewith through the end of the latest expiration date of the Letters of Credit giving rise to such Letter of Credit Obligations. Such payments in respect of the Obligations and cash collateral shall be remitted by wire transfer in Federal funds to the Agent Payment Account or such other bank account of the Agent, as the Agent may, in its discretion, designate in writing to the company for such purpose. Interest shall be due until and including the next Business Day, if the amounts so paid by the Borrowers to the Agent Payment Account or other bank account designated by the Agent are received in such bank account later than 12:00 p.m., New York time.

(b) No termination of the Commitments, this Agreement or any of the other Financing Agreements shall relieve or discharge any Loan Party of its respective duties, obligations and covenants under this Agreement or any of the other Financing Agreements until all Obligations have been fully and finally discharged and paid, and the Agent's continuing security interest in the Collateral and the rights and remedies of the Agent and the Lenders hereunder, under the other Financing Agreements and applicable law, shall remain in effect until all such obligations have been fully and finally discharged and paid. Accordingly, each Loan Party waives any rights it may have under the UCC to demand the filing of termination statements to the Loan Parties, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations paid and satisfied in full in immediately available funds."

17. Consent to Proposed Dividends. Notwithstanding anything to the contrary contained in Section 9.11 of the Loan Agreement, on or after the Amendment No. 2 Effective Date, Borrowers may pay a one-time cash dividend in an aggregate amount not to exceed $52,000,000, from legally available funds therefor, to Hourglass Holdings LLC; provided, that, each of the following conditions have been satisfied as determined by Agent in its good faith discretion:

(a) at the time of the payment of such dividend and immediately after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing;

(b) the payment of such dividend shall not violate, contravene or constitute a default under any applicable law or agreement to which either any Borrower or Guarantor is a party or by which any Borrower or Guarantor or any of its property is bound; and

(c) the payment of any such dividend shall have occurred within thirty (30) days from the date hereof.

18. Consent to Payment of Indebtedness under GGC Subordinated Loan Documents. Notwithstanding anything to the contrary contained in the Loan Agreement, Borrowers may make a payment of $10,203,240.93 with respect to the Indebtedness under the GGC Subordinated Loan Documents provided that such payment shall occur on the date hereof.

19. Consent to Amendments. Agent and Lenders hereby agree that notwithstanding anything in the Loan Documents to the contrary, the amendment and restatement of the GGC Subordinated Loan Agreement and the amendment and restatement of the First Lien Term Loan Credit Agreement are permitted in the form and substance presented to Agent on the date hereof.

20. Amendment Fee. Borrowers shall on the date hereof pay to Agent, for the benefit of Lenders, an amendment fee in the amount of $1 00,000, or Agent, at its option, may charge the account(s) of Borrowers maintained by Agent the amount of such fee, which fee is earned as of the date hereof and shall constitute part of the Obligations.

21. Representations and Warranties. Each of the Loan Parties, jointly and severally, hereby represents and warrants with and to Agent and Lenders as follows, which representations and warranties shall survive the execution and delivery hereof, the truth and accuracy of, or compliance with each, together with the representations, warranties and covenants in the other Financing Agreements, being a continuing condition of the making of any Loans by Lenders (or Agent on behalf of Lenders) to Borrowers:

(a) after giving effect to this Amendment No. 2, no Default or Event of Default exists or has occurred and is continuing as of the date of this Amendment No. 2; and

(b) this Amendment No. 2 has been duly executed and delivered by the Loan Parties and the agreements and obligations of the Loan Parties contained herein constitute legal, valid and binding obligations of the Loan Parties enforceable against the Loan Parties in accordance with their respective terms.

22. Conditions Precedent. The amendments contained herein shall only be effective upon the satisfaction of each of the following conditions precedent in a manner satisfactory to Agent:

(a) Agent shall have received counterparts of this Amendment No. 2, duly authorized, executed and delivered by the Loan Parties and Lenders;

(b) Agent shall have received true, correct and complete copies of each of the following, as in effect on the date hereof, together with all exhibits and schedules thereto, in each case as amended as of the date hereof, but excluding any fee letter executed in connection therewith: (i) the First Lien Term Loan Financing Agreements, and (ii) the GGC Subordinated Loan Agreement;

(c) Agent shall have received a true and correct copy of each consent, waiver or approval (if any) to or of this Amendment No. 2, which the Loan Parties are required to obtain from any other Person, and such consent, approval or waiver (if any) shall be in form and substance reasonably satisfactory to Agent; and

(d) After giving effect to this Amendment No. 2, no Default or Event of Default shall exist or have occurred and be continuing as of the date of this Amendment No. 2.

23. Effect of Amendment No. 2. Except as expressly set forth herein, no other consents, amendments, changes or modifications to the Financing Agreements are intended or implied, and in all other respects the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof and the Loan Parties shall not be entitled to any other or further amendment by virtue of the provisions of this Amendment No. 2 or with respect to the subject matter of this Amendment No. 2. To the extent of conflict between the terms of this Amendment No. 2 and the other Financing Agreements, the terms of this Amendment No. 2 shall control. The Loan Agreement and this Amendment No. 2 shall be read and construed as one agreement.

24. Governing Law. The validity, interpretation and enforcement of this Amendment No. 2 and any dispute arising out of the relationship between the parties hereto whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

25. Jury Trial Waiver. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AMENDMENT NO. 2 OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AMENDMENT NO. 2 OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN

CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT BORROWERS, GUARANTORS, AGENT OR ANY LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AMENDMENT NO. 2 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

26. Binding Effect. This Amendment No. 1 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns. The parties hereto agree that Hourglass Holdings, LLC, shall no longer be a party to the Loan Agreement in any respect and acknowledge and agree that Hourglass Holdings, LLC is not a “Guarantor” or “Loan Party.”

27. Waiver, Modification, Etc. No provision or term of this Amendment No. 2 may be modified, altered, waived, discharged or terminated orally, but only by an instrument in writing executed by the party against whom such modification, alteration, waiver, discharge or termination is sought to be enforced.

28. Further Assurances. The Loan Parties shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent to effectuate the provisions and purposes of this Amendment No. 2.

29. Entire Agreement. This Amendment No. 2 represents the entire agreement and understanding concerning the subject matter hereof among the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

30. Headings. The headings listed herein are for convenience only and do not constitute matters to be construed in interpreting this Amendment No. 2.

31. Counterparts. This Amendment No. 2 may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment No. 2 by telefacsimile or other electronic method of transmission shall have the same force and effect as delivery of an original executed counterpart of this Amendment No. 2. Any party delivering an executed counterpart of this Amendment No. 2 by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart of this Amendment No. 2, but the failure to do so shall not affect the validity, enforceability, and binding effect of this Amendment No. 2.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be duly executed and delivered by their authorized officers as of the date and year first above written.

WELLS FARGO BANK, NATIONAL ASSOCIATION, successor by merger to Wachovia Bank, National Association, as Agent and a Lender

By: /s/ James A. Kelly
Title: Vice President

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED ON NEXT PAGE]

U.S. SILICA COMPANY

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

USS HOLDINGS, INC.

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

THE FULTON LAND AND TIMBER COMPANY

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

OTTAWA SILICA COMPANY

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

PENNSYLVANIA GLASS SAND CORPORATION

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

BMAC SERVICES CO., INC.

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

AMENDMENT NO. 3 TO LOAN AND SECURITY AGREEMENT AND CONSENT

AMENDMENT NO. 3 TO LOAN AND SECURITY AGREEMENT AND CONSENT, dated as of June 8, 2011 (this "Amendment No. 3"), by and among Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, a national banking association, in its capacity as agent for the Lenders (as hereinafter defined) pursuant to the Loan Agreement as defined below (in such capacity, "Agent"), the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders"), U.S. Silica Company, a Delaware corporation (the "Company"), the subsidiaries of the Company from time to time party to the Loan Agreement as borrowers (each individually, together with the Company, a "Borrower" and collectively, "Borrowers"), USS Holdings, Inc., a Delaware corporation ("Parent") and certain subsidiaries of Parent from time to time party to the Loan Agreement as Guarantors (individually, each a "Guarantor" and collectively, "Guarantors").

W I T N E S S E T H :

WHEREAS, Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the ABL Loan and Security Agreement, dated as of August 9, 2007, as amended by Amendment No. 1 and Consent to Loan and Security Agreement, dated as of November 25, 2008, by and among Agent, Lenders, Borrowers and Guarantors and Amendment No. 2 to Loan and Security Agreement and Consent, dated as of May 7, 2010, by and among Agent, Lenders, Borrowers and Guarantors (as from time to time amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement", and together with all agreements, documents and instruments at any time executed and/or delivered in connection therewith or related thereto, as from time to time amended, modified, supplemented, extended, renewed, restated, or replaced, collectively, the "Financing Agreements");

WHEREAS, Borrowers and Guarantors wish to (a) make a one-time cash dividend payment in an aggregate amount not to exceed $25,000,000 by Borrowers to USS Holdings, Inc. to Hourglass Holdings, LLC with a portion of the cash proceeds of a term loan made under the First Lien Term Loan Financing Agreements, (b) pay in full the outstanding Indebtedness under the GGC Subordinated Loan Agreement and terminate the GGC Subordinated Loan Agreement with a portion of the cash proceeds of a term loan made under the First Lien Term Loan Financing Agreements and (c) amend certain provisions of the Loan Agreement as set forth herein, and Agent and Lenders are willing to consent to such one-time cash dividend payment and agree to such amendments on the terms and subject to the conditions set forth herein; and

WHEREAS, by this Amendment No. 3, Agent, Lenders, Borrowers and Guarantors intend to evidence such amendments.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Additional Definitions. As used herein, the following terms shall have the meanings given to them below and the Loan Agreement and the other Financing Agreements are hereby amended to include, in addition and not in limitation, the following definitions:

(i) "Amendment No. 3" shall mean Amendment No. 3 to Loan and Security Agreement and Consent, dated as of June 8, 2011 by and among Agent, Lenders, Borrowers and Guarantors, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(ii) "Amendment No. 3 Effective Date" shall mean the date on which each of the conditions precedent to the effectiveness of Amendment No. 3 are satisfied or are waived by Agent.

(b) Amendment to Definitions. As used herein or in the Loan Agreement or any of the other Financing Agreements, the following terms are hereby amended as set forth below:

(i) The definition of "Affiliate" set forth in the Loan Agreement is hereby amended by adding at the end thereof the following proviso:

"provided that neither Golden Gate nor its Affiliates shall be deemed to be an "Affiliate" of Preferred Rocks USS or any of its Subsidiaries only when, and the to extent, acting in its capacity as a holder of Subordinated Debt"

(ii) The definition of "Capital Expenditures" set forth in the Loan Agreement is hereby amended by adding a new clause (e) at the end of the first sentence thereof as follows:

"and (e) expenditures to the extent constituting a Permitted Acquisition or made pursuant to Section 9.10(n)"

(iii) The definition of "Consolidated EBITDA" set forth in the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"Consolidated Adjusted EBITDA" means, for any period, the sum, without duplication, of the amounts for such period of (i) Consolidated EBITDA, (ii) amortization and impairment of intangibles (including goodwill), (iii) any extraordinary, unusual and non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), (iv) stock-option compensation expenses including expenses paid to the Boards of Directors of the Loan Parties which are permitted to be paid hereunder, including those from granting, remeasuring or accelerating stock options, warrants and any other equity-related incentives, (v) transaction costs, fees and expenses (including those relating to the Transactions and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted under Section 9.9, any disposition of assets or property permitted under Section 9.7 or any recapitalization, Permitted Acquisitions or

other Investment permitted under Section 9.7 or 9.10, or amendment to any Indebtedness (including costs and expenses of Agent and Lender that are reimbursed) (in each case, whether or not successful) in an aggregate amount (other than with respect to the Transactions) not to exceed (A) $2,000,000 for each fiscal year, for an unconsummated transactions and (B) 10% of the purchase price or indebtedness obligations for any consummated transactions, (vi) all amounts accrued as expenses with respect to payments of the type described in Section 9.11(k) hereof, (vii) dividends on stock as permitted pursuant to the terms hereof, (viii) all losses realized upon the disposition of properties or assets which are not sold or otherwise disposed of in the ordinary course of business, (ix) any loss from discontinued operations and any loss on disposal of discontinued operations in accordance with GAAP or if otherwise reasonably acceptable to Agent and in an aggregate amount not to exceed $1,000,000 during the term of this Agreement, (x) to the extent covered by insurance and actually reimbursed, expenses with respect to liability or casualty events or business interruption, (xi) expenses to the extent covered by contractual indemnification or refunding provisions in favor of any Loan Party and actually paid or refunded, (xii) non cash silica litigation adjustments, any costs associated with exit or disposal activities, layoffs and other restructuring activities, including employee severance and termination benefits, costs to consolidate facilities, costs to relocate employees, costs to terminate contracts, and other costs associated with the disposal of long-lived assets, in each case to the extent such costs are permitted by GAAP to be recorded as restructuring, and any related accretion expenses deducted in such period in computing Consolidated Net Income; provided, that, with respect to such restructuring charges and accretion expenses, Company shall have delivered to Agent a certificate of the chief financial officer of Company specifying and quantifying such charge or expense and stating that such charge or expense is such a restructuring charge or related accretion expense, (xiv) any income or charge attributable to a post-employment benefit scheme other than current service costs, (xv) any unrealized gains or losses on any Hedging Agreement and any gains or losses on any Hedge Agreement, and fees and expenses in connection with Hedge Agreements , (xvi) expenses related to the withdrawal from the third party pension plan at the Pacific, MO plant in an aggregate amount not to exceed $500,000, (xvii) costs and expenses from moving the corporate headquarters incurred during 2010, (xviii) costs and expenses associated with opening new offices in an aggregate amount not to exceed $500,000 in any fiscal year, (xix) charges and expenses in connection with business expansion and business optimization projects and severance costs and lease termination costs, in each case, made within 12 months of any Permitted Acquisition and related to such Permitted Acquisition in an aggregate amount not to exceed $1,000,000 for each fiscal year, (xx) recruiting fees and expenses in 2010 in an aggregate amount not to exceed $250,000 and in an aggregate amount not to exceed $500,000 during the years 2011 and 2012,(xxi) the reasonable costs and expenses incurred in connection with an initial public offering (whether, or not, such initial public offering is consummated, and including one-time costs and other non-recurring expenses associated with becoming Sarbanes-Oxley Act compliant) in an

aggregate amount not to exceed $2,000,000 during such period, (xxii) costs, fees and expenses (including, but not limited to, any legal fees of Agent and Lenders) incurred during such period in connection with this Agreement and the Loan Documents, (xxiii) reasonable costs and expenses directly incurred during such period in connection with (a) the opening of any new sand processing or mining facilities or (b) any substantial expansions of existing sand processing or mining facilities with a capital cost in excess of $5,000,000, in each case of (a) and (b) not to exceed 10% of the capital cost of each such expansion, and (xxiv) any expenses or income related solely to purchase accounting recorded in connection with the Transactions or any of the transactions described in clause (v) and any other non-cash items decreasing Consolidated Net Income for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or which are the result of timing differences due to GAAP revenue recognition rules), all as determined on a consolidated basis, but only, in the case of clauses (ii)-(xxiv), to the extent deducted in the calculation of Consolidated Net Income, and (xxv) proceeds from any business interruption insurance (in the case of this clause (xxv) to the extent not reflected as revenue or income in such statement or such Consolidated Net Income), minus, without duplication, to the extent included in the calculation of such Consolidated Net Income, the sum of (a) any extraordinary, unusual and non-recurring income and gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), (b) any non-cash items increasing Consolidated Net Income for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or which are the result of timing differences due to GAAP revenue recognition rules), all as determined on a consolidated basis, (c) the aggregate gain realized upon the disposition of properties or assets which are not sold or otherwise disposed of in the ordinary course of business, (d) any gain from discontinued operations and any gain on disposal of discontinued operations, and (e) any credit from income tax; provided, that, for purposes of calculating Consolidated Adjusted EBITDA of Parent, Company and its Subsidiaries for any period, (A) the Consolidated Adjusted EBITDA of any Person acquired (or all or substantially all of whose assets are acquired) by Company or its Subsidiaries in a Permitted Acquisition during such period shall be included on a Pro Forma Basis for such period (but assuming the consummation of such acquisition and the incurrence or assumption of any Indebtedness in connection therewith occurred on the first day of such period, and assuming (for such period and applicable subsequent periods) any synergies and cost savings to the extent certified by Company as having been determined in good faith to be reasonably anticipated to be realizable) and assuming (for such period and applicable subsequent periods) any synergies and cost savings to the extent certified by Company as having been determined in good faith to be reasonably anticipated to be realizable and which do not account for more than

25% of Consolidated Adjusted EBITDA of such acquired Person or another amount to be agreed in writing by Administrative Agent) and (B) the Consolidated Adjusted EBITDA of any Person disposed of by Company or its Subsidiaries during such period shall be excluded on a Pro Forma Basis for such period (assuming the consummation of such disposition and the repayment of any Indebtedness in connection therewith occurred on the first day of such period), all of the foregoing as determined on a consolidated basis for Company and its Subsidiaries in conformity with GAAP.

(i) The definition of "Guarantors" set forth in the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"Guarantors" shall mean, collectively, (together with their respective successors and assigns) (a) the Parent and those Domestic Subsidiaries of the Parent identified as "Guarantor" on the signature pages hereto and (b) any other Person that at any time after the date hereof becomes party to a guarantee in favor of the Agent or any Lender or otherwise liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations (other than the Borrowers); each sometimes being referred to herein individually as a "Guarantor". Notwithstanding anything in this Agreement to the contrary, any joint venture otherwise permitted hereunder that constitutes a Subsidiary of a Loan Party shall not be required to become a Guarantor hereunder and it shall not be required to pledge its assets, in each case, if any applicable joint venture agreement prohibits such guaranty or pledge and, in any event, the joint venture's assets shall not be included in any calculation of the Borrowing Base.

(ii) The definition of "Management Agreements" set forth in the Loan Agreement is hereby deleted in its entirety and replaced with the following:

" 'Management Agreements' shall mean that certain Amended and Restated Advisory Agreement, dated as of the date of Amendment No. 3, by and among Company, Parent, Preferred Rocks USS, Inc., a Delaware corporation ("Preferred Rocks"), GGC USS Holdings, LLC, a Delaware limited liability company ("Topco"), and GGC Administration, LLC, a Delaware limited liability company, as amended, restated and otherwise modified from time to time as permitted by the terms of the First Lien Term Loan Credit Agreement."

(iii) The definition of "Permitted Acquisition" is hereby amended by deleting clause (vii) thereof in its entirety and replacing it with the following:

"(vii) the consideration (including without limitation earn out obligations, deferred compensation and the amount of Indebtedness and other liabilities assumed by the Loan Parties and their Subsidiaries, but excluding equity consideration, consideration paid from the proceeds of equity of the Parent issued to the Sponsor or capital contributions made by the Sponsor to the Parent and non-competition arrangements) paid by the Loan Parties and their Subsidiaries

with respect to all acquisitions made during the term of this Agreement shall not exceed in the aggregate (A) up to $50,000,000 of cash on hand of the Loan Parties and their Subsidiaries and (B) all or any portion of the Subordinated Debt permitted under Section 9.9(i); provided that (i) no more than $20,000,000 of such aggregate consideration may be in the form of seller financing permitted under Section 9.9 and (ii) any cash on hand or Subordinated Debt used by any Loan Party in or to any joint venture permitted pursuant to the terms of Section 9.10(n) herein will automatically reduce, on a dollar-for-dollar basis, the basket in clause (A) or (B) above, as applicable."

(iv) The definition of "Pro Forma Basis" is hereby amended by deleting clause (a) thereof in its entirety and replacing it with the following:

"(a) the Transactions and the repayment in full of all amounts outstanding or becoming due under the GGC Subordinated Loan Documents"

(c) Interpretation. For purposes of this Amendment No. 3, all terms used herein which are not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Loan Agreement as amended by this Amendment No. 3.

2. Indebtedness.

(a) Term Loan Indebtedness. Section 9.9 of the Loan Agreement is hereby amended by deleting clause (b) thereof in its entirety and replacing it with the following:

"(b) the First Lien Term Loan Obligations of the Company, in each case in a principal amount not to exceed one hundred and ten (110%) percent of (i) the principal amount thereof as of the Amendment No. 3 Effective Date plus (ii) $50,000,000 of Incremental Term Loans (as defined in the First Lien Term Loan Credit Agreement as in effect on the Amendment No. 3 Effective Date), and renewals, refinancing, replacements, restructurings, supplements, substitutions or extensions thereof in whole or in part (provided, that the outstanding principal amount of the First Lien Term Loan Obligations and Incremental Term Loans is not increased beyond the maximum amount provided for in this section less any mandatory prepayments and amortization applied thereto (other than on account of accrued interest, premium and fees and expenses) at the time of such renewal, refinancing or extension), so long as the ABL Intercreditor Agreement or a replacement intercreditor agreement satisfactory to the Agent and the Required Lenders is in effect;"

(b) GGC Indebtedness. Section 9.9 of the Loan Agreement is hereby amended by deleting clause (h) thereof in its entirety and replacing it with the following:

"(h) Intentionally deleted."

(c) Subordinated Indebtedness. Section 9.9(i) of the Loan Agreement is hereby amended by deleting the reference to "$25,000,000" contained in clause (A) therein and replacing it with "$50,000,000".

(d) Refinancing Debt. Section 9.9(n) of the Loan Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"(n) Indebtedness arising after the date hereof issued in exchange for, or the proceeds of which are used to extend, refinance, replace, renew, restructure, supplement or substitute for Subordinated Indebtedness (the "Refinancing Indebtedness"); provided, that, as to any such Refinancing Indebtedness, each of the following conditions is satisfied: (i) Agent shall have received not less than ten (10) Business Days' prior written notice of the intention to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent, the amount of such Indebtedness, the schedule of repayments and maturity date with respect thereto and such other information with respect thereto as Agent may reasonably request, (ii) promptly upon Agent's request, Agent shall have received true, correct and complete copies of all agreements, documents and instruments evidencing or otherwise related to such Indebtedness, as duly authorized, executed and delivered by the parties thereto, (iii) the Refinancing Indebtedness shall have a weighted average life to maturity and a final maturity equal to or greater than the weighted average life to maturity and the final maturity, respectively, of the Indebtedness being extended, refinanced, replaced, or substituted for, (iv) the Refinancing Indebtedness shall rank in right of payment no more senior than, and be at least as subordinated (if subordinated) to, the Obligations as the Indebtedness being extended, refinanced, replaced, renewed, restructured, supplemented or substituted for, (v) the Refinancing Indebtedness shall not include terms and conditions with respect to Borrowers and Guarantors which are more burdensome or restrictive in any material respect than those included in the Indebtedness so extended, refinanced, replaced or substituted for, taken as a whole, so that in view of all of the terms and conditions of the Refinancing Indebtedness, such terms and conditions are no less favorable to Borrowers and Guarantors; except, that, the applicable cash rate of interest and payment in kind rate of interest on such Refinanced Indebtedness may not exceed by more than two (2%) percent the aggregate rate of interest under the Subordinated Indebtedness, (vi) as of the date of incurring such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, (vii) the principal amount of such Refinancing Indebtedness shall not exceed the principal amount of the Indebtedness so extended, refinanced, replaced or substituted for (plus the lesser of (A) the stated amount of any premium or other payment required to be paid in connection with such refinancing pursuant to the terms of the Indebtedness being refinanced, (B) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of reasonable expenses of Borrowers and Guarantors incurred in connection with such refinancing, and (C) related fees and expenses incurred in connection therewith), (viii) the Refinancing Indebtedness shall be secured by substantially the same assets; provided, that,

such security interests (if any) with respect to the Refinancing Indebtedness shall have a priority no more senior than, and be at least as subordinated, if subordinated (on terms and conditions substantially similar to the subordination provisions applicable to the Indebtedness so extended, refinanced, replaced or substituted for or as is otherwise acceptable to Agent) as the security interest with respect to the Indebtedness so extended, refinanced, replaced or substituted for."

3. Loans, Investments.

(a) Section 9.10 of the Loan Agreement is hereby amended by deleting clause (k) thereof in its entirety and replacing it with the following:

"(k) Investments in Foreign Subsidiaries in an aggregate amount not to exceed $10,000,000, at any time outstanding;"

(b) Section 9.10 of the Loan Agreement is hereby amended by (i) deleting the referenced to "and" at the end of clause (l) thereof, (ii) deleting the period at the end of clause (m) thereof and replacing it with "; and" and (iii) adding the following new clause (n) at the end thereof:

"(n) Investments after the date hereof by the Loan Parties in or to any joint venture; provided, that, as to any such Investment, each of the following conditions is satisfied:

(i) the aggregate consideration (including without limitation earn out obligations, deferred compensation and the amount of Indebtedness and other liabilities assumed by Loan Parties, but excluding equity consideration, consideration paid from the proceeds of equity of Parent or capital contributions made to Parent and non-competition arrangements) paid by Loan Parties to acquire Capital Stock of joint ventures shall not exceed $25,000,000);

(ii) no Default or Event of Default shall exist or have occurred and be continuing as of the date of the Investment or any contribution in respect thereof and after giving effect to the Investment or such contribution;

(iii) as of the date of any such Investment and after giving effect thereto, Excess Availability shall be not less than $6,500,000;

(iv) the Investment shall be in or to a joint venture that engages in a line of business similar to or related to the business that the Borrowers are engaged in on the date hereof;

(v) Agent shall have received not less than 10 days prior written notice (or such shorter period as Agent may agree in its sole discretion) of the proposed Investment and such information with respect thereto as Agent may reasonably request at least 5 days prior thereto, in each case with such information to include (A) parties to such joint venture, (B) the proposed date and amount of the Investment and (C) the total amount of the Investment; and

(vi) promptly after Agent's reasonable request, Agent shall have received true, correct and complete copies of all material agreements, documents and instruments relating to such Investment and joint venture."

4. Restricted Payments. Section 9.11 of the Loan Agreement is hereby amended by deleting clause (k) thereof in its entirety and replacing it with the following:

"(k) to pay management fees and other fees (including the Termination Fee (as defined in the Management Agreement) expressly permitted under and in accordance with the Management Agreement and to reimburse expenses in accordance with the Management Agreement; provided that (i) no such management fees and other fees (including the Termination Fee) may be paid during the continuance of any Event of Default, (ii) any such fees that are not paid because of the occurrence of any Event of Default shall be permitted to be paid at such time (or after) such Event of Default ceases to be continuing for any reason and (iii) and (iii) payment of the Termination Fee may be made solely with net cash proceeds received by Parent pursuant to an equity contribution in Parent or from an equity issuance by Parent made immediately prior to the payment of such fee;"

5. Consent to Proposed Dividends. Notwithstanding anything to the contrary contained in Section 9.11 of the Loan Agreement, on or after the Amendment No. 3 Effective Date, the Company may pay a one-time cash dividend in an aggregate amount not to exceed $25,000,000, from legally available funds therefor, to Parent and Parent may dividend such amount to Hourglass Holdings, LLC; provided, that, each of the following conditions have been satisfied as determined by Agent in its good faith discretion:

(a) the payment of such dividend shall be made from the cash proceeds of a portion of the term loan made under the First Lien Term Loan Financing Agreements on the Amendment No. 3 Effective Date;

(b) at the time of the payment of such dividend and immediately after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing;

(c) the payment of such dividend shall not violate, contravene or constitute a default under any applicable law or agreement to which either any Borrower or Guarantor is a party or by which any Borrower or Guarantor or any of its property is bound; and

(d) the payment of any such dividend shall have occurred within thirty (30) days from the date hereof.

6. Consent to Payment in Full of Indebtedness under GGC Subordinated Loan Documents. Notwithstanding anything to the contrary contained in the Loan Agreement (including without limitation Section 9.11(f) of the Loan Agreement), Borrowers may make a payment in the amount of $78,225,000.00 in respect of the Indebtedness outstanding or that will become due on the date of such payment under the GGC Subordinated Loan Documents;

provided, that, each of the following conditions have been satisfied: (a) such payment shall occur on the date hereof and shall constitute full and final payment and satisfaction of such Indebtedness, (b) Borrowers shall not, after the date hereof, receive any further loans or incur any Indebtedness (other than contingent reimbursement and indemnification obligations that expressly survive termination of the GGC Subordinated Loan Documents) under the GGC Subordinated Loan Documents and (c) immediately after giving effect to such payment, the financing arrangements pursuant to the GGC Subordinated Loan Documents shall be terminated, cancelled and of no further force and effect and the Loan Parties shall have no other or further obligations, liabilities and indebtedness to GGC or any other Person of any kind arising under or in connection with the GGC Subordinated Loan Documents (other than contingent reimbursement and indemnification obligations that expressly survive termination of the GGC Subordinated Loan Documents).

7. Transactions with Affiliates. Section 9.12 of the Loan Agreement is hereby amended by deleting clause (e) of the second paragraph thereof in its entirety and replacing it with the following:

"(e) transactions in respect of Subordinated Debt with the holders or lenders, as the case may be, of such Subordinated Debt to the extent such transactions are otherwise permitted hereunder;"

8. Negative Pledge. Section 9.15 of the Loan Agreement is hereby amended by deleting the "and" at the end of clause (x) and adding a new clause (xii) immediately after clause (xi) as follows:

"and (xii) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 9.10(n) and applicable solely to such joint venture."

9. Fixed Charge Coverage Ratio; Excess Availability. Section 9.16 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"(a) If during any fiscal quarter ending after January 1, 2008 Excess Availability falls below $6,500,000, the Loan Parties shall maintain, until Excess Availability is equal to or greater than $10,000,000, a Fixed Charge Coverage Ratio of not less than 1.1 to 1.0, which Fixed Charge Coverage Ratio shall be calculated based on the most recent financial statements, and shall be set forth in the most recent Compliance Certificate, delivered pursuant to Section 9.6. If during the fiscal quarter ended December 31, 2007 Excess Availability falls below $10,000,000, the Loan Parties shall maintain, as of the end of such fiscal quarter and thereafter until Excess Availability is equal to or greater than $10,000,000, a Fixed Charge Coverage Ratio of not less than 1.1 to 1.0, which Fixed Charge Coverage Ratio shall be calculated based on the most recent financial statements, and shall be set forth in the most recent Compliance Certificate, delivered pursuant to Section 9.6. Notwithstanding the above, the parties hereto acknowledge and agree that, for purposes of all calculations made in determining compliance with this Section 9.16, any cash equity contribution

(which equity shall be common equity or Qualified Preferred Stock) made to the Parent by the Sponsor after the end of a fiscal quarter and on or prior to the day that is ten (10) Business Days after the day on which compliance with this Section 9.16 is tested for such fiscal quarter will, at the request of the Company, be included in the calculation of Consolidated EBITDA for the purposes of determining compliance with the financial covenant contained herein at the end of such fiscal quarter (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution"); provided that (a) in each four fiscal quarter period, there shall be at least two consecutive fiscal quarters in respect of which no Specified Equity Contribution is made, (b) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Loan Parties to be in compliance with the financial covenant set forth above (it being understood, however, that cash equity contributions to cure financial covenant defaults under the First Lien Term Loan Credit Agreement may exceed such amount) and (c) a Specified Equity Contribution shall only be included in the computation of the financial covenant for purposes of determining compliance by the Loan Parties with this Section 9.16 and not for any other purpose under this Agreement. Upon the making of a Specified Equity Contribution, the financial covenant in this Section 9.16 shall be recalculated giving effect to the increase in Consolidated EBITDA. If, after giving effect to such recalculation, the Loan Parties are in compliance with the financial covenant, the Loan Parties shall be deemed to have satisfied the requirements of the financial covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date.

(b) As at the date of delivery of each Borrowing Base Certificate, the aggregate Excess Availability of Borrowers shall not be less than $5,000,000."

10. Amendment Fee. Borrowers shall on the date hereof pay to Agent, for the benefit of Lenders, an amendment fee in the amount of $20,000.00, or Agent, at its option, may charge the account(s) of Borrowers maintained by Agent the amount of such fee, which fee is earned as of the date hereof and shall constitute part of the Obligations.

11. Representations and Warranties. Each of the Loan Parties, jointly and severally, hereby represents and warrants with and to Agent and Lenders as follows, which representations and warranties shall survive the execution and delivery hereof:

(a) after giving effect to this Amendment No. 3, no Default or Event of Default exists or has occurred and is continuing as of the date of this Amendment No. 3; and

(b) this Amendment No. 3 has been duly executed and delivered by the Loan Parties and the agreements and obligations of the Loan Parties contained herein constitute legal, valid and binding obligations of the Loan Parties enforceable against the Loan Parties in accordance with their respective terms.

12. Conditions Precedent. The amendments contained herein shall only be effective upon the satisfaction of each of the following conditions precedent in a manner satisfactory to Agent:

(a) Agent shall have received counterparts of this Amendment No. 3, duly authorized, executed and delivered by the Loan Parties and Lenders;

(b) Agent shall have received evidence, in form and substance satisfactory to Agent, that the financing arrangements pursuant to the GGC Subordinated Loan Documents have been terminated, cancelled and of no further force and effect and the Loan Parties shall have no other or further obligations, liabilities and indebtedness to GGC or any other Person of any kind arising under or in connection with the GGC Subordinated Loan Documents (other than contingent reimbursement and indemnification obligations that expressly survive termination of the GGC Subordinated Loan Documents);

(c) Agent shall have received a true, correct and complete copy of the fully executed amendment of the First Lien Term Loan Credit Agreement dated as of the Amendment No. 3 Effective Date;

(d) Agent shall have received a true and correct copy of each consent, waiver or approval (if any) to or of this Amendment No. 3, which the Loan Parties are required to obtain from any other Person, and such consent, approval or waiver (if any) shall be in form and substance reasonably satisfactory to Agent; and

(e) after giving effect to this Amendment No. 3, no Default or Event of Default shall exist or have occurred and be continuing as of the date of this Amendment No. 3.

13. Effect of Amendment No. 3. Except as expressly set forth herein, no other consents, amendments, changes or modifications to the Financing Agreements are intended or implied, and in all other respects the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof and the Loan Parties shall not be entitled to any other or further amendment by virtue of the provisions of this Amendment No. 3 or with respect to the subject matter of this Amendment No. 3. To the extent of conflict between the terms of this Amendment No. 3 and the other Financing Agreements, the terms of this Amendment No. 3 shall control. The Loan Agreement and this Amendment No. 3 shall be read and construed as one agreement.

14. Governing Law. The validity, interpretation and enforcement of this Amendment No. 3 and any dispute arising out of the relationship between the parties hereto whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

15. Jury Trial Waiver. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AMENDMENT NO. 3 OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN

RESPECT OF THIS AMENDMENT NO. 3 OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT BORROWERS, GUARANTORS, AGENT OR ANY LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AMENDMENT NO. 3 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

16. Binding Effect. This Amendment No.1 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

17. Waiver, Modification, Etc. No provision or term of this Amendment No. 3 may be altered, waived, discharged or terminated orally, but only an instrument in writing by the parties required by Section 11.3 of the Loan Agreement.

18. Further Assurances. The Loan Parties shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent to effectuate the provisions and purposes of this Amendment No. 3.

19. Entire Agreement. This Amendment No. 3 represents the entire agreement and understanding concerning the subject matter hereof among the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

20. Headings. The headings listed herein are for convenience only and do not constitute matters to be construed in interpreting this Amendment No. 3.

21. Counterparts. This Amendment No. 3 may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment No. 3 by telefacsimile or other electronic method of transmission shall have the same force and effect as delivery of an original executed counterpart of this Amendment No. 3. Any party delivering an executed counterpart of this Amendment No. 3 by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart of this Amendment No. 3, but the failure to do so shall not affect the validity, enforceability, and binding effect of this Amendment No. 3.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be duly executed and delivered by their authorized officers as of the day and year first above written.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
successor by merger to Wachovia Bank, National Association,
as Agent and a Lender

By: /s/ James A. Kelly
Title: Vice President

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

U.S. SILICA COMPANY

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

OTTAWA SILICA COMPANY

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

THE FULTON LAND AND TIMBER COMPANY

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

USS HOLDINGS, INC.

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

PENNSYLVANIA GLASS SAND CORPORATION

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

BMAC SERVICES CO., INC.

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

EXHIBIT 10.5

Execution Version

$260,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of June 8, 2011

among
USS HOLDINGS, INC.,
as Parent

U.S. SILICA COMPANY,
as Company

THE SUBSIDIARY GUARANTORS LISTED HEREIN,

as Subsidiary Guarantors

THE LENDERS LISTED HEREIN,
as Lenders

BNP PARIBAS,
as Sole Lead Arranger, Sole Book Runner and
Administrative Agent

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This **Credit Agreement** is dated as of June 8, 2011 and entered into by and among:

(1) **USS HOLDINGS, INC.,** a Delaware corporation ("**Parent**");

(2) **U.S. SILICA COMPANY**, a Delaware corporation ("**Company**");

(3) **THE SUBSIDIARY GUARANTORS LISTED ON THE SIGNATURE PAGES HEREOF** (each individually referred to herein as a "**Subsidiary Guarantor**" and collectively as "**Subsidiary Guarantors**");

(4) **THE FINANCIAL INSTITUTIONS LISTED ON THE SIGNATURE PAGES HEREOF** (each individually referred to herein as a "**Lender**" and collectively as "**Lenders**"); and

(5) **BNP PARIBAS**, as administrative agent for Lenders (in such capacity, "**Administrative Agent**").

R E C I T A L S

(A) **WHEREAS,** Parent and Company are party to an Amended and Restated Credit Agreement, dated as of May 7, 2010, among, *inter alios*, Parent, Company, the Subsidiary Guarantors, the lenders party thereto, and BNP Paribas as sole lead arranger, sole book runner and administrative agent comprised of a term loan facility in the aggregate amount of $165,000,000 (the "**First Restatement Loans**"), (as amended, modified or supplemented prior to the date hereof, the "**First Amended and Restated Credit Agreement**");

(B) **WHEREAS,** Company requested that the Lenders amend and restate the First Amended and Restated Credit Agreement to make available for the purposes specified in this Agreement an increase in the term loan facility to an aggregate principal amount of $260,000,000, an increase in the incremental term loan facility to a maximum aggregate principal amount of $50,000,000 and to make certain other changes to the First Amended and Restated Credit Agreement, all on the terms and conditions specified herein;

(C) **WHEREAS,** Company desires to borrow on the Second Restatement Date the Loans under this Agreement from the Lenders in accordance with their Pro Rata Shares of the Commitments and to use the proceeds of such Loans on the terms provided for in this Agreement;

(D) **WHEREAS,** the Lenders are willing to amend and restate the First Amended and Restated Credit Agreement in its entirety on the Second Restatement Date to facilitate such transactions and to make available to Company such facilities and other financial accommodations, upon the terms and subject to the conditions set forth herein; and

(E) **WHEREAS,** it is the intent of the parties hereto that this Agreement does not constitute a novation of rights, obligations and liabilities of the respective parties existing under the First Amended and Restated Credit Agreement or evidence payment of all or any of such obligations and liabilities and such rights, obligations and liabilities shall continue and remain outstanding, and that this Agreement amends and restates in its entirety the First Amended and Restated Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Defined Terms

The following terms used in this Agreement shall have the following meanings:

"**ABL Agent**" means Wachovia Bank, National Association in its capacity as administrative agent under the ABL Loan Agreement, together with its successors and assigns in such capacity.

"**ABL Hedge Agreement Counterparties**" has the meaning assigned to the term "Hedging Agreement Providers" in the ABL Loan Agreement.

"**ABL Lenders**" has the meaning assigned to the term "Lenders" in the ABL Loan Agreement.

"**ABL Loan Agreement**" means that certain ABL Loan and Security Agreement, dated as of August 9, 2007, among Company, the ABL Agent and the ABL Lenders, as amended on the Closing Date, the First Restatement Date, and on the Second Restatement Date and as thereafter amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time.

"**ABL Loan Documents**" has the meaning assigned to the term "Financing Agreements" in the ABL Loan Agreement.

"**ABL Loans**" has the meaning assigned to the term "Loans" in the ABL Loan Agreement.

"**ABL Obligations**" has the meaning assigned to the term "Obligations" in the ABL Loan Agreement.

"**ABL Priority Collateral**" means "ABL Priority Collateral" as defined in the Intercreditor Agreement.

"**Additional Mortgaged Property**" has the meaning assigned to that term in Section 5.10.

"**Additional Mortgage**" has the meaning assigned to that term in Section 5.10.

"**Adjusted LIBOR**" means, for each Interest Period in respect of any LIBOR Loan, an interest rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) determined pursuant to the following formula:

Adjusted LIBOR = LIBOR/(1.00 – LIBOR Reserve Percentage)

Adjusted LIBOR shall be adjusted automatically as of the effective date of any change in the LIBOR Reserve Percentage.

"**Administrative Agent**" has the meaning assigned to that term in the introduction to this Agreement and also means and includes any successor Administrative Agent appointed pursuant to Section 8.5.

"**Affected Lender**" has the meaning assigned to that term in Section 2.6(c).

"**Affected Loans**" has the meaning assigned to that term in Section 2.6(c).

"**Affiliate**", as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of Voting Securities or by contract or otherwise; *provided*, (a) that neither Golden Gate nor its Affiliates shall be deemed to be an "Affiliate" of Preferred Rocks USS or any of its Subsidiaries when acting in its capacity as a holder of Subordinated Indebtedness and (b) that no Agent or Lender shall be deemed to be an "Affiliate" of any Loan Party.

"**Affiliated Funds**" means Funds that are administered or managed by (a) a single entity or (b) an Affiliate of such entity.

"**Agents**" means Administrative Agent, Arranger, Collateral Agent and any other agents appointed under the Loan Documents.

"**Aggregate Amounts Due**" has the meaning assigned to that term in Section 9.5.

"**Agreement**" means this Second Amended and Restated Credit Agreement dated as of June 8, 2011.

"**Anti-Money Laundering Laws**" has the meaning assigned to that term in Section 4.8(c).

"**Approved Fund**" means a Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Arranger**" means BNP Paribas Securities Corp.

"**Asset Sale**" means the sale or disposition by Company or any of its Subsidiaries to any Person other than Company or any of its wholly-owned Subsidiaries of (a) any of the stock of any of Company's Subsidiaries, (b) substantially all of the assets of any division or line of business of Company or any of its Subsidiaries, or (c) any other assets (whether tangible or intangible) of Company or any of its Subsidiaries (other than (i) inventory sold in the ordinary course of business, (ii) Cash Equivalents for fair value, (iii) sales, assignments, transfers or dispositions of accounts in the ordinary course of business for purposes of collection, (iv) sales or dispositions of assets permitted by Sections 6.7 (c), (e) through (o), and (v) any such other assets to the extent that the aggregate value of such assets sold in any single transaction or related series of transactions is equal to $2,000,000 or less).

"**Assignment Agreement**" means an Assignment and Assumption Agreement in substantially the form of Exhibit VI annexed hereto.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"**Base Rate**" means, for any day, a rate per annum (rounded upwards to the nearest 1/100 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the sum of (i) the higher of (1) the London interbank offered rate (rounded upward, if necessary, to the nearest 1/100 of 1%) equal to the offered rate for deposits in Dollars for a period equal to one month commencing on such day, which rate appears on Telerate Page 3750 (or such other page as may replace Telerate Page 3750 on that service or any successor service for the purpose of displaying London interbank offered rates of major banks) as of 11:00 A.M. (London time) on the date two Business Days prior to such day and (2) 1% per annum, plus (ii) 1%, and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. If, for any reason, Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate, including the inability or failure of Administrative Agent to obtain sufficient quotations in accordance with the terms hereof, the Base Rate shall be determined without regards to clause (c) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"**Base Rate Loans**" means Loans bearing interest at rates determined by reference to the Base Rate as provided in Section 2.2(a).

"**Business Day**" means (a) for all purposes other than as covered by clause (b) below, any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close, and (b) with respect to all notices, determinations, fundings and payments in connection with LIBOR or any LIBOR Loans, any day that is a Business Day described in clause (a) above and that is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"**Capital Lease**", as applied to any Person, means any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of that Person.

"**Capital Stock**" means the capital stock of or other equity interests in a Person.

"**Cash**" means money, currency or a credit balance in a Deposit Account.

"**Cash Equivalents**" means, as at any date of determination, (a) marketable Securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, the highest rating obtainable from either Standard & Poor's ("**S&P**") or Moody's Investors Service, Inc. ("**Moody's**"); (c) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) certificates of deposit or bankers' acceptances maturing within one year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (ii) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000; and (e) shares of any money market mutual fund that (i) has at least 95% of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than $500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's.

"**Change in Control**" means any of the following: (i) prior to the completion of an initial public offering, Golden Gate shall cease to beneficially own and control (directly or indirectly) more than 50.1% of the issued and outstanding Voting Securities of Parent entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Parent, (ii) prior to the completion of an initial public offering, Golden Gate shall cease to beneficially own (directly or indirectly) more than 50.1% of the economic value of the Capital Stock of Parent, (iii) following the completion of an initial public offering, a group other than Permitted Holders acquires beneficial ownership (directly or indirectly) of 35% or more of the Voting Securities or economic value of the Capital Stock of Parent, (iv) the occurrence of a change in the composition of the Governing Body of Parent or Company such that a majority of the members of any such Governing Body are not Continuing Members, (v) the failure at any time of Parent to legally and beneficially own and control 100% of the issued and outstanding Capital Stock of Company or the failure at any time of Parent to have the ability to elect all of the Governing Body of Company and (vi) the occurrence of any "Change of Control" (or similar term) under the ABL Loan Agreement. As used herein, the term "beneficially own" or "beneficial ownership" shall have the meaning assigned to that term in the Exchange Act and the rules and regulations promulgated thereunder.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, treaty or order, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Government Authority, (c) any determination of a court or other Government Authority or (d) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Government Authority. For the purposes of this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a Change in Law regardless of the date enacted, adopted or issued.

"**Closing Date**" means November 25, 2008.

"**Collateral**" means, collectively, all of the assets and property in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"**Collateral Account**" has the meaning assigned to that term in the Pledge and Security Agreement.

"**Collateral Agent**" means BNP Paribas.

"**Collateral Documents**" means the Pledge and Security Agreement, the Foreign Pledge Agreements, the Mortgages, the Control Agreements and all other instruments or documents delivered by any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to grant to Administrative Agent, on behalf of Secured Parties, a Lien on any real, personal or mixed property of that Loan Party as security for the Obligations.

"**Commitment**" means the commitment of a Lender to make a Loan to Company pursuant to Section 2.1(a), and "**Commitments**" means such commitments of all Lenders in the aggregate.

"**Company**" has the meaning assigned to that term in the introduction to this Agreement.

"**Compliance Certificate**" means a certificate substantially in the form of Exhibit IV annexed hereto.

"**Consolidated Adjusted EBITDA**" means, for any period, the sum, without duplication, of the amounts for such period of (i) Consolidated EBITDA, (ii) amortization and impairment of intangibles (including goodwill), (iii) any extraordinary, unusual and non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), (iv) stock-option compensation expenses including expenses paid to Governing Bodies of the Loan Parties, including those from granting, remeasuring or accelerating stock options, warrants and any other equity-related incentives, (v) transaction costs, fees and expenses (including those relating to the Transactions and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted under Section 6.1, any disposition of assets or property permitted under Section 6.7 or any recapitalization, Permitted Acquisitions or other Investment permitted under Section 6.3 or 6.7, or amendment to any Indebtedness (including costs and expenses of Administrative Agent and Lender that are reimbursed) (in each

case, whether or not successful) in an aggregate amount (other than with respect to the Transactions) not to exceed (A) $2,000,000 for each Fiscal Year for any unconsummated transactions and (B) 10% of the purchase price or indebtedness obligations for any consummated transactions (vi) all amounts accrued as expenses with respect to payments of the type described in Section 6.5(d), (vii) dividends on stock as permitted pursuant to the terms hereof, (viii) all losses realized upon the disposition of properties or assets which are not sold or otherwise disposed of in the ordinary course of business, (ix) any loss from discontinued operations and any loss on disposal of discontinued operations in accordance with GAAP or if otherwise reasonably acceptable to Administrative Agent and in an aggregate amount not to exceed $1,000,000 during the term of this Agreement, (x) to the extent covered by insurance and actually reimbursed, expenses with respect to liability or casualty events or business interruption, (xi) expenses to the extent covered by contractual indemnification or refunding provisions in favor of any Loan Party and actually paid or refunded, (xii) non cash silica litigation adjustments, (xiii) any costs associated with exit or disposal activities, layoffs and other restructuring activities, including employee severance and termination benefits, costs to consolidate facilities, costs to relocate employees, costs to terminate contracts, and other costs associated with the disposal of long-lived assets, in each case to the extent such costs are permitted by GAAP to be recorded as restructuring, and any related accretion expenses deducted in such period in computing Consolidated Net Income; *provided that* with respect to such restructuring charges and accretion expenses, Company shall have delivered to Administrative Agent a certificate of the chief financial officer of Company specifying and quantifying such charge or expense and stating that such charge or expense is such a restructuring charge or related accretion expense, (xiv) any income or charge attributable to a post-employment benefits scheme other than current service costs, (xv) any unrealized gains or losses on any Hedge Agreement and any gains or losses on any Hedge Agreement, and fees and expenses in connection with Hedge Agreements, (xvi) expenses related to the withdrawal from the third party pension plan at the Pacific, MO plant in an aggregate amount not to exceed $500,000, (xvii) costs and expenses from moving the corporate headquarters incurred during 2010, (xviii) costs and expenses associated with opening new offices in an aggregate amount not to exceed $500,000 in any fiscal year, (xix) charges and expenses in connection with business expansion and business optimization projects and severance costs and lease termination costs, in each case, made within 12 months of any Permitted Acquisition and related to such Permitted Acquisition in an aggregate amount not to exceed $1,000,000 for each Fiscal Year, (xx) recruiting fees and expenses in an aggregate amount not to exceed $250,000 in 2010 and in an aggregate amount not to exceed $500,000 during the years 2011 and 2012, (xxi) the reasonable costs and expenses incurred in connection with an initial public offering (whether, or not, such initial public offering is consummated, and including one-time costs and other non-recurring expenses associated with becoming Sarbanes-Oxley Act compliant) in an aggregate amount not to exceed $2,000,000 during such period, (xxii) costs, fees and expenses (including, but not limited to, any legal fees of Agent and Lenders) incurred during such period in connection with this Agreement and the Loan Documents, (xxiii) reasonable costs and expenses directly incurred during such period in connection with (a) the opening of any new sand processing or mining facilities or (b) any substantial expansions of existing sand processing or mining facilities with a capital cost in excess of $5,000,000, in each case of (a) and (b) not to exceed 10% of the capital cost of each such expansion, (xxiv) any expenses or income related solely to purchase accounting recorded in connection with the Transactions or any of the transactions described in clause (v) and any other non-cash items decreasing Consolidated Net Income for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or which are the result of timing differences due to GAAP revenue recognition rules), all as determined on a consolidated

basis, but only, in the case of clauses (ii)-(xxiv), to the extent deducted in the calculation of Consolidated Net Income, and (xxv) proceeds from any business interruption insurance (in the case of this clause (xxv) to the extent not reflected as revenue or income in such statement or such Consolidated Net Income), minus, without duplication, to the extent included in the calculation of such Consolidated Net Income, the sum of (a) any extraordinary, unusual and non-recurring income and gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), (b) any non-cash items increasing Consolidated Net Income for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or which are the result of timing differences due to GAAP revenue recognition rules), all as determined on a consolidated basis, (c) the aggregate gain realized upon the disposition of properties or assets which are not sold or otherwise disposed of in the ordinary course of business, (d) any gain from discontinued operations and any gain on disposal of discontinued operations, and (e) any credit from income tax; *provided that* for purposes of calculating Consolidated Adjusted EBITDA of Parent, Company and its Subsidiaries for any period, (A) the Consolidated Adjusted EBITDA of any Person acquired (or all or substantially all of whose assets are acquired) by Company or its Subsidiaries in a Permitted Acquisition during such period shall be included on a Pro Forma Basis for such period (but assuming the consummation of such acquisition and the incurrence or assumption of any Indebtedness in connection therewith occurred on the first day of such period, and assuming (for such period and applicable subsequent periods) any synergies and cost savings to the extent certified by Company as having been determined in good faith to be reasonably anticipated to be realizable and which do not account for more than 25% of Consolidated Adjusted EBITDA of such acquired Person or another amount to be agreed in writing by Administrative Agent) and (B) the Consolidated Adjusted EBITDA of any Person disposed of by Company or its Subsidiaries during such period shall be excluded on a Pro Forma Basis for such period (assuming the consummation of such disposition and the repayment of any Indebtedness in connection therewith occurred on the first day of such period), all of the foregoing as determined on a consolidated basis for Company and its Subsidiaries in conformity with GAAP.

"**Consolidated Capital Expenditures**" means, for any period, the sum of the aggregate of all expenditures (whether paid in Cash or other consideration or accrued as a liability and including that portion of Capital Leases which is capitalized on the consolidated balance sheet of Company and its Subsidiaries) by Company and its Subsidiaries during that period that, in conformity with GAAP, are included in "additions to property, plant or equipment" or comparable items reflected in the consolidated statement of cash flows of Company and its Subsidiaries, but excluding (a) expenditures made to restore, replace, rebuild, develop, maintain, improve, or upgrade property, to the extent such expenditures are made with or are subsequently reimbursed out of, insurance proceeds, indemnity payments, condemnations or similar awards (or payments in lieu of) or damage recovery proceeds, or other settlements relating to any damage, loss, destruction or condemnation of such property, (b) expenditures constituting reinvestment of Net Asset Sale Proceeds or Net Insurance/Condemnation Proceeds allowed pursuant to Section 2.4(b)(ii) (A) or (B), (c) expenditures reimbursed by (or covered by an irrevocable reimbursement obligation from) a third party, (d) expenditures funded by the issuance of Capital Stock (other than Disqualified Stock) and (e) expenditures to the extent made pursuant to Section 6.3(o). For purposes of this definition, the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment or with insurance proceeds shall be included in Consolidated Capital Expenditures only to the extent of the gross amount of such purchase price less the credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such proceeds, as the case may be.

"**Consolidated Cash Interest Expense**" means, for any period, Consolidated Interest Expense for such period excluding, however, any interest expense not payable in Cash, including amortization of discount and amortization of debt issuance costs (it being understood that interest expense that is not paid in Cash as a result of an election by the payor or the payee thereof to receive payment in kind shall not be considered Consolidated Cash Interest Expense). For purposes of the foregoing, Consolidated Cash Interest Expense shall be determined after giving effect to any net payments (on account of interest payments made by Company and its Subsidiaries) made or received by Company and its Subsidiaries under Interest Rate Agreements.

"**Consolidated Current Assets**" means, as at any date of determination, the total assets of Company and its Subsidiaries on a consolidated basis which may properly be classified as current assets in conformity with GAAP, excluding Cash, Cash Equivalents, deferred or estimated tax assets and the impact of purchase accounting resulting from the consummation of the Transactions or any Permitted Acquisition.

"**Consolidated Current Liabilities**" means, as at any date of determination, the total liabilities of Company and its Subsidiaries on a consolidated basis which may properly be classified as current liabilities in conformity with GAAP, excluding the current portions of Funded Debt (including revolving credit loans), Capital Leases, deferred or estimated tax liabilities and the impact of purchase accounting resulting from the consummation of the Transactions or any Permitted Acquisition.

"**Consolidated EBITDA**" means, for any period, the sum, without duplication, of the amounts for such period of (i) Consolidated Net Income, (ii) Consolidated Interest Expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness or Hedge Agreements, (iii) provisions for Taxes based on income (or franchise tax in the nature of income tax), (iv) total depreciation expense, (v) total amortization expense and (vi) depletion expenses, but only, in the case of clauses (ii)-(vi), to the extent deducted in the calculation of Consolidated Net Income, all of the foregoing as determined on a consolidated basis for Company and its Subsidiaries in conformity with GAAP. For the avoidance of doubt, "Consolidated EBITDA" shall not be increased as a result of any discount realized as a result of any Repurchase Offer Loans having been purchased by Company or Golden Gate or any of their respective Affiliates; *provided that* this shall not apply to any tax expense in connection with any cancellation of indebtedness income that would otherwise be added back in the calculation of Consolidated EBITDA.

"**Consolidated Excess Cash Flow**" means, for any period, without duplication, an amount (if positive) equal to (i) the sum, without duplication, of the amounts for such period of (a) Consolidated EBITDA and (b) the Consolidated Working Capital Adjustment minus (ii) the sum, without duplication, of the amounts for such period of (a) voluntary, mandatory and scheduled repayments of Consolidated Total Debt including the aggregate principal amount of Repurchase Offer Loans repurchased by Parent, Company or Subsidiary thereof (other than voluntary prepayments of the Loans and payments under the ABL Loan Agreement which do not result in a corresponding permanent reduction of commitments thereunder) and (b) Consolidated Capital Expenditures (net of any proceeds of any related financings with respect to such expenditures), minus (iii) the sum, without duplication, to the extent added back to Consolidated Net Income in the calculation of Consolidated Adjusted EBITDA, of the amounts for such period of (a) Consolidated Cash Interest Expense and debt issuance costs and commissions and other fees and charges associated with Indebtedness or Hedge Agreements, (b) current taxes actually paid in

cash with respect to such period, (c) the amount of all non cash gains or credits (including, without limitation, credits included in the calculation of deferred tax assets and liabilities) for such period, (d) the aggregate amount actually paid by Loan Parties in cash during such Fiscal Year on account of Permitted Acquisitions and other Investments permitted under Section 6.3 (other than (A) any such acquisition or Investment to the extent made with the proceeds of new long-term indebtedness for borrowed money or from the issuance of Capital Stock, and (B) any such Investment that consists of an Investment in Cash or Cash Equivalents pursuant to Section 6.3(a)), (e) the aggregate net amount of non-cash gain on the disposition of property or assets during such Fiscal Year (other than sales of inventory in the ordinary course of business), (f) transaction costs, fees and expenses incurred in connection with the Transactions, (g) purchase price adjustments received in connection with any Permitted Acquisition or other Investment permitted under Section 6.3, (h) an amount equal to reasonable cash expenditures made in connection with any termination or make-whole payment in connection with any termination of, and upfront fees and expenses in connection with obtaining, any Hedge Agreements, (i) distributions paid and other payments made in Cash which are permitted under Section 6.5, (j) the amount of such Consolidated EBITDA which is mandatorily prepaid or reinvested pursuant to Section 2.4(b)(ii) (or to which a waiver of the requirements of such section applicable thereto has been granted under Section 9.6) prior to the date of determination of Consolidated Excess Cash Flow for such fiscal year as a result of any Net Asset Sale Proceeds or Net Insurance/Condemnation Proceeds, (k) cash payments for pension and other post-employment benefits minus any amounts therefor recognized in Consolidated EBITDA (it being understood that a negative amount under this clause (k) shall increase Consolidated Excess Cash Flow), (l) cash payments for litigation claims minus any amounts therefor recognized in Consolidated EBITDA (it being understood that a negative amount under this clause (l) shall increase Consolidated Excess Cash Flow), (m) any gains or losses on any Hedge Agreement, (n) costs and expenses associated with opening new offices in an aggregate amount not to exceed $500,000 in any fiscal year, (o) charges and expenses in connection with business expansion and business optimization projects and severance costs and lease termination costs, in each case, made within 12 months of any Permitted Acquisition and related to such Permitted Acquisition in an aggregate amount not to exceed $1,000,000 for each Fiscal Year and (p) transaction costs, fees and expenses (including those relating to the Transactions and those payable in connection with the sale of Capital Stock, the incurrence of Indebtedness permitted under Section 6.1, any disposition of assets or property permitted under Section 6.7 or any recapitalization, Permitted Acquisitions or other Investment permitted under Section 6.3 or 6.7, or amendment to any Indebtedness (including costs and expenses of Administrative Agent and Lender that are reimbursed) (in each case, whether or not successful), (q) recruiting fees and expenses in 2012 in an aggregate amount not to exceed $500,000, (r) the reasonable costs and expenses incurred in connection with an initial public offering (whether, or not, such initial public offering is consummated, and including one-time costs and other non-recurring expenses associated with becoming Sarbanes-Oxley Act compliant) in an aggregate amount not to exceed $2,000,000 during such period, (s) costs, fees and expenses (including, but not limited to, any legal fees of Agent and Lenders) incurred during such period in connection with this Agreement and the Loan Documents, (t) reasonable costs and expenses directly incurred during such period in connection with (1) the opening of any new sand processing or mining facilities or (2) any substantial expansions of existing sand processing or mining facilities with a capital cost in excess of $5,000,000, in each case of (1) and (2) not to exceed 10% of the capital cost of each such expansion, and (u) expenses related to the withdrawal from the third party pension plan at the Pacific, MO plant in an aggregate amount not to exceed $500,000. For the avoidance of doubt, “Consolidated Excess Cash Flow” shall not be reduced by the amount of any Repurchase Offer Loans purchased by Company or Golden Gate or any of their respective

Affiliates and shall not be increased as a result of any discount realized as a result of any Repurchase Offer Loans having been purchased by Company or Golden Gate; *provided that* this shall not apply to any tax expense in connection with any cancellation of indebtedness income that would otherwise be subtracted from the calculation of Consolidated Excess Cash Flow.

"**Consolidated Interest Expense**" means, for any period, total interest expense (including that portion attributable to Capital Leases in accordance with GAAP and capitalized interest) of Company and its Subsidiaries on a consolidated basis in accordance with GAAP with respect to all outstanding Indebtedness of Company and its Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, net costs under Interest Rate Agreements and amounts referred to in Section 2.3 payable to Administrative Agent and Lenders that are considered interest expense in accordance with GAAP, but excluding, however, any such amounts referred to in Section 2.3 payable on or before the Second Restatement Date, net of any interest income on a consolidated basis in accordance with GAAP.

"**Consolidated Leverage Ratio**" means, as of the last day of any Fiscal Quarter, the ratio of (i) Consolidated Total Debt less any permitted Subordinated Indebtedness as of such day to (ii) Consolidated Adjusted EBITDA for the consecutive four Fiscal Quarters ending on such day.

"**Consolidated Net Income**" means, for any period, the net income (or loss) of Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP; *provided that* there shall be excluded (i) the income (or loss) of any Person (other than a Subsidiary of Company) in which any other Person (other than Company or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Company or any of its Subsidiaries by such Person during such period, (ii) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of Company or is merged into or consolidated with Company or any of its Subsidiaries or that Person's assets are acquired by Company or any of its Subsidiaries, (iii) except to the extent of the amount of dividends or other distributions actually paid by such Person during such period to Company or any of its Subsidiaries that are not subject to the relevant restriction, the income of any Subsidiary of Company to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, (iv) any after-tax gains or losses attributable to asset sales or returned surplus assets of any pension plan, and (v) (to the extent not included in clauses (i) through (iv) above) any net extraordinary gains or net non-cash extraordinary losses.

"**Consolidated Total Debt**" means, as at any date of determination, the aggregate stated balance sheet amount of all Indebtedness of Company and its Subsidiaries for borrowed money, purchase money indebtedness (including Capital Leases), Indebtedness listed on Schedule 6.1, Subordinated Indebtedness and all Indebtedness secured by any Lien on any property or asset owned or held by a Loan Party, determined on a consolidated basis in accordance with GAAP.

"**Consolidated Working Capital**" means, as at any date of determination, the excess (or deficit) of Consolidated Current Assets over Consolidated Current Liabilities.

"**Consolidated Working Capital Adjustment**" means, for any period on a consolidated basis, the amount (which may be a negative number) by which Consolidated Working Capital as of the beginning of such period exceeds (or is less than) Consolidated Working Capital as of the end of such period.

"**Contingent Obligation**", as applied to any Person, means any direct or indirect liability, contingent or otherwise, of that Person (a) with respect to any Indebtedness, lease, dividend or other obligation of another if the primary purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such obligation of another that such obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected (in whole or in part) against loss in respect thereof, (b) with respect to any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, or (c) under Hedge Agreements. Contingent Obligations shall include (i) the direct or indirect guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (ii) the obligation to make take-or-pay or similar payments if required regardless of non-performance by any other party or parties to an agreement and (iii) any liability of such Person for the obligation of another through any agreement (contingent or otherwise) (x) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (y) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (x) or (y) of this sentence, the primary purpose or intent thereof is as described in the preceding sentence. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if less, the amount to which such Contingent Obligation is specifically limited, except that the amount of any Hedge Agreement obligation shall be determined in accordance with GAAP. For the avoidance of doubt, the Silica Related Claims shall not be deemed to be Contingent Obligations hereunder.

"**Continuing Member**" means, as of any date of determination any member of the Governing Body of Parent or Company who (i) was a member of such Governing Body on the Second Restatement Date or (ii) was nominated for election or elected to such Governing Body with the affirmative vote of a majority of the members who were either members of such Governing Body on the Second Restatement Date or whose nomination or election was previously so approved.

"**Contractual Obligation**", as applied to any Person, means any provision of any Security issued by that Person or of any material indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"**Control Agreement**" means an agreement, reasonably satisfactory in form and substance to Administrative Agent and executed by Administrative Agent, the financial institution or securities intermediary at which a Deposit Account or a Securities Account, as the case may be, is maintained, and the applicable Loan Party, pursuant to which such financial institution or securities intermediary confirms and acknowledges Administrative Agent's security interest in such account, and agrees that, after notice from Administrative Agent, the financial institution or securities intermediary, as the case may be, will comply with instructions originated by Administrative Agent as to disposition of funds in such account, without further consent by Company or any Subsidiary.

"**Controlled Group**" means an entity, whether or not incorporated, which is under common control with a Loan Party within the meaning of Section 4001 of ERISA or is part of a group that includes a Loan Party and that is treated as a single employer under Section 414 of the Internal Revenue Code. When any provision of this Agreement relates to a past event, the term "member of the Controlled Group" includes any person that was a member of the Controlled Group at the time of that past event.

"**Conveyance of Undivided Mineral Interest**" means that certain Conveyance of Undivided Mineral Interest dated as of November 24, 2008 between Company and Preferred Rocks USS.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement to which Company or any of its Subsidiaries is a party.

"**Deposit Account**" means a demand, time, savings, passbook or similar account maintained with a Person engaged in the business of banking, including a savings bank, savings and loan association, credit union or trust company.

"**Designated Person**" means a Person named as a "Specially Designated National and Blocked Person" on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list.

"**Disqualified Stock**" means any Capital Stock which, by its terms (or by the terms of any Securities into which it is convertible, or for which it is exercisable or exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the first anniversary of the Maturity Date, (b) is convertible into or exercisable or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock referred to in (a) above, in each case at any time prior to the first anniversary of the Maturity Date, (c) contains any repurchase obligation which may come into effect prior to the first anniversary of the Maturity Date, (d) requires the payment of any dividends (other than the payment of dividends solely in the form of Qualified Capital Stock) prior to the first anniversary of the Maturity Date, or (e) provides the holders of such Capital Stock thereof with any rights to receive any Cash upon the occurrence of a change in control prior to the first anniversary of the Maturity Date, unless the rights to receive such Cash are contingent upon the prior payment in full in cash of the Obligations. Disqualified Stock shall not include any Capital Stock which would be Qualified Capital Stock but for a requirement that such Capital Stock be redeemed in connection with (x) a change of control or (y) any asset disposition made pursuant to Section 6.7 or otherwise permitted by Administrative Agent so long as such Capital Stock requires the prior payment in full in Cash (as defined in the Intercreditor Agreement) of the Obligations prior to any payments being made pursuant to such Capital Stock. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require Company to repurchase such Capital Stock (or such Capital Stock is mandatorily redeemable) upon the occurrence of a change of control or a public offering will not constitute Disqualified Stock if the terms of such Capital Stock provide that Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 6.5.

"**Dollars**" and the sign "**$**" mean the lawful money of the United States of America.

"**Domestic Subsidiary**" means any Subsidiary of Company that is incorporated or organized under the laws of the United States of America, any state thereof or in the District of Columbia.

"**Eligible Assignee**" means (a) any Lender, any Affiliate of any Lender and any Approved Fund of any Lender; (b) (i) a commercial bank organized under the laws of the United States or any state thereof; (ii) a savings and loan association or savings bank organized under the laws of the United States or any state thereof; (iii) a commercial bank organized under the laws of any other country or a political subdivision thereof; provided that (x) such bank is acting through a branch or agency located in the United States or (y) such bank is organized under the laws of a country that is a

member of the Organization for Economic Cooperation and Development or a political subdivision of such country; and (iv) any other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) that extends credit or buys loans as one of its businesses including insurance companies, mutual funds and lease financing companies; and (c) with respect only to funded Loans acquired in accordance with Section 2.4(b)(iv), Golden Gate, Parent, Company or any Affiliate thereof; *provided that* "Eligible Assignee" shall not include any natural person.

"**Employee Plan**" means an "employee pension benefit plan" as defined in Section 3(2) of ERISA subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA (other than a Multiemployer Plan), which is maintained for, or contributed to (or to which there is an obligation to contribute) on behalf of, employees of any Loan Party or ERISA Affiliate or to which any Loan Party or ERISA Affiliate has or could have any liability or obligation.

"**Environmental Claim**" means any investigation, written notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Government Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law, (b) in connection with any Hazardous Materials or any actual or alleged Hazardous Materials Activity or (c) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"**Environmental Laws**" means any and all current or future statutes, ordinances, orders, rules, regulations, legally binding guidance documents, judgments, Governmental Authorizations, or any other requirements of any Government Authority relating to (a) environmental matters, including those relating to any Hazardous Materials Activity, (b) the generation, use, storage, transportation or disposal of Hazardous Materials or (c) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare; in any manner applicable to Company or any of its Subsidiaries or any Facility.

"**ERISA**" means the US Employee Retirement Income Security Act of 1974 (or any successor legislation thereto) and the regulations promulgated and rulings issued thereunder.

"**ERISA Affiliate**" means each person (as defined in Section 3(9) of ERISA) that is a member of a Controlled Group of any Loan Party.

"**ERISA Event**" means any of the following events:

(a) any reportable event, as defined in Section 4043(c) of ERISA and the regulations promulgated under it, with respect to an Employee Plan as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty days of the occurrence of that event. However, the existence with respect to any Employee Plan of an "accumulated funding deficiency" (as defined in Section 302 of ERISA), or, on and after the effectiveness of the Pension Act, a failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code or Section 302 of ERISA, shall be a reportable event for the purposes of this paragraph (a) regardless of the issuance of any waiver;

(b) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of that Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of an Employee Plan and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to that Employee Plan within the following 30 days;

(c) the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Employee Plan;

(d) the termination of any Employee Plan under Section 4041(c) of ERISA;

(e) the institution of proceedings under Section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Employee Plan;

(f) the failure to make a required contribution to any Employee Plan that would result in the imposition of an encumbrance under the Internal Revenue Code or ERISA;

(g) engagement in a non-exempt prohibited transaction within the meaning of Section 4975 of the Internal Revenue Code or Section 406 of ERISA;

(h) a determination that any Employee Plan is, or is expected to be, in at-risk status (within the meaning of Title IV of ERISA); or

(i) the receipt by any Loan Party or ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party or ERISA Affiliate of any notice that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, or, on and after the effectiveness of the Pension Act, that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 305 of ERISA).

"**Event of Default**" means each of the events set forth in Sections 7.1 through 7.12.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"**Excluded Taxes**" means, with respect to Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of Company hereunder (a) Taxes that are imposed on (or measured by) the overall net income (however denominated) and franchise Taxes imposed in lieu thereof (i) by the United States, (ii) by any other Government Authority under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which it is organized or has its principal office or maintains its applicable lending office or (iii) by any Government Authority solely as a result of a present or former connection between such recipient and the jurisdiction of such Government Authority (other than any such connection arising solely from such recipient having executed, delivered or performed its obligations or received a payment under, or enforced, any of the Loan Documents), (b) any branch profits Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction referred to in clause (a) and (c) in the case of a Foreign Lender, any withholding Tax that (i) is imposed on amounts payable to such Foreign Lender at the time it becomes a party hereto (or designates a new lending office), (ii) is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with its obligations under Section 2.7(b)(iv), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from Company with respect to such withholding Tax pursuant to Section 2.7(b)(i) or (iii) is required to be deducted under applicable law from any payment hereunder on the basis of the information provided by such Foreign Lender pursuant to clause (D) of Section 2.7(b)(iv).

"**Existing Lender**" has the meaning assigned to the term "Lender" in the First Amended and Restated Credit Agreement.

"**Extending Lender**" has the meaning assigned to that term in Section 2.11(a).

"**Extension**" has the meaning assigned to that term in Section 2.11(a).

"**Extension Agreement**" has the meaning assigned to that term in Section 2.11(a).

"**Extension Effective Date**" has the meaning assigned to that term in Section 2.11(a).

"**Extension Loans**" has the meaning assigned to that term in Section 2.11(a).

"**Facilities**" means any and all real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Company or any of its Subsidiaries or any of their respective predecessors or Affiliates.

"**Federal Funds Effective Rate**" means, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Administrative Agent from three Federal funds brokers of recognized standing selected by Administrative Agent.

"**Financial Covenant**" means the covenant set forth in Section 6.6.

"**Financial Plan**" has the meaning assigned to that term in Section 5.1(j).

"**First Amended and Restated Credit Agreement**" has the meaning assigned to that term in the Recitals to this Agreement.

"**First Priority**" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that (a) such Lien is perfected and has priority over any other Lien on such Collateral (other than Liens permitted pursuant to Section 6.2(a)) and (b) such Lien is the only Lien (other than Liens permitted pursuant to Section 6.2(a)) to which such Collateral is subject.

"**First Restatement Date**" means May 7, 2010.

"**First Restatement Loans**" has the meaning assigned to that term in the Recitals to this Agreement.

"**Fiscal Quarter**" means a fiscal quarter of any Fiscal Year.

"**Fiscal Year**" means the fiscal year of Company and its Subsidiaries ending on December 31 of each calendar year. For purposes of this Agreement, any particular Fiscal Year shall be designated by reference to the calendar year in which such Fiscal Year commences.

"**Flood Hazard Property**" means a Second Restatement Date Mortgaged Property or an Additional Mortgaged Property located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards and for which flood insurance is required under regulations promulgated by the Board of Governors of the Federal Reserve System.

"**Foreign Lender**" means any Lender that is organized under the laws of a jurisdiction other than the United States, any state thereof or the District of Columbia.

"**Foreign Pledge Agreement**" means each pledge agreement or similar instrument governed by the laws of a country other than the United States, executed from time to time in accordance with Section 3.1 or Section 5.9 by Company or any Subsidiary Guarantor that owns Capital Stock of one or more Foreign Subsidiaries organized in such country, in form and substance reasonably satisfactory to Administrative Agent.

"**Foreign Subsidiary**" means any Subsidiary of Company that is not a Domestic Subsidiary.

"**Fund**" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"**Funded Debt**", as applied to any Person, means all Indebtedness of that Person (including any current portions thereof) which by its terms or by the terms of any instrument or agreement relating thereto matures more than one year from, or is directly renewable or extendable at the option of that Person to a date more than one year from (including an option of that person under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more from), the date of the creation thereof.

"**Funding and Payment Office**" means (a) the office of Administrative Agent located at 520 Madison Avenue, New York, New York 10022 or (b) such other office of Administrative Agent as may from time to time hereafter be designated as such in a written notice delivered by Administrative Agent to Company and each Lender.

"**Funding Requirements**" means the aggregate of all amounts necessary to (a) fund the Loans as set forth herein on the Second Restatement Date, (b) repay in full all amounts outstanding or becoming due under the Mezzanine Note Agreement, (c) pay a cash dividend of no more than $25,000,000 from Company to Parent and from Parent to Hourglass Holdings, LLC, and (d) pay Transaction Costs, each in accordance with the Funds Flow Memorandum.

"**Funds Flow Memorandum**" means the funds flow memorandum dated as of the Second Restatement Date in form and substance reasonably satisfactory to Administrative Agent and Company.

"**GAAP**" means, subject to the limitations on the application thereof set forth in Section 1.2, generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

"**Golden Gate**" means Golden Gate Private Equity, Inc. and its Affiliates.

"**Governing Body**" means the board of directors or other body having the power to direct or cause the direction of the management and policies of a Person that is a corporation, partnership, trust or limited liability company.

"**Government Authority**" means the government of the United States or any other nation, or any state, regional or local political subdivision or department thereof, and any other governmental or regulatory agency, authority, body, commission, central bank, board, bureau, organ, court, instrumentality or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, in each case whether federal, state, local or foreign (including supra-national bodies such as the European Union or the European Central Bank).

"**Governmental Authorization**" means any permit, license, registration, authorization, plan, directive, accreditation, consent, order or consent decree of or from, any Government Authority.

"**Guaranties**" means the Parent Guaranty and the Subsidiary Guaranty.

"**Hazardous Materials**" means (a) any chemical, material or substance at any time defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous waste", "acutely hazardous waste", "radioactive waste", "biohazardous waste", "pollutant", "toxic pollutant", "contaminant", "restricted hazardous waste", "infectious waste", "toxic substances", or any other term or expression intended to define, list or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "TCLP toxicity" or "EP toxicity" or words of similar import under any applicable Environmental Laws); (b) any oil, petroleum, petroleum fraction or petroleum derived substance; (c) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (d) any flammable substances or explosives; (e) any radioactive materials; (f) any asbestos-containing materials; (g) urea formaldehyde foam insulation; (h) electrical equipment which contains any oil or dielectric fluid containing polychlorinated biphenyls; (i) pesticides; and (j) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Government Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

"**Hazardous Materials Activity**" means any activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"**Hedge Agreement**" means an Interest Rate Agreement, a Currency Agreement or a Natural Gas Hedging Agreement designed to hedge against fluctuations in interest rates or currency values or natural gas prices or availability, respectively.

"**Hedge Agreement Counterparty**" means an entity that has entered into a Hedge Agreement with Company or one of its Subsidiaries and at the time of entering into such Hedge Agreement was a Lender or an Affiliate of a Lender, the obligations under which are secured pursuant to the Collateral Documents and guarantied pursuant to the Guaranties.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"**Increased Amount Date**" has the meaning assigned to that term in Section 2.10(a).

"**Incremental Lender**" has the meaning assigned to that term in Section 2.10(a).

"**Incremental Term Loan Commitments**" has the meaning assigned to that term in Section 2.10(a).

"**Incremental Term Loans**" has the meaning assigned to that term in Section 2.10(a).

"**Indebtedness**", as applied to any Person, means (i) all indebtedness for borrowed money, (ii) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP, (iii) notes payable and drafts accepted representing

extensions of credit whether or not representing obligations for borrowed money, (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA), which purchase price is (a) due more than six months from the date of incurrence of the obligation in respect thereof or (b) evidenced by a note or similar written instrument, (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person, (vi) indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer to the extent such Person is liable therefor as a result of such Person's ownership interest in such entity, except to the extent that the terms of such indebtedness expressly provide that such Person is not liable therefor or such Person has no liability therefor as a matter of law, and (vii) all Disqualified Stock and all obligations, liabilities and indebtedness of such Person arising from Disqualified Stock issued by such Person. Obligations under Interest Rate Agreements, Currency Agreements and Natural Gas Hedging Agreements constitute (1) in the case of Hedge Agreements, Contingent Obligations, and (2) in all other cases, Investments, and in neither case constitute Indebtedness. Trade accounts payable and accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than 90 days, and obligations incurred under pension and other post-employment benefits arrangements, shall not constitute Indebtedness. Obligations under Operating Leases (other than the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing where such transaction is considered to be borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP), employment agreements, deferred compensation and contingent post-closing adjustments or earn outs shall not constitute Indebtedness. Obligations arising from transactions consummated pursuant to the Sand Purchase Documents and from undrawn letters of credit shall not constitute Indebtedness.

"**Indemnified Liabilities**" has the meaning assigned to that term in Section 9.3.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes and Other Taxes.

"**Indemnitee**" has the meaning assigned to that term in Section 9.3.

"**Intellectual Property**" means, as to each Loan Party, such Loan Party's now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright applications, copyright registrations, trademarks, servicemarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing and all applications, registrations and recordings relating to any of the foregoing as may be filed in the United States Copyright Office, the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country or jurisdiction, together with all rights and privileges arising under applicable law with respect to any Loan Party's use of any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or servicemark, or the license of any trademark or servicemark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

"**Intercreditor Agreement**" means that certain Intercreditor Agreement, dated as of November 25, 2008, by and among, Parent, Company, Subsidiary Guarantors, Administrative Agent and ABL Agent.

"**Interest Payment Date**" means (a) with respect to any Base Rate Loan, each March 31, June 30, September 30 and December 31 of each year, commencing on the first such date to occur after the Second Restatement Date and (b) with respect to any LIBOR Loan, the last day of each Interest Period applicable to such Loan; *provided that* in the case of each Interest Period of longer than three months "Interest Payment Date" shall also include each date that is three months, or a multiple thereof, after the commencement of such Interest Period.

"**Interest Period**" has the meaning assigned to that term in Section 2.2(b).

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement or arrangement to which Company or any of its Subsidiaries is a party.

"**Interest Rate Determination Date**", with respect to any Interest Period, means the second Business Day prior to the first day of such Interest Period.

"**Intermediate Holding Companies**" means BMAC Services Co., Inc., BMAC Holdings, Inc. and Better Minerals & Aggregates Company.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Investment**" means (a) any direct or indirect purchase or other acquisition by Company or any of its Subsidiaries of, or of a beneficial interest in, any Securities of any other Person (including any Subsidiary of Company unless it is a wholly-owned Subsidiary), (b) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Subsidiary of Company from any Person other than Company or any of its Subsidiaries, of any equity Securities of such Subsidiary, (c) any direct or indirect loan, advance (other than trade credit, advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by Company or any of its Subsidiaries to any other Person, including all Indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business or (d) Interest Rate Agreements or Currency Agreements not constituting Hedge Agreements. The amount of any Investment shall be the original cost of such Investment **plus** the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment (other than adjustments for the repayment of, or the refund of capital with respect to, the original cost or principal amount of any such Investment).

"**IP Collateral**" means, collectively, the Intellectual Property that constitutes Collateral under the Pledge and Security Agreement.

"**IP Filing Office**" means the United States Patent and Trademark Office, the United States Copyright Office, Canadian Intellectual Property Office or any successor or substitute office in which filings are necessary or, in the reasonable opinion of Administrative Agent, desirable in order to create or perfect Liens on, or otherwise evidence the security interest of Administrative Agent and Lenders in, any IP Collateral.

"**ITT**" shall mean ITT Corporation, a Delaware corporation, and its successors and assigns.

"**ITT Agreement**" means the Agreement of Purchase and Sale of the Capital Stock of Pennsylvania Glass Sand Corporation, dated as of September 12, 1985, made between ITT and Pacific Coast Resources Co., its successors and assigns.

"**Joinder Agreement**" has the meaning assigned to that term in Section 2.10(a).

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form.

"**Landlord Consent and Estoppel**", with respect to any Leasehold Property, means a letter, certificate or other acknowledgement, agreement or instrument in writing from the lessor under the related lease, reasonably satisfactory in form and substance to Administrative Agent, pursuant to which such lessor agrees, for the benefit of Administrative Agent, to such matters relating to such Leasehold Property as Administrative Agent may reasonably request.

"**Latest Maturity Date**" means, at any date of determination, the latest maturity date applicable to any Loan hereunder at such time, including the latest maturity date of any Incremental Term Loan, any Replacement Loan or any Extension Loan, in each case as extended in accordance with this Agreement from time to time.

"**Leasehold Property**" means any leasehold interest of any Loan Party as lessee under any lease of real property.

"**Lender**" and "**Lenders**" means the Persons identified as "Lenders" and listed on the signature pages of this Agreement and any Joinder Agreement, together with their successors and permitted assigns pursuant to Section 9.1; *provided* that the term "Lenders", when used in the context of a particular Commitment, shall mean Lenders having that Commitment.

"LIBOR" means, for any Interest Rate Determination Date with respect to an Interest Period for a LIBOR Loan, as determined by Administrative Agent, the higher of (i) the London interbank offered rate (rounded upward, if necessary, to the nearest 1/100 of 1%) equal to the offered rate for deposits in Dollars for a period equal to such Interest Period, commencing on the first day of such Interest Period, which appears on Telerate Page 3750 (or such other page as may replace Telerate Page 3750 on that service or any successor service for the purpose of displaying London interbank offered rates of major banks) as of 11:00 A.M. (London time), on the day that is two Business Days prior to the first day of such Interest Period or, if such rate is unavailable for any reason or the Requisite Lenders have notified Company that such rate does not adequately reflect the cost to Requisite Lenders of making, funding or maintaining LIBOR Loans, the average (rounded upward, if necessary, to the nearest 1/100 of 1%) of the rates per annum, confirmed by each Requisite Lender to Administrative Agent, as reflecting their cost of funds at such time in respect of deposits in Dollars offered by the principal office of each Requisite Lender at 11:00 A.M. (London time), on the day that is two Business Days prior to the first day of such Interest Period and on an amount that is approximately equal to the principal amount of the LIBOR Loans to which such Interest Period is applicable, and (ii) 1% per annum.

"**LIBOR Loans**" means Loans bearing interest at rates determined by reference to Adjusted LIBOR as provided in Section 2.2(a).

"**LIBOR Reserve Percentage**" means the reserve percentage (expressed as a decimal, rounded upward, if necessary, to the nearest 1/100 of 1%) in effect on the date LIBOR for such Interest Period is determined (whether or not applicable to any Lender) under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities") having a term comparable to such Interest Period.

"**License Agreement**" means all of the agreements or other arrangements of each Loan Party and Subsidiary thereof pursuant to which such Loan Party or Subsidiary has a license or other right to use any trademarks, logos, designs, representation or other Intellectual Property, material to the business of the Loan Parties and their Subsidiaries taken as a whole, owned by another person as in effect on the date hereof and the dates of the expiration of such agreements or other arrangements of such Loan Party or Subsidiary as in effect on the date hereof as set forth on Schedule 1.1(c).

"**Lien**" means any mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, security interest, encumbrance, lien (statutory or otherwise), hypothec, preference, priority, or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement filed under the UCC as adopted and in effect in the relevant jurisdiction or other similar recording or notice statute, and any lease in the nature thereof).

"**Loan**" or "**Loans**" means one or more of the term loans made and/or continued by Lenders to Company on the Second Restatement Date pursuant to Section 2.1(a).

"**Loan Documents**" means this Agreement, the Notes, the Guaranties, the Collateral Documents and the Intercreditor Agreement.

"**Loan Exposure**", with respect to any Lender, means, as of any date of determination (a) prior to the funding of the Loans, the amount of that Lender's Commitment and (b) after the funding of the Loans, the outstanding principal amount of the Loans of that Lender.

"**Loan Party**" means each of Company and Parent and any of Parent's Domestic Subsidiaries from time to time executing a Loan Document, and "**Loan Parties**" means all such Persons, collectively.

"**Loan Repurchase Offer**" has the meaning assigned to that term in Section 2.4(b)(iv).

"**Management Agreement**" means that certain Amended and Restated Advisory Agreement, dated as of the Second Restatement Date, by and among GGC Administration, LLC, GGC USS Holdings, LLC, Holdings, Preferred Rocks USS, Inc. and Company.

"**Margin Stock**" has the meaning assigned to that term in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"**Material Adverse Effect**" means (i) a material adverse effect upon the business, operations, properties, assets or condition (financial or otherwise) of Parent, Company and Company's Subsidiaries taken as a whole, (ii) the material impairment of the ability of any Loan Party to perform, or of any Agent or Lenders to enforce, the Obligations or (iii) a material adverse effect on the legality, validity, binding effect or enforceability against any Loan Party of a Loan Document to which it is a party.

"**Material Contract**" means (i) each contract set forth on Schedule 1.1(d) and any replacement thereof, and (ii) any contract which, if terminated prior to its current expiration date, could reasonably be expected to have a Material Adverse Effect with respect to Company or any of its Subsidiaries.

"**Material Leasehold Property**" means a Leasehold Property or any mixed property asset reasonably determined by Administrative Agent to be of material value as Collateral or of material importance to the operations of Company or any of its Subsidiaries.

"**Material Real Property**" means a Real Property Asset or any mixed property asset with a market value of at least $2,000,000.

"**Maturity Date**" means the six year anniversary of the Second Restatement Date.

"**Maximum Consolidated Leverage Ratio**" has the meaning assigned to that term in Section 6.6.

"**Mezzanine Lender**" means GGC Finance Partnership, L.P., in its capacity as a purchaser under the Mezzanine Note Agreement and its successors and assigns in such capacity.

"**Mezzanine Note Agreement**" means that certain Note Purchase Agreement, dated as of November 25, 2008, among Company, Parent, the Subsidiary Guarantors listed therein and GGC Finance Partnership, L.P. (as amended on May 7, 2010 and as thereafter amended, restated, extended, supplemented or otherwise modified from time to time).

"**Mortgage**" means (a) a security instrument (whether designated as a deed of trust or a mortgage or by any similar title) granting a security interest in real property or mixed property executed and delivered by any Loan Party including any amendment, extension, supplement or modification made thereto from time to time, in the form approved by Administrative Agent in its reasonable discretion and in accordance with this Agreement, in each case with such changes thereto as may be reasonably recommended by Administrative Agent's local counsel based on local laws or customary local mortgage or deed of trust practices or (b) at Administrative Agent's option, in the case of an Additional Mortgaged Property, an amendment to an existing Mortgage, in form reasonably satisfactory to Administrative Agent, adding such Additional Mortgaged Property to the Real Property Assets or any mixed property asset encumbered by such existing Mortgage.

"**Mortgages**" means all such instruments, including the Second Restatement Date Mortgages and any Additional Mortgages, collectively.

"**Multiemployer Plan**" means a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) which is maintained for, or contributed to (or to which there is an obligation to contribute) on behalf of, employees of any Loan Party or ERISA Affiliate or to which any Loan Party or ERISA Affiliate has or could have any liability or obligation.

"**Natural Gas Hedging Agreement**" means any agreement with respect to, or involving the purchase or hedge of, natural gas or price indices for natural gas or any other similar derivative agreements or arrangements, in each case to which Company or any of its Subsidiaries is a party and entered into to manage fluctuations in the price or availability of natural gas.

"**Net Asset Sale Proceeds**", with respect to any Asset Sale, means Cash payments (including any Cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received from such Asset Sale, net of any bona fide direct costs incurred in connection with such Asset Sale, including (i) income or gains taxes reasonably estimated to be actually payable within two years of the date of such Asset Sale as a result of any gain recognized in connection with such Asset Sale, (ii) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is (a) secured by a Lien on the stock or assets in question or that is not subordinated to the Loans and, in each case, required to be repaid under the terms thereof as a result of such Asset Sale and (b) actually paid on or about the time of receipt of such cash payment to a Person that is not an Affiliate of any Loan Party or of any Affiliate of a Loan Party, and (iii) any actual

reasonable reserve for (x) any indemnification payments in respect of such Asset Sale or (y) in the case of a sale of a mine, any cleanup and remediation costs necessary or advisable (by contract or in the reasonable judgment of Company) to prepare such mine for sale; *provided*, *however,* that Net Asset Sale Proceeds shall not include any cash payments received from any Asset Sale by a Foreign Subsidiary unless such proceeds may be repatriated (by reason of a repayment of an intercompany note or otherwise) to the United States without (in the reasonable judgment of Company) resulting in a material Tax liability to Company.

"**Net Insurance/Condemnation Proceeds**" means any Cash payments or proceeds received or released from reserve, as the case may be, by Company or any of its Subsidiaries (i) under any business interruption or casualty insurance policy in respect of a covered loss thereunder (other than proceeds or refunds received in respect of the cancellation or termination of insurance covering Silica Related Claims permitted hereunder) or (ii) as a result of the taking of any assets of Company or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, in each case net of any actual and reasonable documented costs incurred by Company or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Company or such Subsidiary in respect thereof and any bona fide direct costs incurred in connection with any such sale, including the costs of the type described in clauses (i), (ii) and (iii) of the definition of Net Asset Sale Proceeds.

"**Net Securities Proceeds**" means the cash proceeds (net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses) from the (i) issuance of Capital Stock of or incurrence of Indebtedness by any Loan Party and (ii) capital contributions made by a holder of Capital Stock of Parent.

"**Non-Consenting Lender**" has the meaning assigned to that term in Section 2.9.

"**Notes**" means any promissory notes of Company issued pursuant to Section 2.1(e) to evidence the Loans of any Lenders, substantially in the form of Exhibit III annexed hereto.

"**Notice of Borrowing**" means a notice substantially in the form of Exhibit I annexed hereto.

"**Notice of Conversion/Continuation**" means a notice substantially in the form of Exhibit II annexed hereto.

"**Obligations**" means all obligations of every nature of each Loan Party from time to time owed to Administrative Agent, the other Agents, Lenders or any of them under the Loan Documents, whether for principal, interest, fees, expenses, indemnification or otherwise.

"**Officer**" means the president, chief executive officer, a vice president, chief financial officer, treasurer, general partner (if an individual), managing member (if an individual) or other individual appointed by the Governing Body or the Organizational Documents of a corporation, partnership, trust or limited liability company to serve in a similar capacity as the foregoing.

"**Officer's Certificate**", as applied to any Person that is a corporation, partnership, trust or limited liability company, means a certificate executed on behalf of such Person by one or more Officers of such Person or one or more Officers of a general partner or a managing member if such general partner or managing member is a corporation, partnership, trust or limited liability company.

"**Operating Lease**", as applied to any Person, means any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) that is not a Capital Lease other than any such lease under which that Person is the lessor.

"**Organizational Documents**" means the documents (including bylaws, operating agreements, or partnership agreement, if applicable) pursuant to which a Person that is a corporation, partnership, trust or limited liability company is organized.

"**Original Credit Agreement**" means the Credit Agreement dated as of November 25, 2008, among, *inter alios*, Parent, Company, the Subsidiary Guarantors, the lenders party thereto, Bank of Montreal as co-arranger, Siemens Financial Services, Inc. as documentation agent and BNP Paribas as sole lead arranger, sole book runner and administrative agent for the lenders.

"**Other Taxes**" means all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"**Parent**" has the meaning assigned to that term in the introduction to this Agreement.

"**Parent Guaranty**" means the Guaranty executed and delivered by Parent on November 25, 2008.

"**Participant**" means a purchaser of a participation in the rights and obligations under this Agreement pursuant to Section 9.1(c).

"**PBGC**" means the Pension Benefit Guaranty Corporation of the USA established pursuant to Section 4002 of ERISA (or any entity succeeding to all or any of its functions under ERISA).

"**Pension Act**" means the United States Pension Protection Act of 2006, as amended.

"**Permits**" has the meaning assigned to that term in Section 4.18(b).

"**Permitted Acquisition**" means the acquisition of all or substantially all of the business and assets or Capital Stock of any Person, which acquisition is permitted pursuant to Section 6.3 or which is otherwise consented to by Requisite Lenders.

"**Permitted Encumbrances**" means the following types of Liens (excluding any such Lien imposed pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or by ERISA, any such Lien relating to or imposed in connection with any Environmental Claim, and any such Lien expressly prohibited by any applicable terms of any of the Collateral Documents):

(a) Liens for taxes, assessments or governmental charges or claims the payment of which is not, at the time, required by Section 5.3;

(b) statutory Liens of landlords, Liens of collecting banks under the UCC on items in the course of collection, statutory Liens and customary rights of set-off of banks, statutory Liens of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law, in each case incurred in the ordinary course of business (a) for amounts not yet overdue or (b) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of 10 days) are being contested in good faith by appropriate proceedings, so long as (1) such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts, and (2) in the case of a Lien with respect to any portion of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral on account of such Lien;

(c) deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of statutory obligations, bids, leases, government contracts, trade contracts, and other similar obligations (exclusive of obligations for the payment of borrowed money), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof;

(d) any attachment or judgment Lien not constituting an Event of Default under Section 7.8;

(e) licenses (with respect to Intellectual Property and other property), leases or subleases granted to third parties in accordance with any applicable terms of the Collateral Documents and not interfering in any material respect with the ordinary conduct of the business of Company or any of its Subsidiaries or resulting in a material diminution in the value of any Collateral as security for the Obligations;

(f) easements, rights-of-way, restrictions, encroachments, covenants and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Company or any of its Subsidiaries or result in a material diminution in the value of any material portion of the Collateral as security for the Obligations;

(g) any (a) interest or title of a lessor or sublessor under any lease not prohibited by this Agreement, (b) Lien or restriction that the interest or title of such lessor or sublessor may be subject to, or (c) subordination of the interest of the lessee or sublessee under such lease to any Lien or restriction referred to in the preceding clause (b), so long as the holder of such Lien or restriction agrees to recognize the rights of such lessee or sublessee under such lease;

(h) Liens arising from filing UCC financing statements relating solely to leases not prohibited by this Agreement;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any Government Authority to control or regulate the use of any real property;

(k) Liens granted pursuant to the Collateral Documents;

(l) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien by operation of law on the related inventory and proceeds thereof;

(m) Liens on insurance policies and the proceeds thereof securing the financing of the insurance premiums with the providers of such insurance and their Affiliates in respect thereof;

(n) Liens on any assets that are the subject of an agreement for disposition thereof expressly permitted under Section 6.7 that arise due to the existence of such agreement; and

(o) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business of Company and its Subsidiaries.

"**Permitted Holder**" means Golden Gate, its Affiliates or any Permitted Transferee thereof.

"**Permitted Indebtedness**" means any Indebtedness permitted under Section 6.1.

"**Permitted Refinancings**" means, with respect to any Subordinated Indebtedness, any refinancing, refunding, renewal, replacement, waiver, amendment, restatement, extension, supplement or other modification of such Indebtedness *provided that* such refinancing, refunding,

renewal, replacement, waiver, amendment, restatement, supplement, extension or other modification does not (i) result in the applicable cash rate of interest and payment in kind rate of interest payable in respect of such Subordinated Indebtedness exceeding, in aggregate, more than an applicable LIBOR rate plus 12% *per annum* (subject to an increase in the interest rate during the continuance of an event of default under the documents evidencing such Subordinated Indebtedness in an amount not to exceed 2%), (ii) change (to earlier dates) any dates upon which payments of principal or interest are due thereon, (iii) change any event of default or condition to an event of default with respect thereto (other than to eliminate any such event of default or increase any grace period related thereto), (iv) change the redemption, prepayment or defeasance provisions thereof to make more onerous, change the subordination provisions thereof (or of any guaranty thereof), or (v) increase the outstanding principal amount of such Subordinated Indebtedness (other than on account of accrued interest, premium, fees and expenses) unless otherwise permitted as new Subordinated Indebtedness under Section 6.1(m), *provided further that* the effect of such refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement, extension or other modification, together with all other refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement, extension or other modification made, does not increase materially the obligations of the obligor thereunder or to confer any additional rights on the holders of such Subordinated Indebtedness (or a trustee or other representative on their behalf) which would be materially adverse to Company or Lenders.

"**Permitted Transferees**" means, with respect to any Person, (i) any Affiliate of such Person, (ii) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any such Person or (iii) a trust, the beneficiaries of which, or a corporation or partnership, the stockholders, or general and limited partners, of which, or a limited liability company, the members of which, include only such Person or his or her spouse or lineal descendants, in each case to whom such Person has transferred the beneficial ownership of any Capital Stock of Parent.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Government Authorities.

"**Pledge and Security Agreement**" means the Pledge and Security Agreement executed and delivered on November 25, 2008.

"**Pledged Collateral**" means, collectively, the "Pledged Collateral" as defined in the Pledge and Security Agreement, any Foreign Pledge Agreement or any other Collateral Document.

"**Potential Event of Default**" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"**Prime Rate**" means the rate that Administrative Agent announces from time to time as its prime rate, effective as of the date announced as the effective date of any change in such prime rate. Without notice to Company or any other Person (other than such announcement), the Prime Rate shall change automatically from time to time as and in the amount by which such prime rate shall fluctuate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. BNP Paribas or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"**Pro Forma Basis**" means, with respect to compliance with any test or covenant hereunder, compliance with such test or covenant after giving effect to (a) the Transactions, (b) any proposed Permitted Acquisition, (c) any Asset Sale of a Subsidiary or operating entity for which historical financial statements for the relevant period are available or (d) any incurrence of Indebtedness

(including (i) pro forma adjustments arising out of events which are directly attributable to the Transactions, the proposed Permitted Acquisition, Asset Sale or incurrence of Indebtedness, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X, as interpreted by the staff of the Securities and Exchange Commission, (ii) such other adjustments as are reasonably satisfactory to Administrative Agent (acting upon the instructions of Requisite Lenders), and (iii) such other adjustments as calculated by an accounting or consulting firm of national standing, in each case as certified by the chief financial officer of Company) using, for purposes of determining such compliance, the historical financial statements of all entities or assets so acquired or sold and the consolidated financial statements of Company and its Subsidiaries, which shall be reformulated as if such Permitted Acquisitions or Asset Sale, and all other Permitted Acquisitions or Asset Sales that have been consummated during the period, and any Indebtedness or other liabilities to be incurred or repaid in connection therewith had been consummated and incurred or repaid at the beginning of such period (and assuming that such Indebtedness to be incurred bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding Loans incurred during such period).

"**Pro Rata Share**" means with respect to all payments, computations and other matters relating to the Commitment or the Loan of any Lender, the percentage obtained by dividing (i) the Loan Exposure of that Lender by (ii) the aggregate Loan Exposure of all Lenders. The initial Pro Rata Share of each Lender for the purposes of each of clauses (i) and (ii) of the preceding sentence will be set forth opposite the name of that Lender on a schedule to be held by Administrative Agent.

"**Proceedings**" means any litigation, action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration.

"**Purchaser**" has the meaning assigned to that term in Section 2.4(b)(iv).

"**Qualified Capital Stock**" means any Capital Stock of any Person that is not Disqualified Stock.

"**Real Property Asset**" means, at any time of determination, any interest then owned by any Loan Party in any real property.

"**Refinanced Loans**" has the meaning assigned to that term in Section 9.6(d).

"**Refinancing Lender**" means, at any time, Lenders and any bank, financial institution or other institutional lender or investor (other than any such bank, financial institution or other institutional lender or investor that is a Lender at such time) that agrees to provide any portion of Replacement Loans; *provided that* each Refinancing Lender shall be subject to the consent of (i) Administrative Agent, if such consent would be required under Section 9.1(b) for an assignment of Loans to such Refinancing Lender, and (ii) Company.

"**Register**" has the meaning assigned to that term in Section 2.1(d).

"**Regulation D**" means Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"**Regulation S-X**" means Regulation S-X promulgated under the Exchange Act or any similar regulation then in effect, as amended or modified from time to time and a reference to a particular provision thereof shall include a reference to the comparable provision if any of any such similar regulation.

"**Related Agreements**" means, collectively, the Management Agreement, the ABL Loan Documents and the Sand Purchase Documents.

"**Release**" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Materials into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Materials), including the movement of any Hazardous Materials through the air, soil, surface water or groundwater.

"**Replacement Loans**" has the meaning assigned to that term in Section 9.6(d).

"**Repurchase Offer Loans**" has the meaning assigned to that term in Section 2.4(b)(iv).

"**Requisite Lenders**" means Lenders having or holding more than 50% of the sum of the aggregate Loan Exposure of all Lenders.

"**Restricted Junior Payment**" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of Parent, Company or any of their Subsidiaries now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of Parent, Company or any of their Subsidiaries now or hereafter outstanding, (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of Parent, Company or any of their Subsidiaries now or hereafter outstanding, and (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness.

"**Sand Processing and Delivery Agreements**" means, collectively, Sand Processing and Delivery Agreements between Preferred Rocks USS and Company dated November 24, 2008 relating to the Sand Purchase Agreements.

"**Sand Purchase Agreements**" means, collectively, the Sand Purchase Agreements dated November 24, 2008 (as amended and restated on November 25, 2008, as amended on January 1, 2010 and as thereafter amended, restated, supplemented, extended or otherwise modified from time to time in accordance with their terms) between Preferred Rocks USS and each of Superior Well Services, Inc. and Schlumberger Technology Corporation.

"**Sand Purchase Documents**" means the Sand Purchase Agreements, Sand Processing and Delivery Agreement, the Conveyance of Undivided Mineral Interest and any promissory notes, subordination, attornment and non-disturbance agreements, mortgage, security agreement, financing statements and other documents executed in connection therewith.

"**Second Restatement Date**" means June 8, 2011.

"**Second Restatement Date Mortgage Policies**" has the meaning assigned to that term in Section 3.10(d).

"**Second Restatement Date Mortgaged Property**" has the meaning assigned to that term in Section 3.10(a).

"**Second Restatement Date Mortgages**" has the meaning assigned to that term in Section 3.10(a).

"**Secured Parties**" means Lenders, Administrative Agent, Arranger, Collateral Agent, Hedge Agreement Counterparties and the successors and assigns of each of the foregoing.

"**Securities**" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds,

debentures, notes, or other evidences of Indebtedness, secured or unsecured, convertible, subordinated, certificated or uncertificated, or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Account**" means an account to which a financial asset is or may be credited in accordance with an agreement under which the Person maintaining the account undertakes to treat the Person for whom the account is maintained as entitled to exercise the rights that comprise the financial asset.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"**Silica Related Claims**" shall mean claims (other than workers compensation claims) against Parent or any of its Subsidiaries alleging silica exposure, including those that allege that silica products sold by Parent or any of its Subsidiaries (or their predecessor-in-interest) were defective or that said Person acted negligently in selling products without a warning or with an inadequate warning.

"**Silica Related Claims Policies**" shall have the meaning given to such term in Section 5.4(b)(ii).

"**Solvent**", with respect to any Person, means that as of the date of determination both (i)(a) the then fair saleable value of the property of such Person is (1) greater than the total amount of liabilities (including contingent liabilities) of such Person and (2) not less than the amount that will be required to pay the probable liabilities on such Person's then existing debts as they become absolute and due considering all financing alternatives and potential asset sales reasonably available to such Person; (b) such Person's capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (c) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (ii) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"**Specified Equity Contribution**" has the meaning assigned to that term in clause (c) of ARTICLE VII.

"**Subject Lender**" has the meaning assigned to that term in Section 2.9.

"**Subordinated Indebtedness**" means any Indebtedness of any Loan Party permitted hereunder incurred from time to time and subordinated in right of payment to the Obligations on terms reasonably satisfactory to Administrative Agent.

"**Subordination Agreement**" means that certain Subordination Agreement, dated as of November 25, 2008, by and among, Administrative Agent, ABL Agent and Mezzanine Lender, as amended by that certain Amendment No. 1 to Subordination Agreement, dated as of May 7, 2010.

"**Subsidiary**", with respect to any Person, means any corporation, partnership, trust, limited liability company, association, Joint Venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the members of the Governing Body is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"**Subsidiary Guarantor**" has the meaning assigned to that term in the introduction to this Agreement.

"**Subsidiary Guaranty**" means the Subsidiary Guaranty executed and delivered by existing Domestic Subsidiaries of Parent (other than Company) on November 25, 2008 and executed and delivered by additional Domestic Subsidiaries of Parent from time to time thereafter in accordance with Section 5.9.

"**Supplemental Collateral Agent**" has the meaning assigned to that term in Section 8.1(b).

"**Tax**" or "**Taxes**" means any present or future tax, levy, impost, duty, fee, assessment, deduction, withholding or other charge of any nature and whatever called, imposed by a Government Authority, on whomsoever and wherever imposed, levied, collected, withheld or assessed, including interest, penalties, additions to tax and any similar liabilities with respect thereto.

"**Transaction Costs**" means all fees, costs, expenses, premiums, termination payments, prepayment penalties incurred or paid by any Loan Party on or before the Second Restatement Date in connection with the Transactions, including any fees referred to in Section 2.3 payable to Administrative Agent or Lenders on or before the Second Restatement Date and fees or original issue discount in connection with the Funding Requirements; *provided* that Transaction Costs on or before the Second Restatement Date shall not exceed $5,000,000 in the aggregate.

"**Transaction Documents**" means, collectively, the Loan Documents and the Related Agreements.

"**Transactions**" means, collectively, (i) the execution and delivery of any amended or amended and restated Loan Documents and the borrowing of the Loans on the Second Restatement Date, (ii) the repayment in full of all amounts outstanding or becoming due under the Mezzanine Note Agreement and the termination of such agreement and the Subordination Agreement, (iii) the execution and delivery of any amended or amended and restated ABL Loan Documents, and (iv) the payment of a cash dividend of no more than $25,000,000 from Company to Parent and Parent to Hourglass Holdings, LLC.

"**UCC**" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"**USA Patriot Act**" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

"**Unasserted Obligations**" means, at any time, Obligations for Taxes, costs, indemnifications, reimbursements, damages and other liabilities (except for the principal of and interest on, and fees relating to, any Indebtedness) in respect of which no claim or demand for payment has been made (or, in the case of Obligations for indemnification, no notice for indemnification has been issued by the Indemnitee) at such time.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (ii) the then outstanding principal amount of such Indebtedness.

"**Voting Securities**" means, with respect to any Person, the Capital Stock of such Person of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of members of the Governing Body (or Persons performing similar functions) of such Person.

Section 1.2 Accounting Terms; Utilization of GAAP for Purposes of Calculations Under Agreement

Except as otherwise expressly provided in this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Company to Lenders pursuant to clauses (b), (c) and (j) of Section 5.1 shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 5.1(e)). Calculations in connection with the definitions, covenants and other provisions of this Agreement shall utilize GAAP as in effect on the date of determination, applied in a manner consistent with that used in preparing the financial statements referred to in Section 4.3. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and Company, Administrative Agent or Requisite Lenders shall so request, Administrative Agent and Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of Requisite Lenders), *provided that*, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and Company shall provide to Administrative Agent and Lenders reconciliation statements provided for in Section 5.1(e).

Section 1.3 Other Definitional Provisions and Rules of Construction

(a) Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

(b) References to "Sections" and "Sections" shall be to Sections and Sections, respectively, of this Agreement unless otherwise specifically provided. Section and Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

(c) The use in any of the Loan Documents of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

(d) Unless otherwise expressly provided herein, references to Organizational Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto.

(e) Whenever any provision in any Loan Document refers to the knowledge (or an analogous phrase) of any Loan Party, such words are intended to signify that such Loan Party has actual knowledge or awareness of a particular fact or circumstance or that such Loan Party, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

Section 1.4 No Novation

It is the intent of the parties hereto that this Agreement does not constitute a novation of rights, obligations and liabilities of the respective parties existing under the First Amended and Restated Credit Agreement or evidence payment of all or any of such obligations and liabilities and such rights, obligations and liabilities shall continue and remain outstanding, and that this Agreement amends and restates in its entirety the First Amended and Restated Credit Agreement.

ARTICLE II
AMOUNTS AND TERMS OF COMMITMENTS AND LOANS

Section 2.1 Commitments; Making of Loans; the Register; Optional Notes

(a) **Commitments** Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of Company herein set forth, each Lender severally agrees to lend to Company (including, as applicable, to continue its outstanding First Restatement Loans) on the Second Restatement Date an amount not exceeding its Pro Rata Share of the aggregate amount of the Commitments to be used for the purposes identified in Section 2.5(a) and funded and continued in accordance with the Funds Flow Memorandum. The amount of each Lender's Commitment shall be set forth opposite its name on a schedule held by Administrative Agent and the aggregate amount of the Commitments is $260,000,000; *provided that* the amount of the Commitment of each Lender shall be adjusted to give effect to any assignment of such Commitment pursuant to Section 9.1(b). Company may make only one borrowing under the Commitments. For the avoidance of doubt, such borrowing made by Company pursuant to this Section 2.1(a) shall be deemed to include the Loans made by the Lenders on the Second Restatement Date as requested pursuant to the Notice of Borrowing dated on or about the Second Restatement Date and the outstanding First Restatement Loans under the First Amended and Restated Credit Agreement and continued hereunder and such borrowing shall be deemed to be made on the Second Restatement Date on the same terms and conditions as the Loans requested pursuant to the Notice of Borrowing delivered on or about the Second Restatement Date. Amounts borrowed under this Section 2.1(a) and subsequently repaid or prepaid may not be reborrowed.

(b) **Borrowing Mechanics**

(i) **Borrowing Notices and Amounts** The Loans shall be made on the Second Restatement Date in an aggregate minimum amount of $500,000 and multiples of $100,000 in excess of that amount. Company shall deliver to Administrative Agent a duly executed Notice of Borrowing no later than 12:00 Noon (New York City time) at least three Business Days in advance of the Second Restatement Date (in the case of a LIBOR Loan) or at least one Business Day in advance of the Second Restatement Date (in the case of a Base Rate Loan). Loans may be continued as or converted into Base Rate Loans and LIBOR Loans in the manner provided in Section 2.2(d). In lieu of delivering a Notice of Borrowing, Company may give Administrative Agent telephonic notice by the required time for the proposed borrowing under this Section 2.1(b); *provided that* such notice shall be promptly confirmed in writing by delivery of a duly executed Notice of Borrowing to Administrative Agent before the Second Restatement Date.

(ii) **Telephonic Notice** Neither Administrative Agent nor any Lender shall incur any liability to Company in acting upon any telephonic notice referred to above that Administrative Agent believes in good faith to have been given by an Officer or other Person authorized to borrow on behalf of Company or for otherwise acting in good faith under this Section 2.1(b) or under Section 2.2(d), and upon funding of Loans by Lenders, and upon conversion or continuation of the applicable basis for determining the interest rate with respect to any Loans pursuant to Section 2.2(d), in each case in accordance with this Agreement, pursuant to any such telephonic notice Company shall have effected Loans or a conversion or continuation thereof, as the case may be, hereunder.

(iii) **Certification by Company** Company shall notify Administrative Agent prior to the Second Restatement Date in the event that any of the matters to which Company is required to certify in the Notice of Borrowing is no longer true and correct as of the Second Restatement Date, and the acceptance by Company of the proceeds of any Loans shall constitute a re-certification by Company as of the Second Restatement Date, as to the matters to which Company is required to certify in the Notice of Borrowing.

(iv) **Notice Irrevocable** Except as otherwise provided in Section 2.6(b), 2.6(c) and 2.6(g), a Notice of Borrowing for, or a Notice of Conversion/Continuation for conversion to, or continuation of, a LIBOR Loan (or telephonic notice in lieu thereof) shall be irrevocable on and after the related Interest Rate Determination Date, and Company shall be bound to make a borrowing or to effect a conversion or continuation in accordance therewith.

(c) **Disbursement of Funds** All Loans shall be made by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that neither Administrative Agent nor any Lender shall be responsible for any default by any other Lender in that other Lender's obligation to make a Loan requested hereunder nor shall the amount of the Commitment of any Lender to make the particular type of Loan requested be increased or decreased as a result of a default by any other Lender in that other Lender's obligation to make a Loan requested hereunder. Promptly after receipt by Administrative Agent of a Notice of Borrowing pursuant to Section 2.1(b) (or telephonic notice in lieu thereof), Administrative Agent shall notify each Lender of the proposed borrowing. Each Lender shall make the amount of its Loan available to Administrative Agent not later than 12:00 Noon (New York City time) on the Second Restatement Date, in each case in same day funds in Dollars, at the Funding and Payment Office in accordance with the Funds Flow Memorandum.

Unless Administrative Agent shall have been notified by any Lender prior to the Second Restatement Date that such Lender does not intend to make available to Administrative Agent the amount of such Lender's Loan requested on the Second Restatement Date, Administrative Agent may assume that such Lender has made such amount available to Administrative Agent on the Second Restatement Date and Administrative Agent may, in its sole discretion, but shall not be obligated to, make

available to Company a corresponding amount on the Second Restatement Date. If such corresponding amount is not in fact made available to Administrative Agent by such Lender, Administrative Agent shall promptly notify Company and shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from the Second Restatement Date until the date such amount is paid to Administrative Agent, at the customary rate set by Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the Base Rate. If such Lender does not pay such corresponding amount forthwith upon Administrative Agent's demand therefor, Administrative Agent shall promptly notify Company and Company shall immediately pay such corresponding amount to Administrative Agent together with interest thereon, for each day from the Second Restatement Date until the date such amount is paid to Administrative Agent, at the rate payable under this Agreement for Base Rate Loans. Nothing in this Section 2.1(c) shall be deemed to relieve any Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Company may have against any Lender as a result of any default by such Lender hereunder.

(d) **The Register** Administrative Agent, acting for these purposes solely as an agent of Company (it being acknowledged that Administrative Agent, in such capacity, and its officers, directors, employees, agent and Affiliates shall constitute Indemnitees under Section 9.3), shall maintain (and make available for inspection by Company and Lenders (solely as it relates to such Lender's Commitments) upon reasonable prior notice at reasonable times) at its address referred to in Section 9.8 a register for the recordation of, and shall record, the names and addresses of Lenders and the respective amounts of the Commitment and Loan of each Lender from time to time (the "**Register**"). Company, Administrative Agent and Lenders shall deem and treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments and Loans listed therein for all purposes hereof; all amounts owed with respect to any Commitment or Loan shall be owed to the Lender listed in the Register as the owner thereof; and any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Commitments or Loans. Each Lender shall record on its internal records the amount of its Loans and Commitments and each payment in respect hereof, and any such recordation shall be conclusive and binding on Company, absent manifest error, subject to the entries in the Register, which shall, absent manifest error, govern in the event of any inconsistency with any Lender's records. Failure to make any recordation in the Register or in any Lender's records, or any error in such recordation, shall not affect any Loans or Commitments or any Obligations in respect of any Loans.

(e) **Optional Notes** If so requested by any Lender by written notice to Company (with a copy to Administrative Agent) at least two Business Days prior to the Second Restatement Date or at any time thereafter, Company shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 9.1) on the Second Restatement Date (or, if such notice is delivered after the date that is two Business Days prior to the Second Restatement Date, promptly after Company's receipt of such notice) a promissory note to evidence such Lender's Loan, substantially in the form of Exhibit III annexed hereto, with appropriate insertions.

Section 2.2 Interest on the Loans

(a) **Rate of Interest** Subject to the provisions of Sections 2.6 and 2.7, the Loans shall bear interest on the unpaid principal amount thereof from the date made through maturity (whether by acceleration or otherwise) at a rate determined by reference to the Base Rate or LIBOR. Subject to Sections 2.10 and 2.11, the applicable basis for determining the rate of interest with respect to the Loans shall be selected by Company initially at the time a Notice of Borrowing is given pursuant to Section 2.1(b) (subject to the basis for determining the interest rate with respect to the Loans being changed from time to time pursuant to Section 2.2(d)). If on any day notice has not been delivered to Administrative Agent in accordance with the terms of this Agreement specifying the applicable basis for determining the rate of interest, then for that day the Loans shall bear interest determined by reference to the Base Rate.

(i) **Loans** Subject to the provisions of Sections 2.2(d), 2.2(e), 2.2(g), 2.7, 2.10 and 2.11, the Loans shall bear interest through maturity as follows:

(A) if a Base Rate Loan, then at the sum of the Base Rate **plus** 2.75% per annum; or

(B) if a LIBOR Loan, then at the sum of Adjusted LIBOR **plus** 3.75% per annum.

(b) **Interest Periods** In connection with each LIBOR Loan, Company may, pursuant to the Notice of Borrowing or a Notice of Conversion/Continuation, as the case may be, select an interest period (each an "**Interest Period**") to be applicable to such Loan, which Interest Period shall be, at Company's option, a one, two, three or six month, or, if available to all the Lenders, nine or twelve month, period; *provided that*:

(i) the initial Interest Period for any LIBOR Loan shall commence on the Second Restatement Date, in the case of a Loan initially made as a LIBOR Loan, or on the date specified in the applicable Notice of Conversion/Continuation, in the case of a Loan converted to a LIBOR Loan;

(ii) in the case of immediately successive Interest Periods applicable to a LIBOR Loan continued as such pursuant to a Notice of Conversion/Continuation, each successive Interest Period shall commence on the day on which the next preceding Interest Period expires;

(iii) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided that*, if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(iv) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (v) of this Section 2.2(b), end on the last Business Day of a calendar month;

(v) no Interest Period with respect to any portion of the Loans shall extend beyond the Maturity Date;

(vi) no Interest Period with respect to any Loans shall extend beyond a date on which Company is required to make a scheduled payment of principal of the Loans, unless the sum of (a) the aggregate principal amount of the Loans that are Base Rate Loans **plus** (b) the aggregate principal amount of the Loans that are LIBOR Loans with Interest Periods expiring on or before such date equals or exceeds the principal amount required to be paid on the Loans on such date;

(vii) there shall be no more than ten Interest Periods outstanding at any time;

(viii) in the event Company fails to specify an Interest Period for any LIBOR Loan in the Notice of Borrowing or a Notice of Conversion/Continuation, Company shall be deemed to have selected an Interest Period of one month; and

(ix) no new Interest Period may be selected whilst any Event of Default has occurred and is continuing.

(c) **Interest Payments** Subject to the provisions of Section 2.2(e), interest on each Loan shall be payable in arrears on and to each Interest Payment Date applicable to that Loan, upon any prepayment of that Loan (to the extent accrued on the amount being prepaid) and at maturity (including final maturity).

(d) **Conversion or Continuation**

(i) **Minimum Amount** Subject to the provisions of Section 2.6, Company shall have the option (i) to convert at any time all or any part of the outstanding Loans equal to $500,000 and multiples of $100,000 in excess of that amount from Loans bearing interest at a rate determined by reference to one basis to Loans bearing interest at a rate determined by reference to an alternative basis or (ii) upon the expiration of any Interest Period applicable to a LIBOR Loan, to continue all or any portion of such Loan equal to $500,000 and multiples of $100,000 in excess of that amount as a LIBOR Loan; *provided, however, that* a LIBOR Loan may only be converted into a Base Rate Loan on the expiration date of an Interest Period applicable thereto.

(ii) **Conversion/Continuation Notice** Company shall deliver a duly executed Notice of Conversion/Continuation to Administrative Agent no later than 10:00 AM (New York City time) at least one Business Day in advance of the proposed conversion date (in the case of a conversion to a Base Rate Loan) and no later than 12:00 Noon (New York City time) at least three Business Days in advance of the proposed conversion/continuation date (in the case of a conversion to, or a continuation of, a LIBOR Loan). In lieu of delivering a Notice of Conversion/Continuation, Company may give Administrative Agent telephonic notice by the required time of any proposed conversion/continuation under this Section 2.2(d); *provided that* such notice shall be promptly confirmed in writing by delivery of a duly executed Notice of Conversion/Continuation to Administrative Agent before the proposed conversion/continuation date. Administrative Agent shall notify each Lender of any Notice of Conversion/Continuation.

(e) **Default Rate** Upon the occurrence and continuance of an Event of Default of the type set forth in Section 7.1, 7.6 or 7.7, the aggregate outstanding principal amount of all Loans, any interest payments thereon then due and payable and any fees and other amounts then due and payable shall thereafter bear interest (including post-petition interest in any Proceeding under the Bankruptcy Code or other applicable bankruptcy laws) at a rate which is 2% per annum in excess of the interest rate otherwise payable under this Agreement with respect to the applicable Loans (or, in the case of any such fees and other amounts, at a rate which is 2% per annum in excess of the interest rate otherwise payable under this Agreement for Base Rate Loans) and shall be payable on demand by Administrative Agent; *provided that*, in the case of LIBOR Loans upon the expiration of the Interest Period in effect at the time any such increase in interest rate is effective such LIBOR Loans shall become Base Rate Loans and such Loans shall thereafter bear interest payable upon demand at a rate which is 2% per annum in excess of the interest rate otherwise payable under this Agreement for Base Rate Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.2(e) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

(f) **Computation of Interest** Interest on the Loans shall be computed (i) in the case of Base Rate Loans calculated using the Prime Rate, on the basis of a 365-day or 366-day year, as the case may be, and (ii) in the case of LIBOR Loans and Base Rate Loans calculated using the Federal Funds Effective Rate, on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being converted from a LIBOR Loan, the date of conversion of such LIBOR Loan to such Base Rate Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being converted to a LIBOR Loan, the date of conversion of such Base Rate Loan to such LIBOR Loan, as the case may be, shall be excluded; *provided that* if a Loan is repaid on the same day on which it is made, one day's interest shall be paid on that Loan.

(g) **Maximum Rate** Notwithstanding the foregoing provisions of this Section 2.2, in no event shall the rate of interest payable by Company with respect to any Loan exceed the maximum rate of interest permitted to be charged under applicable law.

Section 2.3 Fees

Company agrees to pay to Administrative Agent such fees in the amounts and at the times separately agreed upon between Company and Administrative Agent.

Section 2.4 Repayments, Prepayments; General Provisions Regarding Payments; Application of Proceeds of Collateral and Payments Under Guaranties

(a) **Scheduled Payments of Loans** Company shall make principal payments on the Loans in installments on the dates and in the amounts set forth below (such amounts being expressed as a percentage of the original principal amount of the Loans):

Date	Amount
September 30, 2011	0.25%
December 31, 2011	0.25%
March 31, 2012	0.25%
June 30, 2012	0.25%
September 30, 2012	0.25%
December 31, 2012	0.25%
March 31, 2013	0.25%
June 30, 2013	0.25%
September 30, 2013	0.25%
December 31, 2013	0.25%
March 31, 2014	0.25%
June 30, 2014	0.25%
September 30, 2014	0.25%
December 31, 2014	0.25%
March 31, 2015	0.25%
June 30, 2015	0.25%
September 30, 2015	0.25%
December 31, 2015	0.25%
March 31, 2016	0.25%
June 30, 2016	0.25%
September 30, 2016	23.75%
December 31, 2016	23.75%
March 31, 2017	23.75%
Maturity Date	23.75%

provided that the scheduled installments of principal of the Loans set forth above shall be reduced in connection with any voluntary or mandatory prepayments of the Loans in accordance with Section 2.4(b)(iii); and *provided, further that,* the Loans and all other amounts owed hereunder with respect to the Loans shall be paid in full no later than the Maturity Date, and the final installment payable by Company in respect of the Loans on such date shall be in an amount, if such amount is different from that specified above, sufficient to repay all amounts owing by Company under this Agreement with respect to the Loans.

(b) **Prepayments**

(i) **Voluntary Prepayments** Company may, upon not less than one Business Day's prior written or telephonic notice, in the case of Base Rate Loans, and three Business Days' (except that in connection with the repayment in full of the Loans, only one Business Day's notice shall be required) prior written or telephonic notice, in the case of LIBOR Loans, in each case given to Administrative Agent by 3:00 P.M. (New York City time) on the date required and, if given by telephone, promptly confirmed in writing to Administrative Agent, who will promptly notify each Lender of such prepayment, at any time and from time to time prepay the Loans on any Business Day in whole or in part without premium or penalty in an aggregate minimum amount of $500,000 and multiples of $100,000 in excess of that amount; *provided that*, in any event, any prepayment of a LIBOR Loan on any date other than the expiration date of the Interest Period applicable thereto shall be subject to the requirements of Section 2.6(d). Notice of prepayment having been given as aforesaid, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.4(b)(iii)(A).

(ii) **Mandatory Prepayments** The Loans shall be prepaid in the amounts and under the circumstances set forth below (except in each case to the extent a different application of the relevant amounts is set forth in the Intercreditor Agreement), all such prepayments and/or reductions to be applied as set forth below or as more specifically provided in Section 2.4(b)(iii)(B) and Section 2.4(d):

(A) **Prepayments from Net Asset Sale Proceeds** Subject to Section 6.7(d) and the Intercreditor Agreement, no later than the third Business Day following the date of receipt by Parent, Company or any Subsidiary Guarantor of any Net Asset Sale Proceeds in respect of any Asset Sale, Company shall either (1) subject to subsection (2) below, prepay the Loans in an aggregate amount equal to such Net Asset Sale Proceeds or (2), so long as no Event of Default shall have occurred and be continuing, deliver to Administrative Agent an Officer's Certificate setting forth (x) that portion of such Net Asset Sale Proceeds that Company or such Subsidiary intends to reinvest in assets of the general type used in the business of Company and its Subsidiaries within 270 days of such date of receipt and (y) the proposed use of such portion of the Net Asset Sale Proceeds; and such other information with respect to such reinvestment as Administrative Agent may reasonably request, and Company shall, or shall cause one or more of its Subsidiaries to apply such portion to such reinvestment purposes within such 270 day period. In addition, Company shall, no later than 270 days after receipt of such Net Asset Sale Proceeds that have not theretofore been applied to the Obligations or that have not been so reinvested as provided above, make an additional prepayment of the Loans in the full amount of all such unapplied and un-reinvested Net Asset Sale Proceeds unless on or prior to such date Company has entered into a committed written agreement for the application or reinvestment of such Net Asset Sale Proceeds. Company shall, within 90 days after the end of such 270 day period, make an additional prepayment of the Loans in the full amount of any such Net Asset Sale Proceeds that have not been applied or reinvested within such 90 day period.

(B) **Prepayments from Net Insurance/Condemnation Proceeds.** Subject to the provisions of Section 5.4(c) and the Intercreditor Agreement, no later than the third Business Day following the date of receipt by Administrative Agent or any Loan Party of any Net Insurance/Condemnation Proceeds, Company shall either (1) subject to subsection (2) below, prepay the Loans in an aggregate amount equal to such Net Insurance/Condemnation Proceeds or (2), so long as no Event of Default shall have occurred and be continuing, deliver to Administrative Agent an Officer's Certificate setting forth (x) that portion of such Net Insurance/Condemnation Proceeds that Company or such Subsidiary intends to reinvest in assets of the general type used in the business of Company and its Subsidiaries within 270 days of such date of receipt and (y) the proposed use of such portion of the Net Insurance/Condemnation Proceeds; and such other information with respect to such reinvestment as Administrative Agent may reasonably request, and Company shall, or shall cause one or more of its Subsidiaries to, apply such portion to such reinvestment purposes within such 270 day period. In addition, Company shall, no later than 270 days after receipt of such Net Insurance/Condemnation Proceeds that have not theretofore been applied to the Obligations or that have not been so reinvested as provided above, make an additional prepayment of the Loans in the full amount of all such unapplied and un-reinvested Net Insurance/Condemnation Proceeds unless on or prior to such date Company has entered into a committed written agreement for the application or reinvestment of such Net Insurance/Condemnation Proceeds. Company shall, within 90 days after the end of such 270 day period, make an additional prepayment of the Loans in the full amount of any such Net Insurance/Condemnation Proceeds that have not been applied or reinvested within such 90 day period.

(C) **Prepayments due to Equity Cure** On the date of receipt of any Specified Equity Contribution, Company shall prepay the Loans in an aggregate amount equal to such Specified Equity Contribution.

(D) **Prepayments due to Issuance of Indebtedness** On the date of receipt of the Net Securities Proceeds from the issuance of any Indebtedness of Parent, Company or of any Subsidiary of Company after the Second Restatement Date, other than Indebtedness permitted pursuant to Section 6.1, Company shall prepay the Loans in an aggregate amount equal to such Net Securities Proceeds.

(E) **Prepayments from Consolidated Excess Cash Flow** In the event that there shall be Consolidated Excess Cash Flow for any Fiscal Year (commencing with Fiscal Year 2012), Company shall, within 3 Business Days following the delivery of the financial statements described in Section 5.1(c) with respect to such Fiscal Year, prepay the Loans in an aggregate amount equal to 50% (the "**Consolidated**

Excess Cash Flow Percentage") of such Consolidated Excess Cash Flow for such Fiscal Year; *provided that* if the Consolidated Leverage Ratio as of the last day of such Fiscal Year (commencing with Fiscal Year 2012) was less than 2.75:1.00 (as certified and demonstrated in reasonable detail in a Compliance Certificate delivered to Administrative Agent with the annual financial statements for such Fiscal Year in accordance with Section 5.1(d)), then the Consolidated Excess Cash Flow Percentage for such Fiscal Year shall be reduced to 25%.

(F) **Calculations of Net Proceeds Amounts; Additional Prepayments Based on Subsequent Calculations** Concurrently with any prepayment of the Loans pursuant to Sections 2.4(b)(ii)(A)-(E), Company shall deliver to Administrative Agent an Officer's Certificate demonstrating the calculation of the amount of the applicable Net Asset Sale Proceeds, Net Insurance/Condemnation Proceeds, Specified Equity Contribution, Net Securities Proceeds, or Consolidated Excess Cash Flow, as the case may be, that gave rise to such prepayment and/or reduction. In the event that Company shall subsequently determine that the actual amount was greater than the amount set forth in such Officer's Certificate, Company shall promptly make an additional prepayment of the Loans in an amount equal to the amount of such excess, and Company shall concurrently therewith deliver to Administrative Agent an Officer's Certificate demonstrating the derivation of the additional amount resulting in such excess; *provided that*, any failure to make a prepayment resulting from a mistake in calculation that is corrected pursuant to this Section 2.4(b)(ii)(F) shall not constitute an Event of Default or Potential Event of Default under Section 7.1(a).

(iii) **Application of Prepayments.**

(A) **Application of Voluntary Prepayments by Type of Loans and Order of Maturity** Any voluntary prepayment of the Loans pursuant to Section 2.4(b)(i) shall be applied pro rata among the Loans and shall be applied to reduce the remaining scheduled installments thereof on a pro rata basis.

(B) **Application of Mandatory Prepayments of Loans and the Scheduled Installments of Principal Thereof** Except as provided in Section 2.4(d), any mandatory prepayment of the Loans pursuant to Section 2.4(b)(ii) shall be applied to prepay the Loans on a pro rata basis and shall be applied to reduce the remaining scheduled installments thereof on a pro rata basis.

(C) **Application of Prepayments to Base Rate Loans and LIBOR Loans** Any prepayment of Loans shall be applied to Base Rate Loans to the full extent thereof before application to LIBOR Loans, in each case in a manner that minimizes the amount of any payments required to be made by Company pursuant to Section 2.6(d); *provided that*, in any event, any prepayment of a LIBOR Loan on any date other than the expiration date at the Interest Period applicable thereto shall be subject to the requirements of Section 2.6(d).

(D) **Application of Prepayments to LIBOR Loans** If the application of any payment made in accordance with the provisions of Section 2.4(b)(i) or Section 2.4(b)(ii) would result in termination of a LIBOR Loan prior to the last day of the Interest Period for such LIBOR Loan, Company may elect to have the amount of such prepayment not applied to such LIBOR Loan, but held by Administrative Agent in the Collateral Account, in each case to be applied as such amount would otherwise have been applied under this Section 2.4(b)(iii) as of the last day of the relevant Interest Period; *provided that* any interest earned on such amount shall be paid to Company (or as otherwise directed by Company) on the last day of the relevant Interest Period if no Event of Default has occurred and is then continuing. Notwithstanding the foregoing payment to the Collateral Account, the related LIBOR Loan shall remain outstanding for all purposes of this Agreement, including, without limitation, the accrual of interest and fees and the calculation of the Consolidated Leverage Ratio, until such time as such LIBOR Loan has been paid in full or converted or continued in accordance with the terms hereof.

(iv) **Acquisition of Loans by a Loan Party** Notwithstanding anything to the contrary contained in this Section 2.4 or any other provision of this Agreement, so long as no Potential Event of Default or Event of Default has occurred and is continuing, and Requisite Lenders have given prior written consent, Golden Gate, Parent, Company or any Affiliate thereof may repurchase outstanding Loans pursuant to this Section 2.4(b)(iv) on the following basis:

(A) Golden Gate, Parent, Company or any Affiliate thereof (the "**Purchaser**") may make one or more offers (each, a "**Loan Repurchase Offer**") to repurchase all or any portion of the Loans (such Loans, the "**Repurchase Offer Loans**") of Lenders pursuant to an open *pro rata* tender process; *provided that*:

(i) the Purchaser delivers a notice of such Loan Repurchase Offer to Administrative Agent and all Lenders no later than 12:00 Noon (New York City time) at least five Business Days in advance of a proposed consummation date of such Loan Repurchase Offer indicating (1) the last date on which such Loan Repurchase Offer may be accepted, (2) the maximum dollar amount of such Loan Repurchase Offer, (3) the repurchase price per dollar of principal amount of such Repurchase Offer Loans at which such Purchaser is willing to repurchase such Repurchase Offer Loans and (4) the instructions with respect to the Loan Repurchase Offer that a Lender must follow in order to have its Repurchase Offer Loans repurchased;

(ii) a Lender who elects to participate in the Loan Repurchase Offer may choose to sell all or part of such Lender's Repurchase Offer Loans; and

(iii) such Loan Repurchase Offer shall be made to Lenders holding the Repurchase Offer Loans on a *pro rata* basis in accordance with the respective principal amount then held by such Lenders; *provided*, *further*, *that*, if any Lender elects not to participate in the Loan Repurchase Offer, either in whole or in part, the amount of such Lender's Repurchase Offer Loans not being tendered shall be excluded in calculating the *pro rata* amount applicable to the balance of such Repurchase Offer Loans;

(B) Such repurchases shall not constitute a voluntary prepayment pursuant to Section 2.4 and such repurchases shall not be subject to the provisions of Section 9.5.

(C) With respect to all repurchases made by Parent, Company or Subsidiary thereof such Repurchase Offer Loans shall be retired and cancelled immediately upon the repurchase thereof and all principal and accrued and unpaid interest on the Loans so repurchased shall be deemed to have been paid for all purposes and no longer outstanding (and may not be resold by Parent, Company or such Subsidiary), for all purposes of this Agreement and all other Loan Documents;

(D) With respect to all repurchases made by Golden Gate and its Affiliates, (1) such Purchaser shall not have voting or other information rights under this Agreement, other than solely with respect to those matters requiring the consent of all Lenders (and any Loans held by Golden Gate or its Affiliates shall not be included in the calculation of the required voting percentages) and (2) the aggregate principal amount of Loans held by Golden Gate and its Affiliates shall not at any time exceed 10% of the aggregate Loans and Commitments; and

(E) Following repurchase by a Purchaser, Company will promptly advise Administrative Agent of the total amount of Repurchase Offer Loans that were repurchased from each Lender who elected to participate in the Loan Repurchase Offer.

(c) **General Provisions Regarding Payments**

(i) **Manner and Time of Payment** All payments by Company of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without defense, setoff or counterclaim, free of any restriction or condition, and delivered to Administrative Agent not later than 12:00 Noon (New York City time) on the date due at the Funding and Payment Office for the account of Lenders; funds received by Administrative Agent after that time on such due date shall be deemed to have been paid by Company on the next succeeding Business Day. Company hereby authorizes Administrative Agent to charge its accounts with Administrative Agent in order to cause timely payment to be made to Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

(ii) **Application of Payments to Principal and Interest** Except as provided in Section 2.2(c), all payments in respect of the principal amount of any Loan shall include payment of accrued interest on the principal amount being repaid or prepaid, and all such payments shall be applied to the payment of interest before application to principal.

(iii) **Apportionment of Payments** Aggregate payments of principal and interest shall be apportioned among all outstanding Loans proportionately to Lenders' respective Pro Rata Shares. Administrative Agent shall promptly distribute to each Lender, at the account specified in the payment instructions delivered to Administrative Agent by such Lender, its Pro Rata Share of all such payments received by Administrative Agent when received by Administrative Agent pursuant to Section 2.3. Notwithstanding the foregoing provisions of this Section 2.4(c)(iii), if, pursuant to the provisions of Section 2.6(c), any Notice of Conversion/Continuation is withdrawn as to any Affected Lender or if any Affected Lender makes Base Rate Loans in lieu of its Pro Rata Share of any LIBOR Loans, Administrative Agent shall give effect thereto in apportioning interest payments received thereafter.

(iv) **Payments on Business Days** Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder or of the commitment fees hereunder, as the case may be.

(d) **Application of Proceeds of Collateral and Payments after Event of Default** Upon the occurrence and during the continuation of an Event of Default, if requested by Requisite Lenders, or upon acceleration of the Obligations pursuant to ARTICLE VII, (a) all payments received by Administrative Agent, whether from Company, Parent or any Subsidiary Guarantor or otherwise and (b) all proceeds received by Administrative Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral under any Collateral Document shall, subject to the terms of the Intercreditor Agreement, be applied in full or in part by Administrative Agent, in each case in the following order of priority:

(i) to the payment of all costs and expenses of such sale, collection or other realization, all other expenses, liabilities and advances made or incurred by Agents in connection therewith, and all amounts for which Agents are entitled to compensation (including the fees described in Section 2.3), reimbursement and indemnification under any Loan Document and all advances made by Agents thereunder for the account of the applicable Loan Party, and to the payment of all costs and expenses paid or incurred by Agents in connection with the Loan Documents, all in accordance with Sections 8.4, 9.2 and 9.3 and the other terms of this Agreement and the Loan Documents;

(ii) thereafter, to the payment of all other Obligations and obligations of Loan Parties under any Hedge Agreement between a Loan Party and a Hedge Agreement Counterparty, to the extent then due and owing for the ratable benefit of the holders thereof (subject to the provisions of Section 2.4(c)(ii) hereof); and

(iii) thereafter, to the payment to or upon the order of such Loan Party or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 2.5 Use of Proceeds

(a) **Loans** The proceeds of the Loans shall be applied by Company to fund the Funding Requirements. The proceeds of any Incremental Term Loans shall be applied by Company to fund Permitted Acquisitions and the opening, development or expansion of sand processing and mining facilities and to pay fees and expenses incurred in connection therewith.

(b) **Margin Regulations** No portion of the proceeds of any borrowing under this Agreement shall be used by Parent or any of its Subsidiaries in any manner that might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of such Board or to violate the Exchange Act, in each case as in effect on the date or dates of such borrowing and such use of proceeds.

Section 2.6 Special Provisions Governing LIBOR Loans

Notwithstanding any other provision of this Agreement to the contrary, the following provisions shall govern with respect to LIBOR Loans as to the matters covered:

(a) **Determination of Applicable Interest Rate** On each Interest Rate Determination Date, Administrative Agent shall determine in accordance with the terms of this Agreement (which determination shall, absent manifest error, be conclusive and binding upon all parties) the interest rate that shall apply to the LIBOR Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Company and each Lender.

(b) **Inability to Determine Applicable Interest Rate** In the event that Administrative Agent shall have determined (which determination shall be conclusive and binding upon all parties hereto), on any Interest Rate Determination Date that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such Loans on the basis provided for in the definition of LIBOR, Administrative Agent shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to Company and each Lender of such determination, whereupon (i) no Loans may be converted to LIBOR Loans until such time as Administrative Agent notifies Company and Lenders that the circumstances giving rise to such notice no longer exist and (ii) any Notice of Conversion/Continuation given by Company with respect to the Loans in respect of which such determination was made shall be deemed to be for a Base Rate Loan.

(c) **Illegality or Impracticability of LIBOR Loans** In the event that on any date any Lender shall have determined (which determination shall be conclusive and binding upon all parties hereto but shall be made only after consultation with Company and Administrative Agent) that the maintaining or continuation of its LIBOR Loans (i) has

become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful) or (ii) has become impracticable, or would cause such Lender material hardship, as a result of contingencies occurring after the date of this Agreement which materially and adversely affect the London interbank market or the position of such Lender in that market, then, and in any such event, such Lender shall be an "**Affected Lender**" and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to Company and Administrative Agent of such determination. Administrative Agent shall promptly notify each other Lender of the receipt of such notice. Thereafter (a) the obligation of the Affected Lender to convert Loans to LIBOR Loans shall be suspended until such notice shall be withdrawn by the Affected Lender, (b) to the extent such determination by the Affected Lender relates to a LIBOR Loan then being requested by Company pursuant to a Notice of Conversion/Continuation, the Affected Lender shall convert such Loan to a Base Rate Loan, (c) the Affected Lender's obligation to maintain its outstanding LIBOR Loans (the "**Affected Loans**") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law and (d) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a LIBOR Loan then being requested by Company pursuant to a Notice of Conversion/Continuation, Company shall have the option, subject to the provisions of Section 2.6(d), to rescind such Notice of Borrowing or Notice of Conversion/Continuation as to all Lenders by giving notice (by telefacsimile or by telephone confirmed in writing) to Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above. Administrative Agent shall promptly notify each other Lender of the receipt of such notice. Except as provided in the immediately preceding sentence, nothing in this Section 2.6(c) shall affect the obligation of any Lender other than an Affected Lender to maintain Loans as, or to convert Loans to, LIBOR Loans in accordance with the terms of this Agreement.

(d) **Compensation For Breakage or Non-Commencement of Interest Periods** Company shall compensate each Lender, upon written request by that Lender pursuant to Section 2.8, for all reasonable documented losses, expenses and liabilities (including any interest paid by that Lender to lenders of funds borrowed by it to make or carry its LIBOR Loans and any loss, expense or liability sustained by that Lender in connection with the liquidation or re-employment of such funds) which that Lender may sustain: (i) if for any reason (other than a default by that Lender) a borrowing of any LIBOR Loan does not occur on a date specified therefor in a Notice of Borrowing or a telephonic request therefor, or a conversion to or continuation of any LIBOR Loan does not occur on a date specified therefor in a Notice of Conversion/Continuation or a telephonic request therefor, (ii) if any prepayment or other principal payment or any conversion of any of its LIBOR Loans (including any prepayment or conversion occasioned by the circumstances described in Section 2.6(c)) occurs on a date prior to the last day of an Interest Period applicable to that Loan, (iii) if any prepayment of any of its LIBOR Loans is not made on any date specified in a notice of prepayment given by Company or (iv) as a consequence of any other default by Company in the repayment of its LIBOR Loans when required by the terms of this Agreement.

(e) **Booking of LIBOR Loans** Any Lender may make, carry or transfer LIBOR Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of that Lender.

(f) **Assumptions Concerning Funding of LIBOR Loans** Calculation of all amounts payable to a Lender under this Section 2.6 and under Section 2.7(a) shall be made as though that Lender had funded each of its LIBOR Loans through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to clause (i) of the definition of LIBOR in an amount equal to the amount of such LIBOR Loan and having a maturity comparable to the relevant Interest Period, whether or not its LIBOR Loans had been funded in such manner.

(g) **LIBOR Loans After Default** After the occurrence and during the continuation of a Potential Event of Default or an Event of Default, (i) Company may not elect to have a Loan be maintained as, or converted to, a LIBOR Loan after the expiration of any Interest Period then in effect for that Loan and (ii) subject to the provisions of Section 2.6(d), any Notice of Conversion/Continuation given by Company with respect to a requested conversion/continuation that has not yet occurred shall be deemed to be for a Base Rate Loan.

Section 2.7 Increased Costs; Taxes; Capital Adequacy

(a) **Compensation for Increased Costs** Subject to the provisions of Section 2.7(b) (which shall be controlling with respect to the matters covered thereby), in the event that any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any Change in Law:

(i) imposes, modifies or holds applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender (other than any such reserve or other requirements with respect to LIBOR Loans that are reflected in the definition of LIBOR); or

(ii) imposes any other condition (other than with respect to Taxes) on or affecting such Lender or its obligations hereunder or the London interbank market;

and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining its Loans or Commitments or agreeing to purchase, purchasing or maintaining any participation therein or to reduce any amount received or receivable by such Lender with respect thereto; then, in any such case, Company shall promptly pay to such Lender, upon receipt of the statement referred to in Section 2.8(a), such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Lender on an after tax basis for any such increased cost or reduction in amounts received or receivable hereunder. Company shall not be required to compensate a Lender pursuant to this Section 2.7(a) for any increased cost or reduction in respect of a period occurring more than six months

prior to the date on which such Lender notifies Company of such Change in Law and such Lender's intention to claim compensation therefor, except, if the Change in Law giving rise to such increased cost or reduction is retroactive, no such time limitation shall apply so long as such Lender requests compensation within six months from the date on which the applicable Government Authority informed such Lender of such Change in Law.

(b) **Taxes**

(i) **Payments to Be Free and Clear** Any and all payments by or on account of any obligation of Company under this Agreement and the other Loan Documents shall be made free and clear of, and without any deduction or withholding on account of, any Indemnified Taxes or Other Taxes.

(ii) **Grossing-up of Payments** If Company or any other Person is required by law to make any deduction or withholding on account of any Indemnified Taxes or Other Taxes from any sum paid or payable by Company to Administrative Agent or any Lender under any of the Loan Documents:

(A) Company shall notify Administrative Agent of any such requirement or any change in any such requirement as soon as Company becomes aware of it;

(B) Company shall timely pay any such Indemnified Tax and Other Tax to the relevant Government Authority when such amount is due, in accordance with applicable law;

(C) The sum payable by Company shall be increased to the extent necessary to ensure that, after making the required deductions (including deductions applicable to additional sums payable under this Section 2.7(b)(ii)), Administrative Agent or such Lender, as the case may be, receives a sum equal to the sum it would have received had no such deduction been required or made; and

(D) As soon as practicable after any payment of Indemnified Tax or Other Tax which it is required by clause (B) above to pay, Company shall deliver to Administrative Agent the original or a certified copy of an official receipt or other document reasonably satisfactory to the other affected parties to evidence the payment and its remittance to the relevant Government Authority.

(iii) **Indemnification by Company** Company shall indemnify Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes on or with respect to any sum paid or payable by Company to Administrative Agent or any Lender under any of the Loan Documents or Other Taxes (including for the full amount of any Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.7(b)(iii)) paid by Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Government Authority. A certificate as to the amount of such payment or liability delivered to Company by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(iv) **Tax Status of Lenders** Unless not legally entitled to do so:

(A) any Lender, if requested by Company or Administrative Agent, shall deliver such forms or other documentation prescribed by applicable law or reasonably requested by Company or Administrative Agent as will enable Company or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements;

(B) any Foreign Lender that is entitled to an exemption from or reduction of any Tax with respect to payments hereunder or under any other Loan Document shall deliver to Company and Administrative Agent, on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter, as may be necessary in the determination of Company or Administrative Agent, each in the reasonable exercise of its discretion), such properly completed and duly executed forms or other documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding;

(C) without limiting the generality of the foregoing, in the event that Company is resident for Tax purposes in the United States, any Foreign Lender shall deliver to Company and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter, as may be necessary in the determination of Company or Administrative Agent, each in the reasonable exercise of its discretion), whichever of the following is applicable:

(1) properly completed and duly executed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income Tax treaty to which the United States is a party,

(2) properly completed and duly executed copies of Internal Revenue Service Form W-8ECI,

(3) in the case of a Foreign Lender claiming the benefits of the exemption “portfolio interest” under Section 881(c) of the Internal Revenue Code, (A) a duly executed certificate to the effect that such Foreign Lender is not (i) a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (ii) a ten-percent shareholder (within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code) of Company or Parent or (iii) a controlled foreign corporation described in Section 881(c)(3)(C) of the Internal Revenue Code and (B) properly completed and duly executed copies of Internal Revenue Service Form W-8BEN, or

(4) properly completed and duly executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in any Tax,

in each case together with such supplementary documentation as may be prescribed by applicable law to permit Company and Administrative Agent to determine the withholding or deduction required to be made, if any;

(D) without limiting the generality of the foregoing, in the event that Company is resident for Tax purposes in the United States, any Foreign Lender that does not act or ceases to act for its own account with respect to any portion of any sums paid or payable to such Lender under any of the Loan Documents (for example, in the case of a typical participation by such Lender) shall deliver to Administrative Agent and Company (in such number of copies as shall be requested by the recipient), on or prior to the date such Foreign Lender becomes a Lender, or on such later date when such Foreign Lender ceases to act for its own account with respect to any portion of any such sums paid or payable, and from time to time thereafter, as may be necessary in the determination of Company or Administrative Agent (each in the reasonable exercise of its discretion):

(1) duly executed and properly completed copies of the forms and statements required to be provided by such Foreign Lender under clause (C) of Section 2.7(b)(iv), to establish the portion of any such sums paid or payable with respect to which such Lender acts for its own account and may be entitled to an exemption from or a reduction of the applicable Tax, and

(2) duly executed and properly completed copies of Internal Revenue Service Form W-8IMY (or any successor forms) properly completed and duly executed by such Foreign Lender, together with any information, if any, such Foreign Lender chooses to transmit with such form, and any other certificate or statement of exemption required under the Internal Revenue Code or the regulations thereunder, to establish that such Foreign Lender is not acting for its own account with respect to a portion of any such sums payable to such Foreign Lender;

(E) without limiting the generality of the foregoing, in the event that Company is resident for tax purposes in the United States, any Lender that is not a Foreign Lender and has not otherwise established to the reasonable satisfaction of Company and Administrative Agent that it is an exempt recipient (as defined in section 6049(b)(4) of the Internal Revenue Code and the United States Treasury Regulations thereunder) shall deliver to Company and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter as prescribed by applicable law or upon the request of Company or Administrative Agent), duly executed and properly completed copies of Internal Revenue Service Form W-9; and

(F) without limiting the generality of the foregoing, each Lender hereby agrees, from time to time after the initial delivery by such Lender of such forms, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence so delivered obsolete or inaccurate in any material respect, that such Lender shall promptly (1) deliver to Administrative Agent and Company two original copies of renewals, amendments or additional or successor forms, properly completed and duly executed by such Lender, together with any other certificate or statement of exemption required in order to confirm or establish that such Lender is entitled to an exemption from or reduction of any Tax with respect to payments to such Lender under the Loan Documents and, if applicable, that such Lender does not act for its own account with respect to any portion of such payment or (2) notify Administrative Agent and Company of its inability to deliver any such forms, certificates or other evidence.

(v) **Treatment of Certain Refunds.** If Administrative Agent or the Lender determines in its sole discretion that it has received a refund of any Taxes or Other Taxes as to with it has been indemnified by Company or which respect to which Company has paid additional amounts pursuant to this Section 2.7(b), it shall pay to Company an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid by Company under this Section 2.7(b) with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of Administrative Agent or the Lender, as the case may be, and without interest (other than any interest paid by the relevant Government Authority with respect to such refund), provided that Company, reasonably promptly after request by Administrative Agent or the Lender, agrees to repay the amount paid over to Company (plus any penalties, interest or other charges imposed by the relevant Government Authority) to Administrative Agent or the Lender in the event Administrative Agent or the Lender is required to repay such refund to such Government Authority.

(c) **Capital Adequacy Adjustment** If any Lender shall have determined that any Change in Law regarding capital adequacy has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of, or with reference to, such Lender's Loans or other obligations hereunder with respect to the Loans to a level below that which such Lender or such controlling corporation could have achieved but for such Change in Law (taking into consideration the policies of such Lender or such controlling corporation with regard to capital adequacy), then from time to time, within five Business Days after receipt by Company from such Lender of the statement referred to in Section 2.8(a), Company shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling corporation on an after tax basis for such reduction. Company shall not be required to compensate a Lender pursuant to this Section 2.7(c) for any reduction in respect of a period

occurring more than six months prior to the date on which such Lender notifies Company of such Change in Law and such Lender's intention to claim compensation therefor, except, if the Change in Law giving rise to such reduction is retroactive, no such time limitation shall apply so long as such Lender requests compensation within six months from the date on which the applicable Government Authority informed such Lender of such Change in Law.

Section 2.8 Statement of Lenders; Obligation of Lenders to Mitigate

(a) **Statements** Each Lender claiming compensation or reimbursement pursuant to Section 2.6(d), 2.7 or 2.8(b) shall deliver to Company (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis of the calculation of such compensation or reimbursement, which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) **Mitigation** Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering the Loans of such Lender, as the case may be, becomes aware of the occurrence of an event or the existence of a condition that would cause such Lender to become an Affected Lender or that would entitle such Lender to receive payments under Section 2.7, it will use reasonable efforts to maintain the Loans of such Lender through another lending office of such Lender, if (i) as a result thereof the circumstances which would cause such Lender to be an Affected Lender would cease to exist or the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.7 would be materially reduced and (ii) as determined by such Lender in its sole discretion, such action would not otherwise be disadvantageous to such Lender; *provided that* such Lender will not be obligated to utilize such other lending office pursuant to this Section 2.8(b) unless Company agrees to pay all reasonable incremental expenses incurred by such Lender as a result of utilizing such other lending office as described above.

Section 2.9 Replacement of a Lender

IF:

(a) Company receives a statement of amounts due pursuant to Section 2.8(a) from a Lender;

(b) a Lender (a "**Non-Consenting Lender**") refuses to give timely consent to an amendment, modification or waiver of this Agreement that, pursuant to Section 9.6, requires consent of 100% of the Lenders or 100% of the Lenders with Obligations directly affected (and the consent of Requisite Lenders has been given with respect thereto); or

(c) a Lender becomes an Affected Lender (any such Lender described in clauses (a) through (c), a "**Subject Lender**");

THEN so long as (i) Company has obtained a commitment from another Lender or an Eligible Assignee to purchase at par the Subject Lender's Loans and assume all other obligations of the Subject Lender hereunder, and (ii), if applicable, the Subject Lender is unwilling to withdraw the notice delivered to Company pursuant to Section 2.8 and/or is unwilling to remedy its default upon 10 days prior written notice to the Subject Lender and Administrative Agent, Company may require the Subject Lender to assign all of its Loans to such other Lender, Lenders, Eligible Assignee or Eligible Assignees pursuant to the provisions of Section 9.1(b); *provided that*, prior to or concurrently with such replacement:

(A) the Subject Lender shall have received payment in full of all principal, interest, fees and other amounts (including all amounts under Section 2.6(d), 2.7 and/or 2.8(b) (if applicable)) accrued through such date of replacement, as purchase price, and a release from its obligations under the Loan Documents;

(B) the processing fee required to be paid by Section 9.1(b)(i) shall have been paid to Administrative Agent;

(C) all of the requirements for such assignment contained in Section 9.1(b), including, without limitation, the consent of Administrative Agent (if required) and the receipt by Administrative Agent of an executed Assignment Agreement executed by the assignee (Administrative Agent being hereby authorized to execute any Assignment Agreement on behalf of a Subject Lender relating to the assignment of Loans of such Subject Lender) and other supporting documents, have been fulfilled; and

(D) in the event such Subject Lender is a Non-Consenting Lender, each assignee shall consent, at the time of such assignment, to each matter in respect of which such Subject Lender was a Non-Consenting Lender and Company also requires each other Subject Lender that is a Non-Consenting Lender to assign its Loans.

Section 2.10 Incremental Facility

(a) **Increased Term Loan Facility** Company may by prior written notice to Administrative Agent elect to request the establishment of new term loan commitments (the "**Incremental Term Loan Commitments**") for the purpose of funding Permitted Acquisitions, the opening of new sand processing and mining facilities and fees and expenses incurred in connection therewith; *provided that* the aggregate principal amount of the Incremental Term Loan Commitments shall not exceed $50,000,000 or be less than $500,000. Such notice shall specify (i) the date (the "**Increased Amount Date**") on which Company proposes that the Incremental Term Loan Commitments shall be effective, which shall be a date not less than 5 Business Days after the date on which such notice is delivered to Administrative Agent, (ii) the proposed use of the proceeds of the Incremental Term Loans and (iii) the identity of each Lender or other Person that is an Eligible Assignee and acceptable to Administrative Agent (where such assignment shall be to any party other than a Lender, an Affiliate of a Lender or an Approved Fund of a Lender) (each, an "**Incremental Lender**", and collectively "**Incremental Lenders**") to whom Company proposes any portion of such Incremental Term Loan Commitments be allocated and the amounts of such allocations; *provided that* any Lender approached to provide all or a portion of the Incremental Term Loan Commitments may elect to agree or to decline, in its sole discretion, to provide an Incremental Term Loan Commitment. The Incremental Term Loan Commitments shall become effective, as of the Increased Amount Date; *provided that* (A) no Potential Event of Default or Event of Default shall have occurred and be continuing on the Increased Amount Date or would result from the consummation of the term loans contemplated to be made pursuant to and in accordance with the Incremental Term Loan Commitments (the "**Incremental Term Loans**"); (B) both before and after giving effect to the making of the Incremental Term Loans, each of the representations and warranties contained in this Agreement and in the other Loan Documents shall be true and correct in all material respects on and as of the Increased Amount Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case

such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; *provided that* if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition; (C) the Incremental Term Loan Commitments shall be effected pursuant to one or more joinder agreements in form and substance reasonably satisfactory to Administrative Agent (a "**Joinder Agreement**") executed and delivered by Company, each other Loan Party, each Incremental Lender and Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 2.7(b)(iv); (D) Company shall make any payments required pursuant to Section 2.7(b)(iv) in connection with the Incremental Term Loan Commitments; and (E) Company shall deliver or cause to be delivered any lien searches, tax affidavits, legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction.

(b) **Funding of Incremental Term Loans** On the Increased Amount Date, subject to the satisfaction of the foregoing terms and conditions, (i) each Incremental Lender shall make a Incremental Term Loan to Company in an amount equal to its Incremental Term Loan Commitment no later than 12:00 Noon (New York City time) and (ii) each Incremental Lender shall become a Lender hereunder with respect to the Incremental Term Loan Commitment and the Incremental Term Loans made pursuant thereto.

(c) **Notice to Lenders** Administrative Agent shall notify the Lenders promptly upon receipt of Company's notice of an Increased Amount Date and in respect thereof the Incremental Term Loan Commitments and the Incremental Lenders.

(d) **Other Terms** The terms and provisions of the Incremental Term Loans and Incremental Term Loan Commitments shall be, except as otherwise set forth herein or in the Joinder Agreement, identical to the Loans and shall be treated as Loans for all purposes hereunder and the other Loan Documents. In any event (i) the Weighted Average Life to Maturity of all Incremental Term Loans shall be no shorter than the Weighted Average Life to Maturity of the Loans (without giving effect to any prepayment of the Incremental Term Loans and *provided that* such prepayments shall be on terms no more favorable to Lenders on a pro rata basis than the Loans), (ii) the maturity date for the Incremental Term Loans shall be no shorter than the Maturity Date and (iii) the rate of interest applicable to the Incremental Term Loans shall be determined by Company and the applicable Incremental Lenders and shall be set forth in each applicable Joinder Agreement; *provided*, *however*, *that* in the event that interest rate margins for the Incremental Term Loans are higher than the corresponding interest rate margins for the existing Loans (on a yield basis excluding reasonable arrangement fees) then the interest rate margins for the existing Loans shall be increased to match the yield on the Incremental Term Loans. Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of Administrative Agent, to effect the provision of this Section 2.10.

(e) **Supersession** This Section 2.10 shall supersede any provisions in Section 9.5 or Section 9.6 to the contrary.

Section 2.11 Extension

(a) **Extension** Company may by prior written notice to Administrative Agent elect to request the extension of the final maturity of the Loans or the Incremental Term Loans. Company and any Lender or Incremental Term Lender, as the case may be (each, an "**Extending Lender**") may agree to extend the maturity date and otherwise modify the terms of such Lender's or Incremental Lender's Loans or Incremental Term Loans, as the case may be (each such transaction, an "**Extension**"); *provided that* the aggregate principal amount of the Extension made at any one time under this Section 2.11 shall be not less than $20,000,000. Such notice shall specify (i) the date (the "**Extension Effective Date**") on which Company proposes that the Extension shall be effective, which shall be a date not less than 5 Business Days after the date on which such notice is delivered to Administrative Agent and (ii) the proposed final maturity date of the extended Loans and/or Incremental Term Loans (the "**Extension Loans**"). The Extension shall become effective, as of the Extension Effective Date; *provided that* (A) Company shall have offered to all Lenders the opportunity to participate in such Extension on a pro rata basis with respect to the Loans and all Incremental Lenders the opportunity to participate in such Extension on a pro rata basis with respect to Incremental Term Loans and on the same terms and conditions to each such Lender or Incremental Lender, as the case may be, and any Lender or Incremental Lender, as the case may be, may elect to agree or to decline, in its sole discretion (B) no Potential Event of Default or Event of Default shall have occurred and be continuing on the Extension Effective Date; (C) both before and after giving effect to the Extension, each of the representations and warranties contained in this Agreement and in the other Loan Documents shall be true and correct in all material respects on and as of the Extension Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; *provided that* if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition; (D) the Extensions shall be effected pursuant to one or more extension agreements in form and substance reasonably satisfactory to Administrative Agent (an "**Extension Agreement**") executed and delivered by Company, each other Loan Party, each Extending Lender and Administrative Agent, and each of which shall be recorded in the Register; and (E) Company shall deliver or cause to be delivered documents reasonably requested by Administrative Agent in connection with any such transaction.

(b) **Notice to Lenders** Administrative Agent shall notify the Lenders and Incremental Lenders promptly upon receipt of Company's notice of any Extension.

(c) **Other Terms** The terms and provisions of the Extension Loans shall be, except as otherwise set forth herein, identical to the Loans or Incremental Term Loans, as the case may be, being extended and the Extension Loans shall be treated as Loans or Incremental Term Loans, as the case may be, for all purposes hereunder and the other Loan Documents. In any event (i) the Weighted Average Life to Maturity of all Extension Loans shall be no shorter than the Weighted Average Life to Maturity of the existing Loans or Incremental Term Loans, as the case may be, being extended (without giving effect to any prepayment of the Extension Loans and *provided that*

(A) such prepayments shall be on terms no more favorable to Lenders or Incremental Lenders, as the case may be, on a pro rata basis than the Loans or Incremental Term Loans being extended, (B) the Extensions Loans may have mandatory prepayment terms which provide for the application of proceeds from mandatory prepayment events to be made first to prepay the Loans or the Incremental Term Loans, as the case may be, before applying any such proceeds to prepay such Extension Loans) and (C) all or any of the scheduled amortization payments of principal of the Extension Loans may be delayed to later dates than the scheduled amortization payments of principal of the Loans or Incremental Term Loans, as the case may be, to the extent provided in the applicable Extension Agreement, (ii) the rate of interest applicable to the Extension Loans shall be determined by Company and the applicable Extension Lenders and shall be set forth in each applicable Extension Agreement; *provided*, *however*, *that* in the event that interest rate margins for the Extension Loans are higher than the corresponding interest rate margins for the existing Loans being extended (on a yield basis excluding reasonable arrangement fees) then the interest rate margins for the existing Loans shall be increased to match the yield on the Extension Loans, (iii) the Extension Agreement may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Agreement (immediately prior to the establishment of such Extension Loans) and (iv) Extension Loans may have optional prepayment terms (including call protection and terms which allow Loans or Incremental Term Loans, as the case may be, to be optionally prepaid prior to the prepayment of such Extension Loans) as may be agreed by the Borrowers and the Lenders or Incremental Lenders thereof; *provided that* no Extension Loans may be optionally prepaid prior to the date on which all Loans or Incremental Term Loans, as the case may be, with an earlier final stated maturity are repaid in full, unless such optional prepayment is accompanied by a *pro rata* optional prepayment of such other Loans or Incremental Term Loans, as the case may be. Each Extension Agreement may, without the consent of any other Lenders (including Incremental Lenders), effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of Administrative Agent, to effect the provision of this Section 2.11. For the avoidance of doubt, references herein to Loans and Incremental Loans shall include any Replacement Loans with respect thereto.

(d) **Supersession, etc.** This Section 2.11 shall supersede any requirements of any provision of this Agreement (including, without limitation, Sections 9.5 and 9.6) or any other Loan Document that may otherwise prohibit any Extension or any other transaction contemplated by this Section 2.11. The Administrative Agent and the Lenders (including Incremental Lenders) hereby consent to each Extension and the other transactions contemplated by this Section 2.11 (including, without limitation, Sections 9.5 and 9.6) payment of any interest or fees in respect of any Extension Loans, *provided that* such consent shall not be deemed to be an acceptance of the extension request. With respect to any Extension consummated by Company pursuant to this Section 2.11 such Extension shall not constitute voluntary or mandatory payments or prepayments for purposes of this Agreement.

ARTICLE III
CONDITIONS TO AMENDMENT AND RESTATEMENT

The obligations of Lenders to enter into this Agreement and make and/or continue the Loans hereunder are subject to prior or concurrent satisfaction of the following conditions:

Section 3.1 Loan Party Documents

On or before the Second Restatement Date, Parent shall, and shall cause each other Loan Party to, deliver to Administrative Agent (with sufficient originally executed copies, where appropriate, for each Lender) the following with respect to Parent or such Loan Party, as the case may be, each, unless otherwise noted, dated the Second Restatement Date:

(a) Copies of the Organizational Documents of such Person, certified by the Secretary of State of its jurisdiction of organization or, if such document is of a type that may not be so certified, certified by the secretary or similar Officer of the applicable Loan Party, together with a good standing certificate from the Secretary of State of its jurisdiction of organization and each other state in which such Person is qualified to do business and, to the extent generally available, a certificate or other evidence of good standing as to payment of any applicable franchise or similar Taxes from the appropriate taxing authority of each of such jurisdictions, each dated a recent date prior to the Second Restatement Date;

(b) Resolutions of the Governing Body of such Person approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Second Restatement Date by the secretary or similar Officer of such Person as being in full force and effect without modification or amendment;

(c) Signature and incumbency certificates of the Officers of such Person executing the Loan Documents to which it is a party;

(d) Executed originals of the Loan Documents to which such Person is a party (including the Subsidiary Guaranty executed and delivered by each Subsidiary of Parent and Company); and

(e) Such other documents as Administrative Agent may reasonably request.

Section 3.2 Fees

Company shall have paid to Administrative Agent, for distribution (as appropriate) to Administrative Agent and Lenders, the fees payable on the Second Restatement Date referred to in Section 2.3.

Section 3.3 Corporate and Capital Structure; Ownership

The corporate organizational structure, capital structure and ownership of Parent and its Subsidiaries shall be as set forth on Schedule 3.3 annexed hereto.

Section 3.4 Representations and Warranties

Parent shall have delivered to Administrative Agent an Officer's Certificate, in form and substance reasonably satisfactory to Administrative Agent, to the effect that the representations and warranties in ARTICLE IV are true, correct and complete in all material respects on and as of the Second Restatement Date to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true, correct and complete in all material respects on and as of such earlier date), that each Loan Party shall have performed in all material respects all agreements and satisfied all conditions which this Agreement provides shall be performed or satisfied by it on or before the Second Restatement Date except as otherwise disclosed to and agreed to in writing by Administrative Agent and that no Potential Event of Default or Event of Default has occurred and is continuing; *provided* that, if a representation and warranty, covenant or condition is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty, covenant or condition for purposes of this condition.

Section 3.5 Financial Statements; Pro Forma Balance Sheet

On or before the Second Restatement Date, Company shall have delivered to Administrative Agent on behalf of the Lenders (i) audited consolidated financial statements of Parent and its Subsidiaries for Fiscal Year 2010, consisting of consolidated balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Years, (ii) unaudited consolidated financial statements of Parent and its Subsidiaries as at March 31, 2011, consisting of a consolidated balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for the 3-month period ending on such date, all in reasonable detail and certified by the chief financial officer of Parent that they fairly present the financial condition of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments, (iii) pro forma consolidated balance sheets of Parent and its Subsidiaries as at the Second Restatement Date, reflecting the consummation of the Transactions, and (iv) projected financial statements (including balance sheets and income and cash flow statements) of Parent and its Subsidiaries for the five-year period after the Second Restatement Date, including forecasted consolidated statements of income of Parent and its Subsidiaries on an annual basis for each Fiscal Year beginning with Fiscal Year 2012 and each Fiscal Year thereafter during such period, together with an explanation of the assumptions on which such forecasts are based.

Section 3.6 Opinions of Counsel to Loan Parties

Administrative Agent shall have received on behalf of the Secured Parties an originally executed copies of a favorable written opinion of Kirkland & Ellis LLP, counsel for Loan Parties, in form and substance reasonably satisfactory to Administrative Agent and its counsel, dated as of the Second Restatement Date and substantially in the form of Exhibit V annexed hereto (this Agreement constituting a written request by Parent to such counsel to deliver such opinions to Lenders).

Section 3.7 Solvency Assurances

On the Second Restatement Date, Administrative Agent shall have received an Officer's Certificate of Parent substantially in the form of Exhibit VII annexed hereto dated the Second Restatement Date and certifying that, after giving effect to the consummation of the Transactions, the Loan Parties on a consolidated basis will be Solvent.

Section 3.8 Necessary Governmental Authorizations and Consents; Expiration of Waiting Periods, Etc.

Each such Governmental Authorization and consent shall be in full force and effect, except in a case where the failure to obtain or maintain a Governmental Authorization or consent, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Loan Documents or the financing thereof.

Section 3.9 Security Interests in Personal Property

Administrative Agent shall have received evidence reasonably satisfactory to it that each Loan Party shall have taken or caused to be taken all such actions, executed and delivered or caused to be executed and delivered all such agreements, documents and instruments, and delivered all of the following filings and recordings that may be necessary or, in the reasonable opinion of Administrative Agent, desirable in order to create in favor of Administrative Agent, for the benefit of Lenders, a valid and (upon such filing and recording) perfected security interest in the entire personal property Collateral in accordance with the terms of the Collateral Documents and the Intercreditor Agreement. Such actions shall include the following:

(a) **Stock Certificates and Instruments** Delivery to Administrative Agent of (A) certificates (which certificates shall be accompanied by irrevocable undated stock powers, duly endorsed in blank and otherwise in form and substance reasonably satisfactory to Administrative Agent) representing all Capital Stock pledged pursuant to the Pledge and Security Agreement and any Foreign Pledge Agreements (B) all promissory notes or other instruments (duly endorsed, where appropriate, in a manner reasonably satisfactory to Administrative Agent) evidencing any Collateral;

(b) **Lien Searches and UCC Termination Statements** Delivery to Administrative Agent of (A) the results of a recent search, by a Person reasonably satisfactory to Administrative Agent, of all effective UCC financing statements and fixture filings and all judgment and tax lien filings which may have been made with respect to any personal or mixed property of any Loan Party, together with copies of all such filings disclosed by such search and (B) duly completed UCC termination statements, and authorization of the filing thereof from the applicable secured party, as may be necessary to terminate any effective UCC financing statements or fixture filings disclosed in such search (other than any such financing statements or fixture filings in respect of Liens permitted to remain outstanding pursuant to the terms of this Agreement);

(c) **UCC Financing Statements and Fixture Filings** Delivery to Administrative Agent of duly completed UCC financing statements and, where appropriate, fixture filings with respect to all personal and mixed property Collateral of such Loan Party, for filing in all jurisdictions as may be necessary or, in the reasonable opinion of Administrative Agent, desirable to perfect the security interests created in such Collateral pursuant to the Collateral Documents;

(d) **Cover Sheets, Etc**. Delivery to Administrative Agent of all cover sheets or other documents or instruments required to be filed with any IP Filing Office in order to create or perfect Liens in respect of any IP Collateral, together with releases duly executed (if necessary) of security interests by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective filings in any IP Filing Office in respect of any IP Collateral (other than any such filings in respect of Liens permitted to remain outstanding pursuant to the terms of this Agreement); and

(e) **Control Agreements** Subject to the requirements of the ABL Loan Documents, delivery to Administrative Agent of such Control Agreements with financial institutions and other Persons in order to perfect Liens in respect of Deposit Accounts, Securities Accounts and other Collateral pursuant to the Collateral Documents.

Section 3.10 Second Restatement Date Mortgages; Second Restatement Date Mortgage Policies; Etc.

Administrative Agent shall have received from each Loan Party:

(a) **Second Restatement Date Mortgages** Fully executed and notarized Mortgages or any amendments, amendment and restatements, supplements or modifications related thereto dated as of the Closing Date, First Restatement Date or Second Restatement Date, as applicable, as reasonably requested by Administrative Agent (each a "**Second Restatement Date Mortgage**" and, collectively, the "**Second Restatement Date Mortgages**"), in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering each Real Property Asset listed on Schedule 3.10 annexed hereto (each a "**Second Restatement Date Mortgaged Property**" and, collectively, the "**Second Restatement Date Mortgaged Properties**");

(b) **Opinions of Local Counsel** An opinion of counsel (which counsel shall be reasonably satisfactory to Administrative Agent) in each state in which a Second Restatement Date Mortgaged Property is located with respect to the enforceability of the Second Restatement Date Mortgages to be recorded in such state and such other matters as Administrative Agent may reasonably request, in each case in form and substance reasonably satisfactory to Administrative Agent;

(c) **[Reserved]**

(d) **Title Insurance** (A) ALTA mortgagee title insurance policies or unconditional commitments therefor (the "**Second Restatement Date Mortgage Policies**") issued by the Title Company with respect to each of the Second Restatement Date Mortgaged Properties, in such amount as Administrative Agent reasonably determine to be the value of any particular Second Restatement Date Mortgaged Property, insuring fee simple title to, or a valid leasehold interest in, each such Second Restatement Date Mortgaged Property vested in such Loan Party and assuring Administrative Agent that the applicable Second Restatement Date Mortgages create valid and enforceable First Priority mortgage Liens on the respective Second Restatement Date Mortgaged Properties encumbered thereby which Second Restatement Date Mortgage Policies (1) shall include an endorsement for mechanics' liens, for future advances under this Agreement and for any other matters reasonably requested by Administrative Agent and (2) shall provide for affirmative insurance and such reinsurance as Administrative Agent may reasonably request, all of the foregoing in form and substance reasonably

satisfactory to Administrative Agent; and (B) evidence reasonably satisfactory to Administrative Agent that such Loan Party has (x) delivered to the Title Company all certificates and affidavits required by the Title Company in connection with the issuance of the Second Restatement Date Mortgage Policies and (y) paid to the Title Company or to the appropriate Government Authorities all expenses and premiums of the Title Company in connection with the issuance of the Second Restatement Date Mortgage Policies and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Second Restatement Date Mortgages in the appropriate real estate records;

(e) **Title Reports** With respect to each Second Restatement Date Mortgaged Property, a title report issued by the Title Company with respect thereto, dated no more than 30 days prior to Second Restatement Date and in form and substance reasonably satisfactory to Administrative Agent;

(f) **Copies of Documents Relating to Title Exceptions** Copies of all recorded documents listed as exceptions to title or otherwise referred to in the Second Restatement Date Mortgage Policies or in the title reports delivered pursuant to Section 3.10(e); and

(g) **Matters Relating to Flood Hazard Properties** (a) Evidence, which may be in the form of a letter from an insurance broker or a municipal engineer, as to whether (1) any Second Restatement Date Mortgaged Property is a Flood Hazard Property and (2) the community in which any such Flood Hazard Property is located is participating in the National Flood Insurance Program, (b) if there are any such Flood Hazard Properties, such Loan Party's written acknowledgement of receipt of written notification from Administrative Agent (1) as to the existence of each such Flood Hazard Property and (2) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program, and (c) in the event any such Flood Hazard Property is located in a community that participates in the National Flood Insurance Program, evidence that Company has obtained flood insurance in respect of such Flood Hazard Property to the extent required under the applicable regulations of the Board of Governors of the Federal Reserve System.

provided, that to the extent any document referred to in paragraphs (d) through (g) above is not provided on the Second Restatement Date after the Loan Parties' use of commercially reasonable efforts to do so, the delivery of such document shall not constitute a condition precedent to the availability of the Commitments, but shall be required to be delivered within 90 days following the Second Restatement Date (or such other time period as reasonably agreed by Collateral Agent).

Section 3.11 Second Restatement Date Indebtedness

Administrative Agent shall have received an Officer's Certificate from each Loan Party stating that following the Transactions, the Loan Parties shall not be obligors with respect to any Indebtedness or Contingent Obligations outstanding except for Permitted Indebtedness and Contingent Obligations permitted under Sections 6.1 and 6.4 respectively.

Section 3.12 Related Agreements in Full Force and Effect

On the Second Restatement Date, Parent shall have delivered to Administrative Agent an Officer's Certificate regarding the Related Agreements in form and substance satisfactory to Administrative Agent.

Section 3.13 Certificate Regarding Consolidated Adjusted EBITDA and Consolidated Leverage Ratio

Administrative Agent shall have received a certificate of the chief financial officer of Parent dated as of the Second Restatement Date (i) attaching the financial statements of Parent and Company for the twelve-month period ending March 31, 2011 certifying that Consolidated Adjusted EBITDA as of the Second Restatement Date for the trailing twelve month period ending on March 31, 2011, on a Pro Forma Basis was not less than $70,000,000.

Section 3.14 [Reserved]

Section 3.15 ABL Loan Agreement and Intercreditor Agreement

Concurrently with the making of the Loans hereunder, the ABL Loan Agreement and the Intercreditor Agreement, each on terms and conditions reasonably satisfactory to Administrative Agent, shall be fully executed and delivered. No ABL Loans or other extensions of credit under the ABL Loan Agreement shall be outstanding as of the Second Restatement Date except for current hedging obligations and the letters of credit issued under the ABL Loan Agreement prior to the Second Restatement Date set forth on Schedule 1.1(b).

Section 3.16 Material Adverse Change

Since December 31, 2010, there shall have been no event, circumstance, occurrence or change which has had, or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.17 Required Documentation

Lenders shall have received, to the extent requested, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

Section 3.18 Foreign Subsidiaries

Notwithstanding the other provisions of this ARTICLE III, (i) no Foreign Subsidiary shall be required to execute and deliver the Subsidiary Guaranty or the Pledge and Security Agreement, and (ii) no more than 65% of the total combined voting power of all classes of Capital Stock entitled to vote of a Foreign Subsidiary of a Loan Party shall be required to be pledged pursuant to the provisions of the Pledge and Security Agreement. For the avoidance of doubt, 100% of the Capital Stock not entitled to vote of a Foreign Subsidiary of a Loan Party may be required to be pledged pursuant to the provisions of the Pledge and Security Agreement and no Capital Stock of a Foreign Subsidiary that is not owned directly by a Loan Party shall be pledged pursuant to the provisions of the Pledge and Security Agreement.

Section 3.19 Completion of Proceedings

All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto, in each case to the extent described in this ARTICLE III, not previously found reasonably acceptable by Administrative Agent, acting on behalf of Lenders, and its counsel shall be reasonably satisfactory in form and substance to Administrative Agent and such counsel, and Administrative Agent and such counsel shall have received all such counterpart originals or certified copies of such documents as Administrative Agent may reasonably request.

Section 3.20 Evidence of Transactions

Administrative Agent shall have received evidence, in form and substance reasonably satisfactory to Administrative Agent, that (i) all amounts outstanding or becoming due under the Mezzanine Note Agreement have been repaid in accordance with the Funds Flow Memorandum, (ii) the Mezzanine Note Agreement and the Subordination Agreement have been terminated, and (iii) a dividend of $25,000,000 from Company to Parent to Hourglass Holdings, LLC has been paid in accordance with the Funds Flow Memorandum.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

In order to induce Lenders to enter into this Agreement and to make the Loans, each Loan Party, jointly and severally, represents and warrants to each Lender on the Second Restatement Date:

Section 4.1 Organization, Powers, Qualification, Good Standing, Business and Subsidiaries

(a) **Organization and Powers** Each Loan Party is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, organization or formation as specified in Schedule 4.1 annexed hereto (to the extent such concept is applicable in the relevant jurisdiction). Each Loan Party has all requisite power and authority own and operate its properties and to carry on its business as now conducted and as proposed to be conducted, to enter into the Transaction Documents to which it is a party and to carry out the Transactions.

(b) **Qualification and Good Standing** Each Loan Party is qualified to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of property or conduct of its business requires such qualification, except in jurisdictions where the failure to be so qualified or in good standing could not reasonably be expected to result in a Material Adverse Effect.

(c) **Conduct of Business** Parent has no other assets other than (i) the Capital Stock of Company and/or the Intermediate Holding Companies, (ii) as permitted as a result of permitted holding company activity contemplated pursuant to Section 6.11 and (iii) any Sand Purchase Documents to which it is a party. Parent and its Subsidiaries are engaged only in the businesses permitted to be engaged in pursuant to Section 6.11.

(d) **Subsidiaries** As of the Second Restatement Date, (i) all of the Subsidiaries of Parent and their jurisdictions of incorporation, organization or formation are identified in Schedule 4.1; (ii) the Capital Stock of each of Parent and its Subsidiaries identified in Schedule 4.1 is duly authorized, validly issued, fully paid and non-assessable and none of such Capital Stock constitutes Margin Stock and (iii)

Schedule 4.1 correctly sets forth the ownership interest of Parent and each of its Subsidiaries in each of the Subsidiaries of Parent identified therein. As of the Second Restatement Date, each of the Subsidiaries of Parent identified in Schedule 4.1 is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation, organization or formation set forth therein, has all requisite power and authority to own and operate its properties and to carry on its business as now conducted and as proposed to be conducted, and is qualified to do business and in good standing in every jurisdiction where the ownership, leasing or operation of property or the conduct of its business requires such qualification (to the extent such concept is applicable in the relevant jurisdiction) necessary to carry out its business and operations, in each case except where failure to be so qualified or in good standing or a lack of such power and authority has not had and could not reasonably be expected to result in a Material Adverse Effect.

Section 4.2 Authorization of Transactions, etc.

(a) **Authorization of Transactions** The execution, delivery and performance of the Transaction Documents have been duly authorized by all necessary action on the part of each Loan Party that is a party thereto.

(b) **No Conflict** The execution, delivery and performance by each Loan Party of the Transaction Documents to which it is a party and the consummation of the Transactions do not and will not (i) violate any provision of any law or any governmental rule or regulation applicable to such Loan Party or any of its Subsidiaries, the Organizational Documents of such Loan Party or any of its Subsidiaries or any order, judgment, decree or order of any court or other Government Authority binding on such Loan Party or any of its Subsidiaries, (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of such Loan Party or any of its Subsidiaries, (iii) result in or require the creation or imposition of any Lien upon any of the properties or assets of such Loan Party or any of its Subsidiaries (other than any Liens created or permitted under any of the Loan Documents), or (iv) require any approval of stockholders or any approval or consent of any Person under any Contractual Obligation of such Loan Party or any of its Subsidiaries, except for such approvals or consents which will be obtained on or before the Second Restatement Date and, in each case, to the extent such violation, conflict, breach, default, Lien or failure to obtain such approval or consent could not reasonably be expected to result in a Material Adverse Effect.

(c) **Governmental Consents** The execution, delivery and performance by each applicable Loan Party of the Transaction Documents to which it is a party and the consummation of the Transactions do not and will not require any Governmental Authorization except for (i) such approvals which have been obtained and are in full force and effect, (ii) filings in connection with the Liens created by or pursuant to the Loan Documents, and (iii) filings which customarily are required in connection with the exercise of remedies in respect of the Collateral.

(d) **Binding Obligation** Each of the Transaction Documents has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

Section 4.3 Financial Condition

Company has heretofore delivered to Lenders, at Lenders' request, the financial statements and information described in Section 3.5. All such statements other than pro forma financial statements were prepared in conformity with GAAP, except as otherwise expressly noted therein, and fairly present, in all material respects, the financial position (on a consolidated basis) of the entities described in such financial statements as at the respective dates thereof and the results of operations and cash flows (on a consolidated basis) of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments and the absence of footnotes. Neither Parent nor any of its Subsidiaries has (and will not have following the funding of the Loans) any Contingent Obligation, contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment that is not reflected in the foregoing financial statements or the notes thereto and that is material in relation to the consolidated business, operations, properties, assets or condition (financial or otherwise) of Company or any of its Subsidiaries other than (a) liabilities arising in the ordinary course of business since the date of such financial statements, (b) liabilities that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, or (c) liabilities disclosed on Schedule 4.3.

Section 4.4 No Material Adverse Change; No Restricted Junior Payments

Since December 31, 2010, no event, change, development, condition or circumstance has occurred which, individually or in the aggregate (with any other events, changes, developments, conditions or circumstances), has had or could reasonably be expected to have a Material Adverse Effect. On the Second Restatement Date, neither Parent, Company nor any of their respective Subsidiaries has directly or indirectly declared, ordered, paid or made, or set apart any sum or property for, any Restricted Junior Payment or agreed to do so except as permitted by Section 6.5.

Section 4.5 Title to Properties; Liens; Real Property; Intellectual Property

(a) **Title to Properties; Liens** Loan Parties have (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in or rights to use (in the case of leasehold interests in or rights to use real or personal property) or (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in the financial statements referred to in Section 4.3 or in the most recent financial statements delivered pursuant to Section 5.1, in each case except for (i) such defects in title as could not reasonably be expected to result in a Material Adverse Effect, (ii) Permitted Encumbrances and the other Liens permitted pursuant to Section 6.2(a), and (iii) assets disposed of since the date of such financial statements in the ordinary course of business or as otherwise permitted under Section 6.7. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

(b) **Real Property** As of the Second Restatement Date, Schedule 4.5(b) annexed hereto contains a true, accurate and complete list of (i) all fee interests in any Real Property Assets and (ii) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof), affecting each Material Leasehold Property, to which a Loan Party is the tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Except as specified in Schedule 4.5(b) annexed hereto, each agreement listed in clause (ii) of the immediately preceding sentence is

in full force and effect as of the Second Restatement Date and Company does not have knowledge as of the Second Restatement Date of any default by any Loan Party, party to such agreement that has occurred and is continuing thereunder, and each such agreement constitutes the legally valid and binding obligation of each applicable Loan Party, enforceable against such Loan Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

(c) **Intellectual Property** As of the Second Restatement Date, Parent and its Subsidiaries own or have the right to use, all Intellectual Property used in the present conduct of their business, except where the failure to own or have such right to use in the aggregate could not reasonably be expected to result in a Material Adverse Effect. No claim has been asserted in writing and has been received by any Loan Party in the past two years and no such written claim received by such Loan Party is pending by any Person against any Loan Party of any of their Subsidiaries challenging or questioning the use of any such Intellectual Property by any Loan Party or the validity or effectiveness of any such Intellectual Property, except for such claims that in the aggregate could not reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Loan Parties, the use of such Intellectual Property by Parent and its Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. All federal, state and foreign registrations of and applications for Intellectual Property that are owned by Parent or any of its Subsidiaries as of the Second Restatement Date are identified on Schedule 4.5(c) annexed hereto.

Section 4.6 Litigation; Adverse Facts

Except as disclosed on Schedule 4.6 annexed hereto, there are no Proceedings (whether or not purportedly on behalf of any Loan Party or any of its Subsidiaries) at law or in equity, or before or by any court or other Government Authority (including any Environmental Claims) that are pending or, to the knowledge of any Loan Party, threatened against any Loan Party or any of its Subsidiaries and that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or other Government Authority that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

Section 4.7 Payment of Taxes

Except to the extent permitted by Section 5.3, all federal or other material Tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, and all federal or other material Taxes shown on such Tax returns to be due and payable and all material assessments, fees and other governmental charges upon such Loan Party and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises that are due and payable have been paid when due and payable and all material assessments, fees and other governmental charges upon each Loan Party and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises that are due and payable have been paid when due and payable, in each case, other than taxes, assessments and other governmental charges which are being contested in good faith and by appropriate proceedings.

Company knows of no proposed tax assessment against any Loan Party or its Subsidiaries that is not being actively contested by such Loan Party or such Subsidiary in good faith and by appropriate proceedings; *provided that* such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

Section 4.8 Federal Regulations

(a) **Federal Power Act; etc**. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act, the Interstate Commerce Act or the Investment Company Act of 1940 or, to the knowledge of Company, under any other federal or state statute or regulation which could limit its ability to incur Indebtedness or which could otherwise render all or any of the Obligations unenforceable.

(b) **Terrorism Laws** Neither the making of the Loans under this Agreement nor the Loan Parties' use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, neither Parent nor any of its Subsidiaries or Affiliates (a) is or will become a Person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such Person. Parent and its Subsidiaries and Affiliates are in compliance, in all material respects, with the USA Patriot Act.

(c) **Anti-Money Laundering Laws** Neither the Loan Parties nor any of their respective Subsidiaries nor, to Company's knowledge, any holder of a direct or indirect interest in Parent or any of its Subsidiaries (i) is under investigation by any Government Authority for, or has been charged with, or convicted of, money laundering under 18 U.S.C. §§ 1956 and 1957, drug trafficking, terrorist-related activities or other money laundering predicate crimes, or any violation of the Bank Secrecy Act, 31 U.S.C. §§5311 et. seq. (all of the foregoing, collectively, the "**Anti-Money Laundering Laws**"), (ii) has been assessed civil penalties under any Anti-Money Laundering Laws or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws.

(d) **Federal Reserve Regulations** No part of the proceeds of any Loans will be used for "buying" or "carrying" any Margin Stock or for any purpose which violates the provisions of the Regulations of the Federal Reserve Board. Following the application of the proceeds of Loans, not more than 25% of the value of the assets of the Loan Parties (on a consolidated basis) will be invested in Margin Stock.

Section 4.9 ERISA

(a) No Loan Party or ERISA Affiliate has incurred or could be reasonably expected to incur any liability to, or on account of, a Multiemployer Plan as a result of a violation of Section 515 of ERISA or pursuant to Section 4201, 4204 or 4212(c) of ERISA which could reasonably be expected to result in a Material Adverse Effect;

(b) Each Employee Plan complies in all material respects in form and operation with ERISA, the Internal Revenue Code (except where such failure could not reasonably be expected to result in a Material Adverse Effect);

(c) The present value of the "benefit liabilities" (within the meaning of Section 4001(a)(16) of ERISA) of each Employee Plan subject to Title IV of ERISA (using the actuarial assumptions and methods used by the actuary to that Employee Plan in its most recent valuation of that Employee Plan) do not exceed the fair market value of the assets of each such Employee Plan by an amount which could reasonably be expected to result in a Material Adverse Effect;

(d) There is no litigation, arbitration, administrative proceeding or claim pending or (to the best of each Loan Party and ERISA Affiliates' knowledge and belief) threatened against or with respect to any Employee Plan (other than routine claims for benefits) which has or, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(e) Each Loan Party and each ERISA Affiliate has made all material contributions to each Employee Plan and Multiemployer Plan required by law within the applicable time limits prescribed by law, the terms of that plan and any contract or agreement requiring contributions to that plan (except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect);

(f) No Loan Party or ERISA Affiliate has ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA, or ceased making contributions to any Employee Plan subject to Section 4064(a) of ERISA to which it made contributions which could reasonably be expected to result in a Material Adverse Effect;

(g) No Loan Party or ERISA Affiliate has incurred or could reasonably be expected to incur any liability to the PBGC (other than liability to the PBGC for the payment of periodic premiums); and

(h) Except as set forth in Schedule 4.9, no ERISA Event has occurred or is reasonably likely to occur.

Section 4.10 Certain Fees

No broker's or finder's fee or commission will be payable with respect to this Agreement or any of the transactions contemplated hereby, and Company hereby indemnifies Lenders against, and agrees that it will hold Lenders harmless from, any claim, demand or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including reasonable fees, expenses and disbursements of counsel) arising in connection with any such claim, demand or liability.

Section 4.11 Environmental Protection

Except as set forth in Schedule 4.11 annexed hereto:

(a) no Loan Party or any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to (i) any Environmental Law, (ii) any Environmental Claim or (iii) any Hazardous Materials Activity; that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(b) no Loan Party has received any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9604) or any comparable state law which is pending or unresolved, that, individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect;

(c) to Parent's knowledge, there are and have been no conditions, occurrences, or Hazardous Materials Activities that violate any applicable Environmental Law or could reasonably be expected to form the basis of an Environmental Claim against any Loan Party or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect; and

(d) to Parent's knowledge, each Loan Party has complied and is in compliance with all Environmental Laws, except for such noncompliance which could not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect.

Section 4.12 Employee Matters

There is no strike or work stoppage in existence or, to the knowledge of Parent, threatened involving Parent or any of its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect.

Section 4.13 Solvency

Immediately after giving effect to the Transactions, the Loan Parties, taken as a whole and on a consolidated basis, are Solvent.

Section 4.14 Matters Relating to Collateral

(a) **Governmental Authorizations** No authorization, approval or other action by, and no notice to or filing with, any Government Authority is required for either (i) the pledge or grant by any Loan Party of the Liens purported to be created in favor of Administrative Agent pursuant to any of the Collateral Documents or (ii) the exercise by Administrative Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created pursuant to any of the Collateral Documents or created or provided for by applicable law), except for filings or recordings contemplated by the Collateral Documents and except as may be required, in connection with the disposition of any Pledged Collateral, by laws generally affecting the offering and sale of Securities.

(b) **Absence of Third-Party Filings** Except such as may have been filed in favor of Administrative Agent as contemplated by the Collateral Documents, or to evidence permitted lease obligations and other Liens permitted pursuant to Section 6.2, (i) no effective UCC financing statement, fixture filing or other instrument similar in effect covering all or any part of the Collateral is on file in any filing or recording office and (ii) no effective filing covering all or any part of the IP Collateral is on file in any IP Filing Office.

(c) **Information Regarding Collateral** All information supplied to Administrative Agent by or on behalf of any Loan Party in writing with respect to any of the Collateral (in each case taken as a whole with respect to any particular Collateral) is accurate and complete in all material respects on the Second Restatement Date.

Section 4.15 Subordinated Indebtedness

The Obligations are entitled to the benefits of the subordination provisions set forth in any agreement governing any Subordinated Indebtedness and all other subordination provisions relating to Indebtedness of the Loan Parties.

Section 4.16 Disclosure

No representation or warranty of any Loan Party contained in any Loan Document or in any other document, certificate or written statement (as modified or supplemented by other information so furnished) furnished to Lenders by or on behalf of such Loan Party (other than projections and other forward looking information and information of a general economic or industry specific nature) for use in connection with the Transactions, contains any untrue statement of a material fact or omits to state a material fact (known to such Loan Party, in the case of any document not furnished by it) necessary in order to make the statements contained herein or therein, taken as a whole, not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information and other forward looking information contained in such materials are based upon good faith estimates and assumptions believed by the Loan Parties to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such difference may be material. There are no facts known to the Loan Parties (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and written statements furnished to Lenders for use in connection with the Transactions.

Section 4.17 Permitted Indebtedness

None of the Loan Parties nor any of their Subsidiaries has incurred, created, issued, assumed or otherwise become liable for, contingently or otherwise, or become responsible for the payment of, contingently or otherwise, any Indebtedness other than Permitted Indebtedness.

Section 4.18 Compliance with Laws.

(a) Except as set forth on Schedule 4.18, each of the Loan Parties and their respective Subsidiaries are in compliance with all laws (including New Jersey's Industrial Site Recovery Act), regulations and orders of any Government Authority applicable to it or its property including, but not limited to, all Environmental Laws, except where failure to do so, individually or in aggregate, could not reasonably be expected to result in a Material Adverse Effect; and

(b) All governmental approvals (federal, state and foreign), permits, authorizations, certificates, rights, exemptions and orders from any Government Authority and licenses (the "**Permits**") required to be held or obtained by Parent or any of its Subsidiaries in connection with the conduct of their business as presently conducted have been obtained and are in full force and effect and are being complied with and there has not been any default under any such Permits; except where failure to do so or where such default, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 4.19 No Default

No Event of Default or Potential Event of Default has occurred and is continuing.

Section 4.20 Material Contracts

No Loan Party is in breach or violation of any of the terms, conditions or provisions of any Material Contracts or any lease with respect to any Material Leasehold Property, except for such breaches and violations thereof as in the aggregate do not and could not reasonably be expected to have a Material Adverse Effect.

Section 4.21 Brokers' Fees

None of the Loan Parties has any obligation to any Person in respect of any finder's, broker's, investment banking or other similar fee in connection with the Loan Documents other than the closing and other fees payable pursuant to this Agreement or any fee letter in respect of this Agreement.

ARTICLE V
AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees, jointly and severally (to the extent possible), that, until payment in full of all of the Loans and other Obligations (other than Unasserted Obligations), unless Requisite Lenders shall otherwise give prior written consent, it shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this ARTICLE V.

Section 5.1 Financial Statements and Other Reports

Parent will maintain, and cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with GAAP. Company will deliver to Administrative Agent for distribution to Lenders:

(a) **Events of Default, etc.** promptly upon any Officer of a Loan Party obtaining knowledge (i) of any condition or event that constitutes an Event of Default or Potential Event of Default, (ii) that any Person has given any notice to Parent or any of its Subsidiaries or taken any other material action against Parent, its Subsidiaries or their respective assets with respect to a claimed default or event or condition of the type referred to in Section 7.2 or (iii) of the occurrence of any event or change that caused or evidences either in any case or in the aggregate, a Material Adverse Effect, an Officer's Certificate specifying the nature and period of existence of such condition, event or change, or specifying the notice given or action taken by any such Person and the nature of such claimed Event of Default, Potential Event of Default, default, event or condition, and what action any Loan Party has taken, is taking and proposes to take with respect thereto;

(b) **Monthly and Quarterly Financials** as soon as available and in any event within 30 days after the end of each month (provided that the monthly financials for the month of December shall be due on the same day as the Year-End Financials in accordance with Section 5.1(c) below) and within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, the consolidated balance sheet of Parent and its Subsidiaries as at the end of such fiscal period and the related consolidated statements of income, stockholders' equity and cash flows of Parent and its Subsidiaries for such fiscal period and for the period from the beginning of the then current Fiscal Year to the end of such fiscal period, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the Financial Plan for the current Fiscal Year, to the extent prepared for such fiscal period, all in reasonable detail and certified by the chief financial officer, chief executive officer, principal accounting officer, treasurer, assistant treasurer or controller of Company that they fairly present, in all material respects, the financial condition of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments, and a narrative report describing the operations of Company and its Subsidiaries in the form prepared for presentation to senior management for each Fiscal Quarter;

(c) **Year-End Financials** as soon as available and in any event within 90 days after the end of each Fiscal Year, beginning with Fiscal Year ending December 31, 2011, (i) the consolidated balance sheet of Parent and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Parent and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, and the corresponding figures from the Financial Plan for the Fiscal Year covered by such financial statements, all in reasonable detail and certified by the chief financial officer, chief executive officer, principal accounting officer, treasurer, assistant treasurer or controller of Company that they fairly present, in all material respects, the financial condition of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, and (ii) in the case of such consolidated financial statements, a report thereon of either Grant Thornton or other independent certified public accountants of recognized national standing selected by Company and reasonably satisfactory to Administrative Agent, which report shall be unqualified as to scope of audit, shall express no doubts, assumptions or qualifications concerning the ability of Parent and its Subsidiaries to continue as a going concern and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(d) **Compliance Certificate** together with each delivery of quarterly and annual financial statements pursuant to subdivisions (b) and (c) above, (i) an Officer's Certificate of Company stating that such Officer has reviewed the terms of this Agreement and has made, or caused to be made under his or her supervision, a review in reasonable detail of the transactions and condition of Parent and its Subsidiaries during the accounting period covered by such financial statements and that such review has not disclosed the existence during or at the end of such accounting period, and that such Officer does not have knowledge of the existence as at the date of such Officer's Certificate, of any condition or event that constitutes an Event of Default or Potential Event of Default, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action Company has taken, is taking and proposes to take with respect thereto; and (ii) a Compliance Certificate demonstrating in reasonable detail compliance during and at the end of the applicable accounting periods with the restrictions contained in ARTICLE VI, in each case to the extent compliance with such restrictions is required to be tested at the end of the applicable accounting period;

(e) **Reconciliation Statements** if, as a result of any change in accounting principles and policies from those used in the preparation of the audited financial statements referred to in Section 4.3, the consolidated financial statements of Parent and its Subsidiaries delivered pursuant to subsections (b), (c) or (j) of this Section 5.1 will

differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subsections had no such change in accounting principles and policies been made, then (i) within 30 days of the first delivery of financial statements pursuant to subsection (b), (c) or (j) of this Section 5.1 following such change, consolidated financial statements of Parent and its Subsidiaries for (A) the current Fiscal Year to the effective date of such change and (B) the two full Fiscal Years immediately preceding the Fiscal Year in which such change is made, in each case prepared on a pro forma basis as if such change had been in effect during such periods and (ii) within 30 days of each delivery of financial statements pursuant to subsection (b), (c) or (j) of this Section 5.1 following such change, if required pursuant to Section 1.2, a written statement of the chief accounting officer or chief financial officer of Company setting forth the differences (including any differences that would affect any calculations relating to the Financial Covenant) which would have resulted if such financial statements had been prepared without giving effect to such change;

(f) **Accountants' Reports** promptly upon receipt thereof (unless restricted by applicable professional standards), copies of all final reports submitted to Company by independent certified public accountants in connection with each annual, interim or special audit of the financial statements of Parent and its Subsidiaries made by such accountants, including any final comment letter submitted by such accountants to management in connection with their annual audit;

(g) **SEC Filings and Press Releases** promptly upon their becoming available, copies of (i) all financial statements, reports, notices and proxy statements sent or made available generally by Parent or Company to their security holders or by any Subsidiary of Parent to its security holders other than Parent or another Subsidiary of Parent, and (ii) all regular and periodic reports and all registration statements (other than on Form S-8 or a similar form) and prospectuses, if any, filed by Parent or any of its Subsidiaries with any securities exchange or with the Securities and Exchange Commission or any Government Authority or private regulatory authority;

(h) **Litigation or Other Proceedings** promptly upon any Officer of Company obtaining knowledge of (i) the institution or threat of any Proceeding against or affecting any Loan Party or any of its Subsidiaries or any property of any Loan Party or any of its Subsidiaries not previously disclosed in writing by Company to Lenders or (ii) any material development in any Proceeding that, in any case:

(A) could reasonably be expected to have a Material Adverse Effect; or

(B) seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, any of the Transactions;

written notice thereof together with such other information as may be reasonably available to Company to enable Lenders and their counsel to evaluate such matters;

(i) **ERISA**

Each Loan Party shall:

(A) promptly upon a request by Administrative Agent or a Lender, deliver to Administrative Agent copies of (i) Schedule B (Actuarial Information) to the Annual Report (IRS Form 5500 Series) with respect to each Employee Plan, and (ii) such other documents or governmental reports or filings relating to any Employee Plan as Administrative Agent shall reasonably request;

(B) within seven days after it or any ERISA Affiliate becomes aware that any ERISA Event has occurred or is forthcoming, in the case of any ERISA Event which requires advance notice under Section 4043(b)(3) of ERISA, will occur, deliver to Administrative Agent a statement signed by a director or other authorized signatory of a Loan Party or ERISA Affiliate describing that ERISA Event and the action, if any, taken or proposed to be taken with respect to that ERISA Event;

(C) within seven days after receipt by it or any ERISA Affiliate or any administrator of an Employee Plan, deliver to Administrative Agent copies of each notice from the PBGC stating its intention to terminate any Employee Plan or to have a trustee appointed to administer any Employee Plan; and

(D) within seven days after becoming aware of any event or circumstance which might constitute grounds for the termination of (or the appointment of a trustee to administer) any Employee Plan or Multiemployer Plan, provide an explanation of that event or circumstance by a director of the Loan Party or ERISA Affiliate affected by that event or circumstance.

(j) **Financial Plans** as soon as practicable, and in any event no later than the beginning of each Fiscal Year, starting with the Fiscal Year beginning on January 1, 2012, a consolidated plan and financial forecast for such Fiscal Year (the "**Financial Plan**" for such Fiscal Year), including (i) a forecasted consolidated balance sheet and forecasted consolidated statements of income and cash flows of Parent and its Subsidiaries for such Fiscal Year, together with a pro forma Compliance Certificate for such Fiscal Year and an explanation of the assumptions on which such forecasts are based and (ii) forecasted consolidated balance sheets and forecasted consolidated statements of income and cash flows of Parent and its Subsidiaries for each month of such Fiscal Year, together with an explanation of the assumptions on which such forecasts are based;

(k) **Insurance** as soon as practicable after any material change in insurance coverage maintained by Parent and its Subsidiaries notice thereof to Administrative Agent specifying the changes and reasons therefor;

(l) **[Reserved]**;

(m) **ABL Loan Documents** promptly upon execution and delivery or receipt thereof, copies of (i) any amendment, restatement, supplement or other modification to or waiver of any ABL Loan Document entered into after the date hereof, and (ii) copies of all notices to Company from holders of any ABL Obligations or a trustee, agent or other representative of such a holder;

(n) **Sand Purchase Documents** promptly upon execution and delivery or receipt thereof, copies of (i) any amendment, restatement, supplement or other modification to or waiver of any Sand Purchase Document entered into after the date hereof, and (ii) copies of all material notices from any party to any Sand Purchase Document;

(o) **Other Information** with reasonable promptness, such other information and data with respect to Parent or any of its Subsidiaries as from time to time may be reasonably requested by Administrative Agent (for its own account or upon the reasonable request from any Lender); and

(p) **Electronic Posting** information required to be delivered pursuant to subsections (b), (c) and (g) of this Section 5.1 shall be deemed to have been delivered on the date on which any Loan Party provides notice to Administrative Agent that such information has been posted on such Loan Party's Internet website at the website address listed on the signature page hereof or at another website identified in such notice and accessible to Lenders without charge including but not limited to Intralinks; *provided that* such Loan Party shall deliver paper copies of such information to any Lender that requests such delivery.

Section 5.2 Existence, etc.

Except as permitted under Section 6.7, each Loan Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect its existence in the jurisdiction of incorporation, organization or formation specified on Schedule 4.1 and all rights, qualifications, licenses, permits, Governmental Authorizations, Intellectual Property rights and franchises material to its business; *provided, however, that* no Loan Party nor any of its Subsidiaries shall be required to preserve any such rights, qualifications, licenses, permits, governmental authorizations, Intellectual Property rights and franchises or franchises if the Governing Body of such Loan Party or Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Loan Party or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

Section 5.3 Payment of Taxes and Claims; Tax

(a) Parent will, and will cause each of its Subsidiaries to, pay all material federal and other material Taxes, assessments and other governmental charges imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; *provided that* no such material Tax, assessment, charge or claim need be paid: if it is being contested in good faith by appropriate Proceedings promptly instituted and diligently conducted, so long as (i) such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor and (ii) in the case of a material Tax, assessment, charge or claim which has or may become a Lien against any of the Collateral, such Proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such charge or claim.

(b) Parent will not, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than GGC USS Holdings, LLC and Parent or any of their respective Subsidiaries).

Section 5.4 Maintenance of Properties; Insurance; Business Interruption Insurance

(a) **Maintenance of Properties** Except for dispositions permitted under Section 6.7, Parent will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in reasonably good repair, working order and condition, ordinary wear and tear excepted, all of its material properties used or useful in the business of Parent and its Subsidiaries and from time to time will make or cause to be made all reasonably necessary repairs, renewals and replacements thereof.

(b) **Insurance**

(i) Subject, in the case of Silica Related Claims, to the terms of Section 5.4(b)(ii) below, Company will, and will cause each of its Subsidiaries to, maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Parent and its Subsidiaries as may customarily be carried or maintained under similar circumstances by corporations of established reputation engaged in similar businesses in the same general area, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for corporations similarly situated in the industry and in the same general area. Without limiting the generality of the foregoing, Company will, and will cause each of its Subsidiaries to, maintain or cause to be maintained (i) flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System and (ii) replacement value casualty insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks as are at all times reasonably satisfactory to Administrative Agent in its commercially reasonable judgment. Each such policy of insurance shall (A) name Administrative Agent for the benefit of Lenders as an additional insured thereunder as its interests may appear and (B) in the case of each business interruption and casualty insurance policy, contain a loss payable clause or endorsement, reasonably satisfactory in form and substance to Administrative Agent, that names Administrative Agent for the benefit of Lenders as the lender's loss payee thereunder for any covered loss in excess of $500,000 and provides for at least 30 days prior written notice to Administrative Agent of any modification or cancellation of such policy. In connection with the renewal of each such policy of insurance, Company promptly shall deliver to Administrative Agent a certificate from Company's insurance broker or other evidence reasonably satisfactory to Administrative Agent that Collateral Agent on behalf of Secured Parties has been named as additional insured and/or lender's loss payee thereunder.

(ii) Notwithstanding the terms of Section 5.4(b)(i) to the contrary, with respect to Silica Related Claims, the only insurance which Parent and its Subsidiaries shall be required to maintain will be the insurance evidenced by those insurance policies in existence on the Second Restatement Date and listed by general description on Schedule 5.4 hereto in which Company and its Subsidiaries are named as insured (or additional insured) either directly or indirectly or as successor-in-interest to, or assignee of ITT, U.S. Borax Company, Pennsylvania Glass Sand Corporation or Ottawa Silica Company, in respect to Silica Related Claims (the "**Silica Related Claims Policies**"). In regard thereto, Company and its Subsidiaries will (i) continue to keep all such policies in full force and effect at all times hereafter and (ii) notify Administrative Agent promptly, but in any event within five Business Days after receiving any notice or knowledge of any actual, pending or threatened termination or cancellation or denial of coverage thereunder.

(c) **Business Interruption Insurance** Upon receipt by Parent or any of its Subsidiaries of any business interruption insurance proceeds constituting Net Insurance/Condemnation Proceeds, (a) so long as no Event of Default shall have occurred and be continuing, Parent or such Subsidiary may retain and apply such Net Insurance/Condemnation Proceeds for working capital purposes, and (b) if an Event of Default shall have occurred and be continuing, Company shall apply an amount equal to such Net Insurance/Condemnation Proceeds to prepay the Loans as provided in Section 2.4(b)(iii)(B).

Section 5.5 Inspection Rights; Lender Meeting; Maintenance of Books and Records

(a) **Inspection Rights** Each Loan Party shall, and shall cause each of its Subsidiaries to, permit any authorized representatives designated by Administrative Agent to visit and inspect any of the properties of Company or of any of its Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their Officers and independent public accountants (*provided that* Company may, if it so chooses, be present at or participate in any such discussion), all upon reasonable written notice of at least three Business Days and at such reasonable times during normal business hours and not more than two times each calendar year or at any time or from time to time following the occurrence and during the continuation of an Event of Default.

(b) **Lender Meeting** Appropriate Officers of Company shall, upon the request of Administrative Agent or Requisite Lenders, participate in a meeting or conference call (determined by Company in consultation with Administrative Agent) with Administrative Agent and Lenders once during each Fiscal Year to be held at Company's principal offices (or at such other location as may be agreed to by Company and Administrative Agent) at such time as may be agreed to by Company and Administrative Agent.

(c) **Maintenance of Books and Records** Each Loan Party shall, and shall cause each of its Subsidiaries to, keep books and records which accurately reflect in all material respects its business affairs and all material transactions related thereto.

Section 5.6 Compliance with Laws, etc.

Each Loan Party shall comply, and shall cause each of its Subsidiaries and all other Persons on or occupying any Facilities to comply, with the requirements of all applicable laws, rules, regulations and orders of any Government Authority (including all Environmental Laws), noncompliance with which could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

Section 5.7 ERISA

Each Loan Party shall:

(a) ensure that neither it nor any ERISA Affiliate engages in a complete or partial withdrawal, within the meaning of Sections 4203 and 4205 of ERISA, from any Multiemployer Plan which could reasonably be expected to result in a Material Adverse Effect;

(b) ensure that neither it nor any ERISA Affiliate adopts an amendment to an Employee Plan requiring the provision of security under ERISA or the Internal Revenue Code without the prior consent of the Requisite Lenders; and

(c) ensure that no Employee Plan is terminated under Section 4041 of ERISA.

Section 5.8 Environmental Matters

(a) **Environmental Disclosure** Company will deliver to Administrative Agent for distribution to Lenders as soon as practicable following the occurrence or receipt thereof, written notice describing in reasonable detail:

(i) any Hazardous Materials Activities the existence of which could reasonably be expected to result in one or more Environmental Claims having, individually or in the aggregate, a Material Adverse Effect;

(ii) any Environmental Claims that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(iii) any written request for information from any Government Authority is investigating whether a Loan Party or any of its Subsidiaries may be potentially responsible for any Release or threat of Release of Hazardous Materials; and

(iv) (A) any proposed acquisition of stock, assets, or property by any Loan Party or any of its Subsidiaries that could reasonably be expected to expose such Loan Party or any of its Subsidiaries to, or result in, Environmental Claims that have had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (B) any proposed action to be taken by any Loan Party or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject any Loan Party or any of its Subsidiaries to any material additional obligations or requirements under any Environmental Laws that could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(b) **Company's Actions Regarding Hazardous Materials Activities, Environmental Claims and Violations of Environmental Laws** Parent shall, and shall cause each of its Subsidiaries to comply with applicable Environmental Laws except for any such noncompliance which could not reasonably be expected to have a Material Adverse Effect, and, without limiting the foregoing, Parent shall take, and shall cause each of its Subsidiaries to take, any and all actions appropriate and consistent with good business practice to (i) cure any violation of applicable Environmental Laws by Parent or its Subsidiaries that have had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (ii) respond to any Environmental Claim against Parent or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

Section 5.9 Additional Subsidiary Guarantors

(a) **Execution of Subsidiary Guaranty and Collateral Documents** Subject to the provisions of Section 5.9(c) below, in the event that any Person becomes a Subsidiary of Parent after the date hereof, Parent will promptly notify Administrative

Agent of that fact and cause such Subsidiary to execute and deliver to Administrative Agent a counterpart of the Subsidiary Guaranty and Pledge and Security Agreement and to take all such further actions and execute such further documents and instruments (including actions, documents and instruments comparable to those described in Section 3.9) as may be necessary or, in the reasonable opinion of Administrative Agent, desirable to create in favor of Administrative Agent, for the benefit of Lenders, a valid and perfected Lien on all of the personal property assets of such Subsidiary described in the applicable forms of Collateral Documents. In addition, as provided in the Pledge and Security Agreement, Parent shall, or shall cause the Subsidiary that owns the Capital Stock of such Person to, execute and deliver to Administrative Agent a supplement to the Pledge and Security Agreement and to deliver to Administrative Agent all certificates representing such Capital Stock of such Person (accompanied by irrevocable undated stock powers, duly endorsed in blank). Notwithstanding the first sentence of this Section 5.9(a), no Target shall be required to grant a Lien on any of its assets or guarantee the Obligations if it is a Joint Venture and the acquisition of its Capital Stock by the applicable Loan Party is permitted under Section 6.3(o).

(b) **Subsidiary Organizational Documents, Legal Opinions, Etc**. Parent shall deliver to Administrative Agent, together with such Loan Documents, (i) certified copies of such Subsidiary's Organizational Documents, together with a good standing certificate (to the extent such concept is applicable in the relevant jurisdiction) from the Secretary of State or similar Government Authority of the jurisdiction of its incorporation, organization or formation and, to the extent generally available, a certificate or other evidence of good standing as to payment of any applicable franchise or similar Taxes from the appropriate taxing authority of such jurisdiction, each to be dated a recent date prior to their delivery to Administrative Agent, (ii) a certificate executed by the secretary or similar Officer of such Subsidiary as to (A) the fact that the attached resolutions of the Governing Body of such Subsidiary approving and authorizing the execution, delivery and performance of such Loan Documents are in full force and effect and have not been modified or amended and (B) the incumbency and signatures of the Officers of such Subsidiary executing such Loan Documents and (iii) a favorable opinion of counsel to such Subsidiary, in form and substance reasonably satisfactory to Administrative Agent and its counsel, as to (A) the due organization and good standing of such Subsidiary, (B) the due authorization, execution and delivery by such Subsidiary of such Loan Documents, (C) the enforceability of such Loan Documents against such Subsidiary and (D) such other matters (including matters relating to the creation and perfection of Liens in any Collateral pursuant to such Loan Documents) as Administrative Agent may reasonably request, all of the foregoing to be reasonably satisfactory in form and substance to Administrative Agent and its counsel.

(c) **Foreign Subsidiaries** Notwithstanding the provisions of Section 5.9(a), (i) no Foreign Subsidiary or any Subsidiary of a Foreign Subsidiary shall be required to execute and deliver the Subsidiary Guaranty or the Pledge and Security Agreement or any other Loan Documents, and (ii) no Capital Stock of a Foreign Subsidiary or any Subsidiary of a Foreign Subsidiary shall be required to be pledged pursuant to the provisions of the Pledge and Security Agreement or any Foreign Pledge Agreement, except, in the case of this Section 5.9(c)(ii), 100% of the non-voting Capital Stock and 65% of the voting Capital Stock of a Foreign Subsidiary that is not a Subsidiary Guarantor will be pledged hereunder, provided that no Capital Stock of a Foreign Subsidiary that is not owned directly by a Loan Party shall be pledged pursuant to the provisions of the Pledge and Security Agreement.

Section 5.10 Matters Relating to Additional Mixed and Real Property Collateral

(a) **Additional Mortgages, Etc**. From and after the Second Restatement Date, in the event that (i) Parent or any Subsidiary Guarantor acquires any Material Real Property or any Material Leasehold Property or (ii) at the time any Person becomes a Subsidiary Guarantor, such Person owns or holds any Material Real Property or any Material Leasehold Property, excluding in the case of clause (ii) above any such mixed property asset or Real Property Asset the encumbrancing of which requires the consent of any applicable lessor or then-existing senior lienholder, where Parent and its Subsidiaries have attempted in good faith, but are unable, to obtain such lessor's or senior lienholder's consent (any such non-excluded mixed property asset or Real Property Asset described in the foregoing clause (i) or (ii) being an "**Additional Mortgaged Property**"), Parent or such Subsidiary Guarantor shall deliver to Administrative Agent, as soon as practicable after such Person acquires such Additional Mortgaged Property or becomes a Subsidiary Guarantor, as the case may be, (A) a fully executed and notarized Mortgage (an "**Additional Mortgage**"), in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering the interest of such Loan Party in such Additional Mortgaged Property; and such opinions, appraisal, documents, title insurance, environmental reports that would have been delivered on the Second Restatement Date if such Additional Mortgaged Property were a Second Restatement Date Mortgaged Property or that may otherwise be reasonably required by Administrative Agent and (B) in the case of any such Material Leasehold Property, if a Parent or any Subsidiary is able to obtain using commercially reasonable efforts, a Landlord Consent and Estoppel with respect thereto.

(b) **Real Estate Appraisals** Parent shall, and shall cause each of its Subsidiaries to, permit an independent real estate appraiser reasonably satisfactory to Administrative Agent, upon reasonable written notice in advance, to visit and inspect any Additional Mortgaged Property for the purpose of preparing an appraisal of such Additional Mortgaged Property satisfying the requirements of any applicable laws and regulations (in each case to the extent required under such laws and regulations as reasonably determined by Administrative Agent in its discretion).

Section 5.11 Interest Rate Protection

At all times after the date which is 90 days after the Second Restatement Date, Company shall maintain in effect one or more Interest Rate Agreements, in an aggregate notional principal amount of not less than 50% of the principal amount of Company's Funded Debt which accrues interest at a floating rate, each such Interest Rate Agreement to be in form and substance reasonably satisfactory to Administrative Agent.

Section 5.12 Deposit Accounts, Securities Accounts and Cash Management Systems

Other than in respect of such accounts that constitute ABL Priority Collateral and subject to the requirements of the Intercreditor Agreement and such accounts that are used solely for the purpose of payroll, employee benefit, withholding taxes, established in trust for a third party or petty cash accounts, Parent shall not permit any Deposit Accounts or Securities Accounts at any time following the date that is 60 days after the Second Restatement Date (or such other time period as reasonably agreed by Collateral Agent) to have a principal balance in excess of $50,000

and the aggregate balance in all accounts does not exceed $250,000, unless Parent or its Subsidiary, as the case may be, has (a) executed and delivered to Administrative Agent a Control Agreement or (b) taken all steps necessary or, in the reasonable opinion of Administrative Agent, desirable to ensure that Administrative Agent has a perfected security interest in such account; *provided that*, if Parent or such Subsidiary is unable to obtain a Control Agreement from the financial institution at which a Deposit Account or Securities Account subject to the requirements of this Section 5.12 is maintained, Parent shall, or shall cause such Subsidiary to, transfer all amounts in the applicable account to an account maintained at a financial institution from which Parent or such Subsidiary has obtained a Control Agreement.

Section 5.13 Payment of Obligations

Each Loan Party will, and will cause each Subsidiary to, pay or discharge all material liabilities and obligations (other than material Taxes, which shall be paid and discharged in accordance with Section 5.3), before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (c) failure to make such payment could not reasonably be expected to have a Material Adverse Effect.

Section 5.14 Anti-Terrorism Laws

(a) No Loan Party shall engage in any transaction that violates any of the applicable prohibitions set forth in any terrorism law described in Section 4.8(b).

(b) None of the funds or assets of any Loan Party that are used to repay the Loans shall constitute property of, or shall be beneficially owned directly or indirectly by, any Designated Person.

(c) No Designated Person shall have any direct or indirect interest in such Loan Party that would constitute a violation of any terrorism laws described in Section 4.8(b).

(d) No Loan Party shall, and each Loan Party shall procure that none of its Subsidiaries will, fund all or part of any payment under this Agreement out of proceeds derived from transactions that violate the prohibitions set forth in any terrorism law described in Section 4.8(b).

Section 5.15 Federal Regulation

Each Loan Party shall ensure that it will not, by act or omission, become subject to regulation under any of the laws or regulations described in Sections 4.8(a), (c) and (d).

Section 5.16 Further Assurances

Upon the reasonable request of Administrative Agent, duly execute and deliver, or cause to be duly executed and delivered, at the cost and expense of the Loan Parties, such further instruments as may be necessary or desirable in the reasonable judgment of Administrative Agent to carry out the provisions and purposes of this Agreement and the other Loan Documents.

ARTICLE VI
NEGATIVE COVENANTS

Each Loan Party covenants and agrees, jointly and severally (to the extent possible), that, until payment in full of all of the Loans and other Obligations (other than Unasserted Obligations), unless Requisite Lenders shall otherwise give prior written consent, it shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this ARTICLE VI.

Section 6.1 Indebtedness

No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) Loan Parties may become and remain liable with respect to the Obligations (including any Indebtedness incurred pursuant to Sections 2.10 and 2.11).

(b) Company and its Subsidiaries may become and remain liable with respect to Disqualified Stock;

(c) Company and its Subsidiaries, and Parent with respect to Sections 6.4 (d), (e) and (h) may, may become and remain liable with respect to Contingent Obligations permitted by Section 6.4 and, upon any matured obligations actually arising pursuant thereto, the Indebtedness corresponding to the Contingent Obligations so extinguished;

(d) Company and its Subsidiaries may become and remain liable with respect to purchase money Indebtedness (including Capital Leases) to the extent secured by purchase money security interests or purchase money mortgages not in excess of $5,000,000 in the aggregate outstanding at one time;

(e) (i) Loan Parties may become and remain liable with respect to Indebtedness to any Subsidiary, and any Subsidiary Guarantor may become and remain liable with respect to Indebtedness to Parent, Company or any Subsidiary Guarantor; *provided that* (a) a security interest in all such intercompany Indebtedness shall have been granted to Administrative Agent for the benefit of Lenders; (b) if such intercompany Indebtedness is evidenced by a promissory note or other instrument, such promissory note or instrument shall have been pledged to Administrative Agent pursuant to the Pledge and Security Agreement and (ii) non-Loan Parties may become and remain liable with respect to Indebtedness to any other non-Loan Party;

(f) Loan Parties, as applicable, may become and remain liable with respect to Indebtedness outstanding on the date hereof and listed on Schedule 6.1 and any refinancing, renewal, replacement or extension thereof; *provided* that (i) the outstanding principal amount of such Indebtedness is not increased (other than on account of accrued interest, premium, fees and expenses) at the time of such refinancing, renewal, replacement or extension and (ii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any refinancing, renewing, replacing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, renewing, replacing or extending Indebtedness does not exceed the then applicable market interest rate;

(g) [Reserved];

(h) Loan Parties may become and remain liable with respect to Indebtedness in respect of the ABL Loan Documents in an aggregate principal amount not to exceed $38,500,000 outstanding at any time;

(i) Company and its Subsidiaries may become and remain liable with respect to Indebtedness of any Person assumed in connection with a Permitted Acquisition and a Person that becomes a direct or indirect wholly-owned Subsidiary of Company as a result of a Permitted Acquisition may remain liable with respect to Indebtedness existing on the date of such acquisition; *provided that* such Indebtedness is not created in anticipation of such acquisition;

(j) Loan Parties may become and remain liable with respect to Indebtedness arising from the endorsement of instruments, the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn in the ordinary course of business against insufficient funds, or in respect of netting services, overdraft protections or otherwise in connection with the operation of customary deposit accounts in the ordinary course of business;

(k) Company and its Subsidiaries may become and remain liable with respect to Indebtedness with respect to (A) property casualty or liability insurance, (B) financing of insurance premiums with the providers of such insurance or their Affiliates, (C) take-or-pay obligations in supply arrangements consistent with past practice, (D) subject to the extent permitted under Section 5.4, self-insurance obligations, (E) performance, bid, surety, custom, utility and advance payment bonds, (F) performance and completion guaranties or (G) worker's compensation obligations, in each case, in the ordinary course of business;

(l) Loan Parties may become and remain liable with respect to Indebtedness resulting from judgments not resulting in an Event of Default under Section 7.8;

(m) Loan Parties may become and remain liable with respect to Subordinated Indebtedness in an amount equal to the lesser of (i) $50,000,000 and (ii) an amount such that the Consolidated Leverage Ratio (calculated to include Subordinated Indebtedness as of such day but excluding unrestricted cash as of such day) is not greater than 4.50:1.00, so long as, (A) such Subordinated Indebtedness (1) does not have a maturity date earlier than one year after the Latest Maturity Date, (2) is on terms reasonably satisfactory to Administrative Agent and (3) the applicable cash rate of interest and payment in kind rate of interest payable thereunder shall not, in aggregate, be any more than an applicable LIBOR rate plus 12% per annum (subject to an increase in the interest rate during the continuance of an event of default under the documents evidencing such Subordinated Indebtedness in an amount not to exceed 2%), (B) the proceeds of such Subordinated Indebtedness are used to fund Permitted Acquisitions and (C) immediately after giving effect to the incurrence of such Subordinated Indebtedness on a Pro Forma Basis, the Loan Parties are in compliance with the Financial Covenant and no Event of Default shall have occurred and be continuing;

(n) In addition to Indebtedness otherwise expressly permitted by this Section, Company and its Subsidiaries may become and remain liable with respect to Indebtedness in an aggregate principal amount not to exceed $5,000,000 at any time outstanding; and

(o) Permitted Refinancings of any Subordinated Indebtedness permitted hereunder.

Section 6.2 Liens and Related Matters

(a) **Prohibition on Liens** No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of such Loan Party or any of its Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC or under any similar recording or notice statute, except:

(i) Permitted Encumbrances;

(ii) Liens assumed in connection with a Permitted Acquisition and Liens on assets of a Person that becomes a direct or indirect Subsidiary of Company after the date of this Agreement in a Permitted Acquisition; *provided*, *however*, *that* such Liens exist at the time such Person becomes a Subsidiary and are not created in anticipation of such acquisition and, in any event, do not in the aggregate secure Indebtedness in excess of $5,000,000;

(iii) Liens existing on the date hereof and described in Schedule 6.2 annexed hereto;

(iv) Liens on the ABL Priority Collateral granted in favor of the ABL Lenders and ABL Hedge Agreement Counterparties pursuant to and in accordance with the ABL Loan Documents;

(v) Liens on fixed or capital assets acquired, constructed or improved by Company or any of its Subsidiaries; *provided* that (i) such security interests secure Indebtedness expressly permitted by Section 6.1, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within six months after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets, (iv) such security interests shall not apply to any other property or assets of any Loan Party and (v) the amount of Indebtedness (other than with respect to Capital Leases) secured thereby is not increased;

(vi) Liens arising from the precautionary UCC financing statement filings or any applicable filings in a foreign jurisdiction in respect thereof;

(vii) Liens and other interests of lessor in respect of rental obligations under mining leases entered into by Company and its Subsidiaries in the ordinary course of business;

(viii) Liens in favor of any escrow agent or a seller solely on and in respect of any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder; and

(ix) additional Liens not otherwise expressly permitted by this Section on any property or asset of any Loan Party securing obligations in an aggregate amount not exceeding $5,000,000 at any time outstanding.

Notwithstanding the foregoing, no Loan Party or any of its Subsidiaries shall enter into any control agreements (as such term is defined in the UCC), other than Control Agreements entered into pursuant to Section 5.12 or the Pledge and Security Agreement or in respect of the ABL Priority Collateral granted in favor of the ABL Lenders pursuant to and in accordance with the ABL Loan Documents.

(b) **No Further Negative Pledges** Neither Parent nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired, to secure Indebtedness under any senior credit facility, including this Agreement, other than (i) an agreement prohibiting only the creation of Liens securing Subordinated Indebtedness, (ii) any agreement evidencing Indebtedness secured by Liens permitted by Sections 6.2(a)(ii) to (vi), as to the assets securing such Indebtedness, and any agreement evidencing Indebtedness permitted by Section 6.1(h), (iii) any agreement evidencing an asset sale, as to the assets being sold; (iv) restrictions imposed by law; (v) restrictions and conditions existing on the date hereof identified on Schedule 6.2 (but shall not apply to any extension or renewal of, or any amendment or modification, expanding the scope of any such restriction or condition); (vi) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder; (vii) restrictions or conditions imposed by any agreement relating to Indebtedness permitted by Section 6.1(f) and (i) if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (viii) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 6.3 and applicable solely to such joint venture.

(c) **No Restrictions on Subsidiary Distributions to Company or Other Subsidiaries** No Loan Party will, and will not permit any of its Subsidiaries to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on the ability of any such Subsidiary to (i) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by Company or any other Subsidiary of Company, (ii) repay or prepay any Indebtedness owed by such Subsidiary to Company or any other Subsidiary of Company, (iii) make loans or advances to Company or any other Subsidiary of Company, (iv) transfer any of its property or assets to Company or any other Subsidiary of Company, except (A) as provided in this Agreement, (B) as to transfers of assets as may be provided in an agreement with respect to a sale of such assets, (C) in respect of Indebtedness permitted pursuant to Sections 6.1(f), (h) and (i); (D) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder; (E) restrictions and conditions existing on the date hereof identified on Schedule 6.2 (but shall not apply to any extension or renewal of, or any amendment or modification, expanding the scope of any such restriction or condition); (F) customary provisions in leases restricting the assignment thereof; and (G) customary restrictions contained in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 6.3 and applicable solely to such joint venture.

Section 6.3 Investments; Acquisitions

No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any other Person, including any Joint Venture, or acquire, by purchase or otherwise, all or substantially all the business, property or fixed assets of, or Capital Stock of any other Person, or any division or line of business of any other Person except:

(a) Company and its Subsidiaries may make and own Investments in Cash and Cash Equivalents;

(b) Loan Parties may continue to own the Investments owned by them as of the Second Restatement Date in any Loan Parties and Loan Parties may make and own additional equity Investments in other Loan Parties;

(c) Loan Parties may make intercompany loans to the extent permitted under Section 6.1(e);

(d) Company and its Subsidiaries may make Consolidated Capital Expenditures permitted by Section 6.8;

(e) Company and its Subsidiaries may continue to own the Investments owned by them and described in Schedule 6.3 annexed hereto;

(f) Parent and Company may acquire and hold obligations of one or more Officers or other employees of Company, Parent or its Subsidiaries in connection with such Officers' or employees' acquisition of shares of Company's Capital Stock, so long as no Cash is actually advanced by Company, Parent or any of its Subsidiaries to such Officers or employees in connection with the acquisition of any such obligations;

(g) Company and its Subsidiaries may make and own Investments constituting non-Cash proceeds of sales, transfers and other dispositions of property to the extent permitted by Section 6.7;

(h) Company and its Subsidiaries may acquire Securities in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to Company or any of its Subsidiaries or as security for any such Indebtedness or claim;

(i) Company and its Subsidiaries may make any Restricted Junior Payment expressly permitted by Section 6.5 (it being understood that any such Restricted Junior Payment may be made in the form of an intercompany loan or advance);

(j) Company and its Subsidiaries may acquire Investments (including debt obligations) received in the ordinary course of business by Company or any of its Subsidiaries in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising out of the ordinary course of business;

(k) Company and its Subsidiaries may acquire Investments of any Person in existence at the time such Person becomes a Subsidiary pursuant to a transaction expressly permitted by any other paragraph of this Section; *provided that* such Investment was not made in connection with or anticipation of such Person becoming a Subsidiary;

(l) Company and its Subsidiaries may make or continue to hold Investments resulting from deposits referred to in paragraph (c) of the definition of "Permitted Encumbrances" and clause (viii) of Section 6.2(a);

(m) Company may perform its obligations under and in accordance with the Conveyance of Undivided Mineral Interest, the Sand Purchase Documents and Natural Gas Hedging Agreements; *provided that*, all such Natural Gas Hedging Agreements shall be entered into to manage (in the good faith business judgment of Company) risks of fluctuations in the price or availability of natural gas to which Company and its Subsidiaries are exposed in the conduct of their business and the management of their liabilities;

(n) Loan Parties may make and hold loans and advances to their employees in an aggregate amount not to exceed $1,000,000 at any time outstanding, *provided that*, such loan or advance is not made in material violation of any law;

(o) Company and its Subsidiaries may acquire (in one transaction or a series of related transactions) (i) the assets or the outstanding voting stock or economic interests of any Person, (ii) any division, line of business or other business unit of any Person, or (iii) Capital Stock of a Joint Venture constituting a majority of the Capital Stock of such Joint Venture (such Person or such division, line of business or other business unit of such Person or such Joint Venture shall be referred to herein as the "**Target**"), in each case that is a type of business (or assets used in a type of business) permitted to be engaged in by the Loan Parties pursuant to the terms hereof, so long as (A) no Event of Default shall then exist or would exist immediately after giving effect thereto, (B) to the extent required by Sections 5.9 and 5.10, Collateral Agent, on behalf of Secured Parties, shall have received (or shall receive in connection with the closing of such acquisition) a perfected security interest in all property (including Capital Stock) acquired with respect to the Target described in the applicable forms of Collateral Documents, subject to Liens permitted under Section 6.2, and the Target, if a Person, shall have executed a counterpart of the Subsidiary Guaranty and Pledge and Security Agreement, (C) the consideration (including without limitation earn out obligations, deferred compensation and the amount of Indebtedness and other liabilities assumed by Loan Parties, but excluding equity consideration, consideration paid from the proceeds of equity of Parent or capital contributions made to Parent and non-competition arrangements) paid by Loan Parties in connection with all such acquisitions shall not exceed in the aggregate (i) up to $50,000,000 of cash on hand and (ii) all or any portion of the Subordinated Indebtedness permitted pursuant to Section 6.1(m) (*provided that* (i) no more than $20,000,000 of such aggregate consideration may be in the form of seller financing permitted under Section 6.1 and (ii) the aggregate consideration (including without limitation earn out obligations, deferred compensation and the amount of Indebtedness and other liabilities assumed by Loan Parties, but excluding equity consideration, consideration paid from the proceeds of equity of Parent or capital contributions made to Parent and non-competition arrangements) paid by Loan Parties to acquire Capital Stock of Joint Ventures in respect of which Collateral Agent, on behalf of Secured Parties, shall not have received a perfected security interest and guarantees reasonably satisfactory to Administrative Agent shall not exceed $25,000,000), (D) the Target is located in the United States of America, Canada or Mexico, and (E) for any such acquisitions Company shall have provided (1) financial statements for any Target acquired in any such acquisition for the last Fiscal Year of such Target (to the extent available to Company), and (2) a pro-forma Compliance Certificate certified by the chief financial officer of Company and demonstrating that, immediately after giving effect to such acquisition (including any incurrence of Indebtedness in connection therewith), Loan Parties shall be in compliance with the Consolidated Leverage Ratio, calculated on a Pro Forma Basis (assuming that the Maximum Consolidated Leverage Ratio was 0.20:1.00 less than the maximum ratio provided in Section 6.6 at such time) for the applicable Fiscal Quarter most recently ended, and (E) in the case of the acquisition of a Person, such Person shall become a wholly-owned Subsidiary of a Loan Party;

(p) Company and its Domestic Subsidiaries may make and own Investments in Foreign Subsidiaries in an aggregate amount not to exceed $10,000,000, at any time outstanding; and

(q) in addition to Investments otherwise expressly permitted by this Section, Company and its Subsidiaries may make Investments not exceeding in the aggregate $5,000,000; and

(r) Foreign Subsidiaries may make and own Investments in other Foreign Subsidiaries.

Section 6.4 Contingent Obligations

No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, create or become or remain liable with respect to any Contingent Obligation, except:

(a) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations under Hedge Agreements required under Section 5.11 and under other Hedge Agreements with respect to Indebtedness required under Section 6.1(h) hereof;

(b) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations in respect of customary indemnification and purchase price adjustment obligations incurred in connection with Asset Sales or other sales of assets, or any acquisition or other Investment expressly permitted by Section 6.3;

(c) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations under guarantees in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of Company and its Subsidiaries in an aggregate amount not to exceed at any time $500,000;

(d) Parent and its Subsidiaries may become and remain liable with respect to Contingent Obligations in respect of any Indebtedness of Company or any of its Subsidiaries permitted by Section 6.1;

(e) Parent and its Subsidiaries, as applicable, may remain liable with respect to Contingent Obligations described in Schedule 6.4 annexed hereto;

(f) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations consisting of guaranties of loans made to officers, directors or employees of any Loan Party in an aggregate amount which shall not exceed $500,000 at any time outstanding;

(g) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations consisting of guaranties by a Subsidiary of obligations of Parent or Company under leases for real or personal property, *provided that* such Subsidiary will utilize all or a portion of such property;

(h) Parent and its Subsidiaries may become and remain liable with respect to Indebtedness permitted by Sections 6.1(a), (e), (f), (h), (j), (l) and (m); and

(i) Company and its Subsidiaries may become and remain liable with respect to other Contingent Obligations; *provided that* the maximum aggregate liability, contingent or otherwise, of Loan Parties in respect of all such Contingent Obligations shall at no time exceed $2,000,000.

Section 6.5 Restricted Junior Payments

No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Junior Payment, except:

(a) on the Second Restatement Date, Restricted Junior Payments to fund the Funding Requirements in accordance with the Funds Flow Memorandum;

(b) [Reserved]

(c) Restricted Junior Payments to the extent necessary to permit Parent (or the relevant taxpaying Affiliate of Company or Parent), to discharge Tax liabilities (or estimates thereof) of Parent and its Subsidiaries, so long as Company or Parent (or the relevant taxpaying Affiliate) applies the amount of any such Restricted Junior Payment for such purpose;

(d) to pay management fees and other fees (including the Termination Fee (as defined in the Management Agreement)) expressly permitted under and in accordance with the Management Agreement and to reimburse expenses in accordance with the Management Agreement; *provided that* (i) no such management fees and other fees (including the Termination Fee) may be paid during the continuance of any Event of Default, (ii) any such fees that are not paid because of the occurrence of any Event of Default shall be permitted to be paid at such time (or after) such Event of Default ceases to be continuing for any reason, and (iii) payment of the Termination Fee may be made solely with net cash proceeds received by Parent pursuant to an equity contribution in Parent or from an equity issuance by Parent made immediately prior to the payment of such fee;

(e) [Reserved];

(f) Company may make regularly scheduled payments of interest in respect of the ABL Obligations and mandatory, optional or voluntary payments or prepayments in respect of principal thereof that are permitted under the Intercreditor Agreement in accordance with the terms of the ABL Loan Documents and the Intercreditor Agreement;

(g) Restricted Junior Payments to permit Parent or any direct or indirect holding company of Parent or Company to pay overhead expenses in an amount not to exceed $250,000 in any Fiscal Year, so long as Company or Parent (or such relevant holding company) applies the amount of any such Restricted Junior Payment for such purpose;

(h) Company and its Subsidiaries may make payment of regularly scheduled interest and principal payments as and when due, and mandatory, optional or voluntary payments or prepayments in respect of principal thereof (including any payment to avoid the application of Internal Revenue Code Section 163(e)(5) thereto) and any other payments thereon that are permitted under the applicable subordination agreement, in respect of any Subordinated Indebtedness to the extent permitted hereunder including in connection with any Permitted Refinancings of such Subordinated Indebtedness and Company and its Subsidiaries may convert Subordinated Indebtedness to, or exchange Subordinated Indebtedness for Capital Stock in accordance with terms of such Subordinated Indebtedness;

(i) Restricted Junior Payments expressly permitted by Section 6.9(a) and (b); and

(j) so long as no Potential Event of Default or Event of Default has occurred and is continuing at such time or would be directly or indirectly caused as a result thereof, Company and its Subsidiaries may pay dividends to purchase capital stock from present or former officers or employees of Loan Parties upon the death, disability, retirement or termination of employment of such officer or employee; provided that any such repurchases do not involve any cash payments by Loan Parties or, to the extent cash payments are made by Loan Parties, the aggregate amount of dividend payments during any Fiscal Year to fund purchases described above shall not exceed (i) $1,000,000 plus (ii) the unused amount available for such dividend payments under this Section 6.5(j) for the immediately two preceding Fiscal Years (excluding any carry-forward available from any previous Fiscal Year); *provided* that with respect to any Fiscal Year, any such dividend payments made during such Fiscal Year shall be deemed to be made first with respect to the applicable limitation for such year and then with respect to any carry-forward amount to the extent applicable; and

(k) Company may make Restricted Junior Payments as specifically required by the Sand Purchase Documents;

provided that nothing herein shall be deemed to prohibit the payment of dividends by any Subsidiary of Company to Company or any Subsidiary Guarantor.

Section 6.6 Maximum Consolidated Leverage Ratio

Company shall not permit the Consolidated Leverage Ratio as of the last day of the most recently ended Fiscal Quarter ending during any of the periods set forth below to exceed the correlative ratio indicated (the "**Maximum Consolidated Leverage Ratio**"):

Period	Maximum Consolidated Leverage Ratio
Fiscal Quarter ended June 2011 through Fiscal Quarter ended December 2011	4.75:1.00
Fiscal Quarter ended March 2012 through Fiscal Quarter ended December 2012	4.50:1.00
Fiscal Quarter ended March 2013 through Fiscal Quarter ended December 2013	4.25:1.00
Fiscal Quarter ended March 2014 through Fiscal Quarter ended December 2015	4.00:1.00
Thereafter	3.75:1.00

Section 6.7 Restriction on Fundamental Changes; Asset Sales

No Loan Party will, nor will it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub-lease (as lessor or sublessor), transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, property or assets (including its notes or receivables and Capital Stock of a Subsidiary, whether newly issued or outstanding), whether now owned or hereafter acquired, except:

(a) any Subsidiary of Company may be merged with or into Company or any wholly-owned Subsidiary Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or

otherwise disposed of, in one transaction or a series of transactions, to Company or any wholly-owned Subsidiary Guarantor; *provided that* in the case of such a merger, Company or such wholly-owned Subsidiary Guarantor shall be the continuing or surviving Person;

(b) Company and its Subsidiaries may sell or otherwise dispose of assets in transactions that do not constitute Asset Sales; *provided that* the consideration received for such assets shall be in an amount at least equal to the fair market value thereof;

(c) Company and its Subsidiaries may dispose of obsolete, worn out, uneconomic or surplus property no longer used or useful in the ordinary course of business of Company;

(d) Company and its Subsidiaries may make Asset Sales of assets having an aggregate fair market value not in excess of $30,000,000 from and after the Second Restatement Date to the Maturity Date; *provided that* (A) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof; (B) at least 85% of the consideration received shall be Cash; (C) no Potential Event of Default or Event of Default shall have occurred or be continuing immediately after giving effect thereto; and (D) the Net Asset Sale Proceeds of such Asset Sales shall be applied to repay the Loans in accordance with Section 2.4(b)(iii)(B) or Section 2.4(d), *provided that* all such Net Asset Sale Proceeds in a Fiscal Year not exceeding $10,000,000 in the aggregate may be applied or reinvested in accordance with Section 2.4(b)(ii)(A);

(e) in order to resolve disputes that occur in the ordinary course of business, Company and its Subsidiaries may discount or otherwise compromise for less than the face value thereof, notes or accounts receivable;

(f) Company or a Subsidiary may sell or dispose of shares of Capital Stock of any of its Subsidiaries in order to qualify members of the Governing Body of the Subsidiary if required by applicable law;

(g) Company may perform its obligations under the Conveyance of Undivided Mineral Interest;

(h) any Person may be merged with or into Company or any Subsidiary if the acquisition of the Capital Stock of such Person by Company or such Subsidiary would have been permitted pursuant to Section 6.3; *provided that* (i) in the case of Company, Company shall be the continuing or surviving Person, (ii) if a Subsidiary is not the surviving or continuing Person, the surviving Person becomes a Subsidiary and complies with the provisions of Section 5.9 and (iii) no Potential Event of Default or Event of Default shall have occurred or be continuing immediately after giving effect thereto;

(i) any Capital Stock of any Subsidiary of Company may be sold, transferred or otherwise disposed of to Company or any other wholly-owned Subsidiary of Company (*provided that*, in the case of any such transfer by a Loan Party, the transferee must also be a Loan Party or constitute an Investment otherwise permitted hereunder);

(j) the cross licensing or licensing of intellectual property, in the ordinary course of business;

(k) the leasing, occupancy or sub-leasing of Real Property Assets in the ordinary course of business that would not materially interfere with the required use of such Real Property Asset by any Loan Party;

(l) transfers of condemned property as a result of the exercise of "eminent domain" or other similar policies to the respective Government Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement;

(m) Liens expressly permitted by Section 6.2;

(n) Restricted Junior Payments expressly permitted by Section 6.5; and

(o) Investments permitted by Section 6.3.

Section 6.8 Consolidated Capital Expenditures

No Loan Party will, nor will it permit its Subsidiaries to, make or incur Consolidated Capital Expenditures in an aggregate amount in excess of (i) $35,000,000 in Fiscal Year 2012 and (ii) $25,000,000 in any Fiscal Year thereafter; *provided that* the foregoing limitation shall not apply in respect of Consolidated Capital Expenditures made in any given Fiscal Year if as of the last day of such Fiscal Year Loan Parties have at least $40,000,000 of unrestricted cash, including any amounts available to be drawn under the ABL Loan Agreement (in each case, as certified in a Compliance Certificate delivered to Administrative Agent with the annual financial statements for such Fiscal Year in accordance with Section 5.1(d)).

Section 6.9 Transactions with Shareholders and Affiliates

No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 10% or more of any class of equity Securities of Company or with any Affiliate of Company or of any such holder, on terms that when taken as a whole are less favorable in any material respect to Company or that Subsidiary, as the case may be, than those that might be obtained at the time from Persons who are not such a holder or Affiliate; *provided that* the foregoing restrictions shall not apply to:

(a) any transaction between Company and any of its wholly-owned Subsidiaries or between any of its wholly-owned Subsidiaries;

(b) reasonable and customary fees paid to members of the Governing Bodies of Parent and its Subsidiaries and compensation and benefit arrangements for officers, directors and employees entered into in the ordinary course;

(c) the performance by Company of its obligations under the Sand Purchase Agreements and under the Conveyance of Undivided Mineral Interest;

(d) transactions in accordance with the terms of the Management Agreement;

(e) any acquisitions or other Investments expressly permitted by Section 6.3;

(f) transactions in respect of Subordinated Indebtedness with the holders or lenders, as the case may be, of such Subordinated Indebtedness to the extent such transactions are otherwise permitted hereunder;

(g) any intercompany loan from Company to Parent or any direct or indirect holding company of Company comprising a Restricted Junior Payment permitted under Section 6.5; or

(h) any Restricted Junior Payments expressly permitted by Section 6.5.

Section 6.10 Sales and Lease-Backs

No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any Capital Lease, of any property (whether real, personal or mixed), whether now owned or hereafter acquired, (a) that Company or any of its Subsidiaries has sold or transferred or is to sell or transfer to any other Person (other than Company or any of its Subsidiaries) or (b) that Company or any of its Subsidiaries intends to use for substantially the same purpose as any other property that has been or is to be sold or transferred by Company or any of its Subsidiaries to any Person (other than Company or any of its Subsidiaries) in connection with such lease; *provided that* (i) such lease is a Capital Lease and (ii) Company and its Subsidiaries may become and remain liable as lessee, guarantor or other surety with respect to any such Capital Lease if and to the extent that Company or any of its Subsidiaries would be permitted to enter into, and remain liable under, such lease under Section 6.1 assuming the sale and lease-back transaction constituted Indebtedness in a principal amount equal to the gross proceeds of the sale.

Section 6.11 Conduct of Business

(a) From and after the Second Restatement Date, the Intermediate Holding Companies will not, nor will it permit any of their Subsidiaries to, engage in any business other than (i) the businesses engaged in by the Intermediate Holding Companies and their Subsidiaries on the Second Restatement Date and similar or related businesses and (ii) such other lines of business as may be consented to by Requisite Lenders.

(b) From and after the Second Restatement Date, Parent shall not (i) engage in any business or own, lease, manage or otherwise operate any properties or assets other than (A) entering into and performing its obligations under and in accordance with the Transaction Documents to which it is a party, (B) owning the Capital Stock of the Intermediate Holding Companies and/or the Company and engaging in activities directly related thereto, (C) issuing Capital Stock and options, warrants or similar equivalents in respect thereof and (D) taking actions required by law to maintain its corporate existence, incurring Indebtedness pursuant to Sections 6.1(a), (c), (e), (f), (h), (j), (l) and (m), Contingent Obligations permitted under Sections 6.4(d), (e) and (h) and Restricted Junior Payments permitted pursuant to Sections 6.5(a), (c), (d), (g), (i) and (j); (ii) incur any Indebtedness (other than nonconsensual obligations imposed by operation of law and obligations pursuant to the Loan Documents to which it is a party) other than Indebtedness permitted under Sections 6.1(a), (c), (e), (f), (h), (j), (l) or (m), or (iii) issue any Capital Stock that constitutes Disqualified Stock or create or acquire any Subsidiary or own any Investment (other than Investments permitted under Sections 6.3(b), (c), (f) or (n)) in any Person other than the Intermediate Holding Companies and/or the Company.

Section 6.12 Amendments or Waivers of Certain Agreements; Amendments of Documents Relating to Subordinated Indebtedness

(a) **Amendments or Waivers of Certain Agreements** No Loan Party will agree to any amendment to, or waive any of its rights under, any Related Agreement (other than any agreement evidencing or governing any Subordinated Indebtedness) in a manner that could reasonably be expected to materially adversely affect the Lenders after the Second Restatement Date without in each case obtaining the prior written consent of Administrative Agent (acting at the instruction of Requisite Lenders) to such amendment or waiver.

(b) **Amendments of Documents Relating to Subordinated Indebtedness** No Loan Party will, nor will it permit any of its Subsidiaries to, amend or otherwise change the terms of any Subordinated Indebtedness or make any payment consistent with an amendment thereof or change thereto unless such amendment or change thereto is permitted pursuant to the definition of Permitted Refinancings.

Section 6.13 Fiscal Year; Accounting Policies

No Loan Party shall (a) change its Fiscal Year-end from December 31 without the prior written consent of Administrative Agent or (b) change its accounting policies and methods except from the policies and methods in effect on the Second Restatement Date, except in accordance with GAAP.

Section 6.14 Material Contracts; License Agreements; ITT Agreement

(a) **Material Contracts** No Loan Party shall breach or violate any term, condition or provision of any Material Contracts or any lease with respect to any Material Leasehold Property, except for such breaches and violations thereof as in the aggregate could not reasonably be expected to have a Material Adverse Effect.

(b) **License Agreements** Except with respect to any License Agreement, the loss or termination of which could not reasonably be expected to have a Material Adverse Effect:

(i) Each Loan Party and each of their Subsidiaries shall (A) promptly and faithfully observe and perform in all material respects all of the terms, covenants, conditions and provisions of the License Agreements to which it is a party to be observed and performed by it, at the times set forth therein, if any, (B) not do, permit, suffer or refrain from doing anything that could reasonably be expected to result in a default under or breach of any of the material terms of any License Agreement, (C) not cancel, surrender, modify, amend, waive or release any License Agreement in any respect, or consent to or permit to occur any of the foregoing; except that subject to Section 6.14(b)(ii) below, such Person may cancel, surrender, modify, amend, waive or release any License Agreement in the ordinary course of business of such Person; *provided that* such Person (as the case may be) shall give Administrative Agent not less than 30 days prior written notice of its intention to so cancel, surrender and release any such License Agreement, (D) give Administrative Agent prompt written notice of any License Agreement entered into by such Person after the date hereof, together with a true, correct and complete copy thereof and such other information with respect thereto as Administrative Agent may request, (E) give Administrative Agent prompt written notice of any breach of any material obligation, or any default, by any party under any License Agreement, and deliver to Administrative Agent (promptly upon the receipt thereof by such Person in the case of a notice to such Person and concurrently with the sending thereof in the case of a notice from such Person) a copy of each notice of default and every other notice and other communication received or delivered by such Person in connection with any License Agreement which relates to the right of such Person to continue to use the property subject to such License Agreement; and (F) furnish to Administrative Agent, promptly upon the request of Administrative Agent, such information and evidence as Administrative Agent may reasonably require from time to time concerning the observance, performance and compliance by such Person or the other party or parties thereto with the terms, covenants and provisions of any License Agreement.

(ii) Each Loan Party and each of their Subsidiaries will either exercise any option to renew or extend the term of each License Agreement to which it is a party in such manner as will cause the term of such License Agreement to be effectively renewed or extended for the period provided by such option and give prompt written notice thereof to Administrative Agent or give Administrative Agent prior written notice that such Person does not intend to renew or extend the term of any such License Agreement or that the term thereof shall otherwise be expiring, not less than 60 days prior to the date of any such renewal or expiration. In the event of the failure of such Person to extend or renew any License Agreement to which it is a party, Administrative Agent shall have, and is hereby granted, the irrevocable right and authority, at its option, to renew or extend the term of such License Agreement, whether in its own name and behalf, or in the name and behalf of a designee or nominee of Administrative Agent or in the name and behalf of such Person, as Administrative Agent shall determine solely during such time that an Event of Default shall exist or have occurred and be continuing. Administrative Agent may, but shall not be required to, perform any or all of such obligations of such Person under any of the License Agreements, including, but not limited to, the payment of any or all sums due from such Person thereunder. Any sums so paid by Administrative Agent shall constitute part of the Obligations.

(iii) The Loan Parties shall (A) not amend or modify the ITT Agreement in any manner that is materially adverse to the interests of the Lenders without the prior consent of Administrative Agent, (B) not cancel or terminate the ITT Agreement and (C) notify Administrative Agent promptly, but in any event within five Business Days of any actual, pending or threatened termination or cancellation of the ITT Agreement or any denial of coverage in respect of the indemnity set forth therein.

Section 6.15 Designation of Senior Debt

The Loan Parties will not, nor will they permit any Subsidiary to, permit any Subordinated Indebtedness of such Loan Party or such Subsidiary to fail to be subject to any subordination provisions governing such Subordinated Indebtedness.

ARTICLE VII
EVENTS OF DEFAULT

If any of the following conditions or events ("**Events of Default**") shall occur:

Section 7.1 Failure to Make Payments When Due

(a) Failure by Company to pay any installment of principal of any Loan when due, whether at stated maturity, by acceleration, by notice of voluntary prepayment, by mandatory prepayment (except as provided in Section 2.4(b)(ii)(F) with respect to an incorrect calculation of mandatory prepayment amounts) or otherwise; or

(b) failure by Company to pay any interest on any Loan, any fee or any other amount due under this Agreement within three days after the date due; or

Section 7.2 Default in Other Agreements

(a) Failure of Parent, Company or any of their respective Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 7.1) or Contingent Obligations in an individual principal amount of $5,000,000 or more, in each case beyond the end of any grace period provided therefor; or

(b) breach or default by Parent, Company or any of their respective Subsidiaries with respect to any other material term of (i) one or more items of Indebtedness or Contingent Obligations in the individual or aggregate principal amounts referred to in clause (a) above or (ii) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness or Contingent Obligation(s), if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness or Contingent Obligation(s) (or a trustee on behalf of such holder or holders) to cause, that Indebtedness or Contingent Obligation(s) to become or be declared due and payable prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be (with the giving or receiving of notice of such declaration, if required, but after the expiration of all grace periods applicable thereto); or

Section 7.3 Breach of Certain Covenants

(a) Failure of a Loan Party to perform or comply with any term or condition contained in Section 2.5, Section 5.1(b), (c) and (d), Section 5.2 (in respect of the existence of Parent or Company) or ARTICLE VI of this Agreement; or

(b) Failure of a Loan Party to perform or comply with any term or condition contained in Section 5.4(b) and (c), and, in either case, such default shall not have been remedied or waived within 15 days after the earlier of (i) an Officer of Company or such Loan Party becoming aware of such default or (ii) receipt by Company and such Loan Party of notice from Administrative Agent or any Lender of such default; or

Section 7.4 Breach of Warranty

Any representation, warranty, certification or other statement made by Parent or any of its Subsidiaries in any Loan Document or in any statement or certificate at any time given by Company or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect on the date as of which made; or

Section 7.5 Other Defaults Under Loan Documents

Any Loan Party shall default in the performance of or compliance with any term contained in this Agreement or any of the other Loan Documents, other than any such term referred to in any other Section of this ARTICLE VII, and such default shall not have been remedied or waived within 30 days after the earlier of (a) an Officer of Company or such Loan Party becoming aware of such default or (b) receipt by Company and such Loan Party of notice from Administrative Agent or any Lender of such default; or

Section 7.6 Involuntary Bankruptcy; Appointment of Receiver, etc.

(a) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of Parent, Company or any of their respective Subsidiaries in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or

(b) an involuntary case shall be commenced against Parent, Company or any of their respective Subsidiaries under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other Officer having similar powers over Parent, Company or any of their respective Subsidiaries, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Parent, Company or any of their respective Subsidiaries for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Parent, Company or any of their respective Subsidiaries, and any such event described in this clause (b) shall continue for 60 days unless dismissed, bonded or discharged; or

Section 7.7 Voluntary Bankruptcy; Appointment of Receiver, etc.

(a) Parent, Company or any of their respective Subsidiaries shall have an order for relief entered with respect to it or commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Parent, Company or any of their respective Subsidiaries shall make any assignment for the benefit of creditors; or

(b) Parent, Company or any of their respective Subsidiaries shall be unable, or shall fail generally, or shall admit in writing its inability, generally, to pay its debts as such debts become due; or the Governing Body of Parent, Company or any of their respective Subsidiaries (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to in clause (a) above or this clause (b); or

Section 7.8 Judgments and Attachments

Any money judgment, writ or warrant of attachment or similar process involving an amount in excess of $10,000,000 in the aggregate at any time, to the extent not adequately covered by insurance as to which a Solvent and unaffiliated insurance company has not disclaimed coverage or by the indemnity relating to Silica Related Claims under the ITT Agreement, shall be entered or filed against Parent, Company or any of their respective Subsidiaries or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of 90 days (or in any event later than five days prior to the date of any proposed sale thereunder); or

Section 7.9 Dissolution

Any order, judgment or decree shall be entered against Parent, Company or any of its Subsidiaries decreeing the dissolution or split up of Parent, Company or that Subsidiary and such order shall remain undischarged or unstayed for a period in excess of 30 days; or

Section 7.10 ERISA

Any of the following events results in the imposition of or granting of security, or the incurring of a liability or a material risk of incurring a liability that individually and/or in the aggregate, results or could reasonably be expected to result in a Material Adverse Effect:

(a) any ERISA Event occurs or is reasonably expected to occur;

(b) any Loan Party or ERISA Affiliate incurs or could reasonably be expected to incur a liability to or on account of a Multiemployer Plan as a result of a violation of Section 515 of ERISA or under Section 4201, 4204 or 4212(c) of ERISA;

(c) the fair market value of the assets of any Employee Plan subject to Title IV of ERISA is not at least equal to the present value of the "benefit liabilities" (within the meaning of Section 4001(a)(16) of ERISA) under that Employee Plan using the actuarial assumptions and methods used by the actuary to that Employee Plan in its most recent valuation of that Employee Plan; or

(d) any Loan Party or ERISA Affiliate incurs or could reasonably be expected to incur a liability to or on account of an Employee Plan under Section 409, 502(i) or 502(I) of ERISA or Section 4971 or 4975 of the Internal Revenue Code; or

Section 7.11 Change in Control

A Change in Control shall have occurred; or

Section 7.12 Invalidity of Loan Documents; Failure of Security; Repudiation of Obligations

At any time after the execution and delivery thereof, (a) any Loan Document or any provision thereof, for any reason other than the satisfaction in full of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void, (b) Administrative Agent shall not have or shall cease to have a valid and perfected First Priority Lien in any Collateral purported to be covered by a First Priority Lien by the Collateral Documents to having a fair market value, individually or in the aggregate, exceeding $1,000,000, in each case for any reason other than release of the Collateral in accordance with the Loan Documents or the failure of Administrative Agent or any Lender to take any action within its control or (c) any Loan Party shall contest the validity or enforceability of any Loan Document or any provision thereof in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Loan Document or any provision thereof to which it is a party;

THEN:

(a) **Acceleration** (i) upon the occurrence of any Event of Default described in Section 7.6 or 7.7, each of (A) the unpaid principal amount of and accrued interest on the Loans and (B) all other Obligations shall automatically become immediately due and payable, without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Loan Parties and (ii) upon the occurrence and during the continuation of any other Event of Default, Administrative Agent shall, upon the written request or with the written consent of Requisite Lenders, by written notice to Company, declare all or any portion of the amounts described in clause (A) above to be, and the same shall forthwith become, immediately due and payable, and thereafter, Administrative Agent may, upon the written request or with the written consent of Requisite Lenders, by written notice to Company, declare all or any portion of the amounts described in clause (B) above to be, and the same shall forthwith become, immediately due and payable.

(b) **Rescission of Acceleration** Notwithstanding anything contained in paragraph (a) above, if at any time within 60 days after an acceleration of the Loans pursuant to clause (ii) of such paragraph Company shall pay all arrears of interest and all payments on account of principal which shall have become due otherwise than as a result of such acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Potential Events of Default (other than non-payment of the principal of and accrued interest on the Loans, in each case which is due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to Section 9.6, then Requisite Lenders, by written notice to Company, may at their option rescind and annul such acceleration and its consequences; but such action shall not affect any subsequent Event of Default or Potential Event of Default or impair any right consequent thereon. The provisions of this paragraph are intended merely to bind Lenders to a decision which may be made at the election of Requisite Lenders and are not intended, directly or indirectly, to benefit Company, and such provisions shall not at any time be construed so as to grant Company the right to require Lenders to rescind or annul any acceleration hereunder or to preclude Administrative Agent or Lenders from exercising any of the rights or remedies available to them under any of the Loan Documents, even if the conditions set forth in this paragraph are met.

(c) **Right to Cure** Notwithstanding anything to the contrary contained in ARTICLE VII, in the event that Company fails to comply with the Financial Covenant, then until ten days after the date on which the Compliance Certificate in respect of the applicable Fiscal Quarter is required to be delivered pursuant to Section 5.1(d), Permitted Holders shall have the right to commit to purchase for cash Qualified Capital Stock of Parent and make payment for such Qualified Capital Stock; *provided* that Parent shall immediately upon receipt of any such payment contribute 100% of such payment in cash to the capital of Company as a contribution in respect of Company's common Capital Stock (collectively, the "**Cure Right**"), and upon the receipt by Company of such Cash contribution (the "Specified Equity Contribution") pursuant to the exercise by Permitted Holders of such Cure Right, (A) Company shall apply such Specified Equity Contribution to a mandatory prepayment of the Loans pursuant to Section 2.4(b)(iii)(C) and (B) the Consolidated Adjusted EBITDA shall be increased, solely for the purpose of determining compliance with the Financial Covenant with respect to any period of four consecutive Fiscal Quarters that includes the Fiscal Quarter for which the Cure Right was exercised and not for any other purpose under this Agreement, by an amount equal to the amount of the Specified Equity Contribution. If, after giving effect to the foregoing recalculations, Company shall then be in compliance with the Financial Covenant (and shall deliver to Administrative Agent a pro forma Compliance Certificate demonstrating such compliance), Company shall be deemed to have complied with the Financial Covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the Financial Covenant that had occurred shall be deemed cured for the purposes of this Agreement (including any breach of a representation or warranty that the Loan Parties were in compliance with the Financial Covenant as of such date). Until the 10th day following the date on which the Compliance Certificate in respect of the applicable Fiscal Quarter is required to be delivered pursuant to Section 5.1(d), (x) none of Administrative Agent nor any Lender shall exercise the right to accelerate

the Loans or terminate the Commitments and (y) none of Administrative Agent, any other Lender or other Secured Party shall exercise any right to foreclose on or take possession of the Collateral solely on the basis of an Event of Default having occurred and being continuing as a result of a breach of the Financial Covenant in or as of the end of such Fiscal Quarter (including as a result of any breach of a representation or warranty that the Loan Parties were in compliance with the Financial Covenant during or as of the end of such Fiscal Quarter).

Notwithstanding anything herein to the contrary, (i) in each four-Fiscal Quarter period there shall be at least two Fiscal Quarters in which no Cure Right is exercised, (ii) no more than four Specified Equity Contributions may be made after the Second Restatement Date, (iii) with respect to this Agreement, the amount of any Specified Equity Contribution shall be no greater than the minimum amount required to cause Company to be in compliance with the Financial Covenant (it being understood, however, that cash equity contributions to cure financial covenant defaults under the ABL Loan Agreement may exceed such amount) and (iv) no Indebtedness repaid with the proceeds of a Specified Equity Contribution shall be deemed repaid for purposes of determining compliance with the Financial Covenant on the last day of the Fiscal Quarter for which the Cure Right was exercised.

ARTICLE VIII
ADMINISTRATIVE AGENT

Section 8.1 Appointment

(a) **Appointment of Administrative Agent** BNP Paribas is hereby appointed Administrative Agent hereunder and under the other Loan Documents.

(i) **Authorization** Each Lender hereby authorizes Administrative Agent to act as its agent in accordance with the terms of this Agreement and the other Loan Documents. Administrative Agent agrees to act upon the express conditions contained in this Agreement and the other Loan Documents, as applicable. The provisions of this ARTICLE VIII are solely for the benefit of Agents and Lenders and no Loan Party shall have rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties under this Agreement, Administrative Agent (other than as provided in Section 2.1(d)) shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Company or any other Loan Party.

(ii) **Exercise of Duties** Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact appointed by Administrative Agent in its sole discretion. Administrative Agent and any such sub-agent may perform any and all of the duties of Administrative Agent and exercise the rights and powers of Administrative Agent by or through their respective Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates ("**Related Parties**"). The exculpatory provisions of this ARTICLE VIII shall apply to any such sub-agent and to the Related Parties of Administrative Agent and any such sub-agent.

(b) **Appointment of Supplemental Collateral Agents** It is the purpose of this Agreement and the other Loan Documents that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as agent or trustee in such jurisdiction. It is recognized that in case of litigation under this Agreement or any of the other Loan Documents, and in particular in case of the enforcement of any of the Loan Documents, or in case Administrative Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the rights, powers or remedies granted herein or in any of the other Loan Documents or take any other action which may be desirable or necessary in connection therewith, it may be necessary that Administrative Agent appoint an additional individual or institution as a separate trustee, co-trustee, collateral agent or collateral co-agent (any such additional individual or institution being referred to herein individually as a "**Supplemental Collateral Agent**" and collectively as "**Supplemental Collateral Agents**").

(i) **Duties** In the event that Administrative Agent appoints a Supplemental Collateral Agent with respect to any Collateral, (A) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Loan Documents to be exercised by or vested in or conveyed to Administrative Agent with respect to such Collateral shall be exercisable by and vest in such Supplemental Collateral Agent to the extent, and only to the extent, necessary to enable such Supplemental Collateral Agent to exercise such rights, powers and privileges with respect to such Collateral and to perform such duties with respect to such Collateral, and every covenant and obligation contained in the Loan Documents and necessary to the exercise or performance thereof by such Supplemental Collateral Agent shall run to and be enforceable by either Administrative Agent or such Supplemental Collateral Agent and (B) the provisions of this ARTICLE VIII and of Sections 9.2 and 9.3 that refer to Administrative Agent shall inure to the benefit of such Supplemental Collateral Agent and all references therein to Administrative Agent shall be deemed to be references to Administrative Agent and/or such Supplemental Collateral Agent, as the context may require.

(ii) **Acknowledgement by Company** Should any instrument in writing from Company or any other Loan Party be required by any Supplemental Collateral Agent so appointed by Administrative Agent for more fully and certainly vesting in and confirming to him or it such rights, powers, privileges and duties, Company shall, or shall cause such Loan Party to, execute, acknowledge and deliver any and all such instruments promptly upon request by Administrative Agent. In case any Supplemental Collateral Agent, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the rights, powers, privileges and duties of such Supplemental Collateral Agent, to the extent permitted by law, shall vest in and be exercised by Administrative Agent until the appointment of a new Supplemental Collateral Agent.

(c) **Control Under UCC** Each Lender and Administrative Agent hereby appoints each other Lender as agent for the purpose of perfecting Administrative Agent's security interest in assets that, in accordance with the UCC, can be perfected by possession or control.

Section 8.2 Powers and Duties; General Immunity

(a) **Powers; Duties Specified** Each Lender irrevocably authorizes Administrative Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Loan Documents as are specifically delegated or granted to Administrative Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Administrative Agent shall have only those duties and responsibilities that are expressly specified in this Agreement and the other Loan Documents. Administrative Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. Administrative Agent shall not have, by reason of this Agreement or any of the other Loan Documents, a fiduciary relationship in respect of any Lender or Company; and nothing in this Agreement or any of the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon Administrative Agent any obligations in respect of this Agreement or any of the other Loan Documents except as expressly set forth herein or therein.

(b) **No Responsibility for Certain Matters** No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of this Agreement or any other Loan Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by such Agent to Lenders or by or on behalf of Company to such Agent or any Lender in connection with the Loan Documents and the Transactions or for the financial condition or business affairs of Company or any other Person liable for the payment of any Obligations, nor shall such Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Potential Event of Default.

(c) **Exculpatory Provisions** No Agent or any of its Officers, directors, employees or agents shall be liable to Lenders for any action taken or omitted by such Agent under or in connection with any of the Loan Documents except to the extent caused by such Agent's gross negligence or willful misconduct. An Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection with this Agreement or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 9.6) and, upon receipt of such instructions from Requisite Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions; *provided that* no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law. Without prejudice to the generality of the foregoing, (i) each Agent

shall be entitled to rely, and shall be fully protected in relying, upon any communication (including any electronic message, Internet or intranet website posting or other distribution), instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Company and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against an Agent as a result of such Agent acting or (where so instructed) refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 9.6).

(d) **Agents Entitled to Act as Lender** The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, an Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans, an Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not performing the duties and functions delegated to it hereunder, and the term "Lender" or "Lenders" or any similar term shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. An Agent and its Affiliates may accept deposits from, lend money to, acquire equity interests in and generally engage in any kind of commercial banking, investment banking, trust, financial advisory or other business with Company or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Company for services in connection with this Agreement and otherwise without having to account for the same to Lenders.

Section 8.3 Independent Investigation by Lenders; No Responsibility For Appraisal of Creditworthiness

Each Lender agrees that it has made its own independent investigation of the financial condition and affairs of Company and its Subsidiaries in connection with the making of the Loans hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Company and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Secured Parties or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

Section 8.4 Right to Indemnity

Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent and its Officers, directors, employees, agents, attorneys, professional advisors and Affiliates to the extent that any such Person shall not have been reimbursed by Company, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements and fees and disbursements of any financial advisor engaged by Agents) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against an Agent or such other Person in exercising the powers, rights and remedies of an Agent or performing duties of an Agent hereunder or under the other Loan Documents or otherwise in its capacity as Agent in any way relating to or arising out of this Agreement or the other Loan Documents; *provided that* no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses

or disbursements of an Agent resulting solely from such Agent's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction. If any indemnity furnished to an Agent or any other such Person for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished.

Section 8.5 Resignation of Agents; Successor Administrative Agent

Any Agent may resign at any time by giving 30 days' prior written notice thereof to Lenders and Company. Upon any such notice of resignation by Administrative Agent, Requisite Lenders shall have the right, upon five Business Days' notice to Company, to appoint a successor Administrative Agent. If no such successor shall have been so appointed by Requisite Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, the retiring Administrative Agent may, on behalf of Lenders, appoint a successor Administrative Agent. If Administrative Agent shall notify Lenders and Company that no Person has accepted such appointment as successor Administrative Agent, such resignation shall nonetheless become effective in accordance with Administrative Agent's notice and (i) the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents, except that any Collateral held by Administrative Agent will continue to be held by it until a Person shall have accepted the appointment of successor Administrative Agent and (ii) all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by, to or through each Lender directly, until such time as Requisite Lenders appoint a successor Administrative Agent in accordance with this Section 8.5. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement (if not already discharged as set forth above). After any retiring Agent's resignation hereunder, the provisions of this ARTICLE VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Agent under this Agreement.

Section 8.6 Collateral Documents and Guaranties

Each Lender (which term shall include, for purposes of this Section 8.6, any Hedge Agreement Counterparty) hereby further authorizes Administrative Agent, on behalf of and for the benefit of Lenders, to enter into each Collateral Document as secured party and to be the agent for and representative of Lenders under each Guaranty, and each Lender agrees to be bound by the terms of each Collateral Document and the Guaranties; *provided that* Administrative Agent shall not (a) enter into or consent to any material amendment, modification, termination or waiver of any provision contained in any Collateral Document or the Guaranties or (b) release any Collateral (except as otherwise expressly permitted or required pursuant to the terms of this Agreement or the applicable Collateral Document), in each case without the prior consent of Requisite Lenders (or, if required pursuant to Section 9.6, all Lenders); *provided further, however, that*, without further written consent or authorization from Lenders, Administrative Agent may execute any documents or instruments necessary to (i) release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted by this Agreement or to which Requisite Lenders have otherwise consented, (ii) release any Subsidiary Guarantor from the Subsidiary Guaranty if all of the Capital Stock of such Subsidiary Guarantor is sold to any Person (other than an Affiliate of Company) pursuant to a sale or other disposition permitted hereunder or to which Requisite Lenders have otherwise consented or (iii) subordinate the Liens of Administrative Agent, on behalf of Secured Parties, to any Liens permitted by clause (v) of Section 6.2(a); *provided that*, in the case of a sale or other disposition of such item of Collateral or stock referred to in

subdivision (i) or (ii), the requirements of Section 9.14 are satisfied. Anything contained in any of the Loan Documents to the contrary notwithstanding, (A) no Lender shall have any right individually to realize upon any of the Collateral under any Collateral Document or to enforce any Guaranty, it being understood and agreed that all powers, rights and remedies under the Collateral Documents and the Guaranties may be exercised solely by Administrative Agent for the benefit of Lenders in accordance with the terms thereof and (B) in the event of a foreclosure by Administrative Agent on any of the Collateral pursuant to a public or private sale, Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and Administrative Agent, as agent for and representative of Lenders (but not any Lender or Lenders in its or their respective individual capacities unless Requisite Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by Administrative Agent at such sale.

Section 8.7 Duties of Other Agents

To the extent that any Lender is identified in this Agreement as a co-agent, documentation agent or syndication agent, such Lender shall not have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender.

Section 8.8 Administrative Agent May File Proofs of Claim

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial Proceeding relative to Parent, Company or any of their respective Subsidiaries, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Company) shall be entitled and empowered, by intervention in such Proceeding or otherwise

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Loans and any other Obligations that are owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of Lenders and Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Agents and their agents and counsel and all other amounts due Lenders and Agents under Section 2.3 and Section 9.2) allowed in such judicial Proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial Proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agents and their agents and counsel, and any other amounts due Agents under Section 2.3 and Section 9.2.

Nothing herein contained shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lenders or to authorize Administrative Agent to vote in respect of the claim of any Lender in any such Proceeding.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Successors and Assigns; Assignments and Participations in Loans

(a) **General** This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders (it being understood that Lenders' rights of assignment are subject to the further provisions of this Section 9.1). Neither Company's rights or obligations hereunder nor any interest therein may be assigned or delegated by Company without the prior written consent of all Lenders (and any attempted assignment or transfer by Company without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Affiliates of each of Administrative Agent and Lenders and Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments**

(i) **Amounts and Terms of Assignments** Any Lender may assign to one or more Eligible Assignees all or any portion of its rights and obligations under this Agreement; *provided that* (A), except (1) in the case of an assignment of the entire remaining amount of the assigning Lender's rights and obligations under this Agreement or (2) in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund of a Lender, the aggregate amount of the Loan Exposure, as the case may be, of the assigning Lender and the assignee subject to each such assignment shall not be less than $1,000,000 (in each case aggregating concurrent assignments by or to two or more Affiliated Funds for purposes of determining such minimum amount), unless each of Administrative Agent and, so long as no Event of Default has occurred and is continuing, Company otherwise consent (each such consent not to be unreasonably withheld or delayed), (B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan, (C) the parties to each assignment shall execute and deliver to Administrative Agent an Assignment Agreement, together with a processing and recordation fee of $3,500 (unless the assignee is an Affiliate or an Approved Fund of the assignor, in which case no fee shall be required and no more than one such fee shall be payable in connection with simultaneous assignments to or by two or more Affiliated Funds), and the Eligible Assignee, if it shall not be a Lender, shall deliver to Administrative Agent information reasonably requested by Administrative Agent, including such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to Administrative Agent pursuant to Section 2.7(b)(iv) and (D), except in the case of an assignment to another Lender, an Affiliate of a Lender or an Approved Fund of a Lender, each of (1) Administrative Agent and (2) if no Event of Default has occurred and is

continuing, Company shall have consented thereto (with all such consents not to be unreasonably withheld or delayed) *provided that* no consent of Company shall be required for any assignments made during the initial syndication of the Loans to any lenders set forth on the initial allocation list provided by Administrative Agent to Company on or prior to the Second Restatement Date.

(ii) **Effect of Assignments** Upon such execution, delivery and consent, from and after the effective date specified in such Assignment Agreement, (A) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement, shall have the rights and obligations of a Lender hereunder and (B) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination of this Agreement under Section 9.9(b)) and be released from its obligations under this Agreement (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto). The assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its Notes, if any, to Administrative Agent for cancellation, and thereupon new Notes shall, if so requested by the assignee and/or the assigning Lender in accordance with Section 2.1(e), be issued to the assignee and/or to the assigning Lender, substantially in the form of Exhibit III, annexed hereto, with appropriate insertions, to reflect the amount of the outstanding Loan of the assignee and/or the assigning Lender. Other than as provided in Section 9.5, any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.1(b) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 9.1(c).

(iii) **Acceptance by Administrative Agent; Recordation in Register** Upon its receipt of an Assignment Agreement executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with the processing and recordation fee referred to in Section 9.1(b)(i) and any forms, certificates or other evidence with respect to United States federal income tax withholding matters that such assignee may be required to deliver to Administrative Agent pursuant to Section 2.7(b), Administrative Agent shall, if Administrative Agent and Company have consented to the assignment evidenced thereby (in each case to the extent such consent is required pursuant to Section 9.1(b)(i)), (A) accept such Assignment Agreement by executing a counterpart thereof as provided therein (which acceptance shall evidence any required consent of Administrative Agent to such assignment), (B) record the information contained therein in the Register and (C) give prompt notice thereof to Company. Administrative Agent shall maintain a copy of each Assignment Agreement delivered to and accepted by it as provided in this Section 9.1(b)(iii).

(iv) **Deemed Consent by Company** If the consent of Company to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment thresholds specified in Section 9.1(b)(i)), Company shall be deemed to have given its consent ten Business Days after the date notice thereof has been delivered by the assigning Lender (through Administrative Agent) unless such consent is expressly refused by Company prior to such tenth Business Day.

(v) **Electronic Execution of Assignments** The words "execution," "signed," "signature," and words of like import in any Assignment Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(c) **Participations** Any Lender may, without the consent of, or notice to, Company or Administrative Agent, sell participations to one or more Persons (other than a natural Person) in all or a portion of such Lender's rights and/or obligations under this Agreement; *provided that* (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) Company, Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided that* such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver directly affecting (A) an extension of the regularly scheduled maturity of any portion of the principal amount of or interest on any Loan allocated to such participation, (B) a reduction of the principal amount of or the rate of interest payable on any Loan allocated to such participation or (C) an increase in the Commitment allocated to such participation. Subject to the further provisions of this Section 9.1(c), Company agrees that each Participant shall be entitled to the benefits of Section 2.6(d) and 2.7 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 9.1(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.4 as though it were a Lender, provided such Participant agrees to be subject to Section 9.5 as though it were a Lender. A Participant shall not be entitled to receive any greater payment under Section 2.6(d) and 2.7 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant unless the sale of the participation to such Participant is made with Company's prior written consent. No Participant shall be entitled to the benefits of Section 2.7 unless Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of Company, to comply with Section 2.7(b)(iv) as though it were a Lender.

(d) **Pledges and Assignments** Any Lender may at any time pledge or assign a security interest in all or any portion of its Loans, and the other Obligations owed to such Lender, to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to any Federal Reserve Bank or any central bank having jurisdiction; *provided that* (i) no Lender shall be relieved of any of its obligations hereunder as a result of any such assignment or pledge and (ii) in no event shall any assignee or pledgee be considered to be a "Lender" or be entitled to require the assigning Lender to take or omit to take any action hereunder.

(e) **SPC Grants** Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to Administrative Agent and Company (an "**SPC**") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; *provided that* (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. Each party hereto hereby agrees that (A) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of Company under this Agreement (including its obligations under Section 2.7), (B) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable and (C) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the applicable Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation Proceeding under the laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPC may (1) with notice to, but without prior consent of Company and Administrative Agent and with the payment of a processing fee of $3,500 paying any processing fee therefor, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (2) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancement to such SPC.

(f) **Information** Each Lender may furnish any information concerning Parent and its Subsidiaries in the possession of that Lender from time to time to assignees and Participants (including prospective assignees and Participants), subject to Section 9.19.

(g) **Agreements of Lenders** Each Lender listed on the signature pages hereof hereby agrees, and each Lender that becomes a party hereto pursuant to an Assignment Agreement shall be deemed to agree, (i) that it is an Eligible Assignee described in clause (b) of the definition thereof; (ii) that it has experience and expertise in the making of or purchasing loans such as the Loans; and (iii) that it will make or purchase Loans for its own account in the ordinary course of its business and without a view to distribution of such Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 9.1, the disposition of such Loans or any interests therein shall at all times remain within its exclusive control).

Section 9.2 Expenses

Whether or not the Transactions shall be consummated, Company agrees to pay promptly (a) all reasonable and documented out-of-pocket costs and expenses of Administrative Agent of negotiation, preparation and execution of the Loan Documents and any consents, amendments, waivers or other modifications thereto; (b) all costs and expenses of furnishing all opinions by counsel for Company (including any opinions requested by Agents or Lenders as to any legal matters arising hereunder) and of Company's performance of and compliance with all agreements and conditions on its part to be performed or complied with under this Agreement and the other Loan Documents including with respect to confirming compliance with environmental, insurance and solvency requirements; (c) all reasonable and documented out-of-pocket fees, expenses and disbursements of one primary counsel to Administrative Agent and one reasonably necessary local counsel in any material jurisdiction in connection with the negotiation, preparation, execution and administration of the Loan Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by Company; (d) all reasonable and documented out-of-pocket costs and expenses of creating and perfecting Liens in favor of Administrative Agent on behalf of Secured Parties pursuant to any Collateral Document, including filing and recording fees, expenses and Taxes, stamp or documentary taxes, search fees, title insurance premiums, and reasonable fees, expenses and disbursements of counsel to Administrative Agent and of counsel providing any opinions that Administrative Agent or Requisite Lenders may reasonably request in accordance with the obligations of the Loan Parties hereunder in respect of the Collateral Documents or the Liens created pursuant thereto; (e) all reasonable and documented out-of-pocket costs and expenses (including the reasonable and documented out-of-pocket fees, expenses and disbursements of any auditors, accountants or appraisers and any environmental or other consultants, advisors and agents employed or retained (with the consent of Company, not to be unreasonably withheld) by Administrative Agent or its counsel) of obtaining and reviewing any appraisals provided for under Section 5.8(b) and any environmental audits or reports provided for under Section 5.8(a); (f) all reasonable and documented out-of-pocket costs and expenses incurred by Administrative Agent in connection with the custody or preservation of any of the Collateral; (g) all other reasonable and documented out-of-pocket costs and expenses incurred by Administrative Agent in connection with the syndication of the Loans and Commitments; (h) all reasonable and documented out-of-pocket costs and expenses, including attorneys' fees and reasonable and documented out-of-pocket fees, costs and expenses of accountants, advisors and consultants, incurred by Administrative Agent and its counsel relating to efforts to (i) evaluate or assess any Loan Party, its business or financial condition and (ii) protect, evaluate, assess or dispose of any of the Collateral; and (i) all out-of-pocket costs and expenses, including reasonable and documented out-of-pocket attorneys' fees (including allocated costs of internal counsel), fees, costs and expenses of accountants, advisors and consultants and costs of settlement, incurred by Administrative Agent and Lenders in enforcing any Obligations of or in collecting any payments due from any Loan Party hereunder or under the other Loan

Documents (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Loan Documents) or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy Proceedings. For the avoidance of doubt, Parent and Company shall not be required to reimburse the legal fees and expenses of more than one firm of outside counsel (in addition, one firm of necessary local counsel in each applicable local jurisdiction) for Administrative Agent and one separate firm of outside counsel for all Lenders, taken as a whole.

Section 9.3 Indemnity

(a) In addition to the payment of expenses pursuant to Section 9.2, whether or not the Transactions shall be consummated, Company agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless Agents and Lenders, and the Officers, directors, trustees, employees, agents, advisors and Affiliates of Agents and Lenders (collectively called the "**Indemnitees**"), from and against any and all Indemnified Liabilities (as hereinafter defined); *provided that* Company shall not have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise solely from the gross negligence or willful misconduct of that Indemnitee or its related parties as determined by a final judgment of a court of competent jurisdiction.

(b) As used herein, "**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, actions, judgments, suits, claims (including Environmental Claims), costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), expenses and disbursements of any kind or nature whatsoever (including the reasonable and documented out-of-pocket fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial Proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (i) this Agreement or the other Loan Documents or the Transactions (including Lenders' agreement to make the Loans hereunder or the use or intended use of the proceeds thereof as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Government Authority, or any enforcement of any of the Loan Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranties), (ii) the statements contained in the commitment letter delivered by any Lender to Company with respect thereto or (iii) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Company or any of its Subsidiaries; except to the extent such Environmental Claim or Hazardous Materials Activity arises solely from the gross negligence or willful misconduct of Indemnitee as determined by a final judgment of a court of competent jurisdiction.

(c) To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 9.3 may be unenforceable in whole or in part because they are violative of any law or public policy, Company shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

Section 9.4 Set-Off

In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuation of any Event of Default each of Lenders and their Affiliates is hereby authorized by Company at any time or from time to time, with prompt notice to Company or to any other Person, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, provisional or final, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by that Lender or any Affiliate of that Lender to or for the credit or the account of Company and each other Loan Party against and on account of the Obligations of Company or any other Loan Party to that Lender (or any Affiliate of that Lender) or to any other Lender (or any Affiliate of any other Lender) under this Agreement and the other Loan Documents to the extent then due and payable, including all claims of any nature or description arising out of or connected with this Agreement and participations therein or any other Loan Document, irrespective of whether or not that Lender shall have made any demand hereunder.

Section 9.5 Ratable Sharing

Lenders hereby agree among themselves that if any of them shall, whether by voluntary or mandatory payment (other than a payment or prepayment of Loans made and applied in accordance with the terms of this Agreement), by realization upon security, through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as Cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to that Lender hereunder or under the other Loan Documents (collectively, the "**Aggregate Amounts Due**" to such Lender) that is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall, unless such proportionately greater payment is required or permitted by the terms of this Agreement, (a) notify Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase assignments (which it shall be deemed to have purchased from each seller of an assignment simultaneously upon the receipt by such seller of its portion of such payment) of the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; *provided that* (i) if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Company or otherwise, those purchases shall be rescinded and the purchase prices paid for such assignments shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest and (ii) the foregoing provisions shall not apply to (A) any payment made by Company pursuant to and in accordance with the express terms of this Agreement or (B) any payment obtained by a Lender as consideration for the assignment (other than an assignment pursuant to this Section 9.5) of or the sale of a participation in any of its Obligations to any Eligible Assignee or Participant pursuant to Section 9.1(b). Company expressly consents to the foregoing arrangement and agrees that any purchaser of an assignment so purchased may exercise any and all rights of a Lender as to such assignment as fully as if that

Lender had complied with the provisions of Section 9.1(b) with respect to such assignment. In order to further evidence such assignment (and without prejudice to the effectiveness of the assignment provisions set forth above), each purchasing Lender and each selling Lender agree to enter into an Assignment Agreement at the request of a selling Lender or a purchasing Lender, as the case may be, in form and substance reasonably satisfactory to each such Lender.

Section 9.6 Amendments and Waivers

(a) **Consent Required** No amendment, modification, termination or waiver of any provision of this Agreement or the other Loan Documents, and no consent to any departure by Company therefrom, shall in any event be effective without the written concurrence of Company and the Requisite Lenders; *provided that* no such amendment, modification, termination, waiver or consent shall, without the consent of:

(i) each Lender with Obligations directly amended, modified, terminated or waived whose consent shall be sufficient for any such amendment, modification, termination or waiver in addition to that of Requisite Lenders:

(A) reduce the principal amount of the Loans;

(B) increase the amount or extend the expiry date of any Commitment (it being understood that waivers or modifications of conditions precedent, covenants, Potential Events of Default or Events of Default, mandatory repayments or mandatory reductions of Loans or Commitments, shall not constitute an increase of the Commitment of any Lender);

(C) postpone the Maturity Date or Latest Maturity Date, or postpone the date or reduce the amount of any scheduled payment (but not prepayment) of principal of the Loans;

(D) change in any manner or waive the provisions contained in Section 7.1 (“Failure to Make Payments When Due”) in respect of any Loan or other Obligation;

(E) postpone the date on which any interest or any fees are payable;

(F) decrease the interest rate borne by the Loans (other than any waiver of any increase in the interest rate applicable to any of the Loans pursuant to Section 2.2(e) (“Default Rate”)) or the amount of any fees payable hereunder (excluding any change in the manner in which any financial ratio used in determining any interest rate or fee is calculated that would result in a reduction of any such rate or fee);

(G) increase the maximum duration of Interest Periods permitted hereunder; or

(H) change in any manner the definition of “Pro Rata Share” or the provisions of Section 9.5 (“Ratable Sharing”) that would adversely alter the scheme for pro rata sharing of payments thereunder, or the definition of “Requisite Lenders” (except for any changes resulting solely from increases or other changes in the aggregate amount of the Commitments permitted hereunder or otherwise approved pursuant to this Section 9.6 and technical amendments which do not adversely affect the rights of any Lender).

(ii) each Lender:

(A) change in any manner any provision of this Agreement that, by its terms, expressly requires the approval or concurrence of all Lenders;

(B) release any Lien granted in favor of Administrative Agent with respect to all or substantially all of the Collateral or release Parent from its obligations under the Parent Guaranty or release any Subsidiary Guarantor with material assets in excess of $2,000,000 fair market value, from its or their obligations under the Subsidiary Guaranty, in each case other than in accordance with the terms of the Loan Documents;

(C) change in any manner or waive the provisions contained in Section 2.4(d) or this Section 9.6 (in each case, other than technical amendments which do not adversely affect the rights of any Lender); or

(D) consent to the assignment or transfer by Company of any of its rights and obligations under this Agreement.

(iii) **Administrative Agent**: amend, modify, terminate or waive any provision of ARTICLE VIII or of any other provision of this Agreement which, by its terms, expressly requires the approval or concurrence of Administrative Agent; *provided further* that nothing contained in this Section 9.6 will require Administrative Agent to seek the consent of any Lender prior to making any technical amendments or modifications to any provision of a Loan Document or to providing waivers or making amendments to any provision of a Loan Document that do not adversely affect the rights of any Lender, so long as such technical amendments and modifications occur prior to the delivery of audited financial statements for the Fiscal Year ending December 31, 2011 pursuant to Section 5.1(c).

(b) **General** Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of that Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on Company in any case shall entitle Company to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 9.6 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by Company, on Company.

(c) **Incremental and Extension Loans** Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that the consent of Requisite Lenders shall not be required to implement the terms and provisions of Section 2.10 and/or Section 2.11.

(d) **Replacement Loans** In addition, notwithstanding the foregoing, this Agreement and any other Loan Document may be amended or amended and restated with the written consent of Administrative Agent, Company and the Lenders or Incremental

Lenders providing the Replacement Loans (as defined below) to the extent necessary or appropriate to permit the refinancing of all or a portion of outstanding Loans or Incremental Loans, as the case may be and including, in each case, Extension Loans ("**Refinanced Loans**") on a pro rata basis with replacement term loans ("**Replacement Loans**") to be provided by Refinancing Lenders; *provided that* unless all of the Loans and Incremental Term Loans (including, in each case, Extension Loans) are refinanced with Replacement Loans (i) the Replacement Loans will rank pari passu in right of payment and of security with the other Loans and Incremental Term Loans (including, in each case, Extension Loans) hereunder (ii) the aggregate principal amount of such Replacement Loans shall not exceed the aggregate principal amount of such Refinanced Loans, (ii) the interest rate spread applicable to such Replacement Loans shall not be higher than the interest rate spread for such Refinanced Loans immediately prior to such refinancing, (iii) the final maturity of such Replacement Loans shall not be prior to the final maturity of such Refinanced Loans and the Weighted Average Life to Maturity of such Replacement Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Loans at the time of such refinancing (except by virtue of amortization or prepayment of the Refinanced Loans) and (iv) all covenants, events of default, guarantees, collateral and other terms applicable to such Replacement Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Loans than, those applicable to such Refinanced Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Loans and Incremental Term Loans (including, in each case, Extension Loans) in effect immediately prior to such refinancing.

Section 9.7 Independence of Covenants

All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of an Event of Default or Potential Event of Default if such action is taken or condition exists.

Section 9.8 Notices; Effectiveness of Signatures

(a) Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service, upon receipt of telefacsimile in complete and legible form, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed; *provided that* notices to Administrative Agent shall not be effective until received. For the purposes hereof, the address of each party hereto shall be as set forth under such party's name on the signature pages hereof or (i) as to Company and Administrative Agent, such other address as shall be designated by such Person in a written notice delivered to the other parties hereto and (ii) as to each other party, such other address as shall be designated by such party in a written notice delivered to Administrative Agent. Electronic mail and Internet and intranet websites may be used to distribute routine communications, such as financial statements and other information as provided in Section 5.1. Administrative Agent or Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided that* approval of such procedures may be limited to particular notices or communications.

(b) Loan Documents and notices under the Loan Documents may be transmitted and/or signed by telefacsimile and by signatures delivered in 'PDF' format by electronic mail. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as an original copy with manual signatures and shall be binding on all Loan Parties, Agents and Lenders. Administrative Agent may also require that any such documents and signature be confirmed by a manually-signed copy thereof; *provided*, *however*, *that* the failure to request or deliver any such manually-signed copy shall not affect the effectiveness of any facsimile document or signature.

Section 9.9 Survival of Representations, Warranties and Agreements

(a) All representations, warranties and agreements made herein shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

(b) Notwithstanding anything in this Agreement or implied by law to the contrary, the agreements of Company set forth in Section 2.6(d) ("Compensation For Breakage or Non-Commencement of Interest Periods"), 2.7 ("Increased Costs; Taxes; Capital Adequacy"), 9.2 ("Expenses"), 9.3 ("Indemnity") and the agreements of Lenders set forth in 8.4 ("Right to Indemnity") and 9.5 ("Ratable Sharing") shall survive the payment of the Loans and the termination of this Agreement.

Section 9.10 Failure or Indulgence Not Waiver; Remedies Cumulative

No failure or delay on the part of any Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other Loan Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 9.11 Marshalling; Payments Set Aside

Neither any Agent nor any Lender shall be under any obligation to marshal any assets in favor of Company or any other party or against or in payment of any or all of the Obligations. To the extent that Company makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent for the benefit of Lenders), or Agents or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 9.12 Severability

In case any provision in or obligation under this Agreement or the Notes shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 9.13 Obligations Several; Independent Nature of Lenders' Rights; Damage Waiver

(a) The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitments of any other Lender hereunder. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders, or Lenders and Company, as a partnership, an association, a Joint Venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and, subject to Section 9.6, each Lender shall be entitled to protect and enforce its rights arising out of this Agreement and it shall not be necessary for any other Lender to be joined as an additional party in any Proceeding for such purpose.

(b) To the extent permitted by law, Company shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with or as a result of this Agreement (including Section 2.1(c) hereof), any other Loan Document, any transaction contemplated by the Loan Documents, any Loan or the use of proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with the Loan Documents or the Transactions.

Section 9.14 Release of Security Interest or Guaranty

(a) Upon the proposed sale or other disposition of any Collateral to any Person (other than an Affiliate of Company) that is permitted by this Agreement or to which Requisite Lenders have otherwise consented, or the sale or other disposition of all of the Capital Stock of a Subsidiary Guarantor to any Person (other than an Affiliate of Company) that is permitted by this Agreement or to which Requisite Lenders have otherwise consented, for which a Loan Party desires to obtain a security interest release or a release of the Subsidiary Guaranty from Administrative Agent, such Loan Party shall deliver an Officer's Certificate (i) stating that the Collateral or the Capital Stock subject to such disposition is being sold or otherwise disposed of in compliance with the terms hereof and (ii) specifying the Collateral or Capital Stock being sold or otherwise disposed of in the proposed transaction. Upon the receipt of such Officer's Certificate, Administrative Agent shall, at such Loan Party's expense, so long as Administrative Agent is not aware that the facts stated in such Officer's Certificate are not true and correct, execute and deliver such releases of its security interest in such Collateral or such Subsidiary Guaranty, as may be reasonably requested by such Loan Party.

Section 9.15 Applicable Law

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN ANY SUCH LOAN DOCUMENT), AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD REQUIRE APPLICATION OF ANOTHER LAW.

Section 9.16 Construction of Agreement; Nature of Relationship

Each of the parties hereto acknowledges that (a) it has been represented by counsel in the negotiation and documentation of the terms of this Agreement, (b) it has had full and fair opportunity to review and revise the terms of this Agreement, (c) this Agreement has been drafted jointly by all of the parties hereto and (d) neither Administrative Agent nor any Lender or other Agent has any fiduciary relationship with or duty to any Loan Party arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent, the other Agents and Lenders, on one hand, and the Loan Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor. Accordingly, each of the parties hereto acknowledges and agrees that the terms of this Agreement shall not be construed against or in favor of another party.

Section 9.17 Consent to Jurisdiction and Service of Process

ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY LOAN PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY OBLIGATIONS HEREUNDER AND THEREUNDER, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH LOAN PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY

(a) **ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;**

(b) **WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*;**

(c) **AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO IT AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 9.8;**

(d) **AGREES THAT SERVICE AS PROVIDED IN CLAUSE (c) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER IT IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT;**

(e) **AGREES THAT LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION; AND**

(f) **AGREES THAT THE PROVISIONS OF THIS SECTION 9.17 RELATING TO JURISDICTION AND VENUE SHALL BE BINDING AND ENFORCEABLE TO THE FULLEST EXTENT PERMISSIBLE UNDER NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1402 OR OTHERWISE.**

Section 9.18 Waiver of Jury Trial

EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and

statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. **THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.18 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER.** In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 9.19 Confidentiality

Each Lender and Administrative Agent shall hold all information obtained pursuant to the requirements of this Agreement in accordance with such Lender's customary procedures for handling confidential information of this nature, it being understood and agreed by Company that in any event a Lender may make disclosures (a) to its and its Affiliates' directors, Officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (b) to the extent requested by any Government Authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or Proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 9.19, to (i) any Eligible Assignee of or Participant in, or any bona fide prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of Company, (g) with the written consent of Company, (h) to the extent such information (i) becomes publicly available other than as a result of a breach of this Section 9.19 or (ii) becomes available to Administrative Agent or any such Lender, as applicable, on a nonconfidential basis from a source other than Company or (i) to the National Association of Insurance Commissioners or any other similar organization or any nationally recognized rating agency that requires access to information about a Lender's or its Affiliates' investment portfolio in connection with ratings issued with respect to such Lender or its Affiliates and that no written or oral communications from counsel to an Agent and no information that is or is designated as privileged or as attorney work product may be disclosed to any Person unless such Person is a Lender or a Participant hereunder; *provided that*, unless specifically prohibited by applicable law or court order, each Lender shall notify Company of any request by any Government Authority or representative thereof (other than any such request in connection with any examination of the financial condition of such Lender by such Government Authority) for disclosure of any such information prior to disclosure of such information; and *provided further that* in no event shall any Lender be obligated or required to return any materials furnished by Company or any of its Subsidiaries. In addition, Administrative Agent and Lenders may disclose the existence of this Agreement and customarily disclosed information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to Administrative Agent and Lenders, and Administrative Agent or any of its Affiliates may place customary "tombstone" advertisements (which may include any of Company's or its

Subsidiaries' trade names or corporate logos) subject to approval by Company in publications of its choice (including without limitation "e-tombstones" published or otherwise circulated in electronic form and related hyperlinks to any of Company's or its Subsidiaries' corporate websites) at its own expense.

Section 9.20 USA Patriot Act

Each Lender hereby notifies the Loan Parties that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies Loan Parties, which information includes the name and address of each Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the USA Patriot Act.

Section 9.21 Usury Savings Clause.

Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Company shall pay to Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and Company to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to Company.

Section 9.22 Counterparts; Effectiveness

This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto.

Section 9.23 Lien Confirmation

Parent, Company, and each Subsidiary Guarantor acknowledge and confirm that the Liens granted pursuant to the Collateral Documents to secure the Obligations of Company to the Secured Parties under the Original Credit Agreement, as amended and restated pursuant to the First Amended and Restated Credit Agreement and as further amended and restated pursuant to this Agreement, and under the other Loan Documents, remain in full force and effect and shall continue to secure all Obligations under this Agreement and the other Loan Documents (including any Loans made or continued on the Second Restatement Date and any additional Loans or other extensions of credit made thereafter in accordance with the terms of this Agreement) all to the full extent as set forth in

such Collateral Documents and any reference to the "Credit Agreement" or any other Loan Document in such Collateral Document shall be deemed to be a reference to this Agreement or such Loan Document as the same is hereby effectuated, amended or amended and restated on the Second Restatement Date and as the same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms, and Parent, Company and each Subsidiary Guarantor hereby grant such Liens pursuant to the Collateral Documents to secure the Obligations under the Restated Credit Agreement and the other Loan Documents.

Section 9.24 Guaranty Confirmation

Parent and each Subsidiary Guarantor consents in all respects to the execution by Company of this Agreement and acknowledges and confirms that the Guaranties to guarantee the full payment and performance of the Obligations of Company under the Original Credit Agreement, as amended and restated by the First Amended and Restated Credit Agreement and as further amended and restated by this Agreement, remain in full force and effect in accordance with their respective terms and the other Loan Documents (including any Loans made or continued on the Second Restatement Date and any additional Loans or other extensions of credit made thereafter in accordance with the terms of this Agreement) and any reference to the "Credit Agreement" or any other Loan Document in such Guaranties shall be deemed to be a reference to this Agreement or such Loan Document as the same is hereby amended or amended and restated on the Second Restatement Date and as the same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms.

Section 9.25 Initial Loans

(a) On the Second Restatement Date:

(i) The Lenders shall be deemed to have assumed and purchased, and the Existing Lenders shall be deemed to have sold, assigned and transferred, in each case without recourse, the First Restatement Loans of the Existing Lenders to such extent as shall be necessary in order that, after giving effect to all such assumptions, purchases, sales, assignments and transfers and the making of the Loans contemplated by clause (a)(ii) below, each Lender shall have a Commitment that is equal to the amount set forth with respect to such Lender on a schedule held by Administrative Agent. Each Lender shall be deemed to have assumed and purchased the First Restatement Loans of the Existing Lenders ratably from the Existing Lenders, based, with respect to each Existing Lender, on the percentage of the total First Restatement Loans as of the Second Restatement Date represented by such Existing Lender's First Restatement Loans as of such date.

(ii) Company shall be deemed to have requested that each Lender make, and each Lender shall make, Loans in an amount equal to the excess of (A) the amount of the Commitment set forth with respect to such Lender on a schedule held by Administrative Agent over (B) the principal amount of Loans of such Lender outstanding on the Second Restatement Date after giving effect to the transactions referred to in clause (a)(i) above.

(b) Administrative Agent shall pay the principal amount of all First Restatement Loans outstanding as of the Second Restatement Date, all interest accrued under the First Amended and Restated Credit Agreement on the First Restatement Loans to but excluding the Second Restatement Date, and all fees payable to the Existing

Lenders under the First Amended and Restated Credit Agreement with respect to all periods ending prior to the Second Restatement Date from the proceeds of the Loans made or continued on the Second Restatement Date, and Administrative Agent shall distribute such amounts received by it to the Existing Lenders in accordance with their interests therein (in each case as set forth in the Funds Flow Memorandum and without a concomitant reduction in any of the Commitments under this Agreement).

(c) All of the foregoing assumptions, purchases, sales, assignments, transfers and payments referred to in clauses (a) and (b) above shall be deemed to occur concurrent with the initial funding of the Loans and the effectiveness of the Commitments under this Agreement, in each case in accordance with the terms of this Agreement and the Funds Flow Memorandum. The parties hereby acknowledge that (i) Existing Lenders constituting "Requisite Lenders" (as defined in the First Amended and Restated Credit Agreement) have, in their capacities as Existing Lenders, consented to this Agreement for the purpose of amending and restating the First Amended and Restated Credit Agreement and have committed to be Lenders hereunder and (ii) all of the foregoing assignments of First Restatement Loans by Existing Lenders not participating as initial Lenders under this Agreement are being effectuated pursuant to and in accordance with Section 2.9. On and after the Second Restatement Date, the terms and conditions of each Lender's Commitments and Loans, including any Commitments and Loans assumed and purchased pursuant to this Section 9.25, shall be as set forth in this Agreement, and such Commitments and Loans shall continue to be in effect and outstanding on the terms and conditions set forth in this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

PARENT

USS HOLDINGS, INC.,
as Parent

By /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

Notice Address:
8490 Progress Drive, Suite 300
Frederick, MD 21701
Attn.: Legal Dept.
Fax: 301-682-0690

COMPANY

U.S. SILICA COMPANY,
as Company

By /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

Notice Address:
8490 Progress Drive, Suite 300
Frederick, MD 21701
Attn.: Legal Dept.
Fax: 301-682-0690

SUBSIDIARY GUARANTORS:

THE FULTON LAND AND TIMBER COMPANY

By /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

Notice Address:
8490 Progress Drive, Suite 300
Frederick, MD 21701
Attn.: Legal Dept.
Fax: 301-682-0690

PENNSYLVANIA GLASS SAND CORPORATION

By /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

Notice Address:
8490 Progress Drive, Suite 300
Frederick, MD 21701
Attn.: Legal Dept.
Fax: 301-682-0690

OTTAWA SILICA COMPANY

By /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

Notice Address:
8490 Progress Drive, Suite 300
Frederick, MD 21701
Attn.: Legal Dept.
Fax: 301-682-0690

BMAC SERVICES CO., INC.

By /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

Notice Address:
8490 Progress Drive, Suite 300
Frederick, MD 21701
Attn.: Legal Dept.
Fax: 301-682-0690

BNP PARIBAS,
as Administrative Agent

By /s/ Richard Cushing
Name: Richard Cushing
Title: Managing Director

Notice Address:
520 Madison Avenue
New York, NY 10022
Fax: 212-340-5660
Attn: Bryan Bains

BNP PARIBAS,
as Lender

By /s/ Richard Cushing
Name: Richard Cushing
Title: Managing Director

By /s/ Illegible
Name: Illegible
Title: Vice President

Notice Address:
520 Madison Avenue
New York, NY 10022
Fax: 212-340-5660
Attn: Bryan Bains

ACA CLO 2005-1, LTD

ACA CLO 2006-1, LTD

ACA CLO 2006-2, LTD

ACA CLO 2007-1, LTD

Apidos CDO I

Apidos CDO II

Apidos CDO III

Apidos CDO IV

Apidos CDO V

Apidos Cinco CDO

Apidos Quattro CDO,
as Lender

By their investment adviser Apidos Capital Management, LLC

By /s/ Vincent Ingato
Name: Vincent Ingato
Title: Managing Director

Notice Address:
[•]
Fax: [•]
Attn: [•]

AMMC CLO VI, LIMITED
By: American Money Management Corp., as Collateral Manager
as Lender

By /s/ David J. Dickman
Name: David J. Dickman
Title: Authorized Signatory

Notice Address:

One East Fourth Street, 3rd Floor
Cincinnati, OH 45202
Fax: (513)579-2911
Attn: David J. Dickman

Black Diamond CLO 2005-1 LTD.

By: Black Diamond CLO 2005-1 Adviser, L.L.C.,

As Its Collateral Manager

as Lender

By /s/ Stephen H. Deckoff
Name: Stephen H. Deckoff
Title: Managing Principal

I. All Notices Sent To

U.S. Bank
Corporate Trust Services
Attn: Ryan DaValle
214 North Tryon Street, 26th Floor
Charlotte, NC 28202
CDO.BD051@cdo.usbank.com
PH: (704) 335-4566
Fax: (866) 405-5691

Black Diamond CLO 2005-2 LTD.

By: Black Diamond CLO 2005-2 Adviser, L.L.C.,

As Its Collateral Manager

as Lender

By /s/ Stephen H. Deckoff
Name: Stephen H. Deckoff
Title: Managing Principal

I. All Notices Send To:

U.S. Bank
Corporate Trust Services
Attn: Ryan DaValle
214 North Tryon Street, 26th Floor
Charlotte, NC 28202
CDO.BD052@cdo.usbank.com
PH: (704) 335-4566
Fax: (866) 405-5692

Black Diamond CLO 2006-1 (CAYMAN) LTD.

By: Black Diamond CLO 2006-1 Adviser, L.L.C.,

As Its Collateral Manager

as Lender

By /s/ Stephen H. Deckoff

Name: Stephen H. Deckoff
Title: Managing Principal

BLACK DIAMOND CLO 2006-1 (CAYMAN) LTD.
c/o The Bank of New York Trust Company, N.A.
2 N LaSalle Street, Suite 1020
Attn: Josh Garis, 7th floor
Chicago, IL 60602
Phone: 312-827-8657
Fax: 281-582-7815
E-Mail: 12815827815@tls.ldsprod.com

Secondary Contact:

BLACK DIAMOND CLO 2006-1 (CAYMAN) LTD.
Black Diamond Capital Management, L.L.C.
One Conway Park,
100 Field Drive, Suite 300
Lake Forest, Illinois 60045
Attn: Loan Administrator
Phone: (847)615-9000

CANARAS SUMMIT CLO LTD
By: Canaras Capital Management LLC
As Sub-Investment Adviser
as Lender

By /s/ Richard J. Vratanina
Name: Richard J. Vratanina
Title: Authorized Signatory

Notice Address:
[•] Illegible
Fax: [•] 281-582-6156
Attn: [•] Maria Jones

CRATOS CLO I LTD.,
By: Cratos CDO Management, LLC
As Attorney-in-Fact

By: JMP Credit Advisors LLC
Its Manager

By /s/ Jeremy Phipps
Name: Jeremy Phipps
Title: Director

Fifth Third Bank,
as Lender

By /s/ Joe Hynds
Name: Joe Hynds
Title: Vice President

Notice Address:

707 Grant Street
21st Floor
Pittsburgh, PA 15219
Fax: 412-291-5411
Attn: Joe Hynds

First Niagara Bank, N.A.,
as Lender

By /s/ Troy M. Jones
Name: Troy M. Jones
Title: Assistant Vice President

CONTINUATION OF LOANS
(EXISTING COMMITMENT / ROLLOVER COMMITMENT)

($992,500.00 / $992,500.00)	Galaxy V CLO, LTD By: PineBridge Investments LLC its Collateral Manager
($496,250.00 / $496,250.00)	Galaxy VI CLO, LTD By: PineBridge Investments LLC its Collateral Manager
($496,250.00 / $496,250.00)	Galaxy VII CLO, LTD By: PineBridge Investments LLC it's Collateral Manager
($248,125.00 / $248,125.00)	Galaxy VIII CLO, LTD By: PineBridge Investments LLC as Collateral Manager
($248,125.00 / $248,125.00)	Galaxy X CLO, LTD By: PineBridge Investments LLC it's Collateral Manager
($992,500.00 / $992,500.00)	Saturn CLO. Ltd. By: PineBridge Investments LLC its Collateral Manager

As Lenders

By /s/ W. Jeffrey Baxter
Name: W. Jeffrey Baxter
Title: Managing Director

Notice Address:
1999 Avenue of the Stars, Ste. 3000
Los Angeles CA 90067

Fax: 310.557.3735
Attn: Kyle Chung

GE CAPITAL FINANCIAL INC.,
as Lender

By: /s/ Stephen F. Schroppe
Name: Stephen F. Schroppe
Title: Duly Authorized Signatory

Notice Address:
201 Main Avenue

Norwalk, CT - 06850
Fax: 203-956-4485
Attn: Stephen Schroppe

General Electric Pension Trust,
as Lender
By: GE Capital Debt Advisors LLC, as Investment Advisor

By: /s/ John Campos
Name: John Campos
Title: Authorized Signatory

Notice Address:

GE Capital

201 Merritt 7

Norwalk, CT 06851

Attn: Diana Terita

Phone: (203) 956-4033

Fax: 281-667-3439

Email: GEPTLoanPortfolio@docsldsprod.com

Golub Capital Senior Loan Opportunity Fund, Ltd,
as Lender

By: Golub Capital Incorporated, as Collateral Manager

By: /s/ Christina D. Jamieson
Name: Christina D. Jamieson
Title: Designated Signatory

Notice Address:
150 S. Wacker Drive, Suite 800
Chicago, IL 60606
Fax: 312-201-9167
Attn:

Golub Capital Management CLO 2007-1, Ltd,
as Lender

By: Golub Capital Management LLC, as Collateral Manager

By: /s/ Christina D. Jamieson
Name: Christina D. Jamieson
Title: Designated Signatory

Notice Address:
150 S. Wacker Drive, Suite 800
Chicago, IL 60606
Fax: 312-201-9167
Attn:

Golub Capital Funding CLO-8, Ltd,
as Lender

By: Golub Capital Partners Management Ltd, as Collateral Manager

By: /s/ Christina D. Jamieson
Name: Christina D. Jamieson
Title: Designated Signatory

Notice Address:
150 S. Wacker Drive, Suite 800
Chicago, IL 60606
Fax: 312-201-9167
Attn:

GSC Investment Corp CLO 2007
as Lender

By: /s/ Richard Petrocelli
Name: Richard Petrocelli
Title: CFO

Notice Address:

Jennifer Patrickakos
Apidos Capital Management
712 Fifth Avenue
New York, NY 10019
Ph: 212-506-3830
Fax: 215- 761- 0415

GSCP (NJ), L.P., on behalf of each of the following funds, in its capacity as Collateral Manager, as Lender:

GSC PARTNERS CDO FUND VII, LIMITED

GSC GROUP CDO FUND VIII, LIMITED

GSC CAPITAL CORP. LOAN FUNDING 2005-1

By /s/ Seth Katzenstein
Name: Seth Katzenstein
Title: Authorized Signatory

Notice Address:
GSC Group

300 Campus Drive, Suite 110

Florham Park, NJ 07932
Fax: 973-437-2006
Attn: Frank Dellilo

GULF STREAM-COMPASS CLO 2005-II LTD
By: Gulf Stream Asset Management LLC
As Collateral Manager

GULF STREAM-SEXTANT CLO 2006-I LTD
By: Gulf Stream Asset Management LLC
As Collateral Manager

GULF STREAM-SEXTANT CLO 2007-I LTD
By: Gulf Stream Asset Management LLC
As Collateral Manager

as Lender

By /s/ Stephen M. Riddell
Name: Stephen M. Riddell
Title: Portfolio Manager

Notice Address:
4201 Congress Street, Suite 475
Charlotte. NC 28209
Fax: 704.552.7744
Attn: 704.552.5907

[NAME OF LENDER],
HillMark Funding Ltd.,
By: HillMark Capital Management, L.P.,
as Collateral Manager , as Lender

By: /s/ Mark Gold
Name: Mark Gold
Title: CEO

Notice Address:
1 Penn Plaza, New York, NY Suite 4501 10119
Fax:212-710-9777
Attn: Ashish Shah

ING Capital LLC,
as Lender

By /s/ John F. King
Name: John F. King
Title: Director

Notice Address:
ING Capital LLC

1325 Avenue of the Americas

New York, NY 10019
Fax: [646] 424-8251
Attn: Ermelinda Young

Latitude CLO I, Ltd.
as Lender

By /s/ Kirk Wallace
Name: Kirk Wallace
Title: Senior Vice President

Notice Address:
1850 Gateway Drive, Suite 650

San Mateo, Ca 94404
Fax: 650-573-1192
Attn: Kirk Wallace

Latitude CLO III, Ltd.
as Lender

By /s/ Kirk Wallace
Name: Kirk Wallace
Title: Senior Vice President

Notice Address:
1850 Gateway Drive, Suite 650

San Mateo, Ca 94404
Fax: 650-573-1192
Attn: Kirk Wallace

Meridian Bank
as Lender

By /s/ James D. Nelsen
Name: James D. Nelsen
Title: SVP

92 Lancaster Ave.

Devon, PA 19333

Fax 484-582-0650

RB International Finance (USA) LLC,
Formerly known as RZB Finance LLC

as Lender

By /s/ John A. Valiska
Name: **JOHN A. VALISKA**
Title: **First Vice President**

Notice Address: 7 Kenosia Avenue
Danbury, CT. 06810
Fax: [•] (212) 391-9670
Attn: [•] Terri Weiner – Ref: US Silica

By /s/ Marta Miller
Name: MARTA MILLER
Title: Vice President

SOVEREIGN BANK,
as Lender

By /s/ Philip B. Shober
Name: Philip B. Shober
Title: Sr. Vice President

Notice Address:
601 Penn Street, Reading, PA 19601

Fax: 610-378-6201

Attn: Philip B. Shober

NAME OF LENDER,
as Lender

Stone Tower CLO III Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Stone Tower CLO IV Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Stone Tower CLO V Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Stone Tower CLO VI Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Stone Tower CLO VII Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Rampart CLO 2006-1 Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Rampart CLO 2007 Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Granite Ventures III Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

NAME OF LENDER,
as Lender

Cornerstone CLO Ltd.
By Stone Tower Debt Advisors LLC
As Its Collateral Manager

By /s/ Michael W. DelPercio
Name: Michael W. DelPercio
Title: Authorized Signatory

Notice Address: Please see attached Admins

[NAME OF LENDER],
Stoney Lane Funding I, Ltd.,
By: HillMark Capital Management, L.P.,
as Collateral Manager , as Lender

By: /s/ Mark Gold
Name: Mark Gold
Title: CEO

Notice Address:
1 Penn Plaza, New York, NY Suite 4501 10119
Fax: 212-710-9777
Attn: Ashish Shah

TELOS CLO 2006-1, Ltd.,
as Lender

By /s/ Ro Toyoshima
Tricadia Loan Management LLC
Name: Ro Toyoshima
Title: Managing Director

Notice Address:

Tricadia Loan Management LLC
780 Third Avenue
22nd Floor
New York, NY 10017
Fax: 212-758-8431
Attn: Ro Toyoshima

TELOS CLO 2007-2, Ltd.,
as Lender

By /s/ Ro Toyoshima
Tricadia Loan Management LLC
Name: Ro Toyoshima
Title: Managing Director

Notice Address:

Tricadia Loan Management LLC
780 Third Avenue
22nd Floor
New York, NY 10017
Fax: 212-758-8431
Attn: Ro Toyoshima

Bridgeport CLO II Ltd.

By: Deerfield Capital Management LLC, its Collateral Manager,

as Lender

By /s/ Matt Stouffer
Name: Matt Stouffer
Title: Managing Director

Notice Address:

Analyst Contact: Matthew Persohn (mpersohn@deerfieldcapital.com)

Operations Contact: Phyllis Zavalla (pzavalla@deerfieldcapital.com)

ColumbusNova CLO Ltd. 2006-II

By: Columbus Nova Credit Investments Management, LLC, its Collateral Manager

as Lender

By /s/ Matt Stouffer
Name: Matt Stouffer
Title: Managing Director

Notice Address:

Analyst Contact: Matthew Persohn (mpersohn@deerfieldcapital.com)

Operations Contact: Phyllis Zavalla (pzavalla@deerfieldcapital.com)

ColumbusNova CLO Ltd. 2007-I

By: Columbus Nova Credit Investments Management, LLC, its Collateral Manager

as Lender

By /s/ Matt Stouffer
Name: Matt Stouffer
Title: Managing Director

Notice Address:

Analyst Contact: Matthew Persohn (mpersohn@deerfieldcapital.com)

Operations Contact: Phyllis Zavalla (pzavalla@deerfieldcapital.com)

ColumbusNova CLO Ltd. 2007-II

By: Columbus Nova Credit Investments Management, LLC, its Collateral Manager

as Lender

By /s/ Matt Stouffer
Name: Matt Stouffer
Title: Managing Director

Notice Address:

Analyst Contact: Matthew Persohn (mpersohn@deerfieldcapital.com)

Operations Contact: Phyllis Zavalla (pzavalla@deerfieldcapital.com)

EXHIBITS

EXHIBIT I

FORM OF NOTICE OF BORROWING

Pursuant to that certain Second Amended and Restated Credit Agreement dated as of June [**•**], 2011, as amended, restated, amended and restated, supplemented or otherwise modified to the date hereof (said Second Amended and Restated Credit Agreement, as so amended, restated, amended and restated, supplemented or otherwise modified, being the "**Credit Agreement**", the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among others, U.S. Silica Company, a Delaware corporation as Company, the financial institutions listed therein as Lenders ("**Lenders**"), and BNP Paribas, as administrative agent ("**Administrative Agent**") and the other parties listed thereto, this represents Company's request to borrow as follows:

1. Date of borrowing: _____

2. Amount of borrowing: $_____

3. All Loans shall be made by Lenders in proportion to their applicable Pro Rata Shares.

4. Interest rate option:

   [** **] a. Base Rate Loan(s)

   [** **] b. LIBOR Loans with an initial Interest Period of [one], [two], [three], [six], [nine] or [twelve] month(s)

The proceeds of such Loans are to be deposited in Company's account at Administrative Agent.

The undersigned officer (to his or her knowledge and in his or her capacity as an officer, and not individually) on behalf of Company certifies that:

(i) The representations and warranties contained in the Credit Agreement and the other Loan Documents are true, correct and complete in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true, correct and complete in all material respects on and as of such earlier date; provided, that, if a representation and warranty is qualified as to materiality, with respect to such representation and warranty the materiality qualifier set forth above shall be disregarded for purposes of this condition;

(ii) No event has occurred and is continuing or would result from the consummation of the borrowing contemplated hereby that would constitute an Event of Default or a Potential Event of Default; and

(iii) Each Loan Party has performed in all material respects all agreements and satisfied all conditions which the Credit Agreement provides shall be performed or satisfied by it on or before the date hereof.

[Remainder of page intentionally left blank]

DATED: _____

U.S. SILICA COMPANY

By: _____

Name: _____

Title: _____

EXHIBIT II

FORM OF NOTICE OF CONVERSION/CONTINUATION

Pursuant to that certain Second Amended and Restated Credit Agreement dated as of June [**•**], 2011, as amended, restated, amended and restated, supplemented or otherwise modified to the date hereof (said Second Amended and Restated Credit Agreement, as so amended, restated, amended and restated, supplemented or otherwise modified, being the "**Credit Agreement**", the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among others, U.S. Silica Company, a Delaware corporation as Company, the financial institutions listed therein as Lenders ("**Lenders**"), and BNP Paribas, as administrative agent and the other parties thereto, this represents Company's request to [convert] [continue] Loans as follows:

1. Date of [conversion] [continuation]: _____

2. Amount of Loans being [converted] [continued]: $_____

3. Nature of [conversion] [continuation]:

   [** **] a. Conversion of Base Rate Loans to LIBOR Loans

   [** **] b. Conversion of LIBOR Loans to Base Rate Loans

   [** **] c. Continuation of LIBOR Loans as such

4. If Loans are being continued as or converted to LIBOR Loans, the duration of the new Interest Period that commences on the [conversion] [continuation] date is [one], [two], [three], [six], [nine] or [twelve] month(s).

5. [**No**][**An**] Event of Default or Potential Event of Default has occurred and is continuing under the Credit Agreement. [**Due to such an Event of Default or Potential Event of Default, the Requisite Lenders may, at their election, prohibit the conversion to or continuation of LIBOR Loans contemplated hereby.**]

[Remainder of page intentionally left blank]

DATED: _____

U.S. SILICA COMPANY

By: _____

Name: _____

Title: _____

EXHIBIT III

FORM OF NOTE

U.S. SILICA COMPANY

$ *[**Amount of Lender's Commitment**]* New York, NY
June [**•**], 2011

FOR VALUE RECEIVED, U.S. SILICA COMPANY, a Delaware corporation as Company, promises to pay to [***LENDER'S NAME***] ("**Payee**") or its registered assigns the principal amount of [***Amount of Lender's Commitment***] ($ [***Amount***]). All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement (as defined below). The principal amount of this Note shall be payable on the dates and in the amounts specified in that certain Second Amended and Restated Credit Agreement dated as of June [**•**], 2011 by and among others, U.S. Silica Company as Company, the financial institutions listed therein as Lenders, BNP Paribas, as administrative agent ("**Administrative Agent**") and the other parties listed therein (said Second Amended and Restated Credit Agreement, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, being the "**Credit Agreement**"); provided that the last such installment shall be in an amount sufficient to repay the entire unpaid principal balance of this Note, together with all accrued and unpaid interest thereon.

Company also promises to pay interest on the unpaid principal amount of the Loan evidenced hereby, until paid in full, at the rates and at the times which shall be determined in accordance with the provisions of the Credit Agreement.

This Note is one of Company's "Notes" and is issued pursuant to and entitled to the benefits of the Credit Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the Loan evidenced hereby was made and is to be repaid.

All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America in same day funds at the Funding and Payment Office or at such other place as shall be designated in writing for such purpose in accordance with the terms of the Credit Agreement. Unless and until an Assignment Agreement effecting the assignment or transfer of this Note shall have been accepted by Administrative Agent and recorded in the Register as provided in the Credit Agreement, Company and Administrative Agent shall be entitled to deem and treat Payee as the owner and holder of this Note and the Loan evidenced hereby. Payee hereby agrees, by its acceptance hereof, that before disposing of this Note or any part hereof it will make a notation hereon of all principal payments previously made hereunder and of the date to which interest hereon has been paid; *provided, however*, that the failure to make a notation of any payment made on this Note shall not limit or otherwise affect the obligations of Company hereunder with respect to payments of principal or interest on this Note.

Whenever any payment on this Note shall be stated to be due on a day which is not a Business Day, such payment will be deemed due on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest on this Note.

This Note is subject to mandatory prepayment as provided in the Credit Agreement and Company may, from time to time, make voluntary prepayments of the outstanding principal amount of, and interest on, this Note, in whole or in part, without premium or penalty (except as otherwise provided in the Credit Agreement) pursuant to Section 2.4(b)(i) of the Credit Agreement.

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF COMPANY AND PAYEE HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

Upon the occurrence of any Event of Default, the unpaid balance of the principal amount of this Note, together with all accrued and unpaid interest thereon, may become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Credit Agreement.

The terms of this Note are subject to amendment only in the manner provided in the Credit Agreement.

This Note is subject to restrictions on transfer or assignment as provided in the Credit Agreement.

Company promises to pay all reasonable, documented, out-of-pocket costs and expenses, including reasonable attorneys' fees, all as provided in the Credit Agreement, incurred in the collection and enforcement of this Note. Company and any endorsers of this Note hereby consent to renewals and extensions of time at or after the maturity hereof, without notice, and in accordance with the Credit Agreement, hereby waive diligence, presentment, protest, demand and notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Company has caused this Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first written above.

U.S. SILICA COMPANY
as Company

By: _____

Name: _____

Title: _____

EXHIBIT IV

FORM OF COMPLIANCE CERTIFICATE

THE UNDERSIGNED OFFICER (TO HIS OR HER KNOWLEDGE AND IN HIS OR HER CAPACITY AS AN OFFICER, AND NOT INDIVIDUALLY) AND COMPANY HEREBY CERTIFIES THAT:

(1) I am the duly elected **[****Treasurer/Chief Financial Officer****]** of U.S. Silica Company, a Delaware corporation ("**Company**");

(2) I have reviewed the terms of that certain Second Amended and Restated Credit Agreement dated as of June [**•**], 2011, as amended, restated, amended and restated, supplemented or otherwise modified to the date hereof (said Second Amended and Restated Credit Agreement, as so amended, restated, amended and restated, supplemented or otherwise modified, being the "**Credit Agreement**", the terms defined therein and not otherwise defined in this Certificate (including Attachment No. 1 annexed hereto and made a part hereof) being used in this Certificate as therein defined), by and among others, Company, the financial institutions listed therein as Lenders ("**Lenders**"), BNP Paribas, as administrative agent ("**Administrative Agent**"), and the other parties listed therein, and the terms of the other Loan Documents, and we have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Parent and its Subsidiaries during the accounting period covered by the attached financial statements; and

(3) The examination described in paragraph (2) above did not disclose, and we have no knowledge of, as of the date of this Certificate, the existence of any condition or event which constitutes an Event of Default or Potential Event of Default during or at the end of the accounting period covered by the attached financial statements [**, except as set forth below**].

[**Set forth [**below**] [**in a separate attachment to this Certificate**]**] are all exceptions to paragraph (3) above, listing, in detail, (i) the nature of the condition or event, (ii) the period during which it has existed and (iii) the action which Company has taken, is taking, or proposes to take with respect to each such condition or event:

_____**].

The foregoing certifications, together with the computations set forth in Attachment No. 1 annexed hereto and made a part hereof and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, ____ pursuant to Section 5.1(d) of the Credit Agreement.

[Remainder of page intentionally left blank]

U.S. SILICA COMPANY

By: _____

Name: _____

Title: [**Treasurer/Chief Financial Officer**]**

ATTACHMENT NO. 1

TO COMPLIANCE CERTIFICATE

This Attachment No. 1 is attached to and made a part of a Compliance Certificate dated as of _____, ____ and pertains to the period from _____, ____ to _____, ____. Section references herein relate to Sections of the Credit Agreement.

[**Attach spreadsheet**]

EXHIBIT V

FORM OF OPINION OF KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

601 Lexington Avenue
New York, New York 10022

(212) 446-4800

Facsimile:
(212) 446-4900

www.kirkland.com

June 8, 2011

The Administrative Agent
and to each of the Lenders party to the
Credit Agreement defined below

Re: U.S. Silica Company

Ladies and Gentlemen:

We have acted as special legal counsel to USS Holdings, Inc., a Delaware corporation ("Holdings"), U.S. Silica Company, a Delaware corporation ("Borrower"), BMAC Services Co., Inc., a Delaware corporation ("BMAC Services"), The Fulton Land and Timber Company, a Pennsylvania corporation ("Fulton"), Pennsylvania Glass Sand Corporation, a Delaware corporation ("PGSC") and Ottawa Silica Company, a Delaware corporation ("OSC", together with Holdings, Borrower, BMAC Services, Fulton and PGSC, the "Credit Parties" and each, a "Credit Party"). This opinion is being issued in response to the requirement in Section 3.6 of that certain Second Amended and Restated Credit Agreement dated as of the date hereof (the "Credit Agreement"), by and among the Credit Parties, the lenders from time to time party thereto (the "Lenders") and BNP Paribas, as administrative agent (the "Administrative Agent") and as collateral agent under the Security Agreement (as defined below) (the "Collateral Agent" and together with the Administrative Agent, the "Agents").

Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in the Credit Agreement. The Agents and the Lenders are sometimes referred to herein as "you." The term "Transaction Agreements" whenever it is used in this opinion letter means the Credit Agreement and each of the additional agreements listed on the Schedule of Transaction Agreements attached hereto, in each case in the form executed and delivered by the Credit Parties that are a party thereto on the date hereof.

The term "Organization Documents" whenever it is used in this opinion letter means (i) the certificate of incorporation and (ii) the bylaws of the relevant Credit Party in the form certified to you by the Secretary of State of the State of Delaware or the Commonwealth of Pennsylvania (in the case of clause (i)) as of a recent date and the Secretary, Assistant Secretary

or other officer of such Credit Party (in the case of clause (ii)) on the date hereof. "New York UCC" or "Delaware UCC" whenever it is used herein means the Uniform Commercial Code as presently in effect in the State of New York or the State of Delaware, as the case may be. References in this opinion letter to the "First Amendment Closing Date" shall mean May 7, 2010. References in this opinion letter to the "2010 Opinion" shall mean our opinion to you dated as of the First Amendment Closing Date which we issued in connection with the closing under the Credit Agreement as in effect on the First Amendment Closing Date.

Subject to the assumptions, qualifications, exclusions and other limitations which are identified in this opinion letter and in the schedules attached to this opinion letter, we advise you, and with respect to each legal issue addressed in this opinion letter, it is our opinion, that:

1. Each of the Credit Parties (other than Fulton) is a corporation existing and in good standing under the Delaware General Corporation Law ("DGCL"). Fulton is a corporation existing under the Pennsylvania Business Corporation Law ("PBCL").

2. Each of the Credit Parties has the corporate power to execute and deliver the Transaction Agreements to which such Credit Party is a party, to borrow money and issue guaranties, pledge and grant or convey security interests in and liens upon its assets as collateral, as required under the Transaction Agreements, and perform its respective obligations under the Transaction Agreements.

3. Each of the Credit Parties' board of directors has adopted by requisite vote the resolutions and has taken all corporate action necessary to authorize such Credit Party's execution, delivery and performance of each Transaction Agreement to which such Credit Party is a party.

4. Each of the Transaction Agreements has been duly executed and delivered by each of the Credit Parties that is a party thereto.

5. Each of the Transaction Agreements to which a Credit Party is a party constitutes a valid and binding obligation of such Credit Party that is a party thereto and is enforceable against that Credit Party in accordance with its terms.

6. To our actual knowledge, no legal or governmental proceedings are pending against any Credit Party which seek to restrain, enjoin or prevent the consummation on this date of any of the lending transactions contemplated in the Transaction Agreements.

7. Neither the execution and delivery by any Credit Party of the Transaction Agreements to which any such Credit Party is a party, nor the performance by such Credit Party of its obligations under the Transaction Agreements contemplated therein to occur on or prior to the date hereof in accordance with their respective terms, will (a) violate DGCL, PBCL, any applicable existing law of the State of New York or applicable existing United States of America Federal statutory law or governmental regulation applicable to such Credit Party, in each case to the extent covered by this letter, (b) violate any existing provision of any such Credit Party's Organization Documents, (c) result in the creation or imposition of any lien, charge or encumbrance upon any of the property of any Credit Party (other than liens, charges and encumbrances in favor of the Administrative Agent or the ABL Agent) or (d) violate the terms or provisions of any contract or agreement set forth on the Schedule of Specified Agreements attached hereto as Schedule of Specified Agreements (provided that in each case we express no opinion as to compliance with any financial covenant or test or the effect of any cross default provision in any such Specified Agreement). The term "laws" means laws not excluded from the coverage of this opinion letter.

8. No Credit Party is presently required to obtain any material consent, approval, authorization or order of, or make any filings with any United States federal court or State of New York court or governmental body, authority or agency or pursuant to the DGCL or PBCL, as applicable, in order to obtain the right (a) to execute and deliver the Transaction Agreements to which it is a party, or (b) to perform its obligations under the Transaction Agreements to which it is a party except for: (i) those obtained or made on or prior to the date hereof, (ii) any actions or filings to perfect the liens and security interests granted under the Security Agreement, or to release existing liens, (iii) actions or filings required in connection with the ordinary course conduct by each such person of its business and ownership or operation by each such person of its assets (as to each of which we express no opinion) and (iv) actions and filings which might be required under any of the laws, regulations or governmental requirements set forth on Schedule C hereto (as to which we express no opinion).

9. After giving effect to Section 9.23 of the Credit Agreement, the security interest of the Collateral Agent for the benefit of the Secured Parties in the collateral therein described with respect to which such Credit Party has rights or has the power to transfer rights (the "Collateral") which constitutes property in which a security interest can be granted under Article 9 of the New York UCC to secure the Secured Obligations (as defined in the Security Agreement), by the Credit Parties thereto for the benefit of the Collateral Agent continues to be a valid and perfected security interest to the same extent that such security interest in such Collateral was a valid and perfected security interest immediately

prior to giving effect to entering into the Credit Agreement (although we express no opinion pursuant to this letter as to whether such security interest in such collateral is a valid and perfected security interest immediately prior to giving effect to Section 9.23 of the Credit Agreement) and regarding which perfection, as of the Amendment Closing Date, we refer you to our 2010 Opinion (subject to the qualifications and assumptions contained therein). To the extent that the perfection of any such security interest is governed by laws other than the laws of the State of New York, our opinion herein regarding such perfection is based on our review of the provisions of Article 9 of the Uniform Commercial Code in effect in such other states as set forth in the Commerce Clearing House, Inc. Secured Transactions Guide as supplemented through May 10, 2011 (the "Guide"), without regard to judicial interpretation thereof or regulations promulgated thereunder and therefore such opinions do not address (x) laws of jurisdictions other than New York and Delaware, and laws of New York and Delaware except for Article 8 and Article 9 of the New York UCC and the Delaware UCC as set forth in the Guide, (y) collateral of a type not subject to Article 8 or Article 9 of the UCC and (z) what law governs perfection of the security interests granted in such collateral covered by this opinion.

10. No Credit Party is an "Investment Company" required to be registered as such within the meaning of the Investment Company Act of 1940, as amended.

11. Assuming the Credit Parties comply with the provisions of the Credit Agreement relating to the use of proceeds, neither the execution and delivery by the Credit Parties of the Credit Agreement, nor the consummation of the lending transactions contemplated therein to occur on or prior to the date hereof in accordance therewith has resulted in a violation of Regulation U or X of the Board of Governors of the Federal Reserve System.

Our opinions are subject to all qualifications set forth in the schedules to this opinion letter. In preparing this opinion letter, we have relied without any independent verification upon the assumptions recited in Schedule B to this opinion letter and upon: (a) factual information contained in certificates obtained from governmental authorities; (b) factual information represented in the Credit Agreement and the other Transaction Agreements to be true; (c) factual information provided to us in certain certificates signed by the Credit Parties; and (d) factual information we have obtained from such other sources as we have deemed reasonable. We have assumed without investigation that there has been no relevant change or development between the dates as of which the information cited in the preceding sentence was given and the date of this opinion letter and that the information upon which we have relied is accurate and does not omit disclosures necessary to prevent such information from being misleading.

While we have not conducted any independent investigation to determine facts upon which our opinions are based or to obtain information about which this opinion letter advises you, we confirm that we do not have any actual knowledge which has caused us to conclude that our reliance and assumptions cited in the preceding paragraph are unwarranted or that any information supplied in this opinion letter is wrong. The term "actual knowledge" whenever it is used in this opinion letter with respect to our firm means conscious awareness at the time this opinion letter is delivered on the date it bears by the following Kirkland & Ellis LLP lawyers who have had significant involvement with the negotiation or preparation of the Transaction Agreements (herein called our "Designated Transaction Lawyers"): Samantha B. Good, Brian R. Ford and Marcel L. Anderson.

Except as set forth in the following sentences of this paragraph, our opinion on every legal issue addressed in this opinion letter is based exclusively on such internal law of the State of New York or such Federal law of the United States, which, in each case, is in our experience normally applicable to general business organizations not engaged in regulated business activities and to transactions of the type contemplated between the Credit Parties, on the one hand, and you, on the other hand, in the Transaction Agreements but without our having made any special investigation as to any other laws. Furthermore, we express no opinion or advice as to any law (a) to which the Credit Parties may be subject as a result of your legal or regulatory status, your sale or transfer of any Loans or other obligations or interests therein or your (as opposed to any other Lender's) involvement in the transactions contemplated by the Transaction Agreements, (b) identified on Schedule C or (c) which might be violated by any misrepresentation or omission or a fraudulent act. For purposes of the opinions in paragraphs 2, 3, 4, 7(b) and 8, we advise you that we do not practice the law of the State of Delaware or the Commonwealth of Pennsylvania and we are not Delaware or Pennsylvania lawyers. With your permission, we have rendered the opinions in paragraphs 2, 3, 4, 7(b) and 8 based exclusively upon the review by one of our Designated Transaction Attorneys of DGCL and PBCL as indicated with respect to each Credit Party as published by Aspen Law & Business, as supplemented through May 16, 2011, without regard to any regulations promulgated thereunder or any judicial or administrative interpretations thereof. For purposes of our opinion in paragraph 1 as to existence and good standing, we have relied exclusively upon certificates issued by a governmental authority in each relevant jurisdiction and such opinion is not intended to provide any conclusion or assurance beyond that conveyed by such certificates. We advise you that issues addressed by this opinion letter may be governed in whole or in part by other laws, but we express no opinion as to whether any relevant difference exists between the laws upon which our opinions are based and any other laws which may actually govern. Our opinions are subject to all qualifications in Schedule A and do not cover or otherwise address any law or legal issue that is identified in the attached Schedule C or any provision in the Credit Agreement or any of the other Transaction Agreements of any type identified in Schedule D. Provisions in the Transaction Agreements that are not excluded by Schedule D or any other part of this opinion letter or its attachments are called the "Relevant Agreement Terms."

Our advice on each legal issue addressed in this opinion letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the jurisdiction upon whose law our opinion on that issue is based. The manner in which any particular issue would be treated in any actual court case would depend in part on facts and circumstances particular to the case, and this opinion letter is not intended to guarantee the outcome of any legal dispute which may arise in the future. It is possible that some Relevant Agreement Terms may not prove enforceable for reasons other than those cited in this opinion letter should an actual enforcement action be brought, but (subject to the exceptions, qualifications, exclusions and other limitations contained in this opinion letter) such unenforceability would not in our opinion prevent you from realizing the principal benefits purported to be provided by the Relevant Agreement Terms.

This opinion letter speaks as of the time of its delivery on the date it bears. We do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which our Designated Transaction Lawyers did not have actual knowledge at that time, by reason of any change subsequent to that time in any law covered by any of our opinions, or for any other reason. The attached schedules are an integral part of this opinion letter, and any term defined in this opinion letter or any schedule has that defined meaning wherever it is used in this opinion letter or in any schedule to this opinion letter.

You may rely upon this opinion letter only for the purpose served by the provision in the Credit Agreement cited in the initial paragraph of this opinion letter in response to which it has been delivered. Without our written consent: (a) no person other than you may rely on this opinion letter for any purpose; (b) this opinion letter may not be cited or quoted in any financial statement, prospectus, private placement memorandum or other similar document; (c) this opinion letter may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion letter by any person, or for any purpose, excluded by the restrictions in this paragraph; and (d) copies of this opinion letter may not be furnished to anyone excluded by the restrictions of this paragraph for purposes of encouraging such reliance.

Notwithstanding the foregoing, persons who subsequently become Lenders under the Credit Agreement may rely on this opinion as of the date hereof as if this opinion letter were addressed to them.

Sincerely,

Kirkland & Ellis LLP

Schedule A

General Qualifications

All of our opinions ("our opinions") in the opinion letter to which this Schedule A is attached ("our opinion letter") are subject to each of the qualifications set forth in this Schedule A.

1. Bankruptcy and Insolvency Exception. Each of our opinions as to the validity, binding effect or enforceability of any of the Transaction Agreements or to the availability of injunctive relief and other equitable remedies ("Specified Opinions") is subject to the effect of bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws. This exception includes:

    a. the Federal Bankruptcy Code and thus comprehends, among others, matters of turn-over, automatic stay, avoiding powers, fraudulent transfer, preference, discharge, conversion of a non-recourse obligation into a recourse claim, limitations on ipso facto and anti-assignment clauses and the coverage of pre-petition security agreements applicable to property acquired after a petition is filed;

    b. all other Federal and state bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement and assignment for the benefit of creditors laws that affect the rights of creditors generally or that have reference to or affect only creditors of specific types of debtors;

    c. state fraudulent transfer and conveyance laws; and

    d. judicially developed doctrines in this area, such as substantive consolidation of entities and equitable subordination.

2. Equitable Principles Limitation. Each of our Specified Opinions is subject to the effect of general principles of equity, whether applied by a court of law or equity. This limitation includes principles:

    a. governing the availability of specific performance, injunctive relief or other equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which application for such relief is made;

    b. affording equitable defenses (e.g., waiver, laches and estoppel) against a party seeking enforcement;

    c. requiring good faith and fair dealing in the performance and enforcement of a contract by the party seeking its enforcement;

d. requiring reasonableness in the performance and enforcement of an agreement by the party seeking enforcement of the contract;

e. requiring consideration of the materiality of (i) a breach and (ii) the consequences of the breach to the party seeking enforcement;

f. requiring consideration of the impracticability or impossibility of performance at the time of attempted enforcement;

g. affording defenses based upon the unconscionability of the enforcing party's conduct after the parties have entered into the contract; and

3. Other Common Qualifications. Each of our Specified Opinions is subject to the effect of rules of law that:

a. limit or affect the enforcement of provisions of a contract that purport to waive, or to require waiver of, the obligations of good faith, fair dealing, diligence and reasonableness;

b. provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected;

c. limit the availability of a remedy under certain circumstances where another remedy has been elected;

d. provide a time limitation after which a remedy may not be enforced;

e. limit the right of a creditor to use force or cause a breach of the peace in enforcing rights;

f. relate to the sale or disposition of collateral or the requirements of a commercially reasonable sale;

g. limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves negligence, recklessness, willful misconduct, unlawful conduct, violation of public policy, or for strict product liability or for liabilities arising under the securities laws or litigation against another party determined adversely to such party;

h. may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange;

i. govern and afford judicial discretion regarding the determination of damages and entitlement to attorneys' fees and other costs;

j. may render guarantees or similar instruments or agreements unenforceable under circumstances where your actions, failures to act or waivers, amendments or replacement of the Transaction Agreements (i) so radically change the essential nature of the terms and conditions of the guaranteed obligations and the related transactions that, in effect, a new relationship has arisen between you and the Credit Parties which is substantially and materially different from that presently contemplated by the Transaction Agreements, (ii) release the primary obligor or (iii) impair the guarantor's recourse against the primary obligor; and/or

k. limit the enforceability of requirements in the Transaction Agreements that provisions therein may only be waived or amended in writing, to the extent that an oral agreement or an implied agreement by trade practice or course of conduct has been created modifying any such provision.

4. Referenced Provision Qualification. In addition, our opinions, insofar as they relate to the validity, binding effect or enforceability of a provision in any of the Transaction Agreements requiring any Credit Party to perform its obligations under, or to cause any other person to perform its obligations under, any provision (a "Referenced Provision") of such Transaction Agreement or of any of the other Transaction Agreements or stating that any action will be taken as provided in or in accordance with any provision (also a "Referenced Provision") of any other Transaction Agreement, are subject to the same qualifications as the corresponding opinion in our opinion letter relating to the validity, binding effect and enforceability of such Referenced Provision.

5. Collateral Qualifications. The opinions and advice contained in our opinion letter are subject to the following advice (terms used herein which are defined in the New York UCC or any other applicable Uniform Commercial Code having the meanings for purposes hereof given to them therein):

a. rights of debtors and obligors and duties of secured parties referred to in Sections 1-102(3) and 9-602 of the New York UCC (and the corresponding sections of any other applicable Uniform Commercial Code) may not be waived, released, varied or disclaimed by agreement, and our opinions regarding any such waivers, releases, variations and disclaimers are limited accordingly;

b. our opinions regarding the creation and perfection of security interests are subject to the effect of (i) the limitations on the existence and perfection of security interests in proceeds resulting from the operation of Section 9-315 of any applicable Uniform Commercial Code; (ii) the limitations in favor of buyers, licensees and lessees imposed by Sections 9-320, 9-321 and 9-323 of any applicable Uniform Commercial Code; (iii) the limitations with respect to documents, instruments and securities imposed by Section 9-331 and 8-303 of any applicable Uniform Commercial Code; (iv) other

rights of persons in possession of money, instruments and proceeds constituting certificated or uncertificated securities; and (v) section 547 of the Bankruptcy Code with respect to preferential transfers and section 552 of the Bankruptcy Code with respect to any Collateral acquired by any Credit Party subsequent to the commencement of a case against or by any Credit Party under the Bankruptcy Code;

c. Article 9 of each applicable Uniform Commercial Code requires the filing of continuation statements within specified periods in order to maintain the effectiveness of the filings referred to in our opinion letter;

d. additional filings or actions may be necessary if any Credit Party changes its name, identity or corporate structure or the jurisdiction in which it is organized;

e. your security interest in the Collateral may not be perfected under the applicable Uniform Commercial Code by the filing of financing statements to the extent specified under applicable Federal law;

f. we express no opinion regarding the perfection of any lien or security interest in any property (whether real, personal or mixed, and whether such perfection be accomplished or purport to be accomplished by filing, by possession, by control or otherwise) except as specifically set forth in our opinion letter or regarding the continued perfection of any possessory security interest in any Collateral (or other security interest the perfection of which depends upon the location of such Collateral) upon or following the removal of such Collateral to another jurisdiction; we express no opinion regarding the perfection of any security interest in deposit accounts, money or letter-of-credit rights or regarding the perfection of any possessory security interest in Collateral in possession of a person other than the secured party; and we express no opinion as to matters of title or regarding the priority of any lien or security interest;

g. the assignment of or creation of a security interest in any contract, lease, license, permit or other general intangible or account, chattel paper or promissory note may require the approval of the issuer thereof or the other parties thereto, except to the extent that restrictions on the creation, attachment, perfection or enforcement of a security interest therein are unenforceable under Sections 9-406 or 9-408 of the New York UCC;

h. we express no opinion with respect to any self-help remedies with respect to Collateral to the extent they vary from those available under the New York UCC or other applicable Uniform Commercial Code or with respect to any remedies otherwise inconsistent with the New York UCC (to the extent that the New York UCC is applicable thereto) or other applicable law (including, without limitation, any other applicable Uniform Commercial Code);

i. a substantial body of case law treats guarantors as "debtors" under the New York UCC, thereby according guarantors rights and remedies of debtors established by the New York UCC;

j. we express no opinion with respect to (i) the creation, perfection or enforceability of agricultural liens or (ii) the creation, perfection or enforceability of security interests in: property in which it is illegal or violative of governmental rules or regulations to grant a security interest (such as, for example, governmental permits and licenses) (except to the extent that such restrictions are rendered unenforceable under Sections 9-406 and 9-408 of any applicable Uniform Commercial Code and such provisions are the controlling law); general intangibles which terminate or become terminable if a security interest is granted therein (except to the extent that such restrictions are rendered unenforceable under Sections 9-406 and 9-408 of any applicable Uniform Commercial Code and such provisions are the controlling law); property subject to negative pledge clauses of which you have knowledge; vehicles, ships, vessels, barges, boats, railroad cars, locomotives and other rolling stock, aircraft, aircraft engines, propellers and related parts, and other property for which a state or Federal statute or treaty (including without limitation any applicable Uniform Commercial Code) provides for registration or certification of title or specifies a place of filing different from that specified in Section 9-501 of any applicable Uniform Commercial Code; commercial tort claims; crops, farm products, equipment used in farming operations and accounts or general intangibles arising from or relating to the sale of farm products by a farmer; timber to be cut; fixtures; "as-extracted collateral" (including without limitation oil, gas or other minerals and accounts arising out of the sale at the wellhead or minehead of oil, gas or other minerals); consumer goods; property subject to a contract with, or in the possession of, the United States of America or any state, county, city, municipality or other governmental body or agency; goods for which a negotiable document of title has been issued; and copyrights, patents and trademarks, other literary property rights, service marks, know-how, processes, trade secrets, undocumented computer software, unrecorded and unwritten data and information, and rights and licenses thereunder;

k. we note that the remedies under the Security Agreement with regard to the sale of any securities subject to any security interest are subject to compliance with applicable state and federal securities law;

l. we express no opinion with respect to the enforceability of any security interest in any accounts, chattel paper, documents, instruments or general intangibles with respect to which the account debtor or obligor is the United States of America, any state, county, city, municipality or other governmental body, or any department, agency or instrumentality thereof;

m. we express no opinion with respect to the enforceability of any provision of any Transaction Agreement which purports to authorize you to file financing statements under circumstances not authorized under the applicable Uniform Commercial Code;

n. we express no opinion with respect to the enforceability of any provision of any Transaction Agreement which purports to authorize you to purchase at a private sale Collateral which is not subject to widely distributed standard price quotations or sold on a recognized market;

o. we express no opinion regarding any Credit Party's rights in or title to, or power to transfer any of its rights in or title to, its properties, including without limitation, any of the Collateral;

p. we express no opinion regarding the characterization of a transaction as one involving the creation of a lien on real property, the characterization of a contract as one in a form sufficient to create a lien or a security interest in real property, the creation, perfection, priority or enforcement of a lien on real property or matters involving ownership or title to any real property;

q. we note that the perfection of any security interest may be terminated as to Collateral otherwise disposed of by any Credit Party if such disposition is authorized in the Transaction Agreements or otherwise by the Collateral Agent;

r. we express no opinion regarding the enforceability of any pre-default waiver of notification of disposition of Collateral, mandatory disposition of Collateral or redemption rights;

s. we express no opinion regarding the enforceability of any provisions asserting that Collateral is owned by or is property of a secured party prior to such secured party's foreclosure of such Collateral in accordance with the applicable Uniform Commercial Code or, in the case of cash Collateral, the application of such cash Collateral in payment of the secured obligations;

t. we express no opinion as to the enforceability of cumulative remedies to the extent such cumulative remedies purport to or would have the effect of compensating the party entitled to the benefits thereof in amounts in excess of the actual loss suffered by such party or would violate applicable laws concerning real estate or mixed collateral foreclosures or elections of remedies;

u. our opinions as to the validity, binding effect and enforceability of the Transaction Agreements do not constitute opinions as to the creation, existence, effect of perfection, or perfection or priority of any security interest;

v. we express no opinion regarding the creation, attachment, perfection, effect of perfection or enforceability of any security interest created in Collateral described in the Security Agreement as "any property or assets whatsoever," "all other tangible and intangible personal property," "all assets," "all personal property" or words of similar super generic language, to the extent any purported grant of a security interest may be invalid, unenforceable or unperfected because of any failure to reasonably describe the Collateral as required by the UCC; and

w. we express no opinion as to the ability of the Collateral Agent to obtain possession of rents or exercise rights under leases prior to obtaining actual possession of the property from which the assigned rents are produced or which are the subject of the assigned leases or subleases.

6. Lender's Regulatory Qualification. We express no opinion with respect to, and all our opinions are subject to, the effect of the compliance or noncompliance of each of you with any state or Federal laws or regulations applicable to you because of your legal or regulatory status or the nature of your business or requiring you to qualify to conduct business in any jurisdiction.

7. Usury Qualification. We express no opinion with regard to usury or other laws limiting or regulating the maximum amount of interest that may be charged, collected, received or contracted for, other than the internal laws of the State of New York and, without limiting the foregoing, we expressly disclaim any opinions as to the usury or other such laws of any other jurisdiction (including laws of other states made applicable through principles of federal preemption or otherwise) which may be applicable to the transactions contemplated by the Transaction Agreements.

8. Guaranty Qualification. We express no opinion regarding the enforceability of any so-called "fraudulent conveyance or fraudulent transfer savings clause" and any similar provision to the extent such provisions purport to limit the amount of the obligations of any party or the right to contribution of any other party with respect to such obligations.

Schedule B

Assumptions

For purposes of our opinion letter, we have relied, without investigation, upon each of the following assumptions:

1. Each natural person who is executing any Transaction Agreements on behalf of any Credit Party has sufficient legal capacity to enter into such Transaction Agreements, and we have no actual knowledge of any such incapacity.

2. Each party to the Transaction Agreements (other than the Credit Parties) has been duly formed and is validly existing and in good standing in its jurisdiction of organization. Each party to the Transaction Agreements (other than the Credit Parties) has full power and authority (including without limitation under the laws of its jurisdiction of organization) to execute, deliver and perform its obligations under each of the Transaction Agreements to which it is a party, and each of the Transaction Agreements to which a party thereto is a party (other than the Credit Parties) has been duly authorized by all necessary action on the part of such party and has been duly executed and duly delivered by such party.

3. The Transaction Agreements constitute valid and binding obligations of yours and each other party thereto (other than the Credit Parties) and are enforceable against you and each other party thereto (other than the Credit Parties) in accordance with their terms.

4. Each party to the Transaction Agreements (other than the Credit Parties) has satisfied those legal requirements that are applicable to such party to the extent necessary to make the Transaction Agreements to which such party is a party enforceable against such party.

5. Each party to the Transaction Agreements (other than the Credit Parties) has complied with all legal requirements pertaining to such party's status as such status relates to such party's rights to enforce the Transaction Agreements against the respective Credit Parties.

6. Each document submitted to us for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original, and all signatures (other than those of or on behalf of the respective Credit Parties) on each such document are genuine.

7. Each Public Authority Document is accurate, complete and authentic and all official public records (including their proper indexing and filing) are accurate and complete. The term "Public Authority Documents" means a certificate issued by any secretary of state of any other government official, office or agency concerning a person's property or status, such as a certificate of corporate or partnership existence or good standing, a certificate concerning tax status, a certificate concerning Uniform Commercial Code filings or a certificate concerning title registration or ownership.

8. There has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence.

9. The conduct of the parties to the Transaction Agreements has complied with any requirement of good faith, fair dealing and conscionability.

10. Each party to the Transaction Agreements (other than the Credit Parties) has acted in good faith and without notice of any defense against the enforcement of any rights created by, or adverse claim to any property or security interest transferred or created as part of, the transactions effected under the Transaction Agreements (herein called the "Transactions").

11. There are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Credit Agreement or any of the other Transaction Agreements.

12. The constitutionality or validity of a relevant statute, rule, regulation or agency action is not in issue.

13. All parties to the Transactions will act in accordance with, and will refrain from taking any action that is forbidden by, the terms of the Transaction Agreements.

14. All agreements (if any) other than the Transaction Agreements with respect to which we have provided advice in our opinion letter or reviewed in connection with our opinion letter would be enforced as written.

15. With respect to the opinions set forth in opinion paragraphs 7 and 8, all parties to the Transaction Agreements will not in the future take any discretionary action (including a decision not to act) permitted under the Transaction Agreements that would result in a violation of law or constitute a breach or default under any other agreements or court orders to which the Credit Parties may be subject.

16. With respect to the opinion set for the in opinion paragraphs 7 and 8, the Credit Parties will in the future obtain all permits and governmental approvals required, and will in the future take all actions required, relevant to the consummation of the Transactions or performance of the Transaction Agreements.

17. The representations made by each Credit Party in the Transaction Agreements to which it is a party with respect to its jurisdiction of organization, chief executive office and location of equipment and inventory are and will remain true and correct.

18. Each person who has taken any action relevant to any of our opinions in the capacity of director, manager, member or officer, as applicable, was duly elected to that director, manager, member or officer position, as applicable, and held that position when such action was taken (except that this assumption is limited to those of the preceding items with respect to the adoption of which we did not have involvement).

19. You are not subject to Regulation T of the Board of Governors of the Federal Reserve System; and no proceeds of the Loans will be used for any purpose which would violate or be inconsistent with the Credit Agreement.

20. All information required to be disclosed in connection with any consent or approval by the Credit Parties' respective boards of directors or stockholders (or equivalent governing group) and all other information required to be disclosed in connection with any issue relevant to our opinions has in fact been fully and fairly disclosed to all persons to whom it is required to be disclosed.

21. The Credit Parties' respective certificate or articles of incorporation, as applicable (or equivalent governing instrument), all amendments to that certificate/articles, all resolutions adopted establishing classes or series of stock under that certificate, the Credit Parties' respective bylaws and all amendments to its bylaws have been adopted in accordance with all applicable legal requirements.

22. Collateral Assumptions. The opinions and advice contained in our opinion letter are subject to the following assumptions:

    a. Each of the Credit Parties which grants or purports to grant any lien or security interest in any property or Collateral (i) has the requisite title and rights to any property involved in the Transactions including without limiting the generality of the foregoing, each item of Collateral existing on the date hereof and (ii) will have the requisite title and rights to each item of Collateral arising after the date hereof.

    b. Value (as defined in Section 1-201(44) of the New York UCC) has been given by you to the Credit Parties for the security interests and other rights in and assignments of Collateral described in or contemplated by the Transaction Agreements.

    c. The descriptions of Collateral in the Transaction Agreements and the financing statements executed or delivered in connection therewith accurately describe the property intended to be described as Collateral.

    d. All information regarding the secured party on the financing statements is accurate and complete in all respects.

Schedule C

Excluded Law and Legal Issues

None of our opinions contained in our opinion letter covers or otherwise addresses any of the following laws, regulations or other governmental requirements or legal issues:

23. Except with respect to the Investment Company Act of 1940, as amended, to the extent of our opinion paragraph 10, federal securities laws and regulations, state "Blue Sky" laws and regulations, and laws and regulations relating to commodity (and other) futures and indices and other similar instruments;

24. pension and employee benefit laws and regulations (e.g., ERISA);

25. Federal and state antitrust and unfair competition laws and regulations;

26. other than to the extent of our opinions in opinion paragraph 8, Federal and state laws and regulations concerning filing and notice requirements (such as the Hart-Scott-Rodino Antitrust Improvements Act of 1986, as amended, and the Exon-Florio Act, as amended);

27. compliance with fiduciary duty requirements;

28. the statutes and ordinances, the administrative decisions and the rules and regulations of counties, towns, municipalities and special political subdivisions (whether created or enabled through legislative action at the Federal, state or regional level – e.g., water agencies, joint power districts, turnpike and tollroad authorities, rapid transit districts or authorities, and port authorities) and judicial decisions to the extent that they deal with any of the foregoing;

29. fraudulent transfer and fraudulent conveyance laws;

30. Federal and state environmental laws and regulations;

31. Federal and state land use and subdivision laws and regulations;

32. to the extent not otherwise specified in this Schedule C, applicable zoning and building laws, ordinances, code, rules or regulations.

33. Federal and state tax laws and regulations;

34. Federal and state patent, trademark and copyright, state trademark, and other Federal and state intellectual property laws and regulations;

35. Federal and state racketeering laws and regulations (e.g., RICO);

36. Federal and state health and safety laws and regulations (e.g., OSHA);

37. Federal and state labor laws and regulations;

38. Federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states and (iii) criminal and civil forfeiture laws;

39. except for usury statutes to the extent specifically provided for in paragraph 7 on Schedule A, Federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes);

40. any anti-terrorism law and any anti-terrorism order, including Executive Order No. 13224 on Terrorism Financing, effective September 24, 2001 and the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (together, the "Anti-Terrorism Order") as amended, all rules and regulations promulgated thereunder and all Federal, state and local laws, statutes, ordinances, orders, governmental rules, regulations, licensing requirements and policies relating to the Anti-Terrorism Order, the foreign assets control regulations of the United States Treasury Department, and to the extent the following relate to any Anti-Terrorism Law or the Anti-Terrorism Order, the ownership and operation of, or otherwise regulation of, companies which conduct, operate or otherwise pursue the business or businesses now and in the future conducted, operated or otherwise pursued by any of the Credit Parties including, without limitation, the importation, transportation, manufacturing, dealing, purchase, use or storage of explosive materials;

41. any laws, regulations, directives and executive orders that prohibit or limit the enforceability of obligations based on attributes of the party seeking enforcement (e.g., the Trading with the Enemy Act and the International Emergency Economic Powers Act);

42. title to any property;

43. the Federal Power Act, as amended, and the regulations implementing the Federal Power Act, all rules and regulations promulgated under any of the foregoing statutes, the rules, regulations and policies of the Federal Energy Regulatory Commission and any other Federal or any state or local regulatory authority, and all other Federal state and local laws, orders, regulations, licensing requirements and policies regulating, public utilities, electric utilities or energy facilities or services (and including without limitation any requirement under any such Federal, state or local law or regulation that any Credit Party obtain any consent, approval, authorization or order in order to enter into the Transaction Agreements and perform the transactions contemplated thereby or effect any failure to obtain any such consent, approval, authorization or order);

44. state laws or regulations, whether statutory or judicially made that relate to or establish the requirements for the due execution and delivery of mortgages or other recorded instruments relating to real property; and

45. the effect of any law, regulation or order which hereafter becomes effective.

We have not undertaken any research for purposes of determining whether the Credit Parties or any of the Transactions which may occur in connection with the Credit Agreement or

any of the other Transaction Agreements is subject to any law or other governmental requirement other than to those laws and requirements which in our experience would generally be recognized as applicable in the absence of research by lawyers in the State of New York, and none of our opinions covers any such law or other requirement unless (i) one of our Designated Transaction Lawyers had actual knowledge of its applicability at the time our opinion letter was delivered on the date it bears and (ii) it is not excluded from coverage by other provisions in our opinion letter or in any schedule to our opinion letter.

Schedule D

Excluded Provisions

None of our opinions in our opinion letter to which this Schedule D is attached covers or otherwise addresses any of the following types of provisions which may be contained in the Transaction Agreements:

46. Choice-of-law provisions (other than under New York statutory choice of law rules, those provisions which provide that the laws of the State of New York shall govern).

47. Indemnification for gross negligence, willful misconduct or other wrongdoing or strict product liability or any indemnification for liabilities arising under securities laws.

48. Provisions mandating contribution towards judgments or settlements among various parties.

49. Waivers of (i) legal or equitable defenses, (ii) rights to damages, (iii) rights to counterclaim or set off, (iv) statutes of limitations, (v) rights to notice, (vi) the benefits of statutory, regulatory, or constitutional rights, unless and to the extent the statute, regulation, or constitution explicitly allows waiver, (vii) broadly or vaguely stated rights and (viii) other benefits in each case to the extent they cannot be waived under applicable law.

50. Provisions providing for forfeitures or the recovery of amounts deemed to constitute penalties, or for liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, late charges, prepayment charges, and increased interest rates upon default.

51. Time-is-of-the-essence clauses.

52. Provisions which provide a time limitation after which a remedy may not be enforced.

53. Confession of judgment clauses.

54. Agreements to submit to the jurisdiction of any particular court or other governmental authority (either as to personal jurisdiction and subject matter jurisdiction); provisions restricting access to courts; waiver of the right to jury trial; waiver of service of process requirements which would otherwise be applicable; and provisions otherwise purporting to affect the jurisdiction and venue of courts.

55. Provisions that attempt to change or waive rules of evidence or fix the method or quantum of proof to be applied in litigation or similar proceedings.

56. Provisions appointing one party as an attorney-in-fact for an adverse party or providing that the decision of any particular person will be conclusive or binding on others.

57. Provisions purporting to limit rights of third parties who have not consented thereto or purporting to grant rights to third parties.

58. Provisions purporting to create a trust or constructive trust without compliance with applicable trust law.

59. Provisions relating to the application of condemnation awards.

60. Provisions that provide for the appointment of a receiver or the taking of possession by the Collateral Agent (as defined in the Credit Agreement).

61. Provisions or agreements regarding proxies, shareholders agreements, shareholder voting rights, voting trusts, and the like.

62. Confidentiality agreements.

63. Provisions in any of the Transaction Agreements requiring any of the Credit Parties to perform its obligations under, or to cause any other person to perform its obligations under, or stating that any action will be taken as provided in or in accordance with, any agreement or other document that is not a Transaction Agreement.

64. Provisions, if any, which are contrary to the public policy of any jurisdiction.

65. Provisions that provide for set-off.

Schedule of Transaction Agreements

Pledge and Security Agreement dated November 25, 2008 by the Credit Parties in favor of the Collateral Agent, as reaffirmed by the Credit Parties pursuant to Section 9.23 of the Credit Agreement (the "Security Agreement").

Schedule of Specified Agreements

1. ABL Loan and Security Agreement, dated as of August 9, 2007, by and among the Credit Parties, the other lenders listed therein and Wells Fargo Bank, National Association, as administrative agent (the "ABL Agent"), as amended by (i) Amendment No. 1 and Consent to Loan and Security Agreement, dated as of November 25, 2008, by and among the Credit Parties, the other lenders listed therein and the ABL Agent, (ii) Amendment No. 2 to Loan and Security Agreement and Consent, dated as of May 7, 2010, by and among the Credit Parties, the other lenders listed therein, and the ABL Agent, and (iii) Amendment No. 3 to Loan and Security Agreement and Consent, dated as of June 8, 2011, by and among the Credit Parties, the other lenders listed therein, and the ABL Agent.

EXHIBIT VI

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "**Assignment**") is dated as of the Effective Date set forth below and is entered into by and between [**_Insert name of Assignor_**] (the "**Assignor**") and [**_Insert name of Assignee_**] (the "**Assignee**") [and agreed and consented to by U.S. Silica Company].[1] Capitalized terms used but not defined herein shall have the meanings given to them in the Second Amended and Restated Credit Agreement identified below (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by Administrative Agent as contemplated below, the interest in and to all of the Assignor's rights and obligations under the Credit Agreement and any other documents or instruments delivered pursuant thereto that represents the amount and percentage interest identified below of all of the Assignor's outstanding rights and obligations under the Commitments identified below (the "**Assigned Interest**"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment, without representation or warranty by the Assignor.

1.	Assignor:	_____
2.	Assignee:	_____ [**and is an [**Affiliate**] [**Approved Fund**]**]
3.	Borrower:	U.S. Silica Company
4.	Administrative Agent:	BNP Paribas, as administrative agent under the Credit Agreement
5.	Credit Agreement:	The $260,000,000 Second Amended and Restated Credit Agreement dated as of June [**•**], 2011 by and among others, U.S. Silica Company, the Lenders parties thereto, BNP Paribas, as administrative agent ("**Administrative Agent**"), and the other listed parties thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

[1] Include if Company's consent is required under Section 9.1(b) of the Credit Agreement.

6. Assigned Interest:

Aggregate Amount of Commitment/ Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/ Loans[1]
$_____	$_____	_____%
$_____	$_____	_____%

Effective Date: _____ ___, 20___ [**TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.**]

The terms set forth in this Assignment are hereby agreed to:

ASSIGNOR

[**NAME OF ASSIGNOR**]

By: _____

Name: _____

Title: _____

ASSIGNEE

[**NAME OF ASSIGNEE**]

By: _____

Name: _____

Title: _____

[1] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[**Consented to **][2] :

U.S. SILICA COMPANY

By: _____

Name: _____

Title: _____

[2] To be added only if the consent of Company is required by the terms of the Credit Agreement.

Consented to and][3] Accepted:

BNP PARIBAS,
as Administrative Agent

By: _____

Name: _____

Title: _____

[3] To be added only if the consent of Administrative Agent and/or other parties is required by the terms of the Credit Agreement.

$260,000,000 SECOND AMENDED AND RESTATED CREDIT AGREEMENT DATED AS OF JUNE [**•**], 2011
AMONG U.S. SILICA COMPANY, THE LENDERS AND OTHER PARTIES LISTED THEREIN AND BNP PARIBAS, AS ADMINISTRATIVE AGENT

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION AGREEMENT

1. Representations and Warranties

1.1 Assignor

The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with any Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document delivered pursuant thereto, other than this Assignment (herein collectively the "**Loan Documents**"), or any collateral thereunder, (iii) the financial condition of Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee

The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and to purchase the Assigned Interest on the basis of which it has made such analysis and decision, and (v) if it is a non-US Lender, attached to the Assignment is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments

From and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions

This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

EXHIBIT VII

FORM OF SOLVENCY CERTIFICATE

This **SOLVENCY CERTIFICATE** (this "**Certificate**") is delivered in connection with that certain Second Amended and Restated Credit Agreement dated as of June [**•**], 2011 by and among others, U.S. Silica Company, a Delaware corporation, USS Holdings, Inc., a Delaware corporation ("**Parent**"), the financial institutions listed therein as Lenders ("**Lenders**"), and BNP Paribas, as administrative agent ("**Administrative Agent**") and the other parties listed therein (said Second Amended and Restated Credit Agreement, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, being the "**Credit Agreement**"). Capitalized terms used herein without definition have the same meanings as in the Credit Agreement.

This Solvency Certificate is being delivered pursuant to Section 3.7 of the Credit Agreement. The undersigned is the **[****Treasurer/Chief Financial Officer****]** of Parent and hereby further certifies as of the date hereof, to his or her knowledge and in his or her capacity as an officer of Parent, and not individually, as follows:

1. I have responsibility for or am otherwise familiar with (a) the management of the financial affairs of Parent and the preparation of financial statements of Parent, and (b) the financial and other aspects of the transactions contemplated by the Credit Agreement.

2. I hereby certify, in my capacity as **[****Treasurer/Chief Financial Officer****]** of Parent and not individually, that I have made such investigation and inquiries as to the financial condition of the Loan Parties and their Subsidiaries as I deem necessary and prudent for the purpose of providing this Certificate. I acknowledge that the Administrative Agent and the Lenders are relying on the truth and accuracy of this Certificate in connection with making the Loans under the Credit Agreement.

3. I further certify that the financial information, projections and assumptions which underlie and form the basis for the representations made in this Certificate were reasonable when made and were made in good faith and continue to be reasonable as of the date hereof.

4. BASED ON THE FOREGOING, I hereby certify, in my capacity as **[****Treasurer/Chief Financial Officer****]** of Parent and not individually, that, both before and after giving effect to the Transactions, the Loan Parties on a consolidated basis are Solvent.

The undersigned has executed this Solvency Certificate, to his or her knowledge and in his or her capacity as an officer of Parent and not individually, as of June [**•**], 2011.

[Remainder of page intentionally left blank]

USS HOLDINGS, INC.

By: _____

Name: _____

EXHIBIT 10.6

EXECUTION VERSION

ABL/TERM LOAN INTERCREDITOR AGREEMENT

among

GGC USS ACQUISITION SUB, INC.

GGC USS BORROWER CO., INC.,

U.S. SILICA COMPANY

USS HOLDINGS, INC.

BMAC HOLDINGS, INC.,

BETTER MINERALS & AGGREGATES COMPANY,

BMAC SERVICES CO., INC.,

THE FULTON LAND AND TIMBER COMPANY,

GEORGE F. PETTINOS, LLC,

PENNSYLVANIA GLASS SAND CORPORATION

and

OTTAWA SILICA COMPANY,

as Grantors

WACHOVIA BANK, NATIONAL ASSOCIATION,
as the ABL Agent,

and

BNP PARIBAS
as Term Loan Agent,

Dated as of November 25, 2008

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ABL/TERM LOAN INTERCREDITOR AGREEMENT

This ABL/Term Loan Intercreditor Agreement is dated as of November __, 2008 (the "**Agreement**") and entered into by and among GGC USS ACQUISITION SUB, INC., a Delaware corporation ("**Acquisition Co**"), USS HOLDINGS, INC., a Delaware corporation ("**Holdings**"), GGC USS BORROWER CO. INC., a Delaware corporation (the "**Initial Borrower**"), U.S. SILICA COMPANY, a Delaware corporation ("**Borrower**"), BMAC HOLDINGS, INC., a Delaware corporation, BETTER MINERALS & AGGREGATES COMPANY, a Delaware corporation, BMAC SERVICES CO., INC., a Delaware corporation, THE FULTON LAND AND TIMBER COMPANY, a Pennsylvania corporation, GEORGE F. PETTINOS, LLC, a Delaware limited liability company, PENNSYLVANIA GLASS SAND CORPORATION, a Delaware corporation, OTTAWA SILICA COMPANY, a Delaware corporation and any Additional Grantors (as defined herein) (each of the foregoing, including Acquisition Co, Holdings, Initial Borrower and Borrower, a "**Grantor**", and collectively, the "**Grantors**"), WACHOVIA BANK, NATIONAL ASSOCIATION, in its capacity as agent for the ABL Lenders (in such capacity, together with any successors and assigns, the "**ABL Agent**") and BNP PARIBAS, in its capacity as agent for the Term Loan Lenders (in such capacity, together with any successors and assigns, the "**Term Loan Agent**").

RECITALS:

WHEREAS, the Grantors, ABL Lenders and the ABL Agent are parties to the ABL Credit Agreement, pursuant to which the ABL Lenders have made a revolving credit facility available to the Borrowers secured by a first Lien on the ABL Priority Collateral;

WHEREAS, the Grantors, the Term Loan Lenders and the Term Loan Agent are parties to the Term Loan Credit Agreement, pursuant to which the Term Loan Lenders shall make a term loan credit facility available to the Company secured by a second Lien on the ABL Priority Collateral and a first Lien on the Term Loan Exclusive Collateral; and

WHEREAS, the ABL Agent, for and on behalf of the ABL Claimholders, and the Term Loan Agent, for and on behalf of the Term Loan Claimholders, desire to enter into this Agreement to (i) confirm the relative priorities of their respective Liens in the assets and properties of the Grantors and (ii) provide for the orderly sharing among them, in accordance with such priorities, of the Proceeds of such assets and properties upon any foreclosure thereon or other disposition thereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement (including the recitals hereto), the following terms shall have the following meanings:

"**ABL Agent**" has the meaning set forth in the introductory paragraph of this Agreement.

"**ABL Bank Product Provider**" shall mean any "**Bank Product Provider**", as such term is defined in the ABL Credit Agreement.

"**ABL Claimholders**" shall mean, at any relevant time, the holders of ABL Obligations at such time, including without limitation the ABL Lenders, the ABL Agent and any other agent under the ABL Credit Agreement, and including, in the case of Bank Products, ABL Bank Product Providers and ABL Hedging Agreement Providers.

"**ABL Collateral Documents**" shall mean the Security Documents (as defined in the ABL Credit Agreement as amended from time to time) and any other agreement, document or instrument pursuant to which a Lien is granted securing any ABL Obligations or under which rights or remedies with respect to such Liens are governed.

"**ABL Credit Agreement**" shall mean (a) the ABL Loan and Security Agreement dated as of August 9, 2007 among the Grantors, the ABL Lenders and the ABL Agent, as amended on November 25, 2008 and as further amended, restated, supplemented or modified from time to time, and (b) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or Instrument evidencing or governing the terms of any Indebtedness or other financial accommodation that has been incurred to extend, increase (subject to the limitations set forth herein), or Refinance in whole or in part the Indebtedness and other obligations outstanding under the (i) ABL Credit Agreement or (ii) any subsequent ABL Credit Agreement (as amended, restated, supplemented or modified from time to time), unless such agreement or Instrument expressly provides that it is not intended to be and is not an ABL Credit Agreement hereunder. Any reference to the ABL Credit Agreement hereunder shall be deemed a reference to any ABL Credit Agreement then in existence.

"**ABL Credit Documents**" shall mean the ABL Credit Agreement and the other Financing Agreements (as defined in the ABL Credit Agreement as amended from time to time) and each of the other agreements, documents and Instruments providing for or evidencing any other ABL Obligation, and any other document or Instrument executed or delivered at any time in connection with any ABL Obligations, including any intercreditor or joinder agreement among holders of ABL Obligations, to the extent such agreements are effective at the relevant time, as each may be modified from time to time.

"**ABL Hedging Agreement Provider**" shall mean any "**Hedging Agreement Provider**", as such term is defined in the ABL Credit Agreement.

"**ABL Lenders**" shall mean any "**Lender**" as such term is defined in the ABL Credit Agreement.

"**ABL Obligations**" shall mean any and all loans, letter of credit obligations and all other obligations, liabilities and Indebtedness of every kind, nature and description owing by any Grantor under or in respect of (a) the ABL Credit Agreement, (b) the other ABL Credit Documents and (c) Bank Products with ABL Bank Product Providers or ABL Hedging Agreement Providers; provided that the aggregate principal amount of, without duplication, any revolving credit commitments, revolving credit loans, the outstanding face amount of letters of credit, term loans, bonds, debentures, notes or similar Instruments issued under the ABL Credit Agreement or any other ABL Credit Document (or any Refinancing thereof) in excess of $38,500,000 (the "**Maximum ABL Obligations**"), shall not constitute ABL Obligations for purposes of this Agreement. "ABL Obligations" shall include (i) all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) in accordance with the rate specified in the relevant ABL Credit Document and (ii) all fees, costs and charges incurred in connection with the ABL Credit Documents and provided for thereunder, in the case of each of clause (i) and clause (ii) whether before or after commencement of an Insolvency or Liquidation Proceeding and irrespective of whether any claim for such interest, fees, costs or charges is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**ABL Priority Collateral**" shall mean all of the following present and future assets and Property of any Grantor:

(a) all Deposit Accounts, monies, credit balances, deposits and other property of any Grantor now or hereafter held or received by or in transit to ABL Agent, any ABL Lender or its Affiliates or at any other depository or other institution from or for the account of any Grantor, whether for safekeeping, pledge, custody, transmission, collection or otherwise;

(b) all Inventory;

(c) all Receivables (including all ITT Insurance Claim Reimbursements);

(d) all Chattel Paper (including, without limitation, all tangible Chattel Paper and Electronic Chattel Paper), Instruments (including, without limitation, all promissory notes), and Documents, in each case to the extent constituting the Proceeds of or otherwise representing or evidencing Receivables or Inventory, but excluding in any event those payment obligations constituting the Proceeds of Term Loan Exclusive Collateral;

(e) all Intellectual Property, solely to the extent necessary to liquidate the ABL Priority Collateral (and except for License Agreements and software license agreements in which a Grantor is a licensee and for which imposition of a lien would result in breach or cancellation of the License Agreement, unless the prohibitive provision with respect to such Intellectual Property is rendered ineffective pursuant to applicable law (including Sections 9-406, 9-407, 9-408 and 9-409 of the UCC of any relevant jurisdiction));

(f) in respect of items in clauses (a), (b) and (c) above, other than those obligations constituting the Proceeds of Term Loan Exclusive Collateral, all letters of credit, banker's acceptances and similar Instruments and including all Letter-of-Credit Rights;

(g) all Supporting Obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Receivables and other ABL Priority Collateral, including (i) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the ABL Priority Collateral, (ii) rights of stoppage in transit, replevin, repossession, reclamation and other rights and

remedies of an unpaid vendor, lienor or secured party, (iii) Goods described in invoices, Documents, contracts or Instruments with respect to, or otherwise representing or evidencing, Receivables or other ABL Priority Collateral, including returned, repossessed and reclaimed Goods, and (iv) deposits by and property of account debtors or other persons securing the obligations of account debtors;

(h) all Records related to the ABL Priority Collateral;

(i) all as-extracted collateral, including without limitation, all minerals as extracted and severed from owned and leased real property (including, without limitation, sandstone and silica byproducts thereof); and

(j) all products and Proceeds of the foregoing, in any form, including insurance Proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other ABL Priority Collateral.

"**ABL Priority Collateral Disposition**" has the meaning set forth in Section 5.1(a)(ii).

"**ABL Priority Collateral Exercise of Remedies**" has the meaning set forth in Section 5.1(a)(i)

"**ABL Priority Collateral Subordinated Lien Release**" has the meaning set forth in Section 5.1(a).

"**Accounts**" shall mean, as to any Grantor, all present and future rights of such Person to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by Chattel Paper or an Instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit or charge card or information contained on or for use with such card.

"**Affiliate**" shall mean, with respect to a specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person, and without limiting the generality of the foregoing, includes (a) any Person which beneficially owns or holds ten percent (10%) or more of any class of Voting Stock of such Person or other equity interests in such Person, (b) any Person of which such Person beneficially owns or holds ten percent (10%) or more of any class of Voting Stock or in which such Person beneficially owns or holds ten percent (10%) or more of the equity interests and (c) any director or executive officer of such Person. For the purposes of this definition, the term "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

"**Agent**" shall mean the ABL Agent or the Term Loan Agent, as applicable and "Agent" shall mean both the ABL Agent and the Term Loan Agent.

"**Aggregate Principal Exposure**" shall mean that the aggregate principal amount of, without duplication, any issued but undrawn letters of credit, any reimbursement obligations for drawn letters of credit, term loans, revolving loans, bonds, debentures, notes or similar Instruments (excluding, in any event, Bank Product Debt) issued under the ABL Credit Documents or the Term Loan Credit Documents, as applicable.

"**Agreement**" shall mean this Agreement, as amended, renewed, extended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**Bank Product**" has the meaning set forth in the ABL Credit Agreement.

"**Bank Product Debt**" of any Person shall mean the Indebtedness and other obligations of such Person pursuant to any Bank Products.

"**Bankruptcy Code**" shall mean the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

"**Bankruptcy Law**" shall mean the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Business Day**" shall mean any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the laws of the State of North Carolina or the State of New York.

"**Capital Lease**" shall mean, as applied to any Person, any lease of (or any agreement conveying the right to use) any property (whether real, personal or mixed) by such Person as lessee which in accordance with GAAP, is required to be reflected as a capital lease on the balance sheet of such Person.

"**Capital Stock**" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock).

"**Certificated Security**" has the meaning set forth in the UCC.

"**Chattel Paper**" has the meaning set forth in the UCC.

"**Claimholders**" shall mean the Term Loan Claimholders and the ABL Claimholders.

"**Code**" shall mean the Internal Revenue Code of 1986, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

"**Collateral**" shall mean all of the assets and property of any Grantor, whether tangible or intangible.

"**Company**" means (i) before giving effect to the merger between Borrower and Initial Borrower, Initial Borrower and (ii) upon and after giving effect to the merger between Borrower and Initial Borrower, Borrower.

"**Controlled Account**" shall mean those certain Deposit Accounts of any Grantor subject to Liens under the terms of the ABL Collateral Documents and the Term Loan Collateral Documents.

"**Credit Documents**" shall mean the Term Loan Credit Documents and the ABL Credit Documents.

"**Deposit Accounts**" has the meaning set forth in the UCC.

"**DIP Financing**" has the meaning set forth in Section 6.1.

"**Discharge of ABL Obligations**" shall mean (a) payment in full in cash of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not a claim for such interest is, or would be, allowed in such Insolvency or Liquidation Proceeding) and premium, if any, on all Indebtedness outstanding under the ABL Credit Documents and termination of all commitments to lend or otherwise extend credit under the ABL Credit Documents, (b) payment in full in cash of all other ABL Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (including legal fees and other expenses, costs or charges accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not a claim for such fees, expenses, costs or charges is, or would be, allowed in such Insolvency or Liquidation Proceeding), (c) termination, cancellation or cash collateralization (in an amount reasonably satisfactory to the ABL Agent) of all letters of credit issued under the ABL Credit Documents and (d) termination or cash collateralization (in an amount reasonably satisfactory to the applicable ABL Bank Product Provider or ABL Hedging Agreement Provider) of any Bank Products (to the extent that the obligations under such Bank Products constitute ABL Loan Obligations) and the payment in full in cash of all Bank Product Debt (to the extent such Bank Product Debt constitutes ABL Loan Obligations), subject, with respect to the aggregate amount of the items set forth in the foregoing clauses (a) through (d), to the limitations set forth in the definition of Maximum ABL Obligations.

"**Documents**" has the meaning set forth in the UCC.

"**Domestic Subsidiaries**" shall mean, with respect to any Person, any Subsidiary of such Person which is incorporated or organized under the laws of any state of the United States or the District of Columbia.

"**Electronic Chattel Paper**" has the meaning set forth in the UCC.

"**Enforcement Action**" shall mean the exercise of any rights or remedies against any Collateral, including, without limitation, any right to take possession or control of any Collateral under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement, any right of set-off or recoupment and any enforcement, collection, execution, levy or foreclosure action or proceeding taken against the Collateral.

"**Foreign Subsidiary**" shall mean, with respect to any Person, any Subsidiary of such Person which is not a Domestic Subsidiary.

"**GAAP**" shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board which are applicable to the circumstances as of the date of determination consistently applied.

"**Goods**" has the meaning set forth in the UCC.

"**Grantors**" has the meaning set forth in the introductory paragraph of this Agreement.

"**Guaranty Obligations**" shall mean, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable Instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting security therefor, (b) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (c) to lease or purchase property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (d) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

"**Hedging Agreement**" shall mean, with respect to any Person, any agreement entered into to protect such Person against fluctuations in interest rates, or currency or raw material values, including, without limitation, any interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more counterparties, any foreign currency exchange agreement, currency protection agreements, commodity purchase or option agreement or other interest or exchange rate hedging agreements.

"**Indebtedness**" shall mean, with respect to any Person, any liability, whether or not contingent, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) or evidenced by bonds, notes, debentures or similar instruments; (b) representing the balance deferred and unpaid of the purchase price of any property or services (other than an account payable to a trade creditor (whether or not an Affiliate) incurred in the ordinary course of business of such Person); (c) all

obligations as lessee under leases which have been, or should be, in accordance with GAAP recorded as Capital Leases; (d) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (e) all preferred Capital Stock issued by such Person and which by the terms thereof could be (at the request of the holders thereof or otherwise) subject to mandatory sinking fund payments, redemption or other acceleration prior to the date which is six (6) months prior to the latest to occur of (1) so long as the Term Loan Credit Agreement shall remain outstanding, the Maturity Date (as defined in the Term Loan Credit Agreement) or (2) the Termination Date (as defined in the ABL Credit Agreement); (f) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker's acceptances, drafts or similar documents or instruments issued for such Person's account; (g) all indebtedness of such Person in respect of indebtedness of another Person for borrowed money or indebtedness of another Person otherwise described in this definition which is secured by any consensual lien, security interest, collateral assignment, conditional sale, mortgage, deed of trust, or other encumbrance on any asset of such Person, whether or not such obligations, liabilities or indebtedness are assumed by or are a personal liability of such Person, all as of such time; (h) all obligations, liabilities and indebtedness of such Person (marked to market) arising under swap agreements, cap agreements and collar agreements and other agreements or arrangements designed to protect such person against fluctuations in interest rates or currency or commodity values; (i) indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer to the extent such Person is liable therefor as a result of such Person's ownership interest in such entity, except to the extent that the terms of such indebtedness expressly provide that such Person is not liable therefor or such Person has no liability therefor as a matter of law; and (j) the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing where such transaction is considered to be borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP. Notwithstanding the foregoing, Indebtedness shall not include (1) any obligations of the Grantors or any of their Subsidiaries in respect of rail lease obligations and (2) advances made to the Grantors or any of their Subsidiaries in respect of capital projects.

"**Insolvency or Liquidation Proceeding**" shall mean any case or proceeding commenced by or against a Person under any state, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order for relief under the Bankruptcy Code, or any other Bankruptcy Law or insolvency, debtor relief or debt adjustment law; (b) the appointment of a receiver, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its Property; or (c) an assignment or trust mortgage for the benefit of creditors.

"**Instrument**" has the meaning set forth in the UCC.

"**Intellectual Property**" shall mean, as to each Grantor, such Grantor's now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright applications, copyright registrations, trademarks, servicemarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing and all applications, registrations and recordings relating to any of the foregoing as may be filed in the United States Copyright Office, the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country or jurisdiction, together with all rights and privileges arising under applicable law with respect to any Grantor's use of any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or servicemark, or the license of any trademark or servicemark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

"**Inventory**" has the meaning set forth in the UCC, including all Goods intended for sale, lease, display or demonstration; all work in process; and all raw materials, and other materials and supplies of any kind that are or could be used in connection with the manufacture, printing, packing, shipping, advertising, sale, lease or furnishing of such Goods, or otherwise used or consumed in the Company's business.

"**ITT**" shall mean ITT Corporation, a Delaware corporation, and its successors and assigns.

"**ITT Insurance Claim Reimbursements**" shall mean all amounts claimed (and Proceeds of such claims) by any Grantor to be owing from ITT from time to time to any Grantor in its capacity as a successor-in-interest to and/or assignee of, the rights of Pacific Coast Resources Co. under that certain Agreement of Purchase and Sale of the Capital Stock of Pennsylvania Glass Sand Corporation, dated as of September 12, 1985, made between ITT and Pacific Coast Resources Co., its successors and assigns, as amended or modified from time to time.

"**Letter-of-Credit Rights**" has the meaning set forth in the UCC.

"**License Agreement**" shall mean any agreement or other arrangement of any Grantor or any Subsidiary thereof pursuant to which such Grantor or Subsidiary has a license or other right to use any trademarks, logos, designs, representations or other Intellectual Property, material to the business of the Grantor and its Subsidiaries taken as a whole, owned by another person.

"**Lien**" shall mean any mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, security interest, encumbrance, lien (statutory or otherwise), hypothec, preference, priority, or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement filed under the UCC as adopted and in effect in the relevant jurisdiction or other similar recording or notice statute, and any lease in the nature thereof).

"**Maximum ABL Obligations**" has the meaning set forth in the definition of ABL Obligations.

"**Obligations**" shall mean Term Loan Obligations or the ABL Obligations, as applicable.

"**Parent**" means (i) before giving effect to the merger between Acquisition Co and Holdings, Acquisition Co and (ii) upon and after giving effect to the merger between Acquisition Co and Holdings, Holdings.

"**Payment Intangibles**" has the meaning set forth in the UCC.

"**Person**" shall mean any individual, sole proprietorship, partnership, corporation (including any corporation which elects subchapter S status under the Code), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

"**Proceeds**" has the meaning set forth in the UCC.

"**Property**" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"**Receivables**" shall mean all of the following now owned or hereafter arising or acquired property of each Grantor: (a) all Accounts; (b) all interest, fees, late charges, penalties, collection fees and other amounts due or to become due or otherwise payable in connection with any Account; (c) all Payment Intangibles; (d) letters of credit, indemnities, guarantees, security or other deposits and Proceeds thereof issued payable to such Grantor or otherwise in favor of or delivered to such Grantor in connection with any Account; or Inventory or (e) all other accounts and other forms of obligations owing to any Grantor arising from the sale or lease of Inventory or Accounts or the rendition of services.

"**Records**" shall mean, as to each Grantor, all of such Grantor's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of any Grantor with respect to the foregoing maintained with or by any other person).

"**Recovery**" has the meaning set forth in Section 6.7.

"**Refinance**" shall mean, in respect of any Indebtedness, to refinance, replace or repay, or to issue other Indebtedness, in exchange or replacement for, such Indebtedness. "**Refinanced**" and "**Refinancing**" shall have correlative meanings.

"**Required Lenders**" shall mean with respect to the ABL Credit Agreement or the Term Loan Credit Agreement, as applicable, those ABL Lenders or Term Loan Lenders, as applicable, the approval of which is required to approve an amendment or modification of, termination or waiver of any provision of or consent to any departure from the ABL Credit Agreement or the Term Loan Credit Agreement (or would be required to effect such consent under this Agreement if such consent were treated as an amendment of the ABL Credit Agreement or the Term Loan Credit Agreement) as applicable.

"**Subsidiary**" shall mean, with respect to any Person, any corporation, limited liability company, limited liability partnership or other limited or general partnership, trust, association or other business entity of which an aggregate of at least a majority of the outstanding Capital Stock or other interests entitled to vote in the election of the board of directors of such corporation (irrespective of whether, at the time, Capital Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency), managers, trustees or other controlling persons, or an equivalent controlling interest therein, of such Person is, at the time, directly or indirectly, owned by such Person and/or one or more subsidiaries of such Person.

"**Supporting Obligations**" has the meaning set forth in the UCC.

"**Term Loan Agent**" has the meaning set forth in the introductory paragraph of this Agreement.

"**Term Loan Claimholders**" shall mean, at any relevant time, the holders of Term Loan Obligations at such time, including without limitation the Term Loan Lenders, and any agent under the Term Loan Credit Agreement and Term Loan Hedging Agreement Providers.

"**Term Loan Collateral Documents**" shall mean the Collateral Documents (as defined in the Term Loan Credit Agreement as amended, restated, supplemented or modified from time to time), and any other agreement, document or instrument pursuant to which a Lien is granted securing any Term Loan Obligations or under which rights or remedies with respect to such Liens are governed.

"**Term Loan Credit Agreement**" shall mean (a) the Credit Agreement dated as of the date hereof among the Grantors, the Term Loan Lenders and the Term Loan Agent, as amended, restated, supplemented or modified from time to time and (b) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or Instrument evidencing or governing the terms of any Indebtedness or other financial accommodation that has been incurred to extend, increase (subject to the limitations set forth herein), or Refinance in whole or in part the Indebtedness and other obligations outstanding under the Term Loan Credit Agreement or any subsequent Term Loan Credit Agreement (as amended, restated, supplemented or modified from time to time), unless such agreement or Instrument expressly provides that it is not intended to be and is not a Term Loan Credit Agreement hereunder. Any reference to the Term Loan Credit Agreement hereunder shall be deemed a reference to any Term Loan Credit Agreement then in existence.

"**Term Loan Credit Documents**" shall mean the Term Loan Credit Agreement, Term Loan Hedging Agreements, the other Loan Documents (as defined in the Term Loan Credit Agreement) and any other document or instrument executed or delivered at any time in connection with the Term Loan Credit Agreement, to the extent such are effective at the relevant time, as each may be modified from time to time in accordance with this Agreement.

"**Term Loan Enforcement Date**" shall mean the date which is 90 days after the occurrence of (i) an Event of Default (under and as defined in the Term Loan Credit Agreement) and the demand by the Term Loan Agent for the payment of the Term Loan Obligations under the Term Loan Credit Documents and (ii) the Term Loan Agent's receipt of written notice from the ABL Agent certifying that an Event of Default (under and as defined in the ABL Credit Agreement) has occurred and is continuing and that the demand for the payment of the ABL Obligations under the ABL Credit Documents has been made; provided that the Term Loan Enforcement Date shall be stayed and thereby deemed not to have occurred (1) at any time that the ABL Agent or the ABL Claimholders have commenced and are then diligently pursuing any Enforcement Action with respect to all or a material portion of the ABL Priority Collateral, (2) at any time any Grantor is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding or (3) if the acceleration of the Term Loan Obligations under the Term Loan Credit Documents is rescinded in accordance with the terms of the Term Loan Credit Agreement.

"**Term Loan Exclusive Collateral**" shall mean all Collateral other than the ABL Priority Collateral.

"**Term Loan Hedging Agreements**" shall mean any "**Hedge Agreement**", as such term is defined in the Term Loan Credit Agreement.

"**Term Loan Hedging Agreement Provider**" shall mean any "**Hedge Agreement Counterparty**", as such term is defined in the Term Loan Credit Agreement.

"**Term Loan Lenders**" shall mean any "**Lender**" as such term is defined in the Term Loan Credit Agreement.

"**Term Loan Obligations**" shall mean any and all loans, letter of credit obligations and all other obligations, liabilities and Indebtedness of every kind, nature and description owing by any Grantor under (a) the Term Loan Credit Agreement, (b) the other Term Loan Credit Documents, (c) Term Loan Hedging Agreements and (d) the Guaranties (as defined in the Term Loan Credit Agreement). "**Term Loan Obligations**" shall include (i) all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) in accordance with the rate specified in the relevant Term Loan Credit Document and (ii) all fees, costs and charges incurred in connection with the Term Loan Credit Documents and provided for thereunder, in the case of each of clause (i) and clause (ii) whether before or after commencement of an Insolvency or Liquidation Proceeding and irrespective of whether any claim for such interest, fees, costs or charges is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**UCC**" shall mean the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**Voting Stock**" shall mean, with respect to any Person, (a) one (1) or more classes of Capital Stock of such Person having general voting powers to elect at least a majority of the board of directors, managers or trustees of such Person, irrespective of whether at the time Capital Stock of any other class or classes have or might have voting power by reason of the happening of any contingency, and (b) any Capital Stock of such Person convertible or exchangeable without restriction at the option of the holder thereof into Capital Stock of such Person described in clause (a) of this definition.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, Instrument or other document herein shall be construed as referring to such agreement, Instrument or other document as from time to time amended, supplemented or otherwise modified, (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Exhibits or Sections shall be construed to refer to Exhibits or Sections of this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. LIEN PRIORITIES

2.1 Scope of Collateral. The ABL Agent, for and on behalf of the ABL Claimholders, hereby acknowledges that the Term Loan Agent, for and on behalf of the Term Loan Claimholders, has been granted Liens upon all of the Collateral pursuant to the Term Loan Credit Documents to secure the Term Loan Obligations. The Term Loan Agent, for and on behalf of the Term Loan Claimholders, hereby acknowledge that the ABL Agent, for and on behalf of the ABL Claimholders, has been granted Liens upon all of the ABL Priority Collateral pursuant to the ABL Credit Documents to secure the ABL Obligations.

2.2 Priority.

(a) Notwithstanding the order or time of attachment, or the order, time or manner of perfection, or the order or time of filing or recordation of any document or instrument, or other method of perfecting a Lien in favor of any Claimholder in any ABL Priority Collateral, and notwithstanding any conflicting terms or conditions which may be contained in any of the Credit Documents, subject to Section 2.2(c), the Liens upon the ABL Priority Collateral securing the ABL Obligations shall have priority over the Liens upon the ABL Priority Collateral securing the Term Loan Obligations and such Liens upon the ABL Priority Collateral securing the Term Loan Obligations are and shall be junior and subordinate to the Liens upon the ABL Priority Collateral securing the ABL Obligations in all respects.

(b) Intentionally Omitted.

(c) Notwithstanding the foregoing clause (a) or anything else in this Agreement to the contrary, the Aggregate Principal Exposure of extensions of credit made by the ABL Lenders to any of the Grantors that exceed the Maximum ABL Obligations, shall not be considered ABL Obligations for purposes of the Lien priority set forth in Section 2.2(a) above with respect to the ABL Priority Collateral. To the extent provided under the ABL Credit Documents, all such extensions of credit in excess of the Maximum ABL Obligations shall continue to be secured by the ABL Priority Collateral; provided, that the Liens on the ABL Priority Collateral securing such extensions of credit in excess of the Maximum ABL Obligations shall be junior and subordinate to the Liens on the ABL Priority Collateral securing the Term Loan Obligations.

2.3 Failure to Perfect. Subject to Section 2.2(c), the Liens upon the ABL Priority Collateral securing the ABL Obligations shall be and remain senior in all respects and prior to the Liens on the ABL Priority Collateral securing the Term Loan Obligations, notwithstanding any failure of any Claimholder to perfect its Lien upon the ABL Priority Collateral, the subordination of its Lien on the ABL Priority Collateral to any Lien securing any other obligation of any Grantor, or the avoidance, invalidation or lapse of its Lien on the ABL Priority Collateral.

2.4 Prohibition on Contesting Liens. The ABL Agent, for itself and on behalf of each ABL Claimholder, and the Term Loan Agent, for itself and on behalf of each Term Loan Claimholder, agree that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the priority, validity or enforceability of a Lien held by or on behalf of any of the Term Loan Claimholders in any Collateral or by or on behalf of any of the ABL Claimholders in any ABL Priority Collateral, as the case may be; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any such party to enforce this Agreement, including the priority of the Lien held by it or for its benefit on its respective Collateral as provided in Sections 2.2 and 3.1.

2.5 Limitation on Collateral for ABL Claimholders. The ABL Agent agrees that neither the ABL Agent nor any other ABL Claimholder shall acquire or hold any Lien on any assets of any Grantor (or any Subsidiary thereof) to secure any ABL Obligations other than the ABL Priority Collateral. If any ABL Claimholder shall (nonetheless and in breach hereof) acquire any Lien on any assets other than the ABL Priority Collateral of any Grantor or any of its Subsidiaries to secure the ABL Obligations, then such ABL Claimholder shall, without the need for any further consent of any other Person and notwithstanding anything to the contrary in any ABL Credit Document release such Lien.

SECTION 3. ENFORCEMENT

3.1 Enforcement.

(a) So long as the Discharge of ABL Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against Company or any other Grantor:

(i) the Term Loan Agent and the Term Loan Claimholders:

(A) from the date hereof until the occurrence of the Term Loan Enforcement Date, will not take any Enforcement Action with respect to any ABL Priority Collateral;

(B) will not contest, protest or object to, or otherwise interfere with, hinder, or delay, any Enforcement Action by the ABL Agent or any other ABL Claimholder with respect to the ABL Priority Collateral; provided that the respective interests of the Term Loan Claimholders attach to the proceeds thereof, subject to the relative priorities described in Section 2 and Section 4; and

(C) subject to the rights of the Term Loan Agent under clause (i)(A) above, will not contest, protest or object to the forbearance by the ABL Agent or the other ABL Claimholders from bringing or pursuing any Enforcement Action with respect to the ABL Priority Collateral;

(ii) subject to Section 5.1, the ABL Agent and the other ABL Claimholders shall have the exclusive right to commence and, if applicable, maintain an Enforcement Action and make determinations regarding the release, disposition, or restrictions with respect to the ABL Priority Collateral without any consultation with or the consent of the Term Loan Agent or any other Term Loan Claimholder; provided, that

(A) in any Insolvency or Liquidation Proceeding commenced by or against Company or any other Grantor, the Term Loan Agent may file a claim or statement of interest with respect to the Term Loan Obligations;

(B) the Term Loan Agent may take any action (not adverse to the Liens on the ABL Priority Collateral securing the ABL Obligations, or the rights of the ABL Agent or the other ABL Claimholders to exercise remedies in respect thereof) in order to preserve or protect their Liens on the ABL Priority Collateral;

(C) the Term Loan Claimholders shall be entitled to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Term Loan Claimholders, including without limitation any claims secured by the ABL Priority Collateral, in each case in accordance with the terms of this Agreement;

(D) in any Insolvency or Liquidation Proceeding, the Term Loan Claimholders shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either Bankruptcy Law or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement;

(E) in any Insolvency or Liquidation Proceeding, the Term Loan Claimholders shall be entitled to vote on any plan of reorganization, except to the extent inconsistent with the provisions hereof; and

(F) the Term Loan Agent or any Term Loan Claimholder may exercise any of their rights or remedies with respect to the Term Loan Exclusive Collateral consistent with the terms of this Agreement.

(b) Intentionally Omitted.

(c) In exercising rights and remedies with respect to the ABL Priority Collateral, the ABL Agent and the ABL Claimholders may enforce the provisions of the ABL Credit Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by the ABL Agent and the ABL Claimholders to sell or otherwise dispose of such ABL Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(d) The ABL Agent, on behalf of itself and the ABL Claimholders, agrees that it will not take or receive any Collateral or any Proceeds of Collateral in connection with the exercise of any right or remedy (including set-off or recoupment) with respect to any Collateral, except to the extent such Collateral, or Proceeds thereof, constitutes its ABL Priority Collateral, and that any such Collateral or Proceeds thereof taken or received by it that does not constitute its ABL Priority Collateral will be paid over to the Term Loan Agent pursuant to Section 4.2, unless and until the Discharge of ABL Obligations has occurred except as expressly provided in Section 6.4. Without limiting the generality of the foregoing, unless and until the Discharge of ABL Obligations has occurred, the sole right of the Term Loan Agent and the Term Loan Claimholders with respect to the ABL Priority Collateral is to hold a Lien on the ABL Priority Collateral pursuant to the Term Loan Credit Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of ABL Obligations has occurred in accordance with the terms of the ABL Credit Documents and applicable law.

(e) Subject to the proviso in clause (ii) of Section 3.1(a), the Term Loan Agent, for itself and on behalf of the Term Loan Claimholders, (i) agrees that neither it nor such Term Loan Claimholders will take any action that would hinder, delay or impede any exercise of remedies by the ABL Agent and ABL Claimholders under the ABL Credit Agreement with respect to the ABL Priority Collateral, including any sale, lease, exchange, transfer or other disposition of such ABL Priority Collateral, whether by foreclosure or otherwise, and (ii) hereby waives any and all rights it or the Term Loan Claimholders may have as a junior lien creditor or otherwise to object to the manner or order in which the ABL Agent or the ABL Claimholders seek to enforce the Liens granted in the ABL Priority Collateral.

3.2 Actions Upon Breach.

(a) If any Claimholder commences or participates in any Enforcement Action against any Grantor or the ABL Priority Collateral in violation of this Agreement, the Agent for the other group of Claimholders may interpose in the name of such other Claimholders or in the name of such Grantor the making of this Agreement as a defense or dilatory plea.

(b) Should any Claimholder in any way take, or attempt or threaten to take, contrary to this Agreement, any Enforcement Action with respect to ABL Priority Collateral, or fail to take any action required by this Agreement, the Agent for the other group of Claimholders (in its own name or in the name of a Grantor) may obtain relief against such offending Claimholder by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by all of the Claimholders that (i) the damages from such actions may be difficult to ascertain and may be irreparable, and (ii) the offending Claimholder waives any defense that the other group of Claimholders cannot demonstrate damage or be made whole by the awarding of damages.

SECTION 4. PAYMENTS

4.1 Application of Proceeds.

(a) So long as the Discharge of ABL Obligations has not occurred, (i) any Proceeds of ABL Priority Collateral received in connection with the sale or other disposition of the ABL Priority Collateral (other than a sale or other disposition permitted by the terms of the ABL Credit Documents and with respect to which prepayment of the ABL Obligations with the proceeds thereof is not required by the terms of the ABL Credit Documents), or collection on the ABL Priority Collateral upon the exercise of remedies, shall be applied by the ABL Agent to the ABL Obligations in such order as specified in the relevant ABL Credit Documents and (ii) if an Event of Default (as defined in the ABL Credit Agreement) has occurred and is continuing, no Proceeds of ABL Priority Collateral may be applied to the Term Loan Obligations. Upon the Discharge of the ABL Obligations, the ABL Agent shall deliver to the Term Loan Agent any Proceeds of ABL Priority Collateral held by it in the same form as received, with any necessary endorsements or, as a court of competent jurisdiction may otherwise direct, to be applied by the Term Loan Agent to the Term Loan Obligations in such order as specified in the Term Loan Credit Documents.

(b) Intentionally Omitted.

(c) Except as set forth in this Section 4.1(c), nothing in this Agreement shall require any Agent or any Claimholder to determine the source or priority of funds received by it and applied to its Obligations. In the absence of fraudulent conduct, willful misconduct or gross negligence, the sole remedy of any Agent or Claimholder for the tender and application of Proceeds of the ABL Priority Collateral to the Obligations of the other Claimholders shall be to proceed directly against the Grantors unless, prior to the application of such Proceeds to the Obligations of the other Claimholders, the Agent for the other Claimholders shall have a received written notice that such Proceeds are (or will be) the Proceeds of ABL Priority Collateral with such notice to contain the following information: (i) a description of such ABL Priority Collateral that is being sold, transferred or otherwise disposed of to generate the Proceeds, (ii) a description of the transaction generating the Proceeds and (iii) the actual or anticipated date of such transaction.

4.2 Payment Turnover.

(a) So long as the Discharge of ABL Obligations has not occurred, any ABL Priority Collateral or Proceeds thereof (together with assets or Proceeds subject to Liens referred to in Section 6.4) received by the Term Loan Agent or any other Term Loan Claimholders in connection with the exercise of any right or remedy (including set-off or recoupment) in respect of the ABL Priority Collateral shall be segregated and held in trust and forthwith paid over to the ABL Agent for the benefit of the ABL Claimholders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The ABL Agent is hereby authorized to make any such endorsements as agent for the Term Loan Agent or any such Term Loan Claimholders. This authorization is coupled with an interest and is irrevocable until such time as this Agreement is terminated in accordance with its terms.

(b) Intentionally Omitted.

SECTION 5. OTHER AGREEMENTS

5.1 Releases.

(a) If, in connection with:

(i) the exercise of any ABL Agent's remedies in respect of the ABL Priority Collateral, including any sale, lease, exchange, transfer or other disposition of any such Collateral (an "**ABL Priority Collateral Exercise of Remedies**"); or

(ii) any sale, lease, exchange, transfer or other disposition of any ABL Priority Collateral permitted or otherwise consented to under the terms of the ABL Credit Documents (whether or not an event of default thereunder, and as defined therein, has occurred and is continuing) (an "**ABL Priority Collateral Disposition**");

the ABL Agent, for itself or on behalf of any of the ABL Claimholders, releases any of its Liens on any part of the ABL Priority Collateral other than in connection with the Discharge of the ABL Obligations, then the Liens of the Term Loan Agent, for itself or for the benefit of the Term Loan Claimholders, on such ABL Priority Collateral, shall be automatically, unconditionally and simultaneously released (the "**ABL Priority Collateral Subordinated Lien Release**") and the

Term Loan Agent, for itself or on behalf of any such Term Loan Claimholders, promptly shall execute and deliver to the ABL Agent or such Grantor such termination statements, releases and other documents as the ABL Agent or such Grantor may request to effectively confirm such release; provided, however, that the ABL Priority Collateral Subordinated Lien Release shall not occur without the consent of the Term Loan Agent in the case of an ABL Priority Collateral Exercise of Remedies, as to any ABL Priority Collateral the net Proceeds of the disposition of which will not be applied to repay (and, to the extent applicable, to reduce permanently commitments with respect to) the ABL Obligations.

(b) Until the Discharge of ABL Obligations occurs, the Term Loan Agent, for itself and on behalf of the Term Loan Claimholders, hereby irrevocably constitutes and appoints the ABL Agent and any officer or agent of the ABL Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Term Loan Agent or such holder or in the ABL Agent's own name, from time to time in the ABL Agent's discretion, for the purpose of carrying out the terms of Section 5.1(a), to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of Section 5.1(a), including any endorsements or other instruments of transfer or release. This authorization is coupled with an interest and is irrevocable until such time as this Agreement is terminated in accordance with its terms.

(c) Until the Discharge of ABL Obligations occurs, to the extent that the ABL Agent for itself and on behalf of the ABL Claimholders has released any Lien on ABL Priority Collateral and any such Liens are later reinstated or the ABL Agent, on behalf of the ABL Claimholders, obtain any new Liens on the ABL Priority Collateral from Grantors, then each Term Loan Agent for itself and on behalf of the Term Loan Claimholders shall be granted a Lien on any such ABL Priority Collateral or have its Lien reinstated, as the case may be, subject to the priorities set forth in Section 2.

5.2 Insurance. The ABL Agent and the Term Loan Agent shall be named as additional insureds and as loss payee (on behalf of the ABL Agent, the ABL Claimholders, the Term Loan Agent and the Term Loan Claimholders, as their interests may appear) under any insurance policies maintained from time to time by any Grantor with respect to the ABL Priroity Collateral. As between the ABL Agent and the ABL Claimholders, on the one hand, and the Term Loan Agent and the Term Loan Claimholders on the other, the ABL Agent and the ABL Claimholders shall have the sole and exclusive right, in accordance with the terms of the ABL Credit Documents, (a) to adjust or settle any insurance policy or claim in the event of any loss with respect to the ABL Priority Collateral and (b) to approve any award granted in any condemnation or similar proceeding affecting the ABL Priority Collateral. All Proceeds of any such policy and any such award in respect of the ABL Priority Collateral that are payable to the Agents shall be paid to the ABL Agent for the benefit of the ABL Claimholders to the extent required under the ABL Credit Documents and thereafter to the Term Loan Agent for the benefit of the Term Loan Claimholders to the extent required under the Term Loan Credit Documents and then to the owner of the subject property or as a court of competent jurisdiction may otherwise direct. If any Claimholder shall, at any time, receive any Proceeds of any such insurance policy or any such award in contravention of this Agreement, it shall pay such Proceeds in accordance with the terms of Section 4.2.

5.3 Each Agent as Bailee.

(a) The ABL Agent agrees to hold any ABL Priority Collateral that can be perfected by the possession or control of such ABL Priority Collateral or of any account in which such ABL Priority Collateral is held, and if such ABL Priority Collateral or any such account is in fact in the possession or under the control of the ABL Agent, or of agents or bailees of the ABL Agent (such ABL Priority Collateral being referred to herein as the "**Pledged Collateral**") as bailee (such bailment being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2) and 9-313(c) of the UCC) and agent, as the case may be, for and on behalf of the Term Loan Agent (and any assignee thereof) solely for the purpose of perfecting the security interest, if any, granted to the Term Loan Agent in such Pledged Collateral (including, but not limited to, any deposit accounts, if any) pursuant to the Term Loan Collateral Documents, subject to the terms and conditions of this Section 5.3.

(b) Until the Discharge of ABL Obligations has occurred, ABL Agent shall be entitled to deal with the Pledged Collateral constituting ABL Priority Collateral in accordance with the terms of the ABL Collateral Documents as if the Liens of Term Loan Agent under the Term Loan Collateral Documents did not exist. The rights of ABL Agent and Term Loan Agent shall at all times be subject to the terms of this Intercreditor Agreement and, in the case of ABL Agent, to ABL Agent's rights under the ABL Collateral Documents and, in the case of Term Loan Agent, to Term Loan Agent's rights under the Term Loan Collateral Documents.

(c) The ABL Agent shall have no obligation whatsoever to the Term Loan Agent or any other Secured Party to assure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.3. The duties or responsibilities of the ABL Agent under this Section 5.3 shall be limited solely (i) to holding the Pledged Collateral as bailee and agent for and on behalf of the Term Loan Agent for purposes of perfecting the Lien held by the Term Loan Agent and (ii) delivering such collateral as set forth in Section 5.4.

(d) Each Agent shall not have by reason of the ABL Collateral Documents, the Term Loan Collateral Documents or this Intercreditor Agreement or any other document a fiduciary relationship in respect of the other Agent or any of the other persons for whose benefit such Agent hold Liens and shall not have any liability to the other Agent or any such other person in connection with its holding the Pledged Collateral, other than for its gross negligence or willful misconduct as determined by a final, non-appealable order of a court of competent jurisdiction.

5.4 Transfer of Pledged Collateral. Upon the Discharge of ABL Obligations, to the extent permitted under applicable law, ABL Agent shall, without recourse or warranty, transfer the possession and control of the Pledged Collateral, if any, then in its possession or control to Term Loan Agent, except in the event and to the extent (a) ABL Agent or any other ABL Claimholder has retained or otherwise acquired

such Collateral in full or partial satisfaction of any of the ABL Obligations, (b) such Collateral is sold or otherwise disposed of by ABL Agent or any other ABL Claimholder or by a Grantor as provided herein or (c) it is otherwise required by any order of any court or other governmental authority or applicable law or would result in the risk of liability of ABL Agent or any other ABL Claimholder to any third party. The foregoing provision shall not impose on ABL Agent or any other ABL Claimholder any obligations which would conflict with prior perfected claims therein in favor of any other person or any order or decree of any court or other governmental authority or any applicable law. In connection with any transfer described herein to Term Loan Agent, ABL Agent agrees to take reasonable actions in its power (with all costs and expenses in connection therewith to be for the account of and to be paid by Grantors) as shall be reasonably requested by Term Loan Agent to permit Term Loan Agent to obtain, for the benefit of the Term Loan Claimholders, a first priority security interest in the Pledged Collateral.

5.5 Access to Term Loan Exclusive Collateral. In the event that Term Loan Agent shall acquire control or possession of any of the Term Loan Exclusive Collateral or shall, through the exercise of remedies under the Term Loan Credit Documents or otherwise, sell any of the Term Loan Exclusive Collateral to any third party (a "**Third Party Purchaser**"), the Term Loan Agent shall, to the extent permitted by law, permit the ABL Agent (or shall require as a condition of such sale to the Third Party Purchaser that the Third Party Purchaser agree to permit the ABL Agent), at the ABL Agent's option: (i) to enter any of the premises of any Grantor (or Third Party Purchaser) constituting such Term Loan Exclusive Collateral under such control or possession (or sold to a Third Party Purchaser) in order to inspect, remove or take any action with respect to the ABL Priority Collateral or to enforce the ABL Agent's rights with respect thereto, including, but not limited to, the examination and removal of ABL Priority Collateral and the examination and duplication of any Collateral (to the extent not ABL Priority Collateral) under such control or possession (or sold to a Third Party Purchaser) consisting of books and records of any Grantor related to the ABL Priority Collateral; (ii) to use the Term Loan Exclusive Collateral for the purpose of manufacturing or processing raw materials or work in process into finished Inventory; (iii) to use any of the Term Loan Exclusive Collateral under such control or possession (or sold to a Third Party Purchaser) consisting of computers or other data processing equipment related to the storage or processing of records, documents or files pertaining to the ABL Priority Collateral and use any Term Loan Exclusive Collateral under such control or possession (or sold to a Third Party Purchaser) consisting of other equipment to handle, deal with, dispose of (including pursuant to one or more public or private sales or auctions), bill, process and/or collect any ABL Priority Collateral pursuant to the ABL Agent's rights as set forth in the ABL Credit Documents, the UCC of any applicable jurisdiction and other applicable law, and (iv) to use any of the Term Loan Exclusive Collateral consisting of intellectual property rights owned or controlled by the Term Loan Agent or the other Term Loan Claimholders as is or may be necessary for the ABL Agent to liquidate the ABL Priority Collateral. Such use by ABL Agent of the Term Loan Exclusive Collateral shall not be on an exclusive basis.

(b) The ABL Agent hereby acknowledges, for itself and on behalf of the other ABL Claimholders that, during the period any ABL Priority Collateral shall be under control or possession of the Term Loan Agent, the Term Loan Agent shall not be obligated to take any action to protect or to procure insurance with respect to such ABL Priority Collateral, it being

understood that Term Loan Agent shall have no responsibility for loss or damage to the ABL Priority Collateral (other than as a result of the gross negligence or willful misconduct of the Term Loan Agent or its agents, as determined by a final non appealable judgment of a court of competent jurisdiction) and that all the risk of loss or damage to the ABL Priority Collateral shall remain with the ABL Claimholders; provided, that to the extent insurance obtained by the Term Loan Agent provides coverage for risks relating to access to or use of ABL Priority Collateral, the ABL Agent will be made an additional named insured thereunder.

(c) The rights of ABL Agent set forth in Section 5.5(a)(i)-(iii) above shall continue until the later of (i) 180 days after the date ABL Agent receives written notice from the Term Loan Agent that the Term Loan Agent has control or possession of the Term Loan Exclusive Collateral at issue and (ii) the sale or other disposition of such Term Loan Exclusive Collateral by the Term Loan Agent or the other Term Loan Claimholders. Such time period shall be tolled during the pendency of any Insolvency Proceeding of any Grantor or other proceedings pursuant to which both the ABL Claimholders and the Term Loan Claimholders are effectively stayed from enforcing their rights against the ABL Priority Collateral. In no event shall any Term Loan Claimholder take any action to interfere, limit or restrict the rights of ABL Agent or the exercise of such rights by ABL Agent to have access to or to use any of such Collateral pursuant to Section 5.4(a) prior to the expiration of such period.

(d) During the actual occupation by ABL Agent, its agents or representatives, of any real property constituting Term Loan Exclusive Collateral during the access and use period permitted by Section 5.5(a) above, the ABL Claimholders shall be obligated to pay to the Term Loan Claimholders any rent payable to third parties and all utilities, taxes and other maintenance and operating costs of such real property during any such period of actual occupation by ABL Agent, but only to the extent the Term Loan Claimholders are required to pay or are otherwise paying any such rent, utilities, taxes or other maintenance and operating costs during the actual occupation of such real property by ABL Agent, its agents or representatives.

5.6 Consent to Limited License. Term Loan Agent, for itself and on behalf of the other Term Loan Claimholders, (i) acknowledges and consents to the grant to the ABL Agent by the applicable Grantor on the date hereof of a limited, non-exclusive royalty-free license in the form of Exhibit A hereto (the "**Closing Date License**") and (ii) agrees that its Liens in the Term Loan Exclusive Collateral shall be subject to the Closing Date License. Furthermore, Term Loan Agent agrees that, in connection with any foreclosure sale conducted by Term Loan Agent, or other exercise of possession or control, in any case in respect of Term Loan Exclusive Collateral of the type described in the Closing Date License (the "**IP Collateral**"), (A) any notice required to be given by Term Loan Agent in connection with such foreclosure shall contain an acknowledgement that Term Loan Agent's Lien is subject to the Closing Date License, (B) Term Loan Agent shall deliver a copy of the Closing Date License to any purchaser at such foreclosure and provide written notice to such purchaser that Term Loan Agent's Lien and the purchaser's rights in the transferred IP Collateral are subject to the Closing Date License and (C) the purchaser shall acknowledge in writing that it purchased the IP Collateral subject to the Closing Date License.

SECTION 6. INSOLVENCY OR LIQUIDATION PROCEEDINGS

6.1 Use of Cash Collateral and Financing Issues. Until Discharge of the ABL Obligations has occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the ABL Agent shall desire to permit the use of cash collateral which constitutes ABL Priority Collateral or to permit any Grantor to obtain financing secured by such ABL Priority Collateral, from one or more of the ABL Claimholders, under Section 363 or Section 364 of the Bankruptcy Code or any similar Bankruptcy Law (such financing, a "**DIP Financing**"), then the Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, (a) agrees that it will raise no objection to such use of cash collateral or DIP Financing nor support any other Person objecting to, such sale, use, or lease of cash collateral or DIP Financing and will not request any form of adequate protection or any other relief in connection therewith (except as agreed by the ABL Agent or to the extent expressly permitted by Section 6.4) and, to the extent the Liens securing the ABL Obligations are subordinated to or pari passu with the Liens securing such DIP Financing, the Term Loan Agent will subordinate its Liens in the ABL Priority Collateral to (i) the Liens securing such DIP Financing (and all Obligations relating thereto), (ii) any adequate protection Liens provided to the ABL Claimholders and (iii) any "carve-out" for professional or United States Trustee fees agreed to by the ABL Agent; and (b) agrees that notice received two (2) calendar days prior to the entry of an order approving such usage of cash collateral or approving such DIP Financing shall be adequate notice; provided that the foregoing shall not prohibit the Term Loan Agent or the Term Loan Claimholders from objecting solely to any provisions in any agreement regarding the use of cash collateral or any DIP Financing relating to, describing or requiring any provision or content of a plan of reorganization other than any provisions requiring that the DIP Financing be paid in full in cash.

6.2 Sale Issues. The Term Loan Agent, on behalf of itself and the Term Loan Claimholders, agrees that it will raise no objection to or oppose a sale or other disposition of any ABL Priority Collateral free and clear of its Liens or other claims under Section 363 of the Bankruptcy Code if the ABL Agent has consented to such sale or disposition of such assets so long as the interests of the Term Loan Agent and the Term Loan Claimholders attach to the Proceeds thereof, subject to the terms of this Agreement. If requested by the ABL Agent in connection therewith, the Term Loan Agent shall affirmatively consent to such a sale or disposition.

6.3 Relief from the Automatic Stay. Until the Discharge of the ABL Obligations has occurred, the Term Loan Agent, on behalf of itself and the Term Loan Claimholders, agrees that none of them shall (i) seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any ABL Priority Collateral without the prior written consent of the ABL Agent, or (ii) oppose any request by the ABL Agent or any ABL Claimholder to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the ABL Priority Collateral.

6.4 Adequate Protection.

(a) The ABL Agent, on behalf of itself and the ABL Claimholders, may seek adequate protection of its interest in the ABL Priority Collateral and the Term Loan Agent, on behalf of itself and the Term Loan Claimholders, agrees that none of them shall contest (or support any other person contesting) (i) any such request for adequate protection by the ABL Agent or (ii) any objection by the ABL Agent or the ABL Claimholders to any motion, relief, action or proceeding based on the ABL Agent or the ABL Claimholders claiming a lack of adequate protection of their interests in the ABL Priority Collateral.

(b) The Term Loan Agent, on behalf of itself and the Term Loan Claimholders, may seek adequate protection of its junior interest in the ABL Priority Collateral, subject to the provisions of this Agreement, only if (i) the ABL Agent is granted adequate protection in the form of a replacement Lien on post-petition collateral of the same type as the ABL Priority Collateral, and (ii) such additional protection requested by the Term Loan Agent is in the form of a replacement Lien on such post-petition collateral of the same type as the ABL Priority Collateral, which Lien, if granted, will be subordinated to the adequate protection Liens granted in favor of the ABL Agent on such post-petition collateral and the Liens securing any DIP financing (and all Obligations relating thereto) secured by such ABL Priority Collateral on the same basis as the Liens of the Term Loan Agent on the ABL Priority Collateral are subordinated to the Liens of the ABL Agent on the ABL Priority Collateral under this Agreement. In the event that the Term Loan Agent, on behalf of itself or any of the Term Loan Claimholder for whom it acts as agent, seeks or requests (or is otherwise granted) adequate protection of its junior interest in the ABL Priority Collateral in the form of a replacement Lien on additional collateral in any form, then the Term Loan Agent, on behalf of itself and the Term Loan Claimholders, agrees that the ABL Agent shall also be granted a replacement Lien on such additional collateral as adequate protection of its senior interest in the ABL Priority Collateral and that such Term Loan Agent's replacement Lien shall be subordinated to the replacement Lien of the ABL Agent. If any Agent or Claimholder receives as adequate protection a Lien on post-petition assets of the same type as its pre-petition ABL Priority Collateral, then such post-petition assets shall also constitute ABL Priority Collateral of such Person to the extent of any allowed claim secured by such adequate protection Lien.

(c) The Term Loan Agent on behalf of itself and the Term Loan Claimholders, may seek and receive additional adequate protection of its junior interest in ABL Priority Collateral, subject to the provisions of this Agreement, in the form of a superpriority administrative expense claim, including a claim arising under 11 U.S.C. § 507(b), which superpriority administrative expense claim shall be junior in all respects to any superpriority administrative expense claim granted to the ABL Claimholders with respect to such ABL Priority Collateral. In the event the Term Loan Agent, on behalf of itself and the Term Loan Claimholders, seeks or receives protection of its junior interest in ABL Priority Collateral and is granted a superpriority administrative expense claim, including a claim arising under 11 U.S.C. § 507(b), then the Term Loan Agent, on behalf of itself and the Term Loan Claimholders, agrees that the ABL Claimholders shall receive a superpriority administrative expense claim which shall be senior in all respects to the superpriority administrative expense claim granted to the Term Loan Agent with respect to such ABL Priority Collateral.

6.5 Separate Grants of Security and Separate Classification. Each of the Grantors and each of the Claimholders acknowledges and agrees with respect to each class of ABL Priority Collateral that (a) the grants of Liens pursuant to the ABL Collateral Documents and the Term Loan Collateral Documents constitute separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the ABL Priority Collateral, the ABL Obligations and the Term Loan Obligations are fundamentally different from one another and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Claimholders and Term Loan Claimholders in respect of the ABL Priority Collateral, constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the ABL Claimholders shall be entitled to receive, in addition to amounts distributed to them from, or in respect of, their ABL Priority Collateral in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees, costs and other charges, irrespective of whether a claim for such amounts is allowed or allowable in such Insolvency or Liquidation Proceeding, before any distribution from, or in respect of, any such ABL Priority Collateral is made in respect of the claims held by the Term Loan Claimholders, with the Term Loan Claimholders hereby acknowledging and agreeing to turn over to the ABL Claimholders amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Term Loan Claimholders.

6.6 Post-Petition Claims. Neither the Term Loan Agent, nor any of the Term Loan Claimholders, shall oppose or seek to challenge any claim by the ABL Agent or any ABL Claimholder for allowance in any Insolvency or Liquidation Proceeding of Obligations consisting of post-petition interest, fees, costs, charges or expenses to the extent of the value of the lien of the ABL Agent in the ABL Priority Collateral, without regard to the existence of the Lien of the Term Loan Agent in such ABL Priority Collateral.

6.7 Avoidance Issues. If any ABL Claimholder is required in any Insolvency or Liquidation Proceeding, or otherwise, to turn over or otherwise pay to the estate of any Grantor or any Subsidiary of any Grantor any amount in respect of any ABL Obligation (a "**Recovery**"), then such ABL Claimholders shall be entitled to a reinstatement of their ABL Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement. ABL Priority Collateral or Proceeds thereof received by the Term Loan Agent or any other Term Loan Claimholder after a Discharge of ABL Obligations and prior to the reinstatement of such ABL Obligations shall be delivered to the Agent upon such reinstatement in accordance with Section 4.2.

6.8 Expense Claims. The Term Loan Agent, for itself and on behalf of the Term Loan Claimholders, agrees that it will not (a) contest the payment of fees, expenses or other amounts to the ABL Agent or any ABL Claimholder under Section 506(b) of the Bankruptcy Code or otherwise to the extent of the value of the lien of the ABL Agent in such ABL Priority Collateral and to the extent provided for in the ABL Credit Agreement or (b) assert or enforce any claim under Section 506(c) of the Bankruptcy Code senior to or on parity with the Lien of the ABL Agent for costs or expenses of preserving or disposing of the ABL Priority Collateral.

6.9 Effectiveness in Insolvency or Liquidation Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency or Liquidation Proceeding. All references in this Agreement to any Grantor shall include such Person as a debtor-in-possession and any receiver or trustee for such Person in any Insolvency or Liquidation Proceeding.

SECTION 7. RELIANCE; WAIVERS; ETC.

7.1 Non-Reliance.

(a) The consent by the ABL Claimholders to the execution and delivery of the Term Loan Credit Documents and the grant to the Term Loan Agent on behalf of the Term Loan Claimholders of a Lien on the ABL Priority Collateral and all loans and other extensions of credit made or deemed made on and after the date hereof by the ABL Claimholders to the Grantors shall be deemed to have been given and made in reliance upon this Agreement. The Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, acknowledges that it has, and the Term Loan Claimholders have, independently and without reliance on the ABL Agent or any other ABL Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Term Loan Credit Agreement, the other Term Loan Credit Documents, this Agreement and the transactions contemplated hereby and thereby and they will continue to make their own credit decision in taking or not taking any action under the Term Loan Credit Agreement, the other Term Loan Credit Documents or this Agreement.

(b) The consent by the Term Loan Claimholders to the execution and delivery of the ABL Credit Documents and all loans and other extensions of credit made or deemed made on and after the date hereof by the Term Loan Claimholders to the Grantors shall be deemed to have been given and made in reliance upon this Agreement. The ABL Agent, on behalf of itself and the other ABL Claimholders, acknowledges that it and the ABL Claimholders have, independently and without reliance on the Term Loan Agent or any other Term Loan Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the ABL Credit Agreement, the other ABL Credit Documents, this Agreement and the transactions contemplated hereby and thereby and they will continue to make their own credit decision in taking or not taking any action under the ABL Credit Agreement, the other ABL Credit Documents or this Agreement.

7.2 No Warranties or Liability. The ABL Agent, on behalf of itself and the ABL Claimholders, acknowledges and agrees that the Term Loan Agent and the Term Loan Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Term Loan Credit Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The Term Loan Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Term Loan Credit Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. Term Loan Agent, on behalf of itself and the Term Loan Claimholders, acknowledges and agrees that the ABL Agent and the ABL Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the ABL Credit Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The ABL Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the ABL Credit Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Term Loan Agent and the Term Loan Claimholders shall have no duty to the ABL Agent or any of the ABL Claimholders, and the ABL Agent and the ABL Claimholders shall have no duty to the Term Loan Agent or any of the Term Loan Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with Company or any Grantor (including the ABL Credit Documents and the Term Loan Credit Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 No Waiver of Lien Priorities.

(a) No right of the ABL Agent and the ABL Claimholders, the Term Loan Agent and the Term Loan Claimholders, or any of them to enforce any provision of this Agreement or their respective Credit Documents shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by such party, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement or their respective Credit Documents, regardless of any knowledge thereof which such party may have or be otherwise charged with.

(b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Grantors under the applicable Credit Documents), the ABL Agent and the ABL Claimholders, and the Term Loan Agent and the Term Loan Claimholders, and any of them may, at any time and from time to time in accordance with their respective Credit Documents or applicable law, without the consent of, or notice to, the other Claimholders and without incurring any liabilities to the other Claimholders and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the other Claimholders is affected, impaired or extinguished thereby) do any one or more of the following:

(i) make loans and advances to any Grantor or issue, guaranty or obtain letters of credit for account of any Grantor or otherwise extend credit to any Grantor, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing (subject, in each case, to any limitations expressly set forth in this Agreement);

(ii) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of their respective Obligations or guaranty thereof or any liability of Company or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of their respective Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension, subject to any limitations expressly set forth in this Agreement) or, subject to the provisions of this Agreement, otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by such Agent or such Claimholders, their respective Obligations or any of their respective Credit Documents; provided, however, the foregoing shall not prohibit the other Agent and the other Claimholders from enforcing, consistent with the other terms of this Agreement, any right arising under their respective Credit Agreement as a result of any Grantor's violation of the terms hereof;

(iii) subject to the provisions of this Agreement, sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral or any liability of Company or any other Grantor to such Claimholders or such Agent, or any liability incurred directly or indirectly in respect thereof;

(iv) settle or compromise their respective Obligations or any portion thereof or any other liability of Company or any other Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability (including their respective Obligations) in any manner or order;

(v) subject to the restrictions set forth in this Agreement, exercise or delay in or refrain from exercising any right or remedy against Company or any security or any other Grantor or any other Person, elect any remedy and otherwise deal freely with Company, any other Grantor or any Collateral and any security and any guarantor or any liability of Company or any other Grantor to such Claimholders or any liability incurred directly or indirectly in respect thereof;

(vi) take or fail to take any Lien securing their respective Obligations or any other collateral security for such Obligations or take or fail to take any action which may be necessary or appropriate to ensure that any Lien securing such Obligations or any other Lien upon any property is duly enforceable or perfected or entitled to priority as against any other Lien, provided that Liens taken in violation of Section 2.5 shall be subject to the provisions of Section 2.5; or

(vii) otherwise release, discharge or permit the lapse of any or all Liens securing their respective Obligations or any other Liens upon any property at any time securing any such Obligations.

(c) The Term Loan Agent, on behalf of itself and the Term Loan Claimholders, also agrees that the ABL Agent and the ABL Claimholders shall have no liability to the Term Loan Agent or the Term Loan Claimholders, and such Term Loan Agent on behalf of itself and the Term Loan Claimholders, hereby waives all claims against the ABL Agent and the ABL Claimholders, arising out of any and all actions which the ABL Agent or the ABL

Claimholders may take or permit or omit to take with respect to their ABL Priority Collateral. The Term Loan Agent, on behalf of itself and the Term Loan Claimholders for which it acts as agent, agrees that the ABL Agent and ABL Claimholders shall have no duty to them in respect of the maintenance or preservation of the ABL Priority Collateral.

(d) Each Agent, on behalf of itself and the Claimholders for whom it acts as Agent, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the ABL Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

7.4 Obligations Unconditional. All rights, interests, agreements and obligations of the ABL Agent and the ABL Claimholders and the Term Loan Agent and the Term Loan Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any ABL Credit Documents or any Term Loan Credit Documents or any setting aside or avoidance of any Lien;

(b) except as otherwise set forth in the Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the ABL Obligations or Term Loan Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any ABL Credit Document or any Term Loan Credit Document;

(c) any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the ABL Obligations or Term Loan Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of any Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the ABL Obligations or the Term Loan Obligations.

7.5 Certain Notices.

(a) Promptly upon Discharge of ABL Obligations, the ABL Agent shall deliver written notice confirming same to the Term Loan Agent; provided that the failure to give any such notice shall not result in any liability of the ABL Agent or the other ABL Claimholders hereunder or in the modification, alteration, impairment, or waiver of the rights of any party hereunder.

(b) No later than five (5) days prior to the commencement by any Agent of any enforcement action or the exercise of any remedy with respect to any Collateral (including by way of a public or private sale of Collateral), such Agent shall notify the other Agent of such intended action; provided that the failure to give any such notice shall not result in any liability of any Agent or the applicable Claimholders hereunder or in the modification, alteration, impairment, or waiver of the rights of any party hereunder.

SECTION 8. MISCELLANEOUS

8.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of the Term Loan Credit Documents or the ABL Credit Documents, the provisions of this Agreement shall govern and control. The parties hereto acknowledge that the terms of this Agreement are not intended to negate any specific rights granted to Company in the Term Loan Credit Documents or the ABL Credit Documents.

8.2 Effectiveness; Continuing Nature of this Agreement; Severability. This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination and the ABL Claimholders and Term Loan Claimholders may each continue, at any time and without notice to the other Claimholders, to extend credit and other financial accommodations and lend monies to or for the benefit of any Grantor constituting ABL Obligations or Term Loan Obligations, as applicable in reliance hereof. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to any Grantor shall include such Grantor as debtor and debtor-in-possession and any receiver or trustee for any Grantor (as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect upon the earliest to occur of the Discharge of ABL Obligations (in accordance with the provisions hereof).

8.3 Amendments; Waivers. No amendment, modification or waiver of any of the provisions of this Agreement by the ABL Agent or the Term Loan Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, the Grantors shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent its rights are decreased or its obligations are increased thereby.

8.4 Information Concerning Financial Condition of Grantors and their Subsidiaries. The Term Loan Agent and the Term Loan Claimholders, on the one hand, and the ABL Agent and the ABL Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Grantors and their Subsidiaries and all endorsers or guarantors of the Term Loan Obligations or the ABL Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Term Loan Obligations or the ABL Obligations. The Term Loan Agent and the Term Loan Claimholders shall have no duty to advise the ABL Agent or any ABL Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise, and the ABL Agent and the ABL Claimholders shall have no duty to advise the Term Loan Agent or any Term Loan Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event Term Loan Agent or any of the Term Loan Claimholders, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to the ABL Agent or any ABL Claimholder, or the ABL Agent or any of the ABL Claimholders, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to the Term Loan Agent or any Term Loan Claimholder, it or they shall be under no obligation (i) to make, and such party shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) to provide any additional information or to provide any such information on any subsequent occasion, (iii) to undertake any investigation or (iv) to disclose any information which, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Subrogation. Each Agent, for itself and on behalf of the Claimholders for whom it act as agent, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of ABL Obligations has occurred.

8.6 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Agreement and the other Credit Documents (except as otherwise provided therein) and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York, but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than New York.

(b) The parties hereto irrevocably consent and submit to the non-exclusive jurisdiction of the courts of the State of New York sitting in New York County, New York and the United States District Court of the Southern District of New York, whichever the Agents may elect, and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Credit Document or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Credit Documents or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that the Agents and the Claimholders shall have the right to bring

any action or proceeding against any Grantor or its or their property in the courts of any other jurisdiction which such Agent or Claimholder deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against any Grantor or its or their property).

(c) Each Grantor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at the Agents' option, by service upon any Grantor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, such Grantor shall appear in answer to such process, failing which such Grantor shall be deemed in default and judgment may be entered by the Agents against such Grantor for the amount of the claim and other relief requested.

(d) EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH PARTY HERETO HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) The Agents and Claimholders shall not have any liability to any Grantor (whether in tort, contract, equity or otherwise) for losses suffered by such Grantor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on the Agents and the Claimholders that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, the Agents and the Claimholders shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement. Each Grantor: (i) certifies that neither the Agents, the Claimholders nor any representative, agent or attorney acting for or on behalf of the Agents or the Claimholders has represented, expressly or otherwise, that the Agents and the Claimholders would not, in the event of litigation, seek to enforce any of the waivers provided for in this Agreement or any of the other Credit Documents and (ii) acknowledges that in entering into this Agreement and the other Credit Documents, the Agents and the Claimholders are relying upon, among other things, the waivers and certifications set forth in this Section 8.6 and elsewhere herein and therein.

8.7 Notices. All notices to the Term Loan Claimholders and the ABL Claimholders required under this Agreement shall also be sent to the ABL Agent and the Term Loan Agent, respectively. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of electronic mail or four Business Days after deposit in the U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

8.8 Further Assurances; Notices under Subordination Agreement. The ABL Agent, on behalf of itself and the ABL Claimholders, the Term Loan Agent, on behalf of itself and the Term Loan Claimholders, and Company, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the ABL Agent or the Term Loan Agent may reasonably request to effectuate the terms of and the lien priorities contemplated by this Agreement. ABL Agent and Term Loan Agent agree that, in the event either of them sends an "Agent Default Notice" under the Subordination Agreement, dated as of the date hereof, by and among ABL Agent, Term Loan Agent and GGC Finance Partnership, L.P. (as such term is defined therein), such Agent shall send a concurrent copy thereof to the other Agent and shall not thereafter send another Agent Default Notice without the prior written consent of the other Agent to the sending thereof

8.9 Binding on Successors and Assigns. This Agreement shall be binding upon the ABL Agent, the other ABL Claimholders, the Term Loan Agent, the other Term Loan Claimholders, and their respective successors and assigns.

8.10 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

8.11 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.12 Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

8.13 No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the ABL Agent, the other ABL Claimholders, the Term Loan Agent, the other Term Loan Claimholders, the Company, and the Parent. No other Person shall have or be entitled to assert rights or benefits hereunder.

8.14 Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the ABL Claimholders on the one hand and the Term Loan Claimholders on the other hand. Nothing in this Agreement is intended to or shall impair the rights of any Grantor, or the obligations of any Grantor, which are absolute and unconditional, to pay the ABL Obligations and the Term Loan Obligations as and when the same shall become due and payable in accordance with their terms.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this ABL/Term Loan Intercreditor Agreement as of the date first written above.

WACHOVIA BANK, NATIONAL ASSOCIATION,
as ABL Agent,

By: /s/ James A. Kelly
Name: James A Kelly
Title: Director

Notice Address:

Wachovia Bank, National Association
1 South Broad Street PA4812
Philadelphia, PA 19107
Attention: Jim Kelly
Telecopier: (267) 321-6741
Telephone: (267) 321-6685

BNP PARIBAS,
as Term Loan Agent,

By: /s/ Richard Cushing
Name: Richard Cushing
Title: Managing Director

By: /s/ Parthsarthi Rathore
Name: Parthsarthi Rathore
Title: Director

Notice Address:

787 Seventh Ave., 9th Floor
New York, NY 10019
Fax: 212-841-2861
Attn: Charles Romano

ACQUISITION CO:

GGC USS ACQUISITION SUB, INC.

By /s/ Prescott Ashe
Name: Prescott Ashe
Title: Director

c/o Golden Gate Capital
One Embarcadero Center
39th Floor
San Francisco, CA 94111
P 415-983-2706
F 415-983-2806
Attention: Sue Breedlove

INITIAL BORROWER:

GGC USS BORROWER CO., INC.

By /s/ Prescott Ashe
Name: Prescott Ashe
Title: Director

Notice Address:

c/o Golden Gate Capital
One Embarcadero Center
39th Floor
San Francisco, CA 94111
P 415-983-2706
F 415-983-2806
Attention: Sue Breedlove

HOLDINGS:

USS HOLDINGS, INC. as Holdings by execution hereof assumes all rights and obligations of Acquisition Co. hereunder following the merger with Acquisition Co. pursuant to the Acquisition Documents and agrees to be bound by the terms of this Agreement as Parent in all respects

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

BORROWER:

U.S. SILICA COMPANY as Borrower by execution hereof assumes all rights and obligations of Initial Borrower hereunder following the merger with Initial Borrower pursuant to the Acquisition Documents and agrees to be bound by the terms of this Agreement as Company in all respects

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

SUBSIDIARY GRANTORS:

THE FULTON LAND AND TIMBER COMPANY

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

PENNSYLVANIA GLASS SAND CORPORATION

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

OTTAWA SILICA COMPANY

By /s/ John A. Ulizio
Name:
Title:

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

GEORGE F. PETTINOS, LLC

By /s/ John A. Ulizio
Name:
Title:

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

BMAC SERVICES CO., INC.

By /s/ John A. Ulizio
Name:
Title:

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

BMAC HOLDINGS, INC.

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

BETTER MINERALS & AGGREGATES COMPANY

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

PO Box 187
Berkeley Spring, WV 25411
Attn: Legal Dept
Fax: (304) 258-3500

EXHIBIT A

Closing Date License

LICENSE TO USE INTELLECTUAL PROPERTY RIGHTS

For the purpose of enabling WACHOVIA BANK, NATIONAL ASSOCIATION, as agent (the "**Agent**") under that certain Loan and Security Agreement dated as of November 25, 2008 (the "**ABL Credit Agreement**") among U.S. SILICA COMPANY, a Delaware corporation (the "**Company**"), those certain Subsidiaries of the Company from time to time party to the ABL Credit Documents as borrowers (together with the Company, the "**Borrowers**"), USS Holdings, Inc., a Delaware corporation (the "**Parent**"), those certain Subsidiaries of the Parent from time to time party thereto as guarantors (together, with the Borrowers and the Parent, the "**Grantors**"), the Agent and the lenders from time to time party thereto (collectively, the "**Lenders**"), to enforce any Lien held by the Agent upon any of the Collateral and to the extent appropriate, in the good faith opinion of the Agent, to process, ship, produce, store, complete, supply, lease, sell, or otherwise dispose of any of the Collateral or to collect or otherwise realize upon any Accounts, at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, the Grantors hereby grant to the Agent, for the benefit of Agent and the Lenders, and only to the extent set forth above, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to Grantors) to use, license, or sublicense any intellectual property rights now owned or hereafter acquired by the Grantors (except to the extent the terms of any of the agreements granting the foregoing rights prohibit such grant to the Agent), and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The Grantors agree and acknowledge that no further performance is required of the Agent under the terms of the license granted pursuant hereto and that this license shall not constitute an executory contract. Capitalized terms not otherwise defined herein shall have the meanings given thereto in the ABL Credit Agreement.

THIS LICENSE TO USE INTELLECTUAL PROPERTY RIGHTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.

Dated: November 25, 2008

[Signature Pages Follow]

REAFFIRMATION OF ABL/TERM LOAN INTERCREDITOR AGREEMENT

This Reaffirmation of ABL/Term Loan Intercreditor Agreement, dated as of June 8, 2011 ("**Reaffirmation**"), is entered into by and among WELLS FARGO, NATIONAL ASSOCIATION, successor by merger to WACHOVIA BANK, NATIONAL ASSOCIATION, in its capacity as agent for the ABL Lenders (in such capacity, together with any successors and assigns, the "**ABL Agent**") and BNP PARIBAS, in its capacity as agent for the Term Loan Lenders (in such capacity, together with any successors and assigns, the "**Term Loan Agent**"), USS HOLDINGS, INC., a Delaware corporation ("**Holdings**"), U.S. SILICA COMPANY, a Delaware corporation ("**Borrower**"), BMAC SERVICES CO., INC., a Delaware corporation, THE FULTON LAND AND TIMBER COMPANY, a Pennsylvania corporation, PENNSYLVANIA GLASS SAND CORPORATION, a Delaware corporation, and OTTAWA SILICA COMPANY, a Delaware corporation (each of the foregoing, including Holdings and Borrower, a "**Grantor**", and collectively, the "**Grantors**").

RECITALS:

Whereas, the Grantors, Term Loan Agent and ABL Agent are parties to that certain ABL/Term Loan Intercreditor Agreement, dated as of November 25, 2008 (the "**Intercreditor Agreement**");

WHEREAS, the Intercreditor Agreement, among other things, (i) confirms the scope and relative priorities of Term Loan Agent's and the ABL Agent's respective Liens in the assets and properties of the Grantors and (ii) provides for the orderly sharing among them, in accordance with such priorities, of the Proceeds of such assets and properties upon any foreclosure thereon or other disposition thereof;

WHEREAS, the Grantors, ABL Lenders and the ABL Agent are entering into Amendment No. 3 to Loan and Security Agreement and Consent (the "**ABL Amendment**"), dated as of the date hereof, by and among the Grantors, the ABL Lenders and the ABL Agent, which amends the ABL Credit Agreement, pursuant to which the ABL Lenders have made a revolving credit facility available to the Borrowers secured by a first Lien on the ABL Priority Collateral;

WHEREAS, the Grantors, the Term Loan Lenders and the Term Loan Agent are entering into the Second Amended and Restated Credit Agreement (the "**Amended and Restated Term Loan Agreement**"), dated as of the date hereof, pursuant to which the Term Loan Lenders make a term loan credit facility available to the Company secured by a second Lien on the ABL Priority Collateral and a first Lien on the Term Loan Exclusive Collateral; and

WHEREAS, the ABL Agent, for and on behalf of the ABL Claimholders, the Term Loan Agent, for and on behalf of the Term Loan Claimholders, and the Grantors desire to enter into this Reaffirmation to reaffirm the Intercreditor Agreement and agree that such Intercreditor Agreement remains in full force and effect;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings given thereto in the Intercreditor Agreement.

SECTION 2. REAFFIRMATION

The ABL Agent, for and on behalf of the ABL Claimholders, the Term Loan Agent, for and on behalf of the Term Loan Claimholders, and the Grantors hereby reaffirm the Intercreditor Agreement and acknowledge and agree that such Intercreditor Agreement remains in full force and effect.

The ABL Agent, for and on behalf of the ABL Claimholders, and the Grantors hereby reaffirm that the the ABL Loan and Security Agreement dated as of August 9, 2007 among the Grantors, the ABL Lenders and the ABL Agent, as amended on November 25, 2008, as further amended on May 7, 2010 and as further amended by the ABL Amendment (i) consitutes the “ABL Credit Agreement” under and as defined by the Intercreditor Agreement and (ii) is in full force and effect.

The Term Loan Agent, for and on behalf of the Term Loan Claimholders, and the Grantors hereby reaffirm that the Amended and Restated Term Loan Agreement (i) constitutes the “Term Loan Credit Agreement” under and as defined by the Intercreditor Agreement and (ii) is in full force and effect.

SECTION 3. MISCELLANEOUS

The Governing Law, Choice of Forum, Service of Process, and Jury Trial Waiver provisions hereunder shall be the same as those of the Intercreditor Agreement.

This Reaffirmation may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Reaffirmation or any document or instrument delivered in connection herewith by telecopy or electronic submission shall be effective as delivery of a manually executed counterpart of this Reaffirmation or such other document or instrument, as applicable.

[*remainder of page left blank intentionally; signatures to follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Reaffirmation to be duly executed by their proper and duly authorized officers as of the day and year first above written.

TERM LOAN AGENT

BNP PARIBAS

By: /s/ Richard Cushing
Name: Richard Cushing
Title: Managing Director

By: /s/ Guillaume Saban
Name: Guillaume Saban
Title: Vice President

[SIGNATURES CONTINUED ON NEXT PAGE]

ABL AGENT

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ James A. Kelly
Name: James A. Kelly
Title: Vice President

[SIGNATURES CONTINUED ON NEXT PAGE]

U.S. SILICA COMPANY

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

USS HOLDINGS, INC.

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

THE FULTON LAND AND TIMBER COMPANY

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

OTTAWA SILICA COMPANY

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

PENNSYLVANIA GLASS SAND CORPORATION

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

BMAC SERVICES CO., INC.

By: /s/ William A. White
Name: William A. White
Title: Chief Financial Officer, Assistant Secretary and Vice President - Finance

AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

dated as of May 7, 2010

among

USS HOLDINGS, INC.

as Holdings

U.S. SILICA COMPANY,

as Issuer

THE SUBSIDIARY GUARANTORS LISTED HEREIN,

as Subsidiary Guarantors

and

GGC FINANCE PARTNERSHIP, L.P.

as Purchaser

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Exhibits

This **Amended and Restated Note Purchase Agreement** (this "**Agreement**") is dated as of May 7, 2010 and entered into by and among:

(1) USS HOLDINGS, INC., a Delaware corporation ("**Holdings**");

(2) U.S. SILICA COMPANY, a Delaware corporation ("**Issuer**");

(3) THE SUBSIDIARY GUARANTORS LISTED ON THE SIGNATURE PAGES HEREOF (each individually referred to herein as a "**Subsidiary Guarantor**" and collectively as "**Subsidiary Guarantors**");

(4) GGC FINANCE PARTNERSHIP, L.P. (together with its successors, assigns and transferees in accordance with the terms of this Agreement, in their capacity as the holders or purchasers of the Notes, individually a "**Purchaser**" and collectively "**Purchasers**").

RECITALS

(A) **WHEREAS,** Holdings, Issuer, each of the Subsidiary Guarantors and the Purchasers are parties to that certain Note Purchase Agreement, dated as of November 25, 2008 (as heretofore amended, restated, supplemented or otherwise modified from time to time and in effect immediately prior to the effectiveness of this Agreement, the "**Original Note Purchase Agreement**");

(B) **WHEREAS,** on the Closing Date, pursuant to the Acquisition Agreement, GGC USS Acquisition Sub, Inc., a Delaware corporation ("**Acquisition Co**") merged with and into Holdings, whereupon all the Capital Stock of Holdings was acquired indirectly by GGC USS Holdings, Inc. ("**GGC USS Holdings**"), and GGC USS Borrower Co., Inc., a Delaware corporation ("**Initial Issuer**") merged with and into Issuer (the "**Issuer Merger**");

(C) **WHEREAS,** on the Closing Date, Initial Issuer entered into a $102,000,000 senior secured term loan facility (as amended, restated, supplemented or otherwise modified prior to the Restatement Effective Date, the "**Original Senior Facility**") with Senior Agent and Senior Lenders, and immediately upon consummation of the Issuer Merger, Issuer assumed all rights and obligations of the Initial Issuer under the Original Senior Facility;

(D) **WHEREAS,** on the Closing Date, Issuer entered into the Original ABL Loan Agreement (as defined below);

(E) WHEREAS, Holdings, Issuer, each of the Subsidiary Guarantors and the Purchasers wish to amend and restate the Original Note Purchase Agreement without constituting a novation of the rights, obligations, liabilities and indebtedness of the Credit Parties thereunder, on the terms and subject to the conditions contained herein;

(F) **WHEREAS,** on the Restatement Effective Date, Issuer will enter into the ABL Loan Agreement and Senior Credit Agreement (each as defined below); and

(G) WHEREAS, Holdings and the Subsidiary Guarantors have agreed to guarantee the Obligations hereunder and under the other Note Documents.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, Holdings, Issuer, Subsidiary Guarantors and Purchasers agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Defined Terms. The following terms used in this Agreement shall have the following meanings:

"**ABL Agent**" means Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, in its capacity as administrative agent under the ABL Loan Agreement, together with its successors and assigns in such capacity.

"**ABL Hedge Agreement Counterparties**" has the meaning assigned to the term "Hedging Agreement Providers" in the ABL Loan Agreement.

"**ABL Lenders**" has the meaning assigned to the term "Lenders" in the ABL Loan Agreement.

"**ABL Loan Agreement**" means that certain ABL Loan and Security Agreement, dated as of August 9, 2007, among Company, the ABL Agent and the ABL Lenders, as amended as of the Closing Date and as further amended by Amendment No. 2 to Loan and Security Agreement, dated as of the Restatement Effective Date (and, as thereafter amended, restated, extended, supplemented or otherwise modified from time to time).

"**ABL Loan Documents**" has the meaning assigned to the term "Financing Agreements" in the ABL Loan Agreement.

"**ABL Loans**" has the meaning assigned to the term "Loans" in the ABL Loan Agreement.

"**ABL Obligations**" has the meaning assigned to the term "Obligations" in the ABL Loan Agreement.

"**ABL Priority Collateral**" has the meaning assigned to the term "ABL Priority Collateral" in the Intercreditor Agreement.

"**Acquisition**" has the meaning assigned to that term in the Recitals to this Agreement.

"**Acquisition Agreement**" means that certain Acquisition Agreement by and among Preferred Unlimited Inc. as guarantor, Preferred Rocks USS as buyer, Hourglass Acquisition I, LLC and Harbinger Capital Partners Master Fund I, Ltd. as seller, dated June 27, 2008, as amended on November 4, 2008 and November 10, 2008, and as such agreement may be amended, restated, extended, supplemented or otherwise modified further from time to time thereafter to the extent permitted under Section 6.12.

"**Adjusted LIBOR**" means, for each Interest Period in respect of any Restated Note, an interest rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) determined pursuant to the following formula:

Adjusted LIBOR = LIBOR/(1.00 – LIBOR Reserve Percentage)

Adjusted LIBOR shall be adjusted automatically as of the effective date of any change in the LIBOR Reserve Percentage.

"**Affected Purchaser**" has the meaning assigned to that term in Section 2.6(c).

"**Affiliate**", as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of Voting Securities or by contract or otherwise; *provided that* (a) a Purchaser shall not be deemed to be an "Affiliate" of Preferred Rocks USS or any of its Subsidiaries when acting in its capacity as a purchaser of Restated Notes hereunder, and (b) no Senior Agent or Senior Lender shall be deemed to be an "Affiliate" of any Credit Party.

"**Agreement**" means this Amended and Restated Note Purchase Agreement dated as of May 7, 2010.

"**Anti-Money Laundering Laws**" has the meaning assigned to that term in Section 4.8(c).

"**Applicable Margin**" means 10.25% per annum.

"**Asset Sale**" means the sale or disposition by Company or any of its Subsidiaries to any Person other than Company or any of its wholly-owned Subsidiaries of (a) any of the stock of any of Company's Subsidiaries, (b) substantially all of the assets of any division or line of business of Company or any of its Subsidiaries, or (c) any other assets (whether tangible or intangible) of Company or any of its Subsidiaries (other than (i) inventory sold in the ordinary course of business, (ii) Cash Equivalents for fair value, (iii) sales, assignments, transfers or dispositions of accounts in the ordinary course of business for purposes of collection, (iv) sales or dispositions of assets permitted by Sections 6.7 (c), (e) through (o), and (v) any such other assets to the extent that the aggregate value of such assets sold in any single transaction or related series of transactions is equal to $2,000,000 or less).

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"**Business Day**" means (a) for all purposes other than as covered by clause (b) below, any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close, and (b) with respect to all notices, determinations, fundings and payments in connection with LIBOR or any borrowed amounts under the Restated Notes, any day that is a Business Day described in clause (a) above and that is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"**Capital Lease**", as applied to any Person, means any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of that Person.

"**Capital Stock**" means the capital stock of or other equity interests in a Person.

"**Cash**" means money, currency or a credit balance in a Deposit Account.

"**Cash Equivalents**" means, as at any date of determination, (a) marketable Securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, the highest rating obtainable from either Standard & Poor's ("**S&P**") or Moody's Investors Service, Inc. ("**Moody's**"); (c) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) certificates of deposit or bankers' acceptances maturing within one year after such date and issued or accepted by any Senior Lender, any ABL Lender or any Purchaser or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (ii) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000; and (e) shares of any money market mutual fund that (i) has at least 95% of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than $500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's.

"**Change in Control**" means any of the following: (i) prior to the completion of an initial public offering, Golden Gate shall cease to beneficially own and control directly or indirectly) more than 50.1% of the issued and outstanding Voting Securities of Holdings entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Holdings; (ii) prior to the completion of an initial public offering, Golden Gate shall cease to beneficially own (directly or indirectly) more than 50.1% of the economic value of the Capital Stock of Holdings; (iii) following the completion of an initial public offering, a group other than Permitted Holders acquires beneficial ownership (directly or indirectly) of 35% or more of the Voting Securities or economic value of the Capital Stock of Parent, (iv) the occurrence of a change in the composition of the Governing Body of Holdings or Company such that a majority of the members of any such Governing Body are not Continuing

Members, (v) the failure at any time of Holdings to legally and beneficially own and control 100% of the issued and outstanding Capital Stock of Company or the failure at any time of Holdings to have the ability to elect all of the Governing Body of Company and (vi) the occurrence of any "Change in Control" or "Change of Control" (or similar term) under the ABL Loan Agreement or the Senior Credit Agreement. As used herein, the term "beneficially own" or "beneficial ownership" shall have the meaning assigned to that term in the Exchange Act and the rules and regulations promulgated thereunder.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, treaty or order, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Government Authority, (c) any determination of a court or other Government Authority or (d) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Government Authority.

"**Closing Date**" means November 25, 2008.

"**Company**" means Issuer.

"**Contingent Obligation**", as applied to any Person, means any direct or indirect liability, contingent or otherwise, of that Person (a) with respect to any Indebtedness, lease, dividend or other obligation of another if the primary purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such obligation of another that such obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected (in whole or in part) against loss in respect thereof, (b) with respect to any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, or (c) under Hedge Agreements. Contingent Obligations shall include (i) the direct or indirect guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (ii) the obligation to make take-or-pay or similar payments if required regardless of non-performance by any other party or parties to an agreement and (iii) any liability of such Person for the obligation of another through any agreement (contingent or otherwise) (x) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (y) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (x) or (y) of this sentence, the primary purpose or intent thereof is as described in the preceding sentence. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if less, the amount to which such Contingent Obligation is specifically limited, except that the amount of any Hedge Agreement obligation shall be determined in accordance with GAAP. For the avoidance of doubt, the Silica Related Claims shall not be deemed to be Contingent Obligations hereunder.

"**Continuing Member**" means, as of any date of determination any member of the Governing Body of Holdings or Company who (i) was a member of such Governing Body on the Restatement Effective Date or (ii) was nominated for election or elected to such Governing Body with the affirmative vote of a majority of the members who were either members of such Governing Body on the Restatement Effective Date or whose nomination or election was previously so approved.

"**Contractual Obligation**", as applied to any Person, means any provision of any Security issued by that Person or of any material indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"**Controlled Group**" means an entity, whether or not incorporated, which is under common control with a Credit Party within the meaning of Section 4001 of ERISA or is part of a group that includes a Credit Party and that is treated as a single employer under Section 414 of the Internal Revenue Code. When any provision of this Agreement relates to a past event, the term "member of the Controlled Group" includes any person that was a member of the Controlled Group at the time of that past event.

"**Conveyance of Undivided Mineral Interest**" means that certain Conveyance of Undivided Mineral Interest dated as of November 24, 2008 between Company and Preferred Rocks USS.

"**Credit Party**" means each of Issuer and Holdings and any of Holdings' Domestic Subsidiaries from time to time executing a Note Document, and "**Credit Parties**" means all such Persons, collectively.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement to which Company or any of its Subsidiaries is a party.

"**Current Interest**" shall have the meaning assigned to such term in Section 2.2(a).

"**Deferred Interest Amount**" shall mean an amount calculated on the Termination Date or earlier repayment or prepayment in full of the outstanding principal amount of the Restated Notes (such date, the "**Deferred Interest Payment Date**"), and constituting deferred interest on the Restated Notes, equal to (a) the total amount of interest that would have accrued on the initial principal amount of the Restated Notes if interest had accrued on the principal amount of the Restated Notes from the date of issuance thereof to the Deferred Interest Payment Date at a rate of 17.5% per annum, compounded at each Fiscal Quarter-end and computed on the basis of a year of 360 days and the actual number of days elapsed (but with the amount compounded to principal at any Fiscal Quarter-end adjusted to reflect the amount of accrued Current Interest actually paid in cash on the Restated Notes on such date), minus (b) the sum of (i) the aggregate amount of all Current Interest accrued on the Restated Notes and either added to the principal amount of the Restated Notes or paid in cash, (ii) the aggregate amount of all Prepayment Premiums paid on or prior to the Deferred Interest Payment Date, and (iii) the aggregate amount of interest that would have accrued on any principal amount of Restated Notes prepaid or repaid prior to the Deferred Interest Payment Date if interest had accrued on such repaid or prepaid principal amount from the date of such repayment or prepayment to the Deferred Interest Payment Date at a rate of 17.5% per annum (compounded at each Fiscal Quarter end, computed on the basis of a year of 360 days and the actual number of days elapsed); provided, that if the amount obtained pursuant to the foregoing calculation is less than zero, the Deferred Interest Amount shall equal zero.

"**Deposit Account**" means a demand, time, savings, passbook or similar account maintained with a Person engaged in the business of banking, including a savings bank, savings and loan association, credit union or trust company.

"**Designated Person**" means a Person named as a "Specially Designated National and Blocked Person" on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list.

"**Disqualified Stock**" means any Capital Stock which, by its terms (or by the terms of any Securities into which it is convertible, or for which it is exercisable or exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the first anniversary of the Termination Date, (b) is convertible into or exercisable or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock referred to in (a) above, in each case at any time prior to the first anniversary of the Termination Date, (c) contains any repurchase obligation which may come into effect prior to the first anniversary of the Termination Date, (d) requires the payment of any dividends (other than the payment of dividends solely in the form of Qualified Capital Stock) prior to the first anniversary of the Termination Date, or (e) provides the holders of such Capital Stock thereof with any rights to receive any Cash upon the occurrence of a change in control prior to the first anniversary of the Termination Date, unless the rights to receive such Cash are contingent upon the prior payment in full in cash of the Obligations. Disqualified Stock shall not include any Capital Stock which would be Qualified Capital Stock but for a requirement that such Capital Stock be redeemed in connection with (x) a change of control or (y) any asset disposition made pursuant to Section 6.7 or otherwise permitted by Requisite Purchasers so long as such Capital Stock requires the prior payment in full in Cash (as defined in the Intercreditor Agreement) of the Obligations prior to any payments being made pursuant to such Capital Stock. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require Company to repurchase such Capital Stock (or such Capital Stock is mandatorily redeemable) upon the occurrence of a change of control or a public offering will not constitute Disqualified Stock if the terms of such Capital Stock provide that Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 6.5.

"**Dollars**" and the sign "**$**" mean the lawful money of the United States of America.

"**Domestic Subsidiary**" means any Subsidiary of Company that is incorporated or organized under the laws of the United States of America, any state thereof or in the District of Columbia.

"**Employee Plan**" means an "employee pension benefit plan" as defined in Section 3(2) of ERISA subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA (other than a Multiemployer Plan), which is maintained for, or contributed to (or to which there is an obligation to contribute) on behalf of, employees of any Credit Party or ERISA Affiliate or to which any Credit Party or ERISA Affiliate has or could have any liability or obligation.

"**Environmental Claim**" means any investigation, written notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Government Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law, (b) in connection with any Hazardous Materials or any actual or alleged Hazardous Materials Activity or (c) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"**Environmental Laws**" means any and all current or future statutes, ordinances, orders, rules, regulations, legally binding guidance documents, judgments, Governmental Authorizations, or any other requirements of any Government Authority relating to (a) environmental matters, including those relating to any Hazardous Materials Activity, (b) the generation, use, storage, transportation or disposal of Hazardous Materials or (c) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare; in any manner applicable to Company or any of its Subsidiaries or any Facility.

"**ERISA**" means the US Employee Retirement Income Security Act of 1974 (or any successor legislation thereto) and the regulations promulgated and rulings issued thereunder.

"**ERISA Affiliate**" means each person (as defined in Section 3(9) of ERISA) that is a member of a Controlled Group of any Credit Party.

"**ERISA Event**" means any of the following events:

(a) any reportable event, as defined in Section 4043(c) of ERISA and the regulations promulgated under it, with respect to an Employee Plan as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty days of the occurrence of that event. However, the existence with respect to any Employee Plan of an "accumulated funding deficiency" (as defined in Section 302 of ERISA), or, on and after the effectiveness of the Pension Act, a failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code or Section 302 of ERISA, shall be a reportable event for the purposes of this paragraph (a) regardless of the issuance of any waiver;

(b) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of that Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of an Employee Plan and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to that Employee Plan within the following 30 days;

(c) the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Employee Plan;

(d) the termination of any Employee Plan under Section 4041(c) of ERISA;

(e) the institution of proceedings under Section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Employee Plan;

(f) the failure to make a required contribution to any Employee Plan that would result in the imposition of an encumbrance under the Internal Revenue Code or ERISA;

(g) engagement in a non-exempt prohibited transaction within the meaning of Section 4975 of the Internal Revenue Code or Section 406 of ERISA;

(h) a determination that any Employee Plan is, or is expected to be, in at-risk status (within the meaning of Title IV of ERISA); or

(i) the receipt by any Credit Party or ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Credit Party or ERISA Affiliate of any notice that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, or, on and after the effectiveness of the Pension Act, that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 305 of ERISA).

"**Event of Default**" means each of the events set forth in Sections 7.1 through 7.12.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"**Excluded Taxes**" means, with respect to any Purchaser or any other recipient of any payment to be made by or on account of any obligation of Company hereunder (a) Taxes that are imposed on (or measured by) the overall net income (however denominated) and franchise Taxes imposed in lieu thereof (i) by the United States, (ii) by any other Government Authority under the laws of which such recipient is organized or in which its principal office is located or in which it maintains its applicable lending office or (iii) by any Government Authority solely as a result of a present or former connection between such recipient and the jurisdiction of such Government Authority (other than any such connection arising solely from such recipient having executed, delivered or performed its obligations or received a payment under, or enforced, any of the Note Documents), (b) any branch profits Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction referred to in clause (a) and (c) in the case of a Foreign Purchaser, any withholding Tax that (i) is imposed on amounts payable to such Foreign Purchaser at the time it becomes a party hereto (or designates a new lending office), (ii) is attributable to such Foreign Purchaser's failure or inability (other than as a result of a Change in Law) to comply with its obligations under Section 2.7(b)(iv), except to the extent that such Foreign Purchaser (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment) to receive additional amounts from Company with respect to such withholding Tax pursuant to Section 2.7(b)(i) or (iii) is required to be deducted under applicable law from any payment hereunder on the basis of the information provided by such Foreign Purchaser pursuant to clause (D) of Section 2.7(b)(iv).

"**Existing Indebtedness**" means the Indebtedness of the Credit Parties set forth on Schedule 1.1(b).

"**Facilities**" means any and all real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Company or any of its Subsidiaries or any of their respective predecessors or Affiliates.

"**Financial Plan**" has the meaning assigned to that term in Section 5.1(j).

"**Fiscal Quarter**" means a fiscal quarter of any Fiscal Year.

"**Fiscal Year**" means the fiscal year of Company and its Subsidiaries ending on December 31 of each calendar year. For purposes of this Agreement, any particular Fiscal Year shall be designated by reference to the calendar year in which such Fiscal Year commences.

"**Foreign Purchaser**" means any Purchaser that is organized under the laws of a jurisdiction other than the United States, any state thereof or the District of Columbia.

"**Foreign Subsidiary**" means any Subsidiary of Company that is not a Domestic Subsidiary.

"**Funded Debt**", as applied to any Person, means all Indebtedness of that Person (including any current portions thereof) which by its terms or by the terms of any instrument or agreement relating thereto matures more than one year from, or is directly renewable or extendable at the option of that Person to a date more than one year from (including an option of that person under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more from), the date of the creation thereof.

"**Funding Requirements**" means the aggregate of all amounts necessary to (a) fund the Senior Loans as set forth in the Senior Credit Agreement and Senior Loan Documents on the Restatement Effective Date, (b) amend and repay at least $9,500,000 of the Original Notes, (c) pay a cash dividend of no more than $52,000,000 to Hourglass Holdings, LLC and (d) pay Transaction Costs, each in accordance with the Funds Flow Memorandum and the Global Assignment and Assumption (as defined in the Senior Credit Agreement).

"**Funds Flow Memorandum**" means the funds flow memorandum dated as of the Restatement Effective Date in form and substance reasonably satisfactory to Purchasers and Company.

"**GAAP**" means, subject to the limitations on the application thereof set forth in Section 1.2, generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

"**Golden Gate**" means Golden Gate Private Equity, Inc.

"**Governing Body**" means the board of directors or other body having the power to direct or cause the direction of the management and policies of a Person that is a corporation, partnership, trust or limited liability company.

"**Government Authority**" means the government of the United States or any other nation, or any state, regional or local political subdivision or department thereof, and any other governmental or regulatory agency, authority, body, commission, central bank, board, bureau, organ, court, instrumentality or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, in each case whether federal, state, local or foreign (including supra-national bodies such as the European Union or the European Central Bank).

"**Governmental Authorization**" means any permit, license, registration, authorization, plan, directive, accreditation, consent, order or consent decree of or from, any Government Authority.

"**Guaranties**" means the Holdings Guaranty and the Subsidiary Guaranty.

"**Hazardous Materials**" means (a) any chemical, material or substance at any time defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous waste", "acutely hazardous waste", "radioactive waste", "biohazardous waste", "pollutant", "toxic pollutant", "contaminant", "restricted hazardous waste", "infectious waste", "toxic substances", or any other term or expression intended to define, list or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "TCLP toxicity" or "EP toxicity" or words of similar import under any applicable Environmental Laws); (b) any oil, petroleum, petroleum fraction or petroleum derived substance; (c) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (d) any flammable substances or explosives; (e) any radioactive materials; (f) any asbestos-containing materials; (g) urea formaldehyde foam insulation; (h) electrical equipment which contains any oil or dielectric fluid containing polychlorinated biphenyls; (i) pesticides; and (j) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Government Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

"**Hazardous Materials Activity**" means any activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"**Hedge Agreement**" means an Interest Rate Agreement, a Currency Agreement or a Natural Gas Hedging Agreement designed to hedge against fluctuations in interest rates or currency values or natural gas prices or availability, respectively.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Purchaser which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"**Holdings**" has the meaning assigned to that term in the introduction to this Agreement.

"**Holdings Guaranty**" means the Guaranty executed and delivered by Holdings on the Closing Date, substantially in the form of Exhibit V annexed hereto.

"**Incremental Equity**" means an equity contribution to Company of up to $5,000,000 from the proceeds of an issuance of Capital Stock of the parent entity of GGC USS Holdings to one or more co-investors after the Closing Date.

"**Indebtedness**" as applied to any Person, means (i) all indebtedness for borrowed money, (ii) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP, (iii) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA), which purchase price is (a) due more than six months from the date of incurrence of the obligation in respect thereof or (b) evidenced by a note or similar written instrument, (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person, (vi) indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer to the extent such Person is liable therefor as a result of such Person's ownership interest in such entity, except to the extent that the terms of such indebtedness expressly provide that such Person is not liable therefor or such Person has no liability therefor as a matter of law, and (vii) all Disqualified Stock and all obligations, liabilities and indebtedness of such Person arising from Disqualified Stock issued by such Person. Obligations under Interest Rate Agreements, Currency Agreements and Natural Gas Hedging Agreements constitute (1) in the case of Hedge Agreements, Contingent Obligations, and (2) in all other cases, Investments, and in neither case constitute Indebtedness. Trade accounts payable and accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than 90 days, and obligations incurred under pension and OPEB arrangements, shall not constitute Indebtedness. Obligations under Operating Leases (other than the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing where such transaction is considered to be borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP), employment agreements, deferred

compensation and contingent post-closing adjustments or earn outs shall not constitute Indebtedness. Obligations arising from transactions consummated pursuant to the Sand Purchase Documents and from undrawn letters of credit shall not constitute Indebtedness.

"**Indemnified Liabilities**" has the meaning assigned to that term in Section 9.3.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes and Other Taxes.

"**Indemnitee**" has the meaning assigned to that term in Section 9.3.

"**Initial Issuer**" has the meaning assigned to that term in the introduction to this Agreement.

"**Intellectual Property**" means, as to each Credit Party, such Credit Party's now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright applications, copyright registrations, trademarks, servicemarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing and all applications, registrations and recordings relating to any of the foregoing as may be filed in the United States Copyright Office, the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country or jurisdiction, together with all rights and privileges arising under applicable law with respect to any Credit Party's use of any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or servicemark, or the license of any trademark or servicemark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

"**Intercreditor Agreement**" means that certain Intercreditor Agreement, dated as of the Closing Date, by and among Holdings, Company, Subsidiary Guarantors, Senior Agent and ABL Agent and as may from time to time be amended, restated, modified or supplemented in accordance with its terms.

"**Interest Payment Date**" means (i) the last Business Day of each Fiscal Quarter, (ii) the date of any prepayment of principal with respect to the Restated Notes and (iii) the Termination Date.

"**Interest Period**" has the meaning assigned to that term in Section 2.2(b).

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement or arrangement to which Company or any of its Subsidiaries is a party.

"**Interest Rate Determination Date**", with respect to any Interest Period, means the second Business Day prior to the first day of such Interest Period.

"**Intermediate Holding Companies**" means BMAC Services Co., Inc., BMAC Holdings, Inc. and Better Minerals & Aggregates Company.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Investment**" means (a) any direct or indirect purchase or other acquisition by Company or any of its Subsidiaries of, or of a beneficial interest in, any Securities of any other Person (including any Subsidiary of Company unless it is a wholly-owned Subsidiary), (b) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Subsidiary of Company from any Person other than Company or any of its Subsidiaries, of any equity Securities of such Subsidiary, (c) any direct or indirect loan, advance (other than trade credit, advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by Company or any of its Subsidiaries to any other Person, including all Indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business or (d) Interest Rate Agreements or Currency Agreements not constituting Hedge Agreements. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment (other than adjustments for the repayment of, or the refund of capital with respect to, the original cost or principal amount of any such Investment).

"**Issuer Merger**" has the meaning assigned to that term in the Recitals to this Agreement.

"**ITT**" shall mean ITT Corporation, a Delaware corporation, and its successors and assigns.

"**ITT Agreement**" means the Agreement of Purchase and Sale of the Capital Stock of Pennsylvania Glass Sand Corporation, dated as of September 12, 1985, made between ITT and Pacific Coast Resources Co., its successors and assigns as amended or modified from time to time.

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form.

"**LIBOR**" means, for any Interest Rate Determination Date with respect to an Interest Period for a LIBOR Loan, the higher of (i) the London interbank offered rate (rounded upward, if necessary, to the nearest 1/100 of 1%) equal to the offered rate for deposits in Dollars for a period equal to such Interest Period, commencing on the first day of such Interest Period, which appears on Telerate Page 3750 (or such other page as may replace Telerate Page 3750 on that service or any successor service for the purpose of displaying London interbank offered rates of major banks) as of 11:00 A.M. (London time), on the day that is two Business Days prior to the first day of such Interest Period or, if such rate is unavailable for any reason or the Requisite Purchasers have notified Company that such rate does not adequately reflect the cost to Requisite

Purchasers of making, funding or maintaining the borrowings under the Restated Notes, the average (rounded upward, if necessary, to the nearest 1/100 of 1%) of the rate per annum, confirmed by Requisite Purchasers as reflecting their cost of funds at such time in respect of deposits in Dollars offered by the principal office of each Requisite Purchaser at 11:00 A.M. (London time), on the day that is two Business Days prior to the first day of such Interest Period and on an amount that is approximately equal to the principal amount of the Restated Notes, and (ii) 1.75% per annum.

"**LIBOR Reserve Percentage**" means the reserve percentage (expressed as a decimal, rounded upward, if necessary, to the nearest 1/100 of 1%) in effect on the date LIBOR for such Interest Period is determined (whether or not applicable to any Purchaser) under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities") having a term comparable to such Interest Period.

"**License Agreement**" means all of the agreements or other arrangements of each Credit Party and Subsidiary thereof pursuant to which such Credit Party or Subsidiary has a license or other right to use any trademarks, logos, designs, representation or other Intellectual Property, material to the business of the Credit Parties and their Subsidiaries taken as a whole, owned by another person as in effect on the date hereof and the dates of the expiration of such agreements or other arrangements of such Credit Party or Subsidiary as in effect on the date hereof as set forth on Schedule 1.1(c).

"**Lien**" means any mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, security interest, encumbrance, lien (statutory or otherwise), hypothec, preference, priority, or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement filed under the UCC as adopted and in effect in the relevant jurisdiction or other similar recording or notice statute, and any lease in the nature thereof).

"**Management Agreements**" means that certain Advisory Agreement, dated as of November 25, 2008, by and among GGC Administration, LLC, GGC USS Holdings, LLC, Holdings, Preferred Rocks USS and Issuer (as amended, restated and otherwise modified from time to time).

"**Margin Stock**" has the meaning assigned to that term in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"**Material Adverse Effect**" means (i) a material adverse effect upon the business, operations, properties, assets or condition (financial or otherwise) of Holdings, Company and Company's Subsidiaries taken as a whole, (ii) the material impairment of the ability of any Credit Party to perform, or of any Purchaser to enforce, the Obligations or (iii) a material adverse effect on the legality, validity, binding effect or enforceability against any Credit Party of a Note Document to which it is a party.

"**Material Contract**" means (i) each contract set forth on Schedule 1.1(d) and any replacement thereof, and (ii) any contract which, if terminated prior to its current expiration date, could reasonably be expected to have a Material Adverse Effect with respect to Company or any of its Subsidiaries.

"**Material Leasehold Property**" means a Leasehold Property or any mixed property asset reasonably determined by Purchasers to be of material value or of material importance to the operations of Company or any of its Subsidiaries.

"**Maturity Date**" means May 7, 2017.

"**Multiemployer Plan**" means, a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) which is maintained for, or contributed to (or to which there is or was an obligation to contribute) on behalf of, employees of any Credit Party or ERISA Affiliate or to which any Loan Party or ERISA Affiliate has or could have any liability or obligation.

"**Natural Gas Hedging Agreement**" means any agreement with respect to, or involving the purchase or hedge of, natural gas or price indices for natural gas or any other similar derivative agreements or arrangements, in each case to which Company or any of its Subsidiaries is a party and entered into to manage fluctuations in the price or availability of natural gas.

"**Net Asset Sale Proceeds**", with respect to any Asset Sale, means Cash payments (including any Cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received from such Asset Sale, net of any bona fide direct costs incurred in connection with such Asset Sale, including (i) income or gains taxes reasonably estimated to be actually payable within two years of the date of such Asset Sale as a result of any gain recognized in connection with such Asset Sale, (ii) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Restated Notes) that is (a) secured by a Lien on the stock or assets in question or that is not subordinated to the Restated Notes and, in each case, required to be repaid under the terms thereof as a result of such Asset Sale and (b) actually paid on or about the time of receipt of such cash payment to a Person that is not an Affiliate of any Credit Party or of any Affiliate of a Credit Party, and (iii) any actual reasonable reserve for (x) any indemnification payments in respect of such Asset Sale or (y) in the case of a sale of a mine, any cleanup and remediation costs necessary or advisable (by contract or in the reasonable judgment of Company) to prepare such mine for sale; *provided*, *however*, that Net Asset Sale Proceeds shall not include any cash payments received from any Asset Sale by a Foreign Subsidiary unless such proceeds may be repatriated (by reason of a repayment of an intercompany note or otherwise) to the United States without (in the reasonable judgment of Company) resulting in a material Tax liability to Company.

"**Net Insurance/Condemnation Proceeds**" means any Cash payments or proceeds received or released from reserve, as the case may be, by Company or any of its Subsidiaries (i) under any business interruption or casualty insurance policy in respect of a covered loss thereunder (other than proceeds or refunds received in respect of the cancellation or termination of insurance covering Silica Related Claims permitted hereunder) or (ii) as a result of the taking of any assets of Company or any of its Subsidiaries by any Person pursuant to the power of

eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, in each case net of any actual and reasonable documented costs incurred by Company or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Company or such Subsidiary in respect thereof and any bona fide direct costs incurred in connection with any such sale, including the costs of the type described in clauses (i), (ii) and (iii) of the definition of Net Asset Sale Proceeds.

"**Net Securities Proceeds**" means the cash proceeds (net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses) from the (i) issuance of Capital Stock of or incurrence of Indebtedness by any Credit Party and (ii) capital contributions made by a holder of Capital Stock of Holdings.

"**Non-Consenting Purchaser**" has the meaning assigned to that term in Section 2.9.

"**Note Documents**" means, collectively, this Agreement, the Restated Notes, the Subordination Agreement, any and all other agreements, guarantees, instruments and documents now or hereafter executed and/or delivered in connection with the foregoing, including any schedules, exhibits, appendices or other attachments thereto, as any of the foregoing may from time to time be amended, modified or supplemented in accordance with its terms.

"**Obligations**" means all obligations of every nature of each Credit Party from time to time owed to Purchasers or any of them under the Note Documents, whether for principal, interest (including the Deferred Interest Amount, if any), premium, fees, expenses, indemnification or otherwise.

"**Officer**" means the president, chief executive officer, a vice president, chief financial officer, treasurer, general partner (if an individual), managing member (if an individual) or other individual appointed by the Governing Body or the Organizational Documents of a corporation, partnership, trust or limited liability company to serve in a similar capacity as the foregoing.

"**Officer's Certificate**", as applied to any Person that is a corporation, partnership, trust or limited liability company, means a certificate executed on behalf of such Person by one or more Officers of such Person or one or more Officers of a general partner or a managing member if such general partner or managing member is a corporation, partnership, trust or limited liability company.

"**Operating Lease**", as applied to any Person, means any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) that is not a Capital Lease other than any such lease under which that Person is the lessor.

"**Organizational Documents**" means the documents (including Bylaws, operating agreements, or partnership agreement, if applicable) pursuant to which a Person that is a corporation, partnership, trust or limited liability company is organized.

"**Original ABL Loan Agreement**" means that certain ABL Loan and Security Agreement, dated as of August 9, 2007, by and among Company, the ABL Agent and the ABL Lenders as amended as of the Closing Date (and as thereafter amended, restated, extended, supplemented or otherwise modified from time to time prior to the Restatement Effective Date).

"**Original Note**" and "**Original Notes**" has the meaning assigned to such term in Section 2.1.

"**Original Note Purchase Agreement**" has the meaning assigned to that term in the Recitals to the Agreement.

"**Original Senior Facility"** has the meaning assigned to that term in the Recitals to the Agreement.

"**Other Taxes**" means all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or under any other Note Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Note Document.

"**Parent Merger**" has the meaning assigned to that term in the Recitals to this Agreement.

"**PBGC**" means the Pension Benefit Guaranty Corporation of the USA established pursuant to Section 4002 of ERISA (or any entity succeeding to all or any of its functions under ERISA).

"**Pension Act**" means the United States Pension Protection Act of 2006, as amended.

"**Permits**" has the meaning assigned to that term in Section 4.18(b).

"**Permitted Acquisition**" means the acquisition of all or substantially all of the business and assets or Capital Stock of any Person, which acquisition is permitted pursuant to Section 6.3 or which is otherwise consented to by Requisite Purchasers.

"**Permitted Encumbrances**" means the following types of Liens (excluding any such Lien imposed pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or by ERISA, any such Lien relating to or imposed in connection with any Environmental Claim, and any such Lien expressly prohibited by any applicable terms of any of the Senior Loan Documents):

(a) Liens for taxes, assessments or governmental charges or claims the payment of which is not, at the time, required by Section 5.3;

(b) statutory Liens of landlords, Liens of collecting banks under the UCC on items in the course of collection, statutory Liens and customary rights of set-off of banks, statutory Liens of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law, in each case incurred in the ordinary course of business (a) for amounts not yet overdue or (b) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of 10 days) are being contested in good faith by appropriate proceedings, so long as (1) such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts, and (2) in the case of a Lien with respect to any portion of the Senior Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Senior Collateral on account of such Lien;

(c) deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of statutory obligations, bids, leases, government contracts, trade contracts, and other similar obligations (exclusive of obligations for the payment of borrowed money), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Senior Collateral on account thereof;

(d) any attachment or judgment Lien not constituting an Event of Default under Section 7.8;

(e) licenses (with respect to Intellectual Property and other property), leases or subleases granted to third parties in accordance with any applicable terms of the Senior Loan Documents and not interfering in any material respect with the ordinary conduct of the business of Company or any of its Subsidiaries or resulting in a material diminution in the value of any Senior Collateral;

(f) easements, rights-of-way, restrictions, encroachments, covenants and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Company or any of its Subsidiaries or result in a material diminution in the value of any material portion of the Senior Collateral;

(g) any (a) interest or title of a lessor or sublessor under any lease not prohibited by this Agreement, (b) Lien or restriction that the interest or title of such lessor or sublessor may be subject to, or (c) subordination of the interest of the lessee or sublessee under such lease to any Lien or restriction referred to in the preceding clause (b), so long as the holder of such Lien or restriction agrees to recognize the rights of such lessee or sublessee under such lease;

(h) Liens arising from filing UCC financing statements relating solely to leases not prohibited by this Agreement;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any Government Authority to control or regulate the use of any real property;

(k) Liens granted pursuant to the Senior Loan Documents;

(l) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien by operation of law on the related inventory and proceeds thereof;

(m) Liens on insurance policies and the proceeds thereof securing the financing of the insurance premiums with the providers of such insurance and their Affiliates in respect thereof;

(n) Liens on any assets that are the subject of an agreement for disposition thereof expressly permitted under Section 6.7 that arise due to the existence of such agreement; and

(o) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business of Company and its Subsidiaries.

"**Permitted Holder**" means Golden Gate, its Affiliates or any Permitted Transferee thereof.

"**Permitted Indebtedness**" means any Indebtedness permitted under Section 6.1.

"**Permitted Refinancings**" means, with respect to any Subordinated Indebtedness, any refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification of such Indebtedness *provided that* such refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification does not (i) increase the cash rate of interest and payment in kind rate of interest on such Subordinated Indebtedness in an aggregate amount in excess of 2.0% above the aggregate rate of interest hereunder as of the Restatement Date, (ii) change (to earlier dates) any dates upon which payments of principal or interest are due thereon, (iii) change any event of default or condition to an event of default with respect thereto (other than to eliminate any such event of default or increase any grace period related thereto), (iv) change the redemption, prepayment or defeasance provisions thereof to make more onerous, change the subordination provisions thereof (or of any guaranty thereof), (v) increase the outstanding principal amount of such Subordinated Indebtedness (other than on account of accrued interest, premium, fees and expenses) unless otherwise permitted as new Subordinated Indebtedness under Section 6.1(m), *provided further that* the effect of such refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification, together with all other refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification made, does not increase materially the obligations of the obligor thereunder or to confer any additional rights on the holders of such Subordinated Indebtedness (or a trustee or other representative on their behalf) which would be materially adverse to Company or Purchasers.

"**Permitted Transferees**" means, with respect to any Person, (i) any Affiliate of such Person, (ii) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any such Person or (iii) a trust, the beneficiaries of which, or a corporation or partnership, the stockholders, or general and limited partners, of which, or a limited liability company, the members of which, include only such Person or his or her spouse or lineal descendants, in each case to whom such Person has transferred the beneficial ownership of any Capital Stock of Holdings.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Government Authorities.

"**Potential Event of Default**" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"**Prepayment Premium**" means, at any time with respect to any Restated Notes being repaid in whole or in part pursuant to Section 2.4 or Article VII during any of the periods set forth below, an amount equal to the percentage set forth opposite such period of the aggregate principal amount of the Restated Notes being prepaid at such time:

Period	Percentage
The Restatement Effective Date to and including the first anniversary of the Restatement Effective Date	3.00%
The first day after the first anniversary of the Restatement Effective Date to and including the second anniversary of the Restatement Effective Date	2.00%
The first day after the second anniversary of the Restatement Effective Date to and including the third anniversary of the Restatement Effective Date	1.00%
At all times after the third anniversary of the Restatement Effective Date	None

"**Proceedings**" means any litigation, action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration.

"**Purchaser**" and "**Purchasers**" shall have the meaning assigned to such terms in the introduction to this Agreement.

"**Qualified Capital Stock**" means any Capital Stock of any Person that is not Disqualified Stock.

"**Real Property Asset**" means, at any time of determination, any interest then owned by any Credit Party in any real property.

"**Regulation D**" means Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"**Regulation S-X**" means Regulation S-X promulgated under the Exchange Act or any similar regulation then in effect, as amended or modified from time to time and a reference to a particular provision thereof shall include a reference to the comparable provision if any of any such similar regulation.

"**Related Agreements**" means, collectively, the Management Agreement, the Senior Loan Documents and the ABL Loan Documents.

"**Release**" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Materials into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Materials), including the movement of any Hazardous Materials through the air, soil, surface water or groundwater.

"**Requisite Purchasers**" means Purchasers having or holding more than 50% of the sum of the aggregate principal amount of the Restated Notes.

"**Restated Notes**" shall have the meaning assigned to such term in Section 2.1.

"**Restatement Effective Date**" means May 7, 2010.

"**Restricted Junior Payment**" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of Holdings, Company or any of their Subsidiaries now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of Holdings, Company or any of their Subsidiaries now or hereafter outstanding, (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of Holdings, Company or any of their Subsidiaries now or hereafter outstanding, and (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness.

"**Sand Processing and Delivery Agreements**" means, collectively, Sand Processing and Delivery Agreements between Preferred Rocks USS and Company dated as of November 24, 2008 (as amended, restated, supplemented or otherwise modified from time to time) relating to the Sand Purchase Agreements.

"**Sand Purchase Agreements**" means, collectively, the Sand Purchase Agreements dated as of November 24, 2008 (as amended and restated on November 25, 2008, as amended on January 1, 2010 and as amended, restated, supplemented or otherwise modified from time to time in accordance with their terms) between Preferred Rocks USS and each of Superior Well Services, Inc. and Schlumberger Technology Corporation.

"**Sand Purchase Documents**" means the Sand Purchase Agreements, Sand Processing and Delivery Agreement, the Conveyance of the Undivided Mineral Interest and any promissory notes, subordination, attornment and non-disturbance agreements, mortgage, security agreement, financing statements and other documents executed in connection therewith.

"**Securities**" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of Indebtedness, secured or unsecured,

convertible, subordinated, certificated or uncertificated, or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"**Senior Agent**" means BNP Paribas and its successors as "Administrative Agent" and/or "Collateral Agent" (as the context requires) under the Senior Loan Documents.

"**Senior Collateral**" means the "Collateral" as defined in the Senior Credit Agreement.

"**Senior Credit Agreement**" means the Amended and Restated Credit Agreement dated as of the date hereof, among Holdings, Issuer, the Subsidiary Guarantors, Senior Lenders and Senior Agent, as the same may be amended, restated, supplemented, replaced, refinanced, extended, renewed, or otherwise modified from time to time.

"**Senior Lenders**" means the "Lenders" as defined in the Senior Credit Agreement.

"**Senior Loans**" means the "Loans" as defined in the Senior Credit Agreement.

"**Senior Loan Documents**" means the Senior Credit Agreement and all other guaranties and collateral documents and all other "Loan Documents" (as defined in the Senior Credit Agreement) executed and delivered with respect to the Senior Credit Agreement, as such documents may be amended, restated, supplemented, replaced, refinanced, extended, renewed, or otherwise modified from time to time.

"**Senior Obligations**" means the "Obligations" as defined in the Senior Credit Agreement.

"**Silica Related Claims**" shall mean claims (other than workers compensation claims) against Holdings or any of its Subsidiaries alleging silica exposure, including those that allege that silica products sold by Holdings or any of its Subsidiaries (or their predecessor-in-interest) were defective or that said Person acted negligently in selling products without a warning or with an inadequate warning.

"**Silica Related Claims Policies**" shall have the meaning given to such term in Section 5.4(b)(ii).

"**Solvent**", with respect to any Person, means that as of the date of determination both (i)(a) the then fair saleable value of the property of such Person is (1) greater than the total amount of liabilities (including contingent liabilities) of such Person and (2) not less than the amount that will be required to pay the probable liabilities on such Person's then existing debts as they become absolute and due considering all financing alternatives and potential asset sales reasonably available to such Person; (b) such Person's capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (c) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond

its ability to pay such debts as they become due; and (ii) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"**Subject Purchaser**" has the meaning assigned to that term in Section 2.9.

"**Subordinated Indebtedness**" means any Indebtedness of any Credit Party permitted hereunder incurred from time to time and subordinated in right of payment to the Obligations in accordance with substantially similar subordination terms as the terms set forth in the Subordination Agreement provided that such terms are at least as favorable to the Purchasers as the terms set forth in the Subordination Agreement or as otherwise reasonably satisfactory to Requisite Purchasers.

"**Subordination Agreement**" means that certain Amended and Restated Subordination Agreement, dated as of the Restatement Effective Date, by and among Senior Agent, ABL Agent, and Purchasers, as may from time to time be amended, restated, modified or supplemented in accordance with its terms.

"**Subsidiary**", with respect to any Person, means any corporation, partnership, trust, limited liability company, association, Joint Venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the members of the Governing Body is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"**Subsidiary Guarantor**" has the meaning assigned to that term in the introduction to this Agreement.

"**Subsidiary Guaranty**" means the Subsidiary Guaranty executed and delivered by existing Domestic Subsidiaries of Holdings (other than Issuer) on the Closing Date and to be executed and delivered by additional Domestic Subsidiaries of Holdings from time to time thereafter in accordance with Section 5.9, substantially in the form of Exhibit IV annexed hereto.

"**Tax**" or "**Taxes**" means any present or future tax, levy, impost, duty, fee, assessment, deduction, withholding or other charge of any nature and whatever called, imposed by a Government Authority, on whomsoever and wherever imposed, levied, collected, withheld or assessed, including interest, penalties, additions to tax and any similar liabilities with respect thereto.

"**Termination Date**" means the earlier to occur of (a) the seven year anniversary of the Restatement Effective Date or (b) such other date on which the Restated Notes become due and payable in full pursuant to Article II or Article VII.

"**Transaction Costs**" means all fees, costs, expenses, premiums, termination payments, prepayment penalties incurred or paid by any Credit Party on or before the Restatement Effective Date in connection with the Transactions, including any fees referred to in Section 2.3 payable to Purchasers on or before the Restatement Effective Date and fees or original issue discount in connection with the Funding Requirements; provided that the Transaction Costs on or before the Restatement Effective Date shall not exceed $5,000,000 in the aggregate.

"**Transaction Documents**" means, collectively, the Note Documents and the Related Agreements.

"**Transactions**" means (i) the execution and delivery of any amended or amended and restated Note Documents on the Restatement Effective Date, (ii) the execution and delivery of any amended or amended and restated Senior Loan Documents to which it is a party, (iii) the execution and delivery of any amended or amended and restated ABL Loan Documents (iv) the repayment of at least $9,500,000 of the Original Notes and (v) the payment of a cash dividend of no more than $52,000,000 to Hourglass Holdings, LLC.

"**Transfer**" shall mean the sale, assignment or other transfer of the Restated Notes, in whole or in part, and of the rights of the holder thereof with respect thereto and under this Agreement.

"**Transferee**" means any direct or indirect transferee of all or any part of any Restated Notes permitted under Section 9.1.

"**UCC**" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"**USA Patriot Act**" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

"**Unasserted Obligations**" means, at any time, Obligations for Taxes, costs, indemnifications, reimbursements, damages and other liabilities (except for the principal of and interest on, and fees relating to, any Indebtedness) in respect of which no claim or demand for payment has been made (or, in the case of Obligations for indemnification, no notice for indemnification has been issued by the Indemnitee) at such time.

"**Voting Securities**" means, with respect to any Person, the Capital Stock of such Person of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of members of the Governing Body (or Persons performing similar functions) of such Person.

Section 1.2 Accounting Terms; Utilization of GAAP for Purposes of Calculations Under Agreement. Except as otherwise expressly provided in this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Company to Purchasers pursuant to clauses (b), (c) and (j) of Section 5.1 shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 5.1(e)). Calculations in connection with the definitions, covenants and other provisions of this Agreement shall utilize GAAP as in effect on the date of determination, applied in a manner consistent with that used in preparing the financial statements

referred to in Section 4.3. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Note Document, and Company or Requisite Purchasers shall so request, Purchasers and Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of Requisite Purchasers), *provided that*, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and Company shall provide to Purchasers reconciliation statements provided for in Section 5.1(e).

Section 1.3 Other Definitional Provisions and Rules of Construction.

(a) Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

(b) References to "Sections" and "Sections" shall be to Sections and Sections, respectively, of this Agreement unless otherwise specifically provided. Section and Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

(c) The use in any of the Note Documents of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

(d) Unless otherwise expressly provided herein, references to Organizational Documents, agreements (including the Note Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto.

(e) Whenever any provision in any Note Document refers to the knowledge (or an analogous phrase) of any Credit Party, such words are intended to signify that such Credit Party has actual knowledge or awareness of a particular fact or circumstance or that such Credit Party, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

Section 1.4 No Novation. It is the intent of the parties hereto that this Agreement does not constitute a novation of rights, obligations and liabilities of the respective parties existing under the Original Note Purchase Agreement or evidence payment of all or any of such obligations and liabilities except as provided herein and such rights, obligations and liabilities shall continue and remain outstanding, and that this Agreement amends and restates in its entirety the Original Note Purchase Agreement.

ARTICLE II
AMOUNTS AND TERMS OF THE NOTES

Section 2.1 Authorization and Issue of Restated Notes; Original Notes.

(a) **Original Notes** In connection with the Original Note Purchase Agreement and in order to provide funds to Issuer to consummate the Acquisition, the Purchasers purchased the Original Notes of the Company issued pursuant to the Original Note Purchase Agreement (each, an "Original Note" and collectively, the "Original Notes") in the original principal amount of $80,000,000 issued on the Closing Date, to mature on November 25, 2016. Each Purchaser and Issuer acknowledges and agrees that, as of the Restatement Effective Date, the aggregate outstanding principal amount of the Original Notes is $84,810,808.60 and the aggregate outstanding cash interest on the Original Notes, without giving effect to the transactions contemplated by this Agreement, is $1,258,741.81. Subject to the terms and conditions set forth in this Restated Note Purchase Agreement, the entire outstanding principal balance of the Original Notes under the Original Note Purchase Agreement less the payment of $9,810,808.59 on the Restatement Date shall be deemed to be the original outstanding principal balance of the Restated Notes, without constituting a novation.

(b) **Amended and Restated Notes** Company has duly authorized the issuance, sale and delivery of the Restated Notes in the aggregate principal amount of $75,000,000 on the Restatement Effective Date, to mature on the Maturity Date and to be substantially in the form of Exhibit I attached hereto (all such promissory notes issued pursuant to this Agreement, or delivered in substitution or exchange for any thereof, being collectively called the "**Restated Notes**" and individually a "**Restated Note**"). The Restated Notes shall be issued in exchange for the Original Notes.

Section 2.2 Interest.

(a) **Current Interest** Subject to the provisions of Sections 2.2(c), 2.2(f), 2.6 and 2.7, the Restated Notes shall bear interest, during each Interest Period from the date of issuance thereof until paid in full, at a rate per annum equal to the Adjusted LIBOR for such Interest Period plus the Applicable Margin ("**Current Interest")**.

(b) **Interest Periods** Each Interest Period shall be the period commencing on the last Business Day of each Fiscal Quarter and ending on the last Business Day of the Fiscal Quarter next occurring; *provided that*:

(i) the initial Interest Period for any Restated Note shall commence on the Restatement Effective Date and end on the last Business Day of the Fiscal Quarter next occurring;

(ii) each successive Interest Period shall commence on the day on which the next preceding Interest Period expires; and

(iii) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that, if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day.

(c) **[Reserved]**

(d) **Interest Payments** Subject to the provisions of Section 2.2(f), interest on each Restated Note shall be payable in arrears on and to each Interest Payment Date, upon any prepayment of that Restated Note (to the extent accrued on the amount being prepaid) and at maturity (including final maturity).

(e) **Interest Election** Notwithstanding anything in Section 2.2(b) to the contrary, Company may elect (an "Interest Election"), by delivering written notice of the Interest Election to Purchasers no later than the last day of any Interest Period, to have all or any portion of the interest accruing on the Restated Notes pursuant to Section 2.2(a) be paid by adding such accrued amount to the unpaid principal amount of the Restated Notes on the last day of such Interest Period. Any such interest added to the principal of the Restated Notes shall thereafter be deemed additional unpaid principal of the Restated Notes bearing interest from such date in accordance with Sections 2.2(a), 2.2(c) and 2.2(f).

(f) **Default Rate** Upon (i) the occurrence and continuance of an Event of Default of the type set forth in Section 7.1, 7.6 or 7.7 or (ii) receipt by Company of a notice from Requisite Purchasers following the occurrence and continuance of any other Event of Default stating that the default rate under this Section 2.2(f) shall apply, in each case, the aggregate outstanding principal amount of all Restated Notes, any interest payments thereon then due and payable and any fees and other amounts then due and payable shall thereafter bear interest (including post-petition interest in any Proceeding under the Bankruptcy Code or other applicable bankruptcy laws) at a rate which is 2% per annum in excess of the interest rate otherwise payable under this Agreement and shall be payable on demand by Requisite Purchasers. Payment or acceptance of the increased rates of interest provided for in this Section 2.2(f) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of any Purchaser.

(g) **Computation of Interest** Interest on the Restated Notes shall be computed on the basis of a 360 days and the actual number of days elapsed in the period during which it accrues. In computing interest on any Restated Note, the date of the issuance of such Restated Note or the first day of an Interest Period applicable to such Restated Note, as the case may be, shall be included, and the date of payment of such Restated Note or the expiration date of an Interest Period applicable to such Restated Note, as the case may be, shall be excluded; provided that if a Restated Note is repaid on the same day on which it is issued, one day's interest shall be paid on that Restated Note.

(h) **Maximum Rate** Notwithstanding the foregoing provisions of this Section 2.2, in no event shall the rate of interest payable by Company with respect to any Restated Note exceed the maximum rate of interest permitted to be charged under applicable law.

Section 2.3 Fees. Company agrees to pay to Purchasers such fees in the amounts and at the times separately agreed upon between Company and the relevant Purchaser.

Section 2.4 Repayments, Prepayments; General Provisions Regarding Payments; Payments Under Guaranties.

(a) **Scheduled Payments** On the Termination Date, the unpaid principal balance of the Restated Notes (including any interest added to the principal amount thereof) to the extent not sooner paid or prepaid hereunder, together with accrued and unpaid Current Interest and Default Interest, if any, thereon and all Prepayment Premium, if any, the Deferred Interest Amount, if any, other costs, expenses, indemnities and other Obligations outstanding thereunder with respect thereto shall be paid in full in cash.

(b) **Prepayments**

(i) Voluntary Prepayments Subject to the Subordination Agreement and upon notice given as provided in this Section 2.4(b)(i), Company, at its option, may prepay at any time after the third anniversary of the Restatement Effective Date all or from time to time any part (in an aggregate amount of $500,000 or any greater amount which is an integral multiple of $100,000, or if the aggregate outstanding principal balance of the Restated Notes is less than $500,000, in an amount equal to the aggregate outstanding principal balance of the Restated Notes) of the principal amount of the Restated Notes, including any other interest added to the principal amount of the Restated Notes on or prior to the most recent Interest Payment Date, together with all accrued but unpaid Current Interest and Default Interest, if any, accrued since the most recent Interest Payment Date on the principal amount being prepaid to the date of such prepayment plus the applicable Prepayment Premium (and, if all of the Restated Notes are being prepaid, the Deferred Interest Amount). The Restated Notes shall not be voluntarily prepayable pursuant to this Section 2.4(b)(i) on or prior to the third anniversary of the Restatement Effective Date. Company shall call Restated Notes for prepayment pursuant to this Section 2.4(b)(i) by giving written notice thereof to Purchasers not less than three (3) Business Days nor more than 60 days prior to the date fixed for such prepayment. Any notice pursuant to this Section 2.4(b)(i) shall specify (a) the date fixed for such prepayment; (b) the principal amount (including any other interest added to the principal amount of the Restated Notes on or prior to the most recent Interest Payment Date) to be prepaid on such date; (c) the amount of accrued Current Interest and Default Interest, if any, to be paid or anticipated to be paid on such date; and (d) the amount of the Prepayment Premium (and, if applicable, the Deferred Interest Amount) to be paid in connection therewith. Notice of prepayment having been so given, the aggregate principal amount of the Restated Notes so to be prepaid as specified in such notice, together with accrued Current Interest and Default Interest, if any, thereon to such date fixed for prepayment, plus the applicable Prepayment Premium (and,

if applicable, the Deferred Interest Amount), shall become due and payable in the case of a prepayment pursuant to Section 2.4(b)(i), on the specified prepayment date, provided Company provides Purchasers with at least three (3) Business Days' prior notice of such date.

(ii) Mandatory Prepayments Subject to the Subordination Agreement, the Restated Notes shall be prepaid in the amounts and under the circumstances set forth below (except in each case to the extent a different application of the relevant amounts is set forth in the Subordination Agreement), all such prepayments and/or reductions to be applied as set forth below or as more specifically provided in Section 2.4(c) and Section 2.4(d):

(A) Prepayments From Net Asset Sale Proceeds Subject to Section 6.7(d) and the Subordination Agreement, no later than the third Business Day following the date of receipt by Holdings, Company or any Subsidiary Guarantor of any Net Asset Sale Proceeds in respect of any Asset Sale, Company shall either (1) subject to subsection (2) below, prepay the Restated Notes in an aggregate amount equal to such Net Asset Sale Proceeds or (2), so long as no Event of Default shall have occurred and be continuing, deliver to Purchasers (or Senior Agent, if any Senior Loans are outstanding) an Officer's Certificate setting forth (x) that portion of such Net Asset Sale Proceeds that Company or such Subsidiary intends to reinvest in assets of the general type used in the business of Company and its Subsidiaries within 270 days of such date of receipt and (y) the proposed use of such portion of the Net Asset Sale Proceeds; and such other information with respect to such reinvestment as Purchasers may reasonably request, and Company shall, or shall cause one or more of its Subsidiaries to apply such portion to such reinvestment purposes within such 270 day period. In addition (subject to the Subordination Agreement), Company shall, no later than 270 days after receipt of such Net Asset Sale Proceeds that have not theretofore been applied to the Obligations or that have not been so reinvested as provided above, make an additional prepayment of the Restated Notes in the full amount of all such unapplied and un-reinvested Net Asset Sale Proceeds unless on or prior to such date Company has entered into a committed written agreement for the application or reinvestment of such Net Asset Sale Proceeds. Company shall (subject to the Subordination Agreement), within 90 days after the end of such 270 day period, make an additional prepayment of the Restated Notes in the full amount of any such Net Asset Sale Proceeds that have not been applied or reinvested within such 90 day period.

(B) Prepayments from Net Insurance/Condemnation Proceeds Subject to the provisions of the Subordination Agreement, no later than the third Business Day following the date of receipt by any Purchaser or any Credit Party of any Net Insurance/Condemnation Proceeds, Company shall either (1) subject to subsection (2) below, prepay the Restated Notes in an

aggregate amount equal to such Net Insurance/Condemnation Proceeds or (2), so long as no Event of Default shall have occurred and be continuing, deliver to Purchasers an Officer's Certificate setting forth (x) that portion of such Net Insurance/Condemnation Proceeds that Company or such Subsidiary intends to reinvest in assets of the general type used in the business of Company and its Subsidiaries within 270 days of such date of receipt and (y) the proposed use of such portion of the Net Insurance/Condemnation Proceeds; and such other information with respect to such reinvestment as Purchasers may reasonably request, and Company shall, or shall cause one or more of its Subsidiaries to, apply such portion to such reinvestment purposes within such 270 day period. In addition (subject to the Subordination Agreement), Company shall, no later than 270 days after receipt of such Net Insurance/Condemnation Proceeds that have not theretofore been applied to the Obligations or that have not been so reinvested as provided above, make an additional prepayment of the Restated Notes in the full amount of all such unapplied and un-reinvested Net Insurance/Condemnation Proceeds unless on or prior to such date Company has entered into a committed written agreement for the application or reinvestment of such Net Insurance/Condemnation Proceeds. Company shall (subject to the Subordination Agreement), within 90 days after the end of such 270 day period, make an additional prepayment of the Restated Notes in the full amount of any such Net Insurance/Condemnation Proceeds that have not been applied or reinvested within such 90 day period.

(C) **[Reserved]**

(D) Prepayments Due to Issuance of Indebtedness Subject to the Subordination Agreement, on the date of receipt of the Net Securities Proceeds from the issuance of any Indebtedness of Holdings, Company or of any Subsidiary of Company after the Restatement Effective Date, other than Indebtedness permitted pursuant to Section 6.1, Company shall prepay the Restated Notes in an aggregate amount equal to such Net Securities Proceeds.

(E) Change in Control Subject to the Subordination Agreement, unless Company has previously elected to optionally prepay the entire outstanding amount of the Restated Notes pursuant to Section 2.4(b)(i) with respect to a Change in Control, substantially contemporaneously with the consummation of a Change of Control Company shall repay the unpaid principal balance of the Restated Notes to the extent not sooner paid or prepaid hereunder in full.

(F) Calculations of Net Proceeds Amounts; Additional Prepayments Based on Subsequent Calculations Concurrently with any prepayment of the Restated Notes pursuant to Sections 2.4(b)(ii)(A)-(D), Company shall deliver to Purchasers an Officer's Certificate demonstrating the calculation

of the amount of the applicable Net Asset Sale Proceeds, Net Insurance/Condemnation Proceeds or Net Securities Proceeds, as the case may be, that gave rise to such prepayment and/or reduction. In the event that Company shall subsequently determine that the actual amount was greater than the amount set forth in such Officer's Certificate, Company shall promptly make an additional prepayment of the Restated Notes in an amount equal to the amount of such excess, and Company shall concurrently therewith deliver to Purchasers an Officer's Certificate demonstrating the derivation of the additional amount resulting in such excess; *provided that*, any failure to make a prepayment resulting from a mistake in calculation that is corrected pursuant to this Section 2.4(b)(ii)(F) shall not constitute an Event of Default or Potential Event of Default under Section 7.1(a).

(G) Premium; Deferred Interest Amount Subject to the Subordination Agreement, together with each prepayment under this Section 2.4(b)(ii) (other than those prepayments under Section 2.4(b)(ii)(E)), Company shall pay the Prepayment Premium; and upon the repayment or prepayment in full of the Restated Notes, Company shall pay the Deferred Interest Amount.

(c) **General Provisions Regarding Payments**

(i) Manner and Time of Payment Subject to the Subordination Agreement, all payments by Company of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without defense, setoff or counterclaim, free of any restriction or condition, and delivered to Purchasers not later than 12:00 Noon (New York City time) on the date due at such office or bank account as shall be specified by Purchasers from time to time by written notice to Company; funds received by each Purchaser after that time on such due date shall be deemed to have been paid by Company on the next succeeding Business Day. Company hereby authorizes each Purchaser to charge its accounts with such Purchaser in order to cause timely payment to be made to such Purchaser of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

(ii) Application of Payments to Principal and Interest Subject to the Subordination Agreement, except as provided in Section 2.2(c), all payments in respect of the principal amount of any Restated Note shall include payment of accrued interest on the principal amount being repaid or prepaid, and all such payment shall be applied first to the payment of interest (and upon repayment or prepayment in full of the Restated Notes, to payment of the Deferred Interest Amount) and second to the payment of Prepayment Premium, before application to principal.

(iii) Payments on Business Days Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder or of the commitment fees hereunder, as the case may be.

(iv) Payments Pro Rata All payments from or on behalf of Issuer in respect of principal (including prepayments pursuant to Section 2.4(b)), and interest owing under the Restated Notes shall be paid to Purchasers ratably in accordance with the unpaid principal amount of the Restated Notes then outstanding.

(d) **Payments after Event of Default** Upon the occurrence and during the continuation of an Event of Default, if requested by Requisite Purchasers, or upon acceleration of the Obligations pursuant to ARTICLE VII, all payments received by any Purchaser, whether from Company, Holdings or any Subsidiary Guarantor or otherwise shall, subject to the terms of the Subordination Agreement, be applied in full or in part by Purchasers, in each case in the following order of priority:

(i) all amounts for which each Purchaser is entitled to compensation (including the fees described in Section 2.3), reimbursement and indemnification under any Note Document and all advances made by any Purchaser thereunder for the account of the applicable Credit Party, and to the payment of all costs and expenses paid or incurred by each Purchaser in connection with the Note Documents, all in accordance with Sections 9.2 and 9.3 and the other terms of this Agreement and the Note Documents;

(ii) thereafter, to the payment of all other Obligations to the extent then due and owing for the ratable benefit of the holders thereof; and

(iii) thereafter, to the payment to or upon the order of such Credit Party or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 2.5 Use of Proceeds.

(a) **[Reserved]**

(b) **Margin Regulations** No portion of the proceeds of the Restated Notes shall be used by Holdings or any of its Subsidiaries in any manner that might cause the application of such proceeds to violate Regulation U, Regulation T or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of such Board or to violate the Exchange Act, in each case as in effect on the date or dates of such borrowing and such use of proceeds.

Section 2.6 Special Provisions Governing Restated Notes. Notwithstanding any other provision of this Agreement to the contrary, the following provisions shall govern with respect to the Restated Notes as to the matters covered:

(a) **Determination of Applicable Interest Rate** On each Interest Rate Determination Date, each Purchaser shall determine in accordance with the terms of this Agreement (which determination shall, absent manifest error, be conclusive and binding

upon all parties) the interest rate that shall apply to the Restated Notes for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Company and the other Purchasers.

(b) **Inability to Determine Applicable Interest Rate** In the event that Requisite Purchasers shall have determined (which determination shall be conclusive and binding upon all parties hereto), on any Interest Rate Determination Date that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to the Restated Notes on the basis provided for in the definition of LIBOR, Requisite Purchasers shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to Company of such determination, whereupon the LIBOR shall, unless the Restated Notes are paid in full, automatically convert to the Base Rate (determined as such term is defined in the Senior Credit Agreement as in effect on the date hereof).

(c) **Illegality or Impracticability of Restated Notes** In the event that on any date any Purchaser shall have determined (which determination shall be conclusive and binding upon all parties hereto but shall be made only after consultation with the other Purchasers and Company) that the maintaining or continuation of its LIBOR extension of credit (i) has become unlawful as a result of compliance by such Purchaser in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful) or (ii) has become impracticable, or would cause such Purchaser material hardship, as a result of contingencies occurring after the date of this Agreement which materially and adversely affect the London interbank market or the position of such Purchaser in that market, then, and in any such event, such Purchaser shall be an "**Affected Purchaser**" and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to the other Purchasers and Company of such determination. Thereafter the LIBOR applicable to such Purchaser's Restated Notes shall automatically convert into the Base Rate (determined as such term is defined in the Senior Credit Agreement as in effect on the date hereof).

(d) **Compensation For Breakage or Non-Commencement of Interest Periods** Company shall compensate each Purchaser, upon written request by that Purchaser pursuant to Section 2.8, for all reasonable documented losses, expenses and liabilities (including any interest paid by that Purchaser to lenders of funds borrowed by it to make or carry the Restated Notes and any loss, expense or liability sustained by that Purchaser in connection with the liquidation or re-employment of such funds) which that Purchaser may sustain: (i) if for any reason (other than a default by that Purchaser) Company fails to issue Restated Notes on the Restatement Effective Date, (ii) if any prepayment or other principal payment occurs on a date prior to the last day of an Interest Period, (iii) if any prepayment is not made on any date specified in a notice of prepayment given by Company or (iv) as a consequence of any other default by Company in the repayment of the Restated Notes when required by the terms of this Agreement.

(e) **Assumptions Concerning** Restated **Notes** Calculation of all amounts payable to a Purchaser under this Section 2.6 and under Section 2.7(a) shall be made as though that Purchaser had funded its purchase or maintenance of each of the Restated Notes through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to clause (i) of the definition of LIBOR in an amount equal to the amount of such Restated Note and having a maturity comparable to the relevant Interest Period, whether or not the Restated Notes had been funded or maintained in such manner.

Section 2.7 Increased Costs; Taxes; Capital Adequacy.

(a) **Compensation for Increased Costs** Subject to the provisions of Section 2.7(b) (which shall be controlling with respect to the matters covered thereby), in the event that any Purchaser shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any Change in Law:

(i) imposes, modifies or holds applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Purchaser (other than any such reserve or other requirements with respect to the Restated Notes that are reflected in the definition of LIBOR); or

(ii) imposes any other condition (other than with respect to Taxes) on or affecting such Purchaser or its obligations hereunder or the London interbank market;

and the result of any of the foregoing is to increase the cost to such Purchaser of making or maintaining its extensions of credit under the Restated Notes or to reduce any amount received or receivable by such Purchaser with respect thereto; then, in any such case, Company shall promptly pay to such Purchaser, upon receipt of the statement referred to in Section 2.8(a), such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Purchaser in its sole discretion shall determine) as may be necessary to compensate such Purchaser on an after tax basis for any such increased cost or reduction in amounts received or receivable hereunder. Company shall not be required to compensate a Purchaser pursuant to this Section 2.7(a) for any increased cost or reduction in respect of a period occurring more than six months prior to the date on which such Purchaser notifies Company of such Change in Law and such Purchaser's intention to claim compensation therefor, except, if the Change in Law giving rise to such increased cost or reduction is retroactive, no such time limitation shall apply so long as such Purchaser requests compensation within six months from the date on which the applicable Government Authority informed such Purchaser of such Change in Law.

(b) **Taxes**

(i) Payments to Be Free and Clear Any and all payments by or on account of any obligation of Company under this Agreement and the other Note Documents shall be made free and clear of, and without any deduction or withholding on account of, any Indemnified Taxes or Other Taxes.

(ii) Grossing-up of Payments If Company or any other Person is required by law to make any deduction or withholding on account of any Indemnified Taxes or Other Taxes from any sum paid or payable by Company to any Purchaser under any of the Note Documents:

(A) Company shall notify such Purchaser of any such requirement or any change in any such requirement as soon as Company becomes aware of it;

(B) Company shall timely pay any such Indemnified Tax and Other Tax to the relevant Government Authority when such amount is due, in accordance with applicable law;

(C) The sum payable by Company shall be increased to the extent necessary to ensure that, after making the required deductions (including deductions applicable to additional sums payable under this Section 2.7(b)(ii)), such Purchaser receives a sum equal to the sum it would have received had no such deduction been required or made; and

(D) As soon as practicable after any payment of Indemnified Tax or Other Tax which it is required by clause (b) above to pay, Company shall deliver to such Purchaser the original or a certified copy of an official receipt or other document reasonably satisfactory to the other affected parties to evidence the payment and its remittance to the relevant Government Authority.

(iii) Indemnification by Company Company shall indemnify each Purchaser within 10 days after written demand therefor, for the full amount of any Indemnified Taxes on or with respect to any sum paid or payable by Company to Purchasers under any of the Restated Notes or Other Taxes (including for the full amount of any Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.7(b)(iii)) paid by such Purchaser, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Government Authority. A certificate as to the amount of such payment or liability delivered to Company by such Purchaser shall be conclusive absent manifest error.

(iv) Tax Status of Purchasers Unless not legally entitled to do so:

(A) any Purchaser, if requested by Company, shall deliver such forms or other documentation prescribed by applicable law or reasonably requested by Company as will enable Company to determine whether or not such Purchaser is subject to backup withholding or information reporting requirements;

(B) any Foreign Purchaser that is entitled to an exemption from or reduction of any Tax with respect to payments hereunder or under any other Note Document shall deliver to Company, on or prior to the date on which such Foreign Purchaser becomes a Purchaser under this Agreement (and from time to time thereafter, as may be necessary in the determination of Company in the reasonable exercise of its discretion), such properly completed and duly executed forms or other documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding;

(C) without limiting the generality of the foregoing, in the event that Company is resident for Tax purposes in the United States, any Foreign Purchaser shall deliver to Company (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Purchaser becomes a Purchaser under this Agreement (and from time to time thereafter, as may be necessary in the determination of Company in the reasonable exercise of its discretion), whichever of the following is applicable:

(1) properly completed and duly executed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income Tax treaty to which the United States is a party,

(2) properly completed and duly executed copies of Internal Revenue Service Form W-8ECI,

(3) in the case of a Foreign Purchaser claiming the benefits of the exemption "portfolio interest" under Section 881(c) of the Internal Revenue Code, (A) a duly executed certificate to the effect that such Foreign Purchaser is not (i) a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (ii) a ten-percent shareholder (within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code) of Company or Holdings or (iii) a controlled foreign corporation described in Section 881(c)(3)(C) of the Internal Revenue Code and (B) properly completed and duly executed copies of Internal Revenue Service Form W-8BEN, or

(4) properly completed and duly executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in any Tax, in each case together with such supplementary documentation as may be prescribed by applicable law to permit Company to determine the withholding or deduction required to be made, if any;

(D) without limiting the generality of the foregoing, in the event that Company is resident for Tax purposes in the United States, any Foreign Purchaser that does not act or ceases to act for its own account with respect to any portion of any sums paid or payable to such Purchaser under any of the Note Documents shall deliver to Company (in such number of copies as shall be requested by the recipient upon reasonable request of Company), on or prior to the date such Foreign Purchaser becomes a Purchaser, or on such later date when such Foreign Purchaser ceases to act for its own account with respect to any portion of any such sums paid or payable, and from time to time thereafter, as may be necessary in the determination of Company (in the reasonable exercise of its discretion):

(1) duly executed and properly completed copies of the forms and statements required to be provided by such Foreign Purchaser under clause (C) of Section 2.7(b)(iv), to establish the portion of any such sums paid or payable with respect to which such Purchaser may be entitled to an exemption from or a reduction of the applicable Tax, and

(2) duly executed and properly completed copies of Internal Revenue Service Form W 8IMY (or any successor forms) properly completed and duly executed by such Foreign Purchaser, together with any information, if any, such Foreign Purchaser chooses to transmit with such form, and any other certificate or statement of exemption required under the Internal Revenue Code or the regulations thereunder, to establish that such Foreign Purchaser is not acting for its own account with respect to a portion of any such sums payable to such Foreign Purchaser;

(E) without limiting the generality of the foregoing, in the event that Company is resident for tax purposes in the United States, any Purchaser that is not a Foreign Purchaser and has not otherwise established to the reasonable satisfaction of Company that it is an exempt recipient (as defined in section 6049(b)(4) of the Internal Revenue Code and the United States Treasury Regulations thereunder) shall deliver to Company (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Purchaser becomes a Purchaser under this Agreement (and from time to time thereafter as prescribed by applicable law or upon the request of Company), duly executed and properly completed copies of Internal Revenue Service Form W-9; and

(F) without limiting the generality of the foregoing, each Purchaser hereby agrees, from time to time after the initial delivery by such Purchaser of such forms, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence so delivered obsolete or inaccurate in any material respect, that such Purchaser shall promptly (1) deliver to Company two original copies of renewals, amendments or

additional or successor forms, properly completed and duly executed by such Purchaser, together with any other certificate or statement of exemption required in order to confirm or establish that such Purchaser is entitled to an exemption from or reduction of any Tax with respect to payments to such Purchaser under the Note Documents and, if applicable, that such Purchaser does not act for its own account with respect to any portion of such payment or (2) notify Company of its inability to deliver any such forms, certificates or other evidence.

(v) Treatment of Certain Refunds. If any Purchaser determines in its sole discretion that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by Company or with respect to which Company has paid additional amounts pursuant to this Section 2.7(b), it shall pay to Company an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid by Company under this Section 2.7(b) with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Purchaser, as the case may be, and without interest (other than any interest paid by the relevant Government Authority with respect to such refund), provided that Company, reasonably promptly after request by such Purchaser, agrees to repay the amount paid over to Company (plus any penalties, interest or other charges imposed by the relevant Government Authority) to such Purchaser in the event such Purchaser is required to repay such refund to such Government Authority.

(vi) Capital Adequacy Adjustment. If any Purchaser shall have determined that any Change in Law regarding capital adequacy has or would have the effect of reducing the rate of return on the capital of such Purchaser or any corporation controlling such Purchaser as a consequence of, or with reference to, such Purchaser's obligations hereunder with respect to the Restated Notes to a level below that which such Purchaser or such controlling corporation could have achieved but for such Change in Law (taking into consideration the policies of such Purchaser or such controlling corporation with regard to capital adequacy), then from time to time, within five Business Days after receipt by Company from such Purchaser of the statement referred to in Section 2.8(a), Company shall pay to such Purchaser such additional amount or amounts as will compensate such Purchaser or such controlling corporation on an after tax basis for such reduction. Company shall not be required to compensate a Purchaser pursuant to this Section 2.7(c) for any reduction in respect of a period occurring more than six months prior to the date on which such Purchaser notifies Company of such Change in Law and such Purchaser's intention to claim compensation therefor, except, if the Change in Law giving rise to such reduction is retroactive, no such time limitation shall apply so long as such Purchaser requests compensation within six months from the date on which the applicable Government Authority informed such Purchaser of such Change in Law.

Section 2.8 Statement of Purchasers; Obligations to Mitigate.

(a) **Statements** Each Purchaser claiming compensation or reimbursement pursuant to Section 2.6(d), 2.7 or 2.8(b) shall deliver to Company a written statement, setting forth in reasonable detail the basis of the calculation of such compensation or reimbursement, which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) **Mitigation** Each Purchaser agrees that, as promptly as practicable after the officer of such Purchaser responsible for administering the Restated Notes, as the case may be, becomes aware of the occurrence of an event or the existence of a condition that would cause such Purchaser to become an Affected Purchaser or that would entitle such Purchaser to receive payments under Section 2.7, it will use reasonable efforts to maintain the extension of credit under the Restated Notes through another lending office of such Purchaser, if (i) as a result thereof the circumstances which would cause such Purchaser to be an Affected Purchaser would cease to exist or the additional amounts which would otherwise be required to be paid to such Purchaser pursuant to Section 2.7 would be materially reduced and (ii) as determined by such Purchaser in its sole discretion, such action would not otherwise be disadvantageous to such Purchaser; provided that such Purchaser will not be obligated to utilize such other lending office pursuant to this Section 2.8(b) unless Company agrees to pay all reasonable incremental expenses incurred by such Purchaser as a result of utilizing such other lending office as described above.

Section 2.9 Replacement of a Purchaser.

IF:

(a) Company receives a statement of amounts due pursuant to Section 2.8(a) from a Purchaser;

(b) a Purchaser (a "**Non-Consenting Purchaser**") refuses to give timely consent to an amendment, modification or waiver of this Agreement that, pursuant to Section 9.6, requires consent of 100% of the Purchasers or 100% of the Purchasers with Obligations directly affected (and the consent of Requisite Purchasers has been given with respect thereto); or

(c) a Purchaser becomes an Affected Purchaser (any such Purchaser described in clauses (a) through (c), a "**Subject Purchaser**");

THEN so long as (i) Company has obtained a commitment from another Person (such other Person being called a "**Replacement Purchaser**") to purchase at par the Subject Purchaser's Notes and assume all other obligations of the Subject Purchaser hereunder, and (ii), if applicable, the Subject Purchaser is unwilling to withdraw the notice delivered to Company pursuant to Section 2.8 and/or is unwilling to remedy its default upon 10 days prior written notice to the Subject Purchaser, Company may require the Subject Purchaser to Transfer the Restated Notes to such other Person pursuant to the provisions of Section 9.1(b); provided that, prior to or concurrently with such replacement:

(A) the Subject Lender shall have received payment in full of all principal, interest, fees and other amounts (including all amounts under Section 2.6(d), 2.7 and/or 2.8(b) (if applicable)) accrued through such date of replacement, as purchase price; and

(B) in the event such Subject Purchaser is a Non-Consenting Purchaser, each Transferee shall consent, at the time of such Transfer, to each matter in respect of which such Subject Purchaser was a Non-Consenting Purchaser and Company also requires each other Subject Purchaser that is a Non-Consenting Purchaser to Transfer its Restated Notes.

Section 2.10 Issuance and Sale of Restated Notes on the Restatement Effective Date. Subject to the terms and conditions set forth in this Agreement, as provided in Section 2.11, on the Restatement Effective Date, Company will issue and deliver to Purchaser the Restated Notes in the aggregate original principal amount of $75,000,000, and Purchasers shall deliver to the Company the Original Notes.

Section 2.11 Restated Notes. The Restated Notes issued pursuant hereto in exchange for the Original Notes shall evidence the principal amounts of all Restated Notes hereunder, and the date and principal amount of each purchase and sale of Restated Notes to Purchasers by Company, as well as each payment, Prepayment Premium, if any, made on account of the principal thereof, and in each case the resulting aggregate unpaid principal balance thereof, shall be recorded by each Purchaser on its books; provided, that failure by Purchaser to make any such recordation shall not affect the obligations of Company hereunder or under such Restated Note. Such recordation by each Purchaser shall be conclusive and binding for all purposes in the absence of manifest error.

Section 2.12 Closing. The sale and delivery of the Restated Notes to be issued pursuant to Section 2.10 shall take place at the offices of Kirkland & Ellis LLP, New York, New York, at 10:00 A.M., local time on the Restatement Effective Date or such other place and time in New York on such date as Purchaser and Company may agree. On the Restatement Effective Date, Company shall deliver to Purchaser a single Restated Note representing the Restated Notes registered in Purchaser's name, duly executed by Company and dated the Restatement Effective Date, in a principal amount equal to $75,000,000.

Section 2.13 Subordination. The Restated Notes and all other Obligations of the Credit Parties under the Note Documents are and shall at all times be and remain subordinated and subject in rights of payment to the extent and in the manner set forth in the Subordination Agreement to the prior payment in full of all Senior Loans and ABL Loans.

Section 2.14 [Reserved]

Section 2.15 AHYDO Payments. Subject to the Subordination Agreement, if at the end of any accrual period (as defined in Section 1272(a)(5) of the Internal Revenue Code ending after the fifth anniversary of the Restatement Effective Date, the aggregate amount of the accrued and unpaid original issue discount (as defined in Section 1273(a)(1)) of the Internal Revenue Code on the Restated Notes would, but for this paragraph, exceed an amount equal to

the product of the Restated Notes' issue price (as defined in Sections 1273(b) and 1274(a) of the Internal Revenue Code) multiplied by the yield to maturity (as defined in Treasury Regulation Section 1.1272-1(b)(1)(i)) (the "Maximum Accrual"), all accrued and unpaid interest, including any interest subject to an Interest Election pursuant to Section 2.2(e), and original issue discount on the Restated Notes as of the end of such accrual period in excess of an amount equal to the Maximum Accrual shall be paid by the Company to Purchasers.

ARTICLE III
CONDITIONS

The obligations of Purchasers to enter into this Agreement on the Restatement Effective Date and perform any of their obligations hereunder are subject to prior or concurrent satisfaction of the following conditions:

Section 3.1 Note Documents. On or before the Restatement Effective Date, Holdings shall, and shall cause each other Credit Party to, deliver to Purchasers the following with respect to Holdings or such Credit Party, as the case may be, each, unless otherwise noted, dated the Restatement Effective Date:

(a) Copies of the Organizational Documents of such Person, certified by the Secretary of State of its jurisdiction of organization or, if such document is of a type that may not be so certified, certified by the secretary or similar Officer of the applicable Credit Party, together with a good standing certificate from the Secretary of State of its jurisdiction of organization and each other state in which such Person is qualified to do business and, to the extent generally available, a certificate or other evidence of good standing as to payment of any applicable franchise or similar Taxes from the appropriate taxing authority of each of such jurisdictions, each dated a recent date prior to the Restatement Effective Date;

(b) Resolutions of the Governing Body of such Person approving and authorizing the execution, delivery and performance of the Note Documents to which it is a party, certified as of the Restatement Effective Date by the secretary or similar Officer of such Person as being in full force and effect without modification or amendment;

(c) Signature and incumbency certificates of the Officers of such Person executing the Note Documents to which it is a party;

(d) Executed originals of the Note Documents to which such Person is a party (including the Subsidiary Guaranty executed and delivered by each Subsidiary of Holdings and Company); and

(e) Such other documents as Purchasers may reasonably request.

Section 3.2 Fees. Company shall have paid to Purchasers, the fees payable on the Restatement Effective Date referred to in Section 2.3.

Section 3.3 Corporate and Capital Structure; Ownership. The corporate organizational structure, capital structure and ownership of Holdings and its Subsidiaries shall be as set forth on Schedule 3.3 annexed hereto.

Section 3.4 Representations and Warranties. Holdings shall have delivered to Purchasers an Officer's Certificate, in form and substance reasonably satisfactory to Purchasers, to the effect that the representations and warranties in ARTICLE IV are true, correct and complete in all material respects on and as of the Restatement Effective Date to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true, correct and complete in all material respects on and as of such earlier date), that each Credit Party shall have performed in all material respects all agreements and satisfied all conditions which this Agreement provides shall be performed or satisfied by it on or before the Restatement Effective Date except as otherwise disclosed to and agreed to in writing by Purchasers and that no Potential Event of Default or Event of Default has occurred and is continuing; *provided* that, if a representation and warranty, covenant or condition is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty, covenant or condition for purposes of this condition.

Section 3.5 Financial Statements; Pro Forma Balance Sheet. On or before the Restatement Effective Date, Company shall have delivered to Purchasers (i) audited consolidated financial statements of Holdings and its Subsidiaries for Fiscal Year 2009, consisting of consolidated balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Years, (ii) unaudited consolidated financial statements of Holdings and its Subsidiaries as at March 31, 2010, consisting of a consolidated balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for the 3-month period ending on such date, all in reasonable detail and certified by the chief financial officer of Holdings that they fairly present the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments, (iii) pro forma consolidated balance sheets of Holdings and its Subsidiaries as at the Restatement Effective Date, reflecting the consummation of the Transactions, and (iv) projected financial statements (including balance sheets and income and cash flow statements) of Holdings and its Subsidiaries for the five-year period after the Restatement Effective Date, including forecasted consolidated statements of income of Holdings and its Subsidiaries on an annual basis for each Fiscal Year beginning with Fiscal Year 2011 and each Fiscal Year thereafter during such period, together with an explanation of the assumptions on which such forecasts are based.

Section 3.6 Reserved.

Section 3.7 Solvency Assurances. On the Restatement Effective Date, Purchasers shall have received either (i) an Officer's Certificate of Holdings, substantially in the form of Exhibit III annexed hereto or (ii) an opinion of Murray, Devine & Co., Inc. in form reasonably satisfactory to Purchaser, in each case dated the Restatement Effective Date and certifying or opining (as applicable) that, after giving effect to the consummation of the Transactions, the Credit Parties on a consolidated basis will be Solvent.

Section 3.8 [Reserved]

Section 3.9 Necessary Governmental Authorizations and Consents; Expiration of Waiting Periods, Etc. Each such Governmental Authorization and consent shall be in full force and effect, except in a case where the failure to obtain or maintain a Governmental Authorization or consent, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Note Documents or the financing thereof.

Section 3.10 Purchasers shall have received a repayment of the Original Notes in the amount of at least $9,500,000.

Section 3.11 [Reserved]

Section 3.12 [Reserved]

Section 3.13 [Reserved]

Section 3.14 Restatement Effective Date Indebtedness. Purchasers shall have received (i) an Officer's Certificate from each Credit Party stating that following the Transactions, the Credit Parties shall not be obligors with respect to any Indebtedness or Contingent Obligations outstanding except for Permitted Indebtedness and Contingent Obligations permitted under Sections 6.1 and 6.4 respectively and (ii) all pay off letters, documents or instruments reasonably necessary to release all Liens securing Indebtedness or other obligations of the Credit Parties required to be released as of the Restatement Effective Date.

Section 3.15 Related Agreements in Full Force and Effect. On the Restatement Effective Date, Holdings shall have delivered to Purchasers an Officer's Certificate attaching a true, correct and fully executed or conformed copy of each Related Agreement and certifying that each Related Agreement shall be in full force and effect and no provision thereof shall have been modified or waived in any material respect in a manner materially adverse to Purchasers, in each case without the consent of Purchasers (not to be unreasonably withheld or delayed).

Section 3.16 [Reserved]

Section 3.17 [Reserved]

Section 3.18 Sand Purchase Documents. Purchasers shall have received fully executed copies of each of the Sand Purchase Documents and any amendments thereto, on terms and conditions reasonably satisfactory to Purchasers and consistent with third party analyses, appraisals and reports received by Purchasers.

Section 3.19 Senior Loans and ABL Loan Documents, Intercreditor Agreement and Subordination Agreement. Concurrently with the delivery of the Restated Notes hereunder, the Senior Loan Agreement and the ABL Loan Agreement, the Intercreditor

Agreement and the Subordination Agreement, each on terms and conditions reasonably satisfactory to Purchasers, shall be fully executed and delivered, and Company has received the gross cash proceeds from the Senior Loans to be funded on the Restatement Effective Date.

Section 3.20 Material Adverse Change. Since December 31, 2009, there shall have been no event, circumstance, occurrence or change which has had, or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.21 Required Documentation. Purchasers shall have received, to the extent requested, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

Section 3.22 Foreign Subsidiaries. Notwithstanding the other provisions of this Article III, no Foreign Subsidiary shall be required to execute and deliver the Subsidiary Guaranty.

Section 3.23 Completion of Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto, in each case to the extent described in this Article III, not previously found reasonably acceptable by Purchasers and their counsel shall be reasonably satisfactory in form and substance to Purchasers and such counsel, and Purchasers and such counsel shall have received all such counterpart originals or certified copies of such documents as Purchasers may reasonably request.

Section 3.24 Evidence of Transactions. Purchasers shall have received satisfactory evidence that the payment of a dividend of up to $52,000,000 to Hourglass Holdings, LLC has been made in accordance with the Funds Flow Memorandum.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

In order to induce Purchasers to enter into this Agreement, each Credit Party, jointly and severally, represents and warrants to each Purchaser on the Restatement Effective Date:

Section 4.1 Organization, Powers, Qualification, Good Standing, Business and Subsidiaries.

(a) **Organization and Powers** Each Credit Party is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, organization or formation as specified in Schedule 4.1 annexed hereto (to the extent such concept is applicable in the relevant jurisdiction). Each Credit Party has all requisite power and authority own and operate its properties and to carry on its business as now conducted and as proposed to be conducted, to enter into the Transaction Documents to which it is a party and to carry out the Transactions.

(b) **Qualification and Good Standing** Each Credit Party is qualified to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of property or conduct of its business requires such qualification, except in jurisdictions where the failure to be so qualified or in good standing could not reasonably be expected to result in a Material Adverse Effect.

(c) **Conduct of Business** Holdings has no other assets other than (i) the Capital Stock of Company and/or the Intermediate Holding Companies, (ii) as permitted as a result of permitted holding company activity contemplated pursuant to Section 6.11 and (iii) any Sand Purchase Documents to which it is a party. Holdings and its Subsidiaries are engaged only in the businesses permitted to be engaged in pursuant to Section 6.11.

(d) **Subsidiaries** As of the Restatement Effective Date, (i) all of the Subsidiaries of Holdings and their jurisdictions of incorporation, organization or formation are identified in Schedule 4.1; (ii) the Capital Stock of each of Holdings and its Subsidiaries identified in Schedule 4.1 is duly authorized, validly issued, fully paid and non-assessable and none of such Capital Stock constitutes Margin Stock and (iii) Schedule 4.1 correctly sets forth the ownership interest of Holdings and each of its Subsidiaries in each of the Subsidiaries of Holdings identified therein. As of the Restatement Effective Date, each of the Subsidiaries of Holdings identified in Schedule 4.1 is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation, organization or formation set forth therein, has all requisite power and authority to own and operate its properties and to carry on its business as now conducted and as proposed to be conducted, and is qualified to do business and in good standing in every jurisdiction where the ownership, leasing or operation of property or the conduct of its business requires such qualification (to the extent such concept is applicable in the relevant jurisdiction) necessary to carry out its business and operations, in each case except where failure to be so qualified or in good standing or a lack of such power and authority has not had and could not reasonably be expected to result in a Material Adverse Effect.

Section 4.2 Authorization of Transactions, etc.

(a) **Authorization of Transactions** The execution, delivery and performance of the Transaction Documents have been duly authorized by all necessary action on the part of each Credit Party that is a party thereto.

(b) **No Conflict** The execution, delivery and performance by each Credit Party of the Transaction Documents to which it is a party and the consummation of the Transactions do not and will not (i) violate any provision of any law or any governmental rule or regulation applicable to such Credit Party or any of its Subsidiaries, the Organizational Documents of such Credit Party or any of its Subsidiaries or any order, judgment, decree or order of any court or other Government Authority binding on such Credit Party or any of its Subsidiaries, (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of such Credit Party or any of its Subsidiaries, (iii) result in or require the creation or imposition of any Lien upon any of the properties or assets of such Credit Party or any of its Subsidiaries (other than any Liens created or permitted under any of the Note

Documents), or (iv) require any approval of stockholders or any approval or consent of any Person under any Contractual Obligation of such Credit Party or any of its Subsidiaries, except for such approvals or consents which will be obtained on or before the Restatement Effective Date and, in each case, to the extent such violation, conflict, breach, default, Lien or failure to obtain such approval or consent could not reasonably be expected to result in a Material Adverse Effect.

(c) **Governmental Consents** The execution, delivery and performance by each applicable Credit Party of the Transaction Documents to which it is a party and the consummation of the Transactions do not and will not require any Governmental Authorization except for (i) such approvals which have been obtained and are in full force and effect, (ii) filings in connection with the Liens created by or pursuant to the Senior Loan Documents, and (iii) filings which customarily are required in connection with the exercise of remedies in respect of the Senior Collateral.

(d) **Binding Obligation** Each of the Transaction Documents has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

Section 4.3 Financial Condition. Company has heretofore delivered to Purchasers, at Purchasers' request, the financial statements and information described in Section 3.5. All such statements other than pro forma financial statements were prepared in conformity with GAAP, except as otherwise expressly noted therein, and fairly present, in all material respects, the financial position (on a consolidated basis) of the entities described in such financial statements as at the respective dates thereof and the results of operations and cash flows (on a consolidated basis) of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments and the absence of footnotes. Neither Holdings nor any of its Subsidiaries has (and will not have following the funding of the Restated Notes) any Contingent Obligation, contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment that is not reflected in the foregoing financial statements or the notes thereto and that is material in relation to the consolidated business, operations, properties, assets or condition (financial or otherwise) of Company or any of its Subsidiaries other than (a) liabilities arising in the ordinary course of business since the date of such financial statements, (b) liabilities that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, or (c) liabilities disclosed on Schedule 4.3.

Section 4.4 No Material Adverse Change; No Restricted Junior Payments. Since December 31, 2009, no event, change, development, condition or circumstance has occurred which, individually or in the aggregate (with any other events, changes, developments, conditions or circumstances), has had or could reasonably be expected to have a Material Adverse Effect. On the Restatement Effective Date, neither Holdings, Company nor any of their respective Subsidiaries has directly or indirectly declared, ordered, paid or made, or set apart any sum or property for, any Restricted Junior Payment or agreed to do so except as permitted by Section 6.5.

Section 4.5 Title to Properties; Liens; Real Property; Intellectual Property.

(a) **Title to Properties; Liens** Credit Parties have (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in or rights to use (in the case of leasehold interests in or rights to use real or personal property) or (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in the financial statements referred to in Section 4.3 or in the most recent financial statements delivered pursuant to Section 5.1, in each case except for (i) such defects in title as could not reasonably be expected to result in a Material Adverse Effect, (ii) Permitted Encumbrances and the other Liens permitted pursuant to Section 6.2(a), and (iii) assets disposed of since the date of such financial statements in the ordinary course of business or as otherwise permitted under Section 6.7. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

(b) **Real Property** As of the Restatement Effective Date, Schedule 4.5(b) annexed hereto contains a true, accurate and complete list of (i) all fee interests in any Real Property Assets and (ii) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Material Leasehold Property, to which a Credit Party is the tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Except as specified in Schedule 4.5(b) annexed hereto, each agreement listed in clause (ii) of the immediately preceding sentence is in full force and effect as of the Restatement Effective Date and Company does not have knowledge as of the Restatement Effective Date of any default by any Credit Party, party to such agreement that has occurred and is continuing thereunder, and each such agreement constitutes the legally valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

(c) **Intellectual Property** As of the Restatement Effective Date, Holdings and its Subsidiaries own or have the right to use, all Intellectual Property used in the present conduct of their business, except where the failure to own or have such right to use in the aggregate could not reasonably be expected to result in a Material Adverse Effect. No claim has been asserted in writing and has been received by any Credit Party in the past two years and no such written claim received by such Credit Party is pending by any Person against any Credit Party of any of their Subsidiaries challenging or questioning the use of any such Intellectual Property by any Credit Party or the validity or effectiveness of any such Intellectual Property, except for such claims that in the aggregate could not reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Credit Parties, the use of such Intellectual Property by Holdings and its Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to result in a

Material Adverse Effect. All federal, state and foreign registrations of and applications for Intellectual Property that are owned by Holdings or any of its Subsidiaries as of the Restatement Effective Date are identified on Schedule 4.5(c) annexed hereto.

Section 4.6 Litigation; Adverse Facts. Except as disclosed on Schedule 4.6 annexed hereto, there are no Proceedings (whether or not purportedly on behalf of any Credit Party or any of its Subsidiaries) at law or in equity, or before or by any court or other Government Authority (including any Environmental Claims) that are pending or, to the knowledge of any Credit Party, threatened against any Credit Party or any of its Subsidiaries and that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No Credit Party nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or other Government Authority that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

Section 4.7 Payment of Taxes. Except to the extent permitted by Section 5.3, all federal or other material Tax returns and reports of each Credit Party and its Subsidiaries required to be filed by any of them have been timely filed, and all federal or other material Taxes shown on such Tax returns to be due and payable and all material assessments, fees and other governmental charges upon such Credit Party and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises that are due and payable have been paid when due and payable and all material assessments, fees and other governmental charges upon each Credit Party and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises that are due and payable have been paid when due and payable, in each case, other than taxes, assessments and other governmental charges which are being contested in good faith and by appropriate proceedings. Company knows of no proposed tax assessment against any Credit Party or its Subsidiaries that is not being actively contested by such Credit Party or such Subsidiary in good faith and by appropriate proceedings; provided that such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

Section 4.8 Federal Regulations.

(a) **Federal Power Act; etc.** No Credit Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act, the Interstate Commerce Act or the Investment Company Act of 1940 or, to the knowledge of Company, under any other federal or state statute or regulation which could limit its ability to incur Indebtedness or which could otherwise render all or any of the Obligations unenforceable.

(b) **Terrorism Laws** Neither the extension of credit under the Restated Notes and under this Agreement nor the Credit Parties' use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, neither Holdings nor any of its Subsidiaries or Affiliates (a) is or

will become a Person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such Person. Holdings and its Subsidiaries and Affiliates are in compliance, in all material respects, with the USA Patriot Act.

(c) **Anti-Money Laundering Laws** Neither the Credit Parties nor any of their respective Subsidiaries nor, to Company's knowledge, any holder of a direct or indirect interest in Holdings or any of its Subsidiaries (i) is under investigation by any Government Authority for, or has been charged with, or convicted of, money laundering under 18 U.S.C. §§ 1956 and 1957, drug trafficking, terrorist-related activities or other money laundering predicate crimes, or any violation of the Bank Secrecy Act, 31 U.S.C. §§5311 et. seq. (all of the foregoing, collectively, the "**Anti-Money Laundering Laws**"), (ii) has been assessed civil penalties under any Anti-Money Laundering Laws or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws.

(d) **Federal Reserve Regulations** No part of the proceeds of the Restated Notes will be used for "buying" or "carrying" any Margin Stock or for any purpose which violates the provisions of the Regulations of the Federal Reserve Board. Following the application of the proceeds of Restated Notes, not more than 25% of the value of the assets of the Credit Parties (on a consolidated basis) will be invested in Margin Stock.

Section 4.9 ERISA.

(a) No Credit Party or ERISA Affiliate has incurred or could be reasonably expected to incur any liability to, or on account of, a Multiemployer Plan as a result of a violation of Section 515 of ERISA or pursuant to Section 4201, 4204 or 4212(c) of ERISA which could reasonably be expected to result in a Material Adverse Effect;

(b) Each Employee Plan complies in all material respects in form and operation with ERISA, the Internal Revenue Code (except where such failure could not reasonably be expected to result in a Material Adverse Effect);

(c) The present value of the "benefit liabilities" (within the meaning of Section 4001(a)(16) of ERISA) of each Employee Plan subject to Title IV of ERISA (using the actuarial assumptions and methods used by the actuary to that Employee Plan in its most recent valuation of that Employee Plan) do not exceed the fair market value of the assets of each such Employee Plan by an amount which could reasonably be expected to result in a Material Adverse Effect;

(d) There is no litigation, arbitration, administrative proceeding or claim pending or (to the best of each Credit Party and ERISA Affiliates' knowledge and belief) threatened against or with respect to any Employee Plan (other than routine claims for benefits) which has or, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(e) Each Credit Party and each ERISA Affiliate has made all material contributions to each Employee Plan and Multiemployer Plan required by law within the applicable time limits prescribed by law, the terms of that plan and any contract or agreement requiring contributions to that plan (except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect);

(f) No Credit Party or ERISA Affiliate has ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA, or ceased making contributions to any Employee Plan subject to Section 4064(a) of ERISA to which it made contributions which could reasonably be expected to result in a Material Adverse Effect;

(g) No Credit Party or ERISA Affiliate has incurred or could reasonably be expected to incur any liability to the PBGC (other than liability to the PBGC for the payment of periodic premiums); and

(h) Except as set forth in Schedule 4.9, no ERISA Event has occurred or is reasonably likely to occur.

Section 4.10 Certain Fees. No broker's or finder's fee or commission will be payable with respect to this Agreement or any of the transactions contemplated hereby, and Company hereby indemnifies Purchasers against, and agrees that it will hold Purchasers harmless from, any claim, demand or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including reasonable fees, expenses and disbursements of counsel) arising in connection with any such claim, demand or liability.

Section 4.11 Environmental Protection. Except as set forth in Schedule 4.11 annexed hereto:

(a) no Credit Party or any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to (i) any Environmental Law, (ii) any Environmental Claim or (iii) any Hazardous Materials Activity; that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(b) no Credit Party has received any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9604) or any comparable state law which is pending or unresolved, that, individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect;

(c) to Holdings' knowledge, there are and have been no conditions, occurrences, or Hazardous Materials Activities that violate any applicable Environmental Law or could reasonably be expected to form the basis of an Environmental Claim against any Credit Party or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect; and

(d) to Holdings' knowledge, each Credit Party has complied and is in compliance with all Environmental Laws, except for such noncompliance which could not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect.

Section 4.12 Employee Matters. There is no strike or work stoppage in existence or, to the knowledge of Holdings, threatened involving Holdings or any of its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect.

Section 4.13 Solvency. Immediately after giving effect to the Transactions, the Credit Parties, taken as a whole and on a consolidated basis, are Solvent.

Section 4.14 [Reserved]

Section 4.15 [Reserved]

Section 4.16 Disclosure. No representation or warranty of any Credit Party contained in any Note Document or in any other document, certificate or written statement (as modified or supplemented by other information so furnished) furnished to Purchasers by or on behalf of such Credit Party (other than projections and other forward looking information and information of a general economic or industry specific nature) for use in connection with the Transactions, contains any untrue statement of a material fact or omits to state a material fact (known to such Credit Party, in the case of any document not furnished by it) necessary in order to make the statements contained herein or therein, taken as a whole, not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information and other forward looking information contained in such materials are based upon good faith estimates and assumptions believed by the Credit Parties to be reasonable at the time made, it being recognized by Purchasers that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such difference may be material. There are no facts known to the Credit Parties (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and written statements furnished to Purchasers for use in connection with the Transactions.

Section 4.17 Permitted Indebtedness. None of the Credit Parties nor any of their Subsidiaries has incurred, created, issued, assumed or otherwise become liable for, contingently or otherwise, or become responsible for the payment of, contingently or otherwise, any Indebtedness other than Permitted Indebtedness.

Section 4.18 Compliance with Laws.

(a) Except as set forth on Schedule 4.18, each of the Credit Parties and their respective Subsidiaries are in compliance with all laws (including New Jersey's Industrial Site Recovery Act), regulations and orders of any Government Authority applicable to it or its property including, but not limited to, all Environmental Laws, except where failure to do so, individually or in aggregate, could not reasonably be expected to result in a Material Adverse Effect; and

(b) All governmental approvals (federal, state and foreign), permits, authorizations, certificates, rights, exemptions and orders from any Government Authority and licenses (the "**Permits**") required to be held or obtained by Holdings or any of its Subsidiaries in connection with the conduct of their business as presently conducted have been obtained and are in full force and effect and are being complied with and there has not been any default under any such Permits; except where failure to do so or where such default, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 4.19 No Default. No Event of Default or Potential Event of Default has occurred and is continuing.

Section 4.20 [Reserved]

Section 4.21 Material Contracts. No Credit Party is in breach or violation of any of the terms, conditions or provisions of any Material Contracts or any lease with respect to any Material Leasehold Property, except for such breaches and violations thereof as in the aggregate do not and could not reasonably be expected to have a Material Adverse Effect.

Section 4.22 Brokers' Fees. None of the Credit Parties has any obligation to any Person in respect of any finder's, broker's, investment banking or other similar fee in connection with the Note Documents other than the closing and other fees payable pursuant to this Agreement or any fee letter in respect of this Agreement.

Section 4.23 Ranking of Restated Notes. The Indebtedness represented by the Restated Notes and the other Obligations under the Note Documents of each Credit Party are intended to constitute senior subordinated Indebtedness of the Credit Parties, and accordingly is, and shall be at all times while the Restated Notes remain outstanding, senior in right of payment to, or pari passu with, all other Indebtedness (other than Senior Obligations, ABL Obligations, and Credit Parties' obligations under the Hedge Agreements which are secured pursuant to the Senior Loan Documents, which shall at all times be senior to the Indebtedness, to the extent such Senior Obligations, ABL Obligations and hedging obligations are permitted under the Note Documents) of such Credit Party, as the case may be, respectively.

Section 4.24 Securities Offering. None of the Credit Parties nor any of its representatives has taken or will take any action which would subject the issuance or sale of any of the Restated Notes to the provisions of Section 5 of the Securities Act or violate the provisions of any securities or Blue Sky laws of any applicable jurisdiction.

Section 4.25 Representations of Purchasers. Each Purchaser, severally for itself only, hereby represents and warrants that:

(a) Such Purchaser is acquiring the Restated Notes for its own account (or for the account of funds that such Purchaser manages), and not as nominee or agent, for the purpose of investment and not with a view to distribution in violation of the Securities Act, without prejudice, however, to each Purchaser's right at all times to sell or otherwise dispose of all or any part of such Restated Notes pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from such registration under the Securities Act or pursuant to a pledge by a Purchaser which is a fund of all or any portion of its rights under this Agreement to its trustee in support of its obligations to its trustee; subject, nevertheless, to the condition that the disposition of the property of such Purchaser shall at all times be within its control.

(b) Such Purchaser understands that it must bear the economic risk of its investment for an indefinite period of time because the Restated Notes will not be registered under the Securities Act or any applicable state securities laws and may not be resold unless subsequently registered under the Securities Act or unless an exemption from such registration is available.

(c) Such Purchaser represents that it is a sophisticated institutional investor and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Restated Notes. Such Purchaser further represents that it is an "accredited investor" as such term is defined in Rule 501 of Regulation D under the Securities Act with respect to the purchase of the Restated Notes.

ARTICLE V
AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees, jointly and severally (to the extent possible), that, until payment in full of all of the Obligations (other than Unasserted Obligations), unless Requisite Purchasers shall otherwise give prior written consent, it shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this ARTICLE V.

Section 5.1 Financial Statements and Other Reports. Holdings will maintain, and cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with GAAP. Company will deliver to Purchasers:

(a) **Events of Default, etc.** promptly upon any Officer of a Credit Party obtaining knowledge (i) of any condition or event that constitutes an Event of Default or Potential Event of Default, (ii) that any Person has given any notice to Holdings or any of its Subsidiaries or taken any other material action against Holdings, its Subsidiaries or their respective assets with respect to a claimed default or event or condition of the type referred to in Section 7.2 or (iii) of the occurrence of any event or change that caused or evidences either in any case or in the aggregate, a Material Adverse Effect, an Officer's Certificate specifying the nature and period of existence of such condition, event or change, or specifying the notice given or action taken by any such Person and the nature of such claimed Event of Default, Potential Event of Default, default, event or condition, and what action any Credit Party has taken, is taking and proposes to take with respect thereto;

(b) **Monthly and Quarterly Financials** as soon as available and in any event within 30 days after the end of each month (provided that the monthly financials for the month of December shall be due on the same day as the Year-End Financials in accordance with Section 5.1(c) below) and within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, the consolidated balance sheet of Holdings and its Subsidiaries as at the end of such fiscal period and the related consolidated statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for such fiscal period and for the period from the beginning of the then current Fiscal Year to the end of such fiscal period, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the Financial Plan for the current Fiscal Year, to the extent prepared for such fiscal period, all in reasonable detail and certified by the chief financial officer, chief executive officer, principal accounting officer, treasurer, assistant treasurer or controller of Company that they fairly present, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments, and a narrative report describing the operations of Company and its Subsidiaries in the form prepared for presentation to senior management for each Fiscal Quarter;

(c) **Year-End Financials** as soon as available and in any event within 90 days after the end of each Fiscal Year , beginning with Fiscal Year ending December 31, 2010, (i) the consolidated balance sheet of Holdings and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, and the corresponding figures from the Financial Plan for the Fiscal Year covered by such financial statements, all in reasonable detail and certified by the chief financial officer, chief executive officer, principal accounting officer, treasurer, assistant treasurer or controller of Company that they fairly present, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, and (ii) in the case of such consolidated financial statements, a report thereon of either Grant Thornton or other independent certified public accountants of recognized national standing selected by Company and reasonably satisfactory to Purchasers, which report shall be unqualified as to scope of audit, shall express no doubts, assumptions or qualifications concerning the ability of Holdings and its Subsidiaries to continue as a going concern and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(d) **[Reserved]**

(e) **Reconciliation Statements** if, as a result of any change in accounting principles and policies from those used in the preparation of the audited financial statements referred to in Section 4.3, the consolidated financial statements of Holdings and its Subsidiaries delivered pursuant to subsections (b), (c) or (j) of this Section 5.1 will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subsections had no such change in accounting principles and policies been made, then (i) within 30 days of the first delivery of financial statements pursuant to subsection (b), (c) or (j) of this Section 5.1 following such change, consolidated financial statements of Holdings and its Subsidiaries for (A) the current Fiscal Year to the effective date of such change and (B) the two full Fiscal Years immediately preceding the Fiscal Year in which such change is made, in each case prepared on a pro forma basis as if such change had been in effect during such periods and (ii) within 30 days of each delivery of financial statements pursuant to subsection (b), (c) or (j) of this Section 5.1 following such change, if required pursuant to Section 1.2, a written statement of the chief accounting officer or chief financial officer of Company setting forth the differences which would have resulted if such financial statements had been prepared without giving effect to such change;

(f) **Accountants' Reports** promptly upon receipt thereof (unless restricted by applicable professional standards), copies of all final reports submitted to Company by independent certified public accountants in connection with each annual, interim or special audit of the financial statements of Holdings and its Subsidiaries made by such accountants, including any final comment letter submitted by such accountants to management in connection with their annual audit;

(g) **SEC Filings and Press Releases** promptly upon their becoming available, copies of (i) all financial statements, reports, notices and proxy statements sent or made available generally by Holdings or Company to their security holders or by any Subsidiary of Holdings to its security holders other than Holdings or another Subsidiary of Holdings, and (ii) all regular and periodic reports and all registration statements (other than on Form S-8 or a similar form) and prospectuses, if any, filed by Holdings or any of its Subsidiaries with any securities exchange or with the Securities and Exchange Commission or any Government Authority or private regulatory authority;

(h) **Litigation or Other Proceedings** promptly upon any Officer of Company obtaining knowledge of (i) the institution or threat of any Proceeding against or affecting any Credit Party or any of its Subsidiaries or any property of any Credit Party or any of its Subsidiaries not previously disclosed in writing by Company to Purchasers or (ii) any material development in any Proceeding that, in any case:

(A) could reasonably be expected to have a Material Adverse Effect; or

(B) seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, any of the Transactions; written notice thereof together with such other information as may be reasonably available to Company to enable Purchasers and their counsel to evaluate such matters;

(i) **ERISA**

Each Credit Party shall:

(a) promptly upon a request by a Purchaser, deliver to Purchasers copies of (i) Schedule B (Actuarial Information) to the Annual Report (IRS Form 5500 Series) with respect to each Employee Plan, and (ii) such other documents or governmental reports or filings relating to any Employee Plan as any Purchaser shall reasonably request;

(b) within seven days after it or any ERISA Affiliate becomes aware that any ERISA Event has occurred or is forthcoming, in the case of any ERISA Event which requires advance notice under Section 4043(b)(3) of ERISA, will occur, deliver to Purchasers a statement signed by a director or other authorized signatory of a Credit Party or ERISA Affiliate describing that ERISA Event and the action, if any, taken or proposed to be taken with respect to that ERISA Event;

(c) within seven days after receipt by it or any ERISA Affiliate or any administrator of an Employee Plan, deliver to Purchasers copies of each notice from the PBGC stating its intention to terminate any Employee Plan or to have a trustee appointed to administer any Employee Plan; and

(d) within seven days after becoming aware of any event or circumstance which might constitute grounds for the termination of (or the appointment of a trustee to administer) any Employee Plan or Multiemployer Plan, provide an explanation of that event or circumstance by a director of the Credit Party or ERISA Affiliate affected by that event or circumstance.

(j) **Financial Plans** as soon as practicable and in any event no later than the beginning of each Fiscal Year, starting with the Fiscal Year beginning on January 1, 2011, a consolidated plan and financial forecast for such Fiscal Year (the "**Financial Plan**" for such Fiscal Year), including (i) a forecasted consolidated balance sheet and forecasted consolidated statements of income and cash flows of Holdings and its Subsidiaries for such Fiscal Year, together with an explanation of the assumptions on which such forecasts are based and (ii) forecasted consolidated balance sheets and forecasted consolidated statements of income and cash flows of Holdings and its Subsidiaries for each month of such Fiscal Year, together with an explanation of the assumptions on which such forecasts are based;

(k) **Insurance** as soon as practicable after any material change in insurance coverage maintained by Holdings and its Subsidiaries notice thereof to Purchasers specifying the changes and reasons therefor;

(l) **Senior Loan Documents** promptly upon execution and delivery or receipt thereof, copies of (i) any amendment, restatement, supplement or other modification to or waiver of any Senior Loan Document entered into after the date hereof, and (ii) copies of all notices to Company from holders of any Senior Obligations in their capacities as such or a trustee, agent or other representative of such a holder;

(m) **ABL Loan Documents** promptly upon execution and delivery or receipt thereof, copies of (i) any amendment, restatement, supplement or other modification to or waiver of any ABL Loan Document entered into after the date hereof, and (ii) copies of all notices to Company from holders of any ABL Obligations or a trustee, agent or other representative of such a holder;

(n) **Sand Purchase Documents** promptly upon execution and delivery or receipt thereof, copies of (i) any amendment, restatement, supplement or other modification to or waiver of any Sand Purchase Document entered into after the date hereof, and (ii) copies of all material notices from any party to any Sand Purchase Document;

(o) **Other Information** with reasonable promptness, such other information and data with respect to Holdings or any of its Subsidiaries as from time to time may be reasonably requested by any Purchaser; and

(p) **Electronic Posting** information required to be delivered pursuant to subsections (b), (c), and (h) of this Section 5.1 shall be deemed to have been delivered on the date on which any Credit Party provides notice to Purchasers that such information has been posted on such Credit Party's Internet website at the website address listed on the signature page hereof or at another website identified in such notice and accessible to Purchasers without charge including but not limited to Intralinks; *provided that* such Credit Party shall deliver paper copies of such information to any Purchaser that requests such delivery.

Section 5.2 Existence, etc. Except as permitted under Section 6.7, each Credit Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect its existence in the jurisdiction of incorporation, organization or formation specified on Schedule 4.1 and all rights, qualifications, licenses, permits, Governmental Authorizations, Intellectual Property rights and franchises material to its business; *provided, however, that* no Credit Party nor any of its Subsidiaries shall be required to preserve any such rights, qualifications, licenses, permits, governmental authorizations, Intellectual Property rights and franchises or franchises if the Governing Body of such Credit Party or Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Credit Party or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

Section 5.3 Payment of Taxes and Claims; Tax.

(a) Holdings will, and will cause each of its Subsidiaries to, pay all material federal and other material Taxes, assessments and other governmental charges imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty accrues thereon, and all claims (including claims for labor,

services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; *provided that* no such material Tax, assessment, charge or claim need be paid: if it is being contested in good faith by appropriate Proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor.

(b) Holdings will not, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than GGC USS Holdings and Holdings or any of their Subsidiaries).

Section 5.4 Maintenance of Properties; Insurance.

(a) **Maintenance of Properties** Except for dispositions permitted under Section 6.7, Holdings will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in reasonably good repair, working order and condition, ordinary wear and tear excepted, all of its material properties used or useful in the business of Holdings and its Subsidiaries and from time to time will make or cause to be made all reasonably necessary repairs, renewals and replacements thereof.

(b) **Insurance**

(i) Subject, in the case of Silica Related Claims, to the terms of Section 5.4(b)(ii) below, Company will, and will cause each of its Subsidiaries to, maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Holdings and its Subsidiaries as may customarily be carried or maintained under similar circumstances by corporations of established reputation engaged in similar businesses in the same general area, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for corporations similarly situated in the industry and in the same general area.

(ii) Notwithstanding the terms of Section 5.4(b)(i) to the contrary, with respect to Silica Related Claims, the only insurance which Holdings and its Subsidiaries shall be required to maintain will be the insurance evidenced by those insurance policies in existence on the Restatement Effective Date and listed by general description on Schedule 5.4 hereto in which Company and its Subsidiaries are named as insured (or additional insured) either directly or indirectly or as successor-in-interest to, or assignee of ITT, U.S. Borax Company, Pennsylvania Glass Sand Corporation or Ottawa Silica Company, in respect to Silica Related Claims (the "**Silica Related Claims Policies**"). In regard thereto, Company and its Subsidiaries will (i) continue to keep all such policies in full force and effect at all times hereafter and (ii) notify Purchasers promptly, but in any event within five Business Days after receiving any notice or knowledge of any actual, pending or threatened termination or cancellation or denial of coverage thereunder.

Section 5.5 Inspection Rights; Purchaser Meeting; Maintenance of Books and Records.

(a) **Inspection Rights** Each Credit Party shall, and shall cause each of its Subsidiaries to, permit any authorized representatives designated by Requisite Purchasers to visit and inspect any of the properties of Company or of any of its Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their Officers and independent public accountants (*provided that* Company may, if it so chooses, be present at or participate in any such discussion), all upon reasonable written notice of at least three Business Days and at such reasonable times during normal business hours and not more than two times each calendar year or at any time or from time to time following the occurrence and during the continuation of an Event of Default.

(b) **Purchaser Meeting** Appropriate Officers of the Company shall, upon the request of Requisite Purchasers, participate in a meeting or conference call (determined by the Company in consultation with Purchasers) with Purchasers once during each Fiscal Year to be held at Company's principal offices (or at such other location as may be agreed to by Company and Requisite Purchasers) at such time as may be agreed to by Company and Requisite Purchasers.

(c) **Maintenance of Books and Records** Each Credit Party shall, and shall cause each of its Subsidiaries to, keep books and records which accurately reflect in all material respects its business affairs and all material transactions related thereto.

Section 5.6 Compliance with Laws, etc. Each Credit Party shall comply, and shall cause each of its Subsidiaries and all other Persons on or occupying any Facilities to comply, with the requirements of all applicable laws, rules, regulations and orders of any Government Authority (including all Environmental Laws), noncompliance with which could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

Section 5.7 ERISA. Each Credit Party shall:

(a) ensure that neither it nor any ERISA Affiliate engages in a complete or partial withdrawal, within the meaning of Sections 4203 and 4205 of ERISA, from any Multiemployer Plan which could reasonably be expected to result in a Material Adverse Effect;

(b) ensure that neither it nor any ERISA Affiliate adopts an amendment to an Employee Plan requiring the provision of security under ERISA or the Internal Revenue Code without the prior consent of Requisite Purchasers; and

(c) ensure that no Employee Plan is terminated under Section 4041 of ERISA.

Section 5.8 Environmental Matters.

(a) **Environmental Disclosure** Company will deliver to Purchasers as soon as practicable following the occurrence or receipt thereof, written notice describing in reasonable detail:

(i) any Hazardous Materials Activities the existence of which could reasonably be expected to result in one or more Environmental Claims having, individually or in the aggregate, a Material Adverse Effect;

(ii) any Environmental Claims that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(iii) any written request for information from any Government Authority is investigating whether a Credit Party or any of its Subsidiaries may be potentially responsible for any Release or threat of Release of Hazardous Materials; and

(iv) (A) any proposed acquisition of stock, assets, or property by any Credit Party or any of its Subsidiaries that could reasonably be expected to expose such Credit Party or any of its Subsidiaries to, or result in, Environmental Claims that have had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (B) any proposed action to be taken by any Credit Party or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject any Credit Party or any of its Subsidiaries to any material additional obligations or requirements under any Environmental Laws that could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(b) **Company's Actions Regarding Hazardous Materials Activities, Environmental Claims and Violations of Environmental Laws** Holdings shall, and shall cause each of its Subsidiaries to comply with applicable Environmental Laws except for any such noncompliance which could not reasonably be expected to have a Material Adverse Effect, and, without limiting the foregoing, Holdings shall take, and shall cause each of its Subsidiaries to take, any and all actions appropriate and consistent with good business practice to (i) cure any violation of applicable Environmental Laws by Holdings or its Subsidiaries that have had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (ii) respond to any Environmental Claim against Holdings or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

Section 5.9 Additional Subsidiary Guarantors.

(a) **Execution of Subsidiary Guaranty** Subject to the provisions of Section 5.9(c) below, in the event that any Person becomes a Subsidiary of Holdings after the date hereof, Holdings will promptly notify Purchasers of that fact and cause such Subsidiary to execute and deliver to Purchasers a counterpart of the Subsidiary Guaranty.

(b) **Subsidiary Organizational Documents** Holdings shall deliver to Purchasers, together with such Note Documents, (i) certified copies of such Subsidiary's Organizational Documents, together with a good standing certificate (to the extent such concept is applicable in the relevant jurisdiction) from the Secretary of State or similar Government Authority of the jurisdiction of its incorporation, organization or formation and, to the extent generally available, a certificate or other evidence of good standing as to payment of any applicable franchise or similar Taxes from the appropriate taxing authority of such jurisdiction, each to be dated a recent date prior to their delivery to Purchasers and (ii) a certificate executed by the secretary or similar Officer of such Subsidiary as to (A) the fact that the attached resolutions of the Governing Body of such Subsidiary approving and authorizing the execution, delivery and performance of such Note Documents are in full force and effect and have not been modified or amended and (B) the incumbency and signatures of the Officers of such Subsidiary executing such Note Documents.

(c) **Foreign Subsidiaries** Notwithstanding the provisions of Section 5.9(a), no Foreign Subsidiary shall be required to execute and deliver the Subsidiary Guaranty or any other Note Documents.

Section 5.10 [Reserved]

Section 5.11 Interest Rate Protection. At all times after the date which is 90 days after the Restatement Effective Date, Company shall maintain in effect one or more Interest Rate Agreements in an aggregate notional principal amount of not less than 50% of the principal amount of the Company's Funded Debt which accrues interest at a floating rate, each such Interest Rate Agreement to be in form and substance reasonably satisfactory to the Senior Agent.

Section 5.12 [Reserved]

Section 5.13 Payment of Obligations. Each Credit Party will, and will cause each Subsidiary to, pay or discharge all material liabilities and obligations (other than material Taxes, which shall be paid and discharged in accordance with Section 5.3), before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Credit Party or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (c) failure to make such payment could not reasonably be expected to have a Material Adverse Effect.

Section 5.14 Anti-Terrorism Laws.

(a) No Credit Party shall engage in any transaction that violates any of the applicable prohibitions set forth in any terrorism law described in Section 4.8(b).

(b) None of the funds or assets of any Credit Party that are used to repay the Restated Notes shall constitute property of, or shall be beneficially owned directly or indirectly by, any Designated Person.

(c) No Designated Person shall have any direct or indirect interest in such Credit Party that would constitute a violation of any terrorism laws described in Section 4.8(b).

(d) No Credit Party shall, and each Credit Party shall procure that none of its Subsidiaries will, fund all or part of any payment under this Agreement out of proceeds derived from transactions that violate the prohibitions set forth in any terrorism law described in Section 4.8(b).

Section 5.15 Federal Regulation. Each Credit Party shall ensure that it will not, by act or omission, become subject to regulation under any of the laws or regulations described in Sections 4.8(a), (c) and (d).

ARTICLE VI
NEGATIVE COVENANTS

Each Credit Party covenants and agrees, jointly and severally (to the extent possible), that, until payment in full of all of the Obligations (other than Unasserted Obligations), unless Requisite Purchasers shall otherwise give prior written consent, it shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this ARTICLE VI.

Section 6.1 Indebtedness. No Credit Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) Credit Parties may become and remain liable with respect to the Obligations;

(b) Company and its Subsidiaries may become and remain liable with respect to Disqualified Stock;

(c) Company and its Subsidiaries, and Holdings with respect to Section 6.4(d), (e) and (h) may, may become and remain liable with respect to Contingent Obligations permitted by Section 6.4 and, upon any matured obligations actually arising pursuant thereto, the Indebtedness corresponding to the Contingent Obligations so extinguished;

(d) Company and its Subsidiaries may become and remain liable with respect to purchase money Indebtedness (including Capital Leases) to the extent secured by purchase money security interests or purchase money mortgages not in excess of $5,750,000 in the aggregate outstanding at one time;

(e) (i) Credit Parties may become and remain liable with respect to Indebtedness to any Subsidiary, and any Subsidiary Guarantor may become and remain liable with respect to Indebtedness to Holdings, Company or any Subsidiary Guarantor and (ii) non-Credit Parties may become and remain liable with respect to Indebtedness to any other non-Credit Party;

(f) Credit Parties, as applicable, may become and remain liable with respect to Indebtedness outstanding on the date hereof and listed on Schedule 6.1 and any refinancing, renewal, replacement or extension thereof; *provided* that (i) the outstanding principal amount of such Indebtedness is not increased (other than on account of accrued interest, premium, fees and expenses) at the time of such refinancing, renewal, replacement or extension and (ii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any refinancing, renewing, replacing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to Credit Parties or Purchasers than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, renewing, replacing or extending Indebtedness does not exceed the then applicable market interest rate;

(g) Credit Parties may become and remain liable with respect to Indebtedness in respect to the Senior Obligations in an aggregate principal amount not to exceed $214,500,000;

(h) Credit Parties may become and remain liable with respect to Indebtedness in respect of the ABL Loan Documents in an aggregate principal amount not to exceed $44,275,000 outstanding at any time;

(i) Company and its Subsidiaries may become and remain liable with respect to Indebtedness of any Person assumed in connection with a Permitted Acquisition and a Person that becomes a direct or indirect wholly-owned Subsidiary of Company as a result of a Permitted Acquisition may remain liable with respect to Indebtedness existing on the date of such acquisition; *provided that* such Indebtedness is not created in anticipation of such acquisition;

(j) Credit Parties may become and remain liable with respect to Indebtedness arising from the endorsement of instruments, the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn in the ordinary course of business against insufficient funds, or in respect of netting services, overdraft protections or otherwise in connection with the operation of customary deposit accounts in the ordinary course of business;

(k) Company and its Subsidiaries may become and remain liable with respect to Indebtedness with respect to (A) property casualty or liability insurance, (B) financing of insurance premiums with the providers of such insurance or their Affiliates, (C) take-or-pay obligations in supply arrangements consistent with past practice, (D) subject to the extent permitted under Section 5.4, self-insurance obligations, (E) performance, bid, surety, custom, utility and advance payment bonds, (F) performance and completion guaranties or (G) worker's compensation obligations, in each case, in the ordinary course of business;

(l) Credit Parties may become and remain liable with respect to Indebtedness resulting from judgments not resulting in an Event of Default under Section 7.8;

(m) Credit Parties may become and remain liable with respect to Subordinated Indebtedness and Indebtedness that is unsecured in an aggregate principal amount not to exceed $28,750,000 at any time outstanding (plus any interest paid in kind, *provided*, that the applicable cash rate of interest and payment in kind rate of interest payable thereunder shall not, in aggregate, be any more than 2% above the aggregate rate of interest under this Agreement as of the Restatement Effective Date), so long as no Event of Default shall have occurred and be continuing;

(n) In addition to Indebtedness otherwise expressly permitted by this Section, Company and its Subsidiaries may become and remain liable with respect to Indebtedness in an aggregate principal amount not to exceed $5,750,000 at any time outstanding; and

(o) Permitted Refinancings of Subordinated Indebtedness.

Section 6.2 Liens and Related Matters.

(a) **Prohibition on Liens** No Credit Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of such Credit Party or any of its Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC or under any similar recording or notice statute, except:

(i) Permitted Encumbrances;

(ii) Liens assumed in connection with a Permitted Acquisition and Liens on assets of a Person that becomes a direct or indirect Subsidiary of Company after the date of this Agreement in a Permitted Acquisition; *provided*, *however*, *that* such Liens exist at the time such Person becomes a Subsidiary and are not created in anticipation of such acquisition and, in any event, do not in the aggregate secure Indebtedness in excess of $5,750,000;

(iii) Liens existing on the date hereof and described in Schedule 6.2 annexed hereto;

(iv) Liens on the ABL Priority Collateral granted in favor of the ABL Lenders and ABL Hedge Agreement Counterparties pursuant to and in accordance with the ABL Loan Documents;

(v) Liens on fixed or capital assets acquired, constructed or improved by Company or any of its Subsidiaries; *provided* that (i) such security interests secure Indebtedness expressly permitted by Section 6.1, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within six months after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets, (iv) such security interests shall not apply to any other property or assets of any Credit Party and (v) the amount of Indebtedness (other than with respect to Capital Leases) secured thereby is not increased;

(vi) Liens arising from the precautionary UCC financing statement filings or any applicable filings in a foreign jurisdiction in respect thereof;

(vii) Liens and other interests of lessor in respect of rental obligations under mining leases entered into by Company and its Subsidiaries in the ordinary course of business;

(viii) Liens in favor of any escrow agent or a seller solely on and in respect of any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder; and

(ix) additional Liens not otherwise expressly permitted by this Section on any property or asset of any Credit Party securing obligations in an aggregate amount not exceeding $5,750,000 at any time outstanding.

Notwithstanding the foregoing, no Credit Party or any of its Subsidiaries shall enter into any control agreements (as such term is defined in the UCC), other than control agreements entered into pursuant to the Senior Loan Documents or in respect of the ABL Priority Collateral granted in favor of the ABL Lenders pursuant to and in accordance with the ABL Loan Documents.

(b) **No Further Negative Pledges** Neither Holdings nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired, to secure Indebtedness under any senior credit facility, including this Agreement, other than (i) an agreement prohibiting only the creation of Liens securing Subordinated Indebtedness, (ii) any agreement evidencing Indebtedness secured by Liens permitted by Sections 6.2(a)(ii) to (vi), as to the assets securing such Indebtedness, and any agreement evidencing Indebtedness permitted by Section 6.1(g) or 6.1(h), (iii) any agreement evidencing an asset sale, as to the assets being sold; (iv) restrictions imposed by law; (v) restrictions and conditions existing on the date hereof identified on Schedule 6.2 (but shall not apply to any extension or renewal of, or any amendment or modification, expanding the scope of any such restriction or condition); (vi) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder; and (vii) restrictions or conditions imposed by any agreement relating to Indebtedness permitted by Section 6.1(f) and (i) if such restrictions or conditions apply only to the property or assets securing such Indebtedness.

(c) **No Restrictions on Subsidiary Distributions to Company or Other Subsidiaries** No Credit Party will, and will not permit any of its Subsidiaries to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on the ability of any such Subsidiary to (i) pay dividends or make any other

distributions on any of such Subsidiary's Capital Stock owned by Company or any other Subsidiary of Company, (ii) repay or prepay any Indebtedness owed by such Subsidiary to Company or any other Subsidiary of Company, (iii) make loans or advances to Company or any other Subsidiary of Company, (iv) transfer any of its property or assets to Company or any other Subsidiary of Company, except (A) as provided in this Agreement, (B) as to transfers of assets as may be provided in an agreement with respect to a sale of such assets, (C) in respect of Indebtedness permitted pursuant to Sections 6.1(f), (g), (h) and (i); (D) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder; (E) restrictions and conditions existing on the date hereof identified on Schedule 6.2 (but shall not apply to any extension or renewal of, or any amendment or modification, expanding the scope of any such restriction or condition); and (F) customary provisions in leases restricting the assignment thereof.

Section 6.3 Investments; Acquisitions. No Credit Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any other Person, including any Joint Venture, or acquire, by purchase or otherwise, all or substantially all the business, property or fixed assets of, or Capital Stock of any other Person, or any division or line of business of any other Person except:

(a) Company and its Subsidiaries may make and own Investments in Cash and Cash Equivalents;

(b) Credit Parties may continue to own the Investments owned by them as of the Restatement Effective Date in any Credit Parties and Credit Parties may make and own additional equity Investments in other Credit Parties;

(c) Credit Parties may make intercompany loans to the extent permitted under Section 6.1(e);

(d) [Reserved];

(e) Company and its Subsidiaries may continue to own the Investments owned by them and described in Schedule 6.3 annexed hereto;

(f) Holdings and Company may acquire and hold obligations of one or more Officers or other employees of Company, Holdings or its Subsidiaries in connection with such Officers' or employees' acquisition of shares of Company's Capital Stock, so long as no Cash is actually advanced by Company, Holdings or any of its Subsidiaries to such Officers or employees in connection with the acquisition of any such obligations;

(g) Company and its Subsidiaries may make and own Investments constituting non-Cash proceeds of sales, transfers and other dispositions of property to the extent permitted by Section 6.7;

(h) Company and its Subsidiaries may acquire Securities in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to Company or any of its Subsidiaries or as security for any such Indebtedness or claim;

(i) Company and its Subsidiaries may make any Restricted Junior Payment expressly permitted by Section 6.5 (it being understood that any such Restricted Junior Payment may be made in the form of an intercompany loan or advance);

(j) Company and its Subsidiaries may acquire Investments (including debt obligations) received in the ordinary course of business by Company or any of its Subsidiaries in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising out of the ordinary course of business;

(k) Company and its Subsidiaries may acquire Investments of any Person in existence at the time such Person becomes a Subsidiary pursuant to a transaction expressly permitted by any other paragraph of this Section; provided that such Investment was not made in connection with or anticipation of such Person becoming a Subsidiary;

(l) Company and its Subsidiaries may make or continue to hold Investments resulting from deposits referred to in paragraph (c) of the definition of "Permitted Encumbrances" and clause (viii) of Section 6.2(a);

(m) Company may perform its obligations under and in accordance with the Conveyance of Undivided Mineral Interest, the Sand Purchase Documents and Natural Gas Hedging Agreements, provided that, all such Natural Gas Hedging Agreements shall be entered into to manage (in the good faith business judgment of Company) risks of fluctuations in the price or availability of natural gas to which Company and its Subsidiaries are exposed in the conduct of their business and the management of their liabilities;

(n) Credit Parties may make and hold loans and advances to their employees in an aggregate amount not to exceed $1,150,000 at any time outstanding, *provided that*, such loan or advance is not made in material violation of any law;

(o) Company and its Subsidiaries may acquire (in one transaction or a series of related transactions) (i) the assets or the outstanding voting stock or economic interests of any Person, (ii) any division, line of business or other business unit of any Person, or (iii) Capital Stock of a joint venture constituting a majority of the Capital Stock of such joint venture (such Person or such division, line of business or other business unit of such Person or such joint venture shall be referred to herein as the "**Target**"), in each case that is a type of business (or assets used in a type of business) permitted to be engaged in by the Credit Parties pursuant to the terms hereof, so long as (A) no Event of Default shall then exist or would exist immediately after giving effect thereto, (B) the aggregate consideration (including without limitation earn out obligations, deferred compensation and the amount of Indebtedness and other liabilities assumed by Credit Parties, but excluding equity consideration, consideration paid from the proceeds of equity of

Holdings or capital contributions made to Holdings and non-competition arrangements) paid by Credit Parties in connection with all such acquisitions shall not exceed in the aggregate (i) $28,750,000 of cash on hand and (ii) all or any portion of the Subordinated Indebtedness permitted pursuant to Section 6.1(m) *provided that* no more than $11,500,000 of such aggregate consideration may be in the form of seller financing permitted under Section 6.1 during the term of this Agreement, (C) for any such acquisitions Company shall have provided financial statements for any Target acquired in any such acquisition for the last Fiscal Year of such Target (to the extent available to Company), (D) the Target is located in the United States of America, Canada or Mexico, and (E) in the case of the acquisition of a Person, such Person shall become a wholly-owned Subsidiary of a Credit Party;

(p) Company and its Domestic Subsidiaries may make and own Investments in Foreign Subsidiaries in an aggregate amount not to exceed $5,750,000, at any time outstanding;

(q) in addition to Investments otherwise expressly permitted by this Section, Company and its Subsidiaries may make Investments not exceeding in the aggregate $5,750,000; and

(r) Foreign Subsidiaries may make and own Investments in other Foreign Subsidiaries.

Section 6.4 Contingent Obligations. No Credit Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, create or become or remain liable with respect to any Contingent Obligation, except:

(a) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations under Hedge Agreements required under Section 5.10 and under other Hedge Agreements with respect to Indebtedness required under Section 6.1(h) hereof;

(b) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations in respect of customary indemnification and purchase price adjustment obligations incurred in connection with Asset Sales or other sales of assets, or any acquisition or other Investment expressly permitted by Section 6.3;

(c) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations under guarantees in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of Company and its Subsidiaries in an aggregate amount not to exceed at any time $575,000;

(d) Holdings and its Subsidiaries may become and remain liable with respect to Contingent Obligations in respect of any Indebtedness of Company or any of its Subsidiaries permitted by Section 6.1;

(e) Holdings and its Subsidiaries, as applicable, may remain liable with respect to Contingent Obligations described in Schedule 6.4 annexed hereto;

(f) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations consisting of guaranties of loans made to officers, directors or employees of any Credit Party in an aggregate amount which shall not exceed $575,000 at any time outstanding;

(g) Company and its Subsidiaries may become and remain liable with respect to Contingent Obligations consisting of guaranties by a Subsidiary of obligations of Holdings or Company under leases for real or personal property, *provided that* such Subsidiary will utilize all or a portion of such property;

(h) Holdings and its Subsidiaries may become and remain liable with respect to Indebtedness permitted by Sections 6.1(a), (e), (f), (g), (h), (j), (l) and (m); and

(i) Company and its Subsidiaries may become and remain liable with respect to other Contingent Obligations; *provided that* the maximum aggregate liability, contingent or otherwise, of Credit Parties in respect of all such Contingent Obligations shall at no time exceed $2,300,000.

Section 6.5 Restricted Junior Payments. No Credit Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Junior Payment, except:

(a) on the Closing Date, Restricted Junior Payments to fund the Acquisition Financing Requirements in accordance with the Funds Flow Memorandum;

(b) **[Reserved]**;

(c) Restricted Junior Payments to the extent necessary to permit Holdings (or the relevant taxpaying Affiliate of Company or Holdings), to discharge Tax liabilities (or estimates thereof) with respect to the income of Holdings and its Subsidiaries, so long as Company or Holdings (or the relevant taxpaying Affiliate) applies the amount of any such Restricted Junior Payment for such purpose;

(d) to pay management fees and other fees expressly permitted under the Management Agreements and to reimburse expenses in accordance with the Management Agreements;

(e) **[Reserved]**;

(f) **[Reserved]**;

(g) Restricted Junior Payments to permit Holdings or any direct or indirect holding company of Holdings or Company to pay overhead expenses in an amount not to exceed $287,500 in any Fiscal Year, so long as Company or Holdings (or such relevant holding company) applies the amount of any such Restricted Junior Payment for such purpose;

(h) Company and its Subsidiaries may make payment of regularly scheduled interest and principal payments as and when due, and mandatory, optional or voluntary payments or prepayments in respect of principal thereof (including any payment to avoid the application of Internal Revenue Code Section 163(e)(5) thereto) and any other payments thereon that are permitted under the Subordination Agreement or the applicable subordination agreement, in respect of any Subordinated Indebtedness to the extent permitted hereunder including in connection with any Permitted Refinancings of such Subordinated Indebtedness and Company and its Subsidiaries may convert Subordinated Indebtedness to, or exchange Subordinated Indebtedness for Capital Stock in accordance with terms of such Subordinated Indebtedness;

(i) Restricted Junior Payments expressly permitted by Section 6.9(a) and (b); and

(j) so long as no Potential Event of Default or Event of Default has occurred and is continuing at such time or would be directly or indirectly caused as a result thereof, Company and it Subsidiaries may pay dividends to purchase capital stock from present or former officers or employees of Credit Parties upon the death, disability, retirement or termination of employment of such officer or employee; provided that any such repurchases do not involve any cash payments by Credit Parties or, to the extent cash payments are made by Credit Parties, the aggregate amount of dividend payments during any Fiscal Year to fund purchases described above shall not exceed (i) $1,150,000 plus (ii) the unused amount available for such dividend payments under this clause 6.5(j) for the immediately two preceding Fiscal Years (excluding any carry-forward available from any previous Fiscal Year); *provided* that with respect to any Fiscal Year, any such dividend payments made during such Fiscal Year shall be deemed to be made first with respect to the applicable limitation for such year and then with respect to any carry-forward amount to the extent applicable; and

(k) Company may make Restricted Junior Payments as specifically required by the Sand Purchase Documents;

provided that nothing herein shall be deemed to prohibit the payment of dividends by any Subsidiary of Company to Company or any Subsidiary Guarantor.

Section 6.6 [Reserved]

Section 6.7 Restriction on Fundamental Changes; Asset Sales. No Credit Party will, nor will it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub-lease (as lessor or sublessor), transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, property or assets (including its notes or receivables and Capital Stock of a Subsidiary, whether newly issued or outstanding), whether now owned or hereafter acquired, except:

(a) any Subsidiary of Company may be merged with or into Company or any wholly-owned Subsidiary Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to Company or any wholly-owned Subsidiary Guarantor; *provided that* in the case of such a merger, Company or such wholly-owned Subsidiary Guarantor shall be the continuing or surviving Person;

(b) Company and its Subsidiaries may sell or otherwise dispose of assets in transactions that do not constitute Asset Sales; *provided that* the consideration received for such assets shall be in an amount at least equal to the fair market value thereof;

(c) Company and its Subsidiaries may dispose of obsolete, worn out, uneconomic or surplus property no longer used or useful in the ordinary course of business of Company;

(d) Company and its Subsidiaries may make Asset Sales of assets having an aggregate fair market value not in excess of $34,500,000 from and after the Restatement Effective Date to the Maturity Date; *provided that* (A) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof; (B) at least 85% of the consideration received shall be Cash; (C) no Potential Event of Default or Event of Default shall have occurred or be continuing immediately after giving effect thereto and (D) the Net Asset Sale Proceeds of such Asset Sales shall be applied to repay the ABL Loans or the Senior Loans, or the Restated Notes in accordance with Section 2.4(c) or Section 2.4(d), *provided that* all Net Asset Sale Proceeds in a Fiscal Year not exceeding $11,500,000 in the aggregate may be applied or reinvested in accordance with Section 2.4(b)(ii)(A);

(e) in order to resolve disputes that occur in the ordinary course of business, Company and its Subsidiaries may discount or otherwise compromise for less than the face value thereof, notes or accounts receivable;

(f) Company or a Subsidiary may sell or dispose of shares of Capital Stock of any of its Subsidiaries in order to qualify members of the Governing Body of the Subsidiary if required by applicable law;

(g) Company may perform its obligations under the Conveyance of Undivided Mineral Interest;

(h) any Person may be merged with or into Company or any Subsidiary if the acquisition of the Capital Stock of such Person by Company or such Subsidiary would have been permitted pursuant to Section 6.3; *provided that* (i) in the case of Company, Company shall be the continuing or surviving Person, (ii) if a Subsidiary is not the surviving or continuing Person, the surviving Person becomes a Subsidiary and complies with the provisions of Section 5.9 and (iii) no Potential Event of Default or Event of Default shall have occurred or be continuing immediately after giving effect thereto;

(i) any Capital Stock of any Subsidiary of Company may be sold, transferred or otherwise disposed of to Company or any other wholly-owned Subsidiary of Company (*provided that*, in the case of any such transfer by a Credit Party, the transferee must also be a Credit Party or constitute an Investment otherwise permitted hereunder);

(j) the cross licensing or licensing of intellectual property, in the ordinary course of business;

(k) the leasing, occupancy or sub-leasing of Real Property Asset in the ordinary course of business that would not materially interfere with the required use of such Real Property Asset by any Credit Party;

(l) transfers of condemned property as a result of the exercise of "eminent domain" or other similar policies to the respective Government Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement;

(m) Liens expressly permitted by Section 6.2;

(n) Restricted Junior Payments expressly permitted by Section 6.5; and

(o) Investments permitted by Section 6.3.

Section 6.8 [Reserved]

Section 6.9 Transactions with Shareholders and Affiliates. No Credit Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 10% or more of any class of equity Securities of Company or with any Affiliate of Company or of any such holder, on terms that when taken as a whole are less favorable in any material respect to Company or that Subsidiary, as the case may be, than those that might be obtained at the time from Persons who are not such a holder or Affiliate; *provided that* the foregoing restrictions shall not apply to:

(a) any transaction between Company and any of its wholly-owned Subsidiaries or between any of its wholly-owned Subsidiaries;

(b) reasonable and customary fees paid to members of the Governing Bodies of Holdings and its Subsidiaries and compensation and benefit arrangements for officers, directors and employees entered into in the ordinary course;

(c) the performance by Company of its obligations under the Sand Purchase Agreements and under the Conveyance of Undivided Mineral Interest;

(d) transactions in accordance with the terms of the Management Agreement;

(e) any acquisitions or other Investments expressly permitted by Section 6.3;

(f) transactions contemplated under the Note Documents with the holders of the Obligations;

(g) any intercompany loan from Company to Holdings or any direct or indirect holding company of Company comprising a Restricted Junior Payment permitted under Section 6.5; or

(h) any Restricted Junior Payments expressly permitted by Section 6.5.

Section 6.10 Sales and Lease-Backs. No Credit Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any Capital Lease, of any property (whether real, personal or mixed), whether now owned or hereafter acquired, (a) that Company or any of its Subsidiaries has sold or transferred or is to sell or transfer to any other Person (other than Company or any of its Subsidiaries) or (b) that Company or any of its Subsidiaries intends to use for substantially the same purpose as any other property that has been or is to be sold or transferred by Company or any of its Subsidiaries to any Person (other than Company or any of its Subsidiaries) in connection with such lease; provided that (i) such lease is a Capital Lease and (ii) Company and its Subsidiaries may become and remain liable as lessee, guarantor or other surety with respect to any such Capital Lease if and to the extent that Company or any of its Subsidiaries would be permitted to enter into, and remain liable under, such lease under Section 6.1 assuming the sale and lease-back transaction constituted Indebtedness in a principal amount equal to the gross proceeds of the sale.

Section 6.11 Conduct of Business.

(a) From and after the Restatement Effective Date, the Intermediate Holding Companies will not, nor will it permit any of their Subsidiaries to, engage in any business other than (i) the businesses engaged in by the Intermediate Holding Companies and their Subsidiaries on the Restatement Effective Date and similar or related businesses and (ii) such other lines of business as may be consented to by Requisite Purchasers.

(b) From and after the Restatement Effective Date, Holdings shall not (i) engage in any business or own, lease, manage or otherwise operate any properties or assets other than (A) entering into and performing its obligations under and in accordance with the Transaction Documents to which it is a party, (B) owning the Capital Stock of the Intermediate Holding Companies and/or the Company and engaging in activities directly related thereto, (C) issuing Capital Stock and options, warrants or similar equivalents in respect thereof and (D) taking actions required by law to maintain its corporate existence, incurring Indebtedness pursuant to Sections 6.1(a), (c), (e), (f), (g), (h), (j), (l) and (m), Contingent Obligations permitted under Sections 6.4(d), (e) and (h) and Restricted Payments permitted pursuant to Sections 6.5(a), (b), (c), (d), (g), (i) and (j); (ii) incur any Indebtedness (other than nonconsensual obligations imposed by operation of law and obligations pursuant to the Note Documents to which it is a party) other than Indebtedness permitted under Section 6.1(a), (c), (e), (f), (g), (h), (j), (l) or (m), or (iii) issue any Capital Stock that constitutes Disqualified Stock or create or acquire any Subsidiary or own any Investment (other than Investments permitted under Sections 6.3(b), (c), (f) or (n) in any Person other than the Intermediate Holding Companies and/or the Company.

Section 6.12 Amendments or Waivers of Certain Agreements; Amendments of Documents Relating to Indebtedness.

(a) **Amendments or Waivers of Certain Agreements** No Credit Party will agree to any amendment to, or waive any of its rights under, any Related Agreement (other than the ABL Loan Documents, the Senior Loan Documents and any agreement evidencing or governing any Subordinated Indebtedness) in a manner that could reasonably be expected to materially adversely affect Purchasers after the Restatement Effective Date without in each case obtaining the prior written consent of Requisite Purchasers to such amendment or waiver.

(b) **Amendments of Documents Relating to Indebtedness** No Credit Party will, nor will it permit any of its Subsidiaries to, amend or otherwise change the terms of (i) the ABL Loan Documents or the Senior Loan Documents or make any payment consistent with an amendment thereof or change thereto, other than in accordance with the Subordination Agreement, or (ii) any other Subordinated Indebtedness or make any payment consistent with an amendment thereof or change thereto unless such amendment or change thereto is permitted pursuant to the definition of Permitted Refinancings.

Section 6.13 Fiscal Year; Accounting Policies. No Credit Party shall (a) change its Fiscal Year-end from December 31 without the prior written consent of Purchasers or (b) change its accounting policies and methods except from the policies and methods in effect on the Restatement Effective Date, except in accordance with GAAP.

Section 6.14 Material Contracts; License Agreements; ITT Agreement.

(a) **Material Contracts** No Credit Party shall breach or violate any term, condition or provision of any Material Contracts or any lease with respect to any Material Leasehold Property, except for such breaches and violations thereof as in the aggregate could not reasonably be expected to have a Material Adverse Effect.

(b) **License Agreements** Except with respect to any License Agreement, the loss or termination of which could not reasonably be expected to have a Material Adverse Effect:

(i) Each Credit Party and each of their Subsidiaries shall (A) promptly and faithfully observe and perform in all material respects all of the terms, covenants, conditions and provisions of the License Agreements to which it is a party to be observed and performed by it, at the times set forth therein, if any, (B) not do, permit, suffer or refrain from doing anything that could reasonably be expected to result in a default under or breach of any of the material terms of any License Agreement, (C) not cancel, surrender, modify, amend, waive or release any License Agreement in any respect, or consent to or permit to occur any of the foregoing; except that subject to Section 6.14(b)(ii) below, such Person may cancel, surrender, modify, amend, waive or release any License Agreement in the

ordinary course of business of such Person; *provided that* such Person (as the case may be) shall give Purchasers not less than 30 days prior written notice of its intention to so cancel, surrender and release any such License Agreement, (D) give Purchasers prompt written notice of any License Agreement entered into by such Person after the date hereof, together with a true, correct and complete copy thereof and such other information with respect thereto as any Purchaser may request, (E) give Purchasers prompt written notice of any breach of any material obligation, or any default, by any party under any License Agreement, and deliver to Purchasers (promptly upon the receipt thereof by such Person in the case of a notice to such Person and concurrently with the sending thereof in the case of a notice from such Person) a copy of each notice of default and every other notice and other communication received or delivered by such Person in connection with any License Agreement which relates to the right of such Person to continue to use the property subject to such License Agreement; and (F) furnish to Purchasers, promptly upon the request of any Purchaser, such information and evidence as any Purchaser may reasonably require from time to time concerning the observance, performance and compliance by such Person or the other party or parties thereto with the terms, covenants and provisions of any License Agreement.

(ii) Each Credit Party and each of their Subsidiaries will either exercise any option to renew or extend the term of each License Agreement to which it is a party in such manner as will cause the term of such License Agreement to be effectively renewed or extended for the period provided by such option and give prompt written notice thereof to Purchasers or give Purchasers prior written notice that such Person does not intend to renew or extend the term of any such License Agreement or that the term thereof shall otherwise be expiring, not less than 60 days prior to the date of any such renewal or expiration. In the event of the failure of such Person to extend or renew any License Agreement to which it is a party, Purchasers shall have, and are hereby granted, the irrevocable right and authority, at the option of Requisite Purchasers, to renew or extend the term of such License Agreement, whether in its own name and behalf, or in the name and behalf of a designee or nominee of Purchasers or in the name and behalf of such Person, as Requisite Purchasers shall determine solely during such time that an Event of Default shall exist or have occurred and be continuing. Purchasers may, but shall not be required to, perform any or all of such obligations of such Person under any of the License Agreements, including, but not limited to, the payment of any or all sums due from such Person thereunder. Any sums so paid by any Purchaser shall constitute part of the Obligations.

(iii) The Credit Parties shall (A) not amend or modify the ITT Agreement in any manner that is materially adverse to the interests of Purchasers without the prior consent of Requisite Purchasers, (B) not cancel or terminate the ITT Agreement and (C) notify Purchasers promptly, but in any event within five Business Days of any actual, pending or threatened termination or cancellation of the ITT Agreement or any denial of coverage in respect of the indemnity set forth therein.

Section 6.15 Anti-Layering. The Credit Parties will not, nor will they permit any Subsidiary to, create, incur, assume, guaranty, suffer or permit to exist, or in any other manner become liable with respect to, any Indebtedness which, under the terms of the documentation pursuant to which such Indebtedness is created or incurred (including any intercreditor arrangement), is subordinated in right of payment to any other Indebtedness of the Credit Parties and their Subsidiaries (other than Indebtedness under the Note Documents), unless such Indebtedness is permitted by the terms of this Agreement and the terms of the Subordination Agreement and is (x) subordinated in right of payment to the Obligations pursuant to provisions satisfactory to the Requisite Purchasers or (y) *pari passu* with the Obligations; provided, however, that nothing in this Section 6.15 shall be construed to restrict any Credit Party's ability to enter into any arrangement (or agreements or waivers, amendments or modifications thereof) or take any other action (or permit any such action to be taken) which would (or purport to) grant, or permit to exist, any Liens to secure any Indebtedness of the Credit Parties or their Subsidiaries.

ARTICLE VII
EVENTS OF DEFAULT

If any of the following conditions or events ("Events of Default") shall occur:

Section 7.1 Failure to Make Payments When Due.

(a) Failure by Company to pay any installment of principal of any Restated Note when due, whether at stated maturity, by acceleration, by notice of voluntary prepayment, by mandatory prepayment (except as provided in Section 2.4(b)(ii)(C) with respect to an incorrect calculation of mandatory prepayment amounts) or otherwise; or

(b) failure by Company to pay any interest on any Restated Note, any fee or any other amount due under this Agreement within three days after the date due; or

Section 7.2 Default in Other Agreements.

(a) Failure of Holdings, Company or any of their respective Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 7.1 and Section 7.2(c)) or Contingent Obligations in an individual principal amount of $5,750,000 or more, in each case beyond the end of any grace period provided therefor; or

(b) breach or default by Holdings, Company or any of their respective Subsidiaries with respect to any other material term of (i) one or more items of Indebtedness or Contingent Obligations in the individual or aggregate principal amounts referred to in clause (a) above or (ii) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness or Contingent Obligation(s) (but in the case of clauses (i) and (ii) excluding Indebtedness or Contingent Obligations under the Senior Loan Documents and the ABL Loan Documents), if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness or Contingent Obligation(s) (or a trustee on behalf of such holder or holders) to cause, that Indebtedness

or Contingent Obligation(s) to become or be declared due and payable prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be (with the giving or receiving of notice of such declaration, if required, but after the expiration of all grace periods applicable thereto); or

(c) (i) failure of Holdings, Company or any of their respective Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of the Senior Loan Documents and/or the ABL Loan Documents, in each case beyond the end of any grace period provided therefore, or (ii) any breach or default by Holdings, Company or any of their respective Subsidiaries under the Senior Loan Documents and/or the ABL Loan Documents, if the effect of such breach or default is to cause any loans under the Senior Loan Documents or the ABL Loan Documents to become due prior to the applicable stated maturity date or expiration date, as applicable, in respect of such loans (provided that, in case of both clauses (i) and (ii), the Indebtedness and Contingent Obligations in respect of which such failure, breach or default occurs are in an individual or aggregate principal amount of $5,750,000 or more); or

Section 7.3 Breach of Certain Covenants.

(a) Failure of a Credit Party to perform or comply with any term or condition contained in Section 2.5, Section 5.1(b), (c) and (d), Section 5.2 (in respect of the existence of Holdings or Issuer) or ARTICLE VI of this Agreement; or

(b) Failure of a Credit Party to perform or comply with any term or condition contained in Section 5.4(b), and, in either case, such default shall not have been remedied or waived within 15 days after the earlier of (i) an Officer of Company or such Credit Party becoming aware of such default or (ii) receipt by Company and such Credit Party of notice from any Purchaser of such default; or

Section 7.4 Breach of Warranty. Any representation, warranty, certification or other statement made by Holdings or any of its Subsidiaries in any Note Document or in any statement or certificate at any time given by Company or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect on the date as of which made; or

Section 7.5 Other Defaults Under Note Documents. Any Credit Party shall default in the performance of or compliance with any term contained in this Agreement or any of the other Note Documents, other than any such term referred to in any other Section of this ARTICLE VII, and such default shall not have been remedied or waived within 30 days after the earlier of (a) an Officer of Company or such Credit Party becoming aware of such default or (b) receipt by Company and such Credit Party of notice from any Purchaser of such default; or

Section 7.6 Involuntary Bankruptcy; Appointment of Receiver, etc.

(a) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of Holdings, Company or any of their respective Subsidiaries in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or

(b) an involuntary case shall be commenced against Holdings, Company or any of their respective Subsidiaries under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other Officer having similar powers over Holdings, Company or any of their respective Subsidiaries, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Holdings, Company or any of their respective Subsidiaries for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Holdings, Company or any of their respective Subsidiaries, and any such event described in this clause (b) shall continue for 60 days unless dismissed, bonded or discharged; or

Section 7.7 Voluntary Bankruptcy; Appointment of Receiver, etc.

(a) Holdings, Company or any of their respective Subsidiaries shall have an order for relief entered with respect to it or commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Holdings, Company or any of their respective Subsidiaries shall make any assignment for the benefit of creditors; or

(b) Holdings, Company or any of their respective Subsidiaries shall be unable, or shall fail generally, or shall admit in writing its inability, generally, to pay its debts as such debts become due; or the Governing Body of Holdings, Company or any of their respective Subsidiaries (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to in clause (a) above or this clause (b); or

Section 7.8 Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving an amount in excess of $11,500,000 in the aggregate at any time, to the extent not adequately covered by insurance as to which a Solvent and unaffiliated insurance company has not disclaimed coverage or by the indemnity relating to Silica Related Claims under the ITT Agreement, shall be entered or filed against Holdings, Company or any of their respective Subsidiaries or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of 90 days (or in any event later than five days prior to the date of any proposed sale thereunder); or

Section 7.9 Dissolution. Any order, judgment or decree shall be entered against Holdings, Company or any of its Subsidiaries decreeing the dissolution or split up of Holdings, Company or that Subsidiary and such order shall remain undischarged or unstayed for a period in excess of 30 days; or

Section 7.10 ERISA. Any of the following events results in the imposition of or granting of security, or the incurring of a liability or a material risk of incurring a liability that individually and/or in the aggregate, results or could reasonably be expected to result in a Material Adverse Effect

(a) any ERISA Event occurs or is reasonably expected to occur;

(b) any Credit Party or ERISA Affiliate incurs or could reasonably be expected to incur a liability to or on account of a Multiemployer Plan as a result of a violation of Section 515 of ERISA or under Section 4201, 4204 or 4212(c) of ERISA;

(c) the fair market value of the assets of any Employee Plan subject to Title IV of ERISA is not at least equal to the present value of the "benefit liabilities" (within the meaning of Section 4001(a)(16) of ERISA) under that Employee Plan using the actuarial assumptions and methods used by the actuary to that Employee Plan in its most recent valuation of that Employee Plan; or

(d) any Credit Party or ERISA Affiliate incurs or could reasonably be expected to incur a liability to or on account of an Employee Plan under Section 409, 502(i) or 502(I) of ERISA or Section 4971 or 4975 of the Internal Revenue Code; or

Section 7.11 [Reserved]

Section 7.12 Invalidity of Note Documents; Repudiation of Obligations. At any time after the execution and delivery thereof, (a) any Note Document or any provision thereof, for any reason other than the satisfaction in full of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void, or (b) any Credit Party shall contest the validity or enforceability of any Note Document or any provision thereof in writing or deny in writing that it has any further liability, including with respect to future advances by any Purchaser under any Note Document or any provision thereof to which it is a party;

THEN:

(a) **Acceleration** Subject to the terms of the Subordination Agreement, (i) upon the occurrence of any Event of Default described in Section 7.6 or 7.7, each of (A) the unpaid principal amount of and accrued interest on the Restated Notes and (B) all other Obligations (including Prepayment Premium and the Deferred Interest Amount, if applicable) shall automatically become immediately due and payable, without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Credit Parties and (ii) upon the occurrence and during the continuation of any other Event of Default, Requisite Purchasers may, by written notice to Company, declare all or any portion of the amounts described in clause (A) above to be, and the same shall forthwith become, immediately due and payable, and thereafter, Requisite Purchasers may by written notice to Company, declare all or any portion of the amounts described in clause (B) above to be, and the same shall forthwith become, immediately due and payable.

(b) **Rescission of Acceleration** Notwithstanding anything contained in paragraph (a) above, if at any time within 60 days after an acceleration of the Restated Notes pursuant to clause (ii) of such paragraph Company shall pay all arrears of interest and all payments on account of principal which shall have become due otherwise than as a result of such acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Potential Events of Default (other than non-payment of the principal of and accrued interest on the Restated Notes, in each case which is due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to Section 9.6, then Requisite Purchasers, by written notice to Company, may at their option rescind and annul such acceleration and its consequences; but such action shall not affect any subsequent Event of Default or Potential Event of Default or impair any right consequent thereon. The provisions of this paragraph are intended merely to bind Purchasers to a decision which may be made at the election of Requisite Purchasers and are not intended, directly or indirectly, to benefit Company, and such provisions shall not at any time be construed so as to grant Company the right to require Purchasers to rescind or annul any acceleration hereunder or to preclude Purchasers from exercising any of the rights or remedies available to them under any of the Note Documents, even if the conditions set forth in this paragraph are met.

ARTICLE VIII
[RESERVED]

ARTICLE IX
MISCELLANEOUS

Section 9.1 Registration, Exchange and Transfer of Restated Notes; Stolen Restated Notes.

(a) **Registration and Exchange of Restated Notes** The Restated Notes are issuable as registered notes only. Company shall keep at its principal office a register in which Company shall provide for the registration of Restated Notes and of Transfers of Restated Notes. Upon surrender for registration of Transfer of any Restated Note at the principal office of Company, Company shall, promptly and at its expense, cause to be executed and delivered by Company one or more new Restated Notes of like tenor and of a like aggregate principal amount, which Restated Notes shall be registered in the name of such Transferee or Transferees. At the option of any Purchaser, its Restated Note may be exchanged for Restated Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Restated Note to be exchanged at the principal office of Company. Whenever any Restated Notes are so surrendered for exchange, Company shall, at its expense, cause to be executed and delivered the Restated Notes which the holder making the exchange is entitled to receive. Every Restated Note surrendered for registration of Transfer or exchange shall be duly endorsed, or be

accompanied by a written instrument of transfer duly executed, by the holder of such Restated Note or such holder's attorney duly authorized in writing. Any Restated Note or Restated Notes issued in exchange for any Restated Note or upon Transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Restated Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange.

(b) **Transfer of Restated Notes** Any holder of a Restated Note may make a Transfer to any person; provided that (i) such Transfer is made in compliance with the Securities Act and any applicable state securities laws, (ii) such holder of a Restated Note promptly provides written notice to the Senior Agent and the ABL Agent of the identity and contact information of such Transferee and executes and delivers a joinder to the Subordination Agreement in the form specified in such agreement and (iii) such holder of a Restated Note (x) has provided Company with such information as to such Transferee's compliance with applicable securities laws with respect to such Transfer as reasonably may be requested by Company and (y) made the representations set forth in Section 4.25. Upon any Transfer, the Transferee shall, to the extent of such Transfer, be entitled to exercise the rights of the holder making such Transfer and shall thereafter be deemed a Purchaser and a holder of a Restated Note under this Agreement. Prior to due presentment for registration of transfer, Company may treat the Person in whose name any Restated Note is registered as the owner and holder of such Restated Note for the purpose of receiving payment of principal of, interest on and any Prepayment Premium payable with respect to such Restated Note and for all other purposes whatsoever, whether or not such Restated Note shall be overdue, and Company shall not be affected by notice to the contrary.

(c) **Lost, Stolen or Damaged Restated Note** At the request of any Purchaser, Company will issue and deliver at its expense, in replacement of any Restated Note or Restated Notes issued by Company lost, stolen, damaged or destroyed, upon surrender thereof, if mutilated, a new Restated Note or Restated Notes in the same aggregate unpaid principal amount, and otherwise of the same tenor, as the Restated Note or Restated Notes so lost, stolen, damaged or destroyed, duly executed by Company.

Section 9.2 Expenses. Whether or not the Transactions shall be consummated, Company agrees to pay promptly (a) all reasonable and documented out-of-pocket costs and expenses of Purchasers of negotiation, preparation and execution of the Note Documents and any consents, amendments, waivers or other modifications thereto; provided however, such costs and expenses to the extent representing counsel fees and expenses shall be limited to the same extent as in Section 9.2(c) below; (b) all costs and expenses of furnishing all opinions by counsel for Company (including any opinions requested by Purchasers as to any legal matters arising hereunder) and of Company's performance of and compliance with all agreements and conditions on its part to be performed or complied with under this Agreement and the other Note Documents including with respect to confirming compliance with environmental, insurance and solvency requirements; (c) all reasonable and documented out-of-pocket fees, expenses and disbursements of one primary counsel to Purchasers and one reasonably necessary local counsel in any material jurisdiction in connection with the negotiation, preparation, execution and administration of the Note Documents and any consents, amendments, waivers or other

modifications thereto and any other documents or matters requested by Company; (d) all reasonable and documented out-of-pocket costs and expenses (including the reasonable and documented out-of-pocket fees, expenses and disbursements of any auditors, accountants or appraisers and any environmental or other consultants, advisors and agents employed or retained (with the consent of the Company, not to be unreasonably withheld) by Purchasers or their counsels) of obtaining and reviewing any environmental audits or reports provided for under Section 5.8(a); (e) all reasonable and documented out-of-pocket costs and expenses, including attorneys' fees and reasonable and documented out-of-pocket fees, costs and expenses of accountants, advisors and consultants, incurred by Purchasers and their counsels relating to efforts to evaluate or assess any Credit Party, its business or financial condition; and (f) all out-of-pocket costs and expenses, including reasonable and documented out-of-pocket attorneys' fees (including allocated costs of internal counsel), fees, costs and expenses of accountants, advisors and consultants and costs of settlement, incurred by Purchasers in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Note Documents (including in connection with the enforcement of the Note Documents) or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy Proceedings. For the avoidance of doubt, Parent and Company shall not be required to reimburse the legal fees and expenses of more than one firm of outside counsel (in addition, one firm of necessary local counsel in each applicable local jurisdiction) for Purchasers as a whole.

Section 9.3 Indemnity.

(a) In addition to the payment of expenses pursuant to Section 9.2, whether or not the Transactions shall be consummated, Company agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless Purchasers, and the Officers, directors, trustees, employees, agents, advisors and Affiliates of Purchasers (collectively called the "**Indemnitees**"), from and against any and all Indemnified Liabilities (as hereinafter defined); *provided that* Company shall not have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise solely from the gross negligence, bad faith or willful misconduct of that Indemnitee or its related parties as determined by a final judgment of a court of competent jurisdiction.

(b) As used herein, "**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, actions, judgments, suits, claims (including Environmental Claims), costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), expenses and disbursements of any kind or nature whatsoever (including the reasonable and documented out-of-pocket fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial Proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or

regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (i) this Agreement or the other Note Documents or the Transactions (including Purchasers' agreement to purchase the Restated Notes hereunder or the use or intended use of the proceeds thereof as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Government Authority, or any enforcement of any of the Note Documents (including the enforcement of the Guaranties), (ii) the statements contained in the commitment letter delivered by any Purchaser to Company with respect thereto or (iii) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Company or any of its Subsidiaries; except to the extent such Environmental Claim or Hazardous Materials Activity arises solely from the gross negligence or willful misconduct of Indemnitee as determined by a final judgment of a court of competent jurisdiction.

(c) To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 9.3 may be unenforceable in whole or in part because they are violative of any law or public policy, Company shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

Section 9.4 Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuation of any Event of Default each of Purchasers and their Affiliates is hereby authorized by Company at any time or from time to time, with prompt notice to Company or to any other Person, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, provisional or final, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by that Purchaser or any Affiliate of that Purchaser to or for the credit or the account of Company and each other Credit Party against and on account of the Obligations of Company or any other Credit Party to that Purchaser (or any Affiliate of that Purchaser) or to any other Purchaser (or any Affiliate of that other Purchaser) under this Agreement and the other Note Documents to the extent then due and payable, including all claims of any nature or description arising out of or connected with this Agreement and participations therein or any other Note Document, irrespective of whether or not that Purchaser shall have made any demand hereunder.

Section 9.5 [Reserved]

Section 9.6 Amendments and Waivers.

(a) **Consent Required** Subject to the terms of the Subordination Agreement, no amendment or waiver of any provision of this Agreement, the Restated Notes or any other Note Document, or any consent to any departure by the Credit Parties, shall in any event be effective unless the same shall be in writing and signed by Requisite Purchasers and Company. Any such waiver or consent shall be effective only in the specific instance

and for the purpose for which given. Neither any failure nor any delay on the part of Purchasers in exercising any right, power or privilege hereunder or under the Restated Notes or any of the Note Documents shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise provided herein or in the Restated Notes or any Note Document, no notice to or demand on the Credit Parties or any other person in any case shall entitle such person to any other or further notice or demand in the same, similar or other circumstances.

(b) Notwithstanding the provisions of Section 9.6(a) without the specific prior written consent of all of the Purchasers and subject to the Subordination Agreement, no amendment, waiver or consent referred to in Section 9.6(a) shall (i) reduce the principal of, Prepayment Premium, or the rate of interest on, or the fees payable with respect to, any of the Restated Notes, (ii) extend the time for payment of all or any portion of the principal of, Prepayment Premium, or interest on, or fees payable with respect to, any of the Restated Notes, (iii) reduce the percentage of the Restated Notes required with respect to any such amendment or to effectuate any such waiver or consent, or modify the definitions herein of the term "Requisite Purchasers", or (iv) modify any provision in any Note Document providing for pro rata treatment of the Purchasers and this Section 9.6.

Section 9.7 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of an Event of Default or Potential Event of Default if such action is taken or condition exists.

Section 9.8 Notices; Effectiveness of Signatures.

(a) Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service, upon receipt of telefacsimile in complete and legible form, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed; *provided that* notices to Purchasers shall not be effective until received. For the purposes hereof, the address of each party hereto shall be as set forth under such party's name on the signature pages hereof or (i) as to Company and Purchasers, such other address as shall be designated by such Person in a written notice delivered to the other parties hereto and (ii) as to each other party, such other address as shall be designated by such party in a written notice delivered to Purchasers. Electronic mail and Internet and intranet websites may be used to distribute routine communications, such as financial statements and other information as provided in Section 5.1. Purchasers or Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided that* approval of such procedures may be limited to particular notices or communications.

(b) Note Documents and notices under the Note Documents may be transmitted and/or signed by telefacsimile and by signatures delivered in 'PDF' format by electronic mail; *provided, however, that* no signature with respect to any notice, request, agreement, waiver, amendment or other document that is intended to have binding effect may be sent by electronic mail. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as an original copy with manual signatures and shall be binding on all Credit Parties and Purchasers. Purchasers may also require that any such documents and signature be confirmed by a manually-signed copy thereof; *provided, however, that* the failure to request or deliver any such manually-signed copy shall not affect the effectiveness of any facsimile document or signature.

Section 9.9 Survival of Representations, Warranties and Agreements.

(a) All representations, warranties and agreements made herein shall survive the execution and delivery of this Agreement and issuance of the Restated Notes hereunder.

(b) Notwithstanding anything in this Agreement or implied by law to the contrary, the agreements of Company set forth in Section 2.6(d) ("Compensation For Breakage or Non-Commencement of Interest Periods"), 2.7 ("Increased Costs; Taxes; Capital Adequacy"), 9.2 ("Expenses") and 9.3 ("Indemnity") shall survive the payment of the Restated Notes and the termination of this Agreement.

Section 9.10 Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of any Purchaser in the exercise of any power, right or privilege hereunder or under any other Note Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other Note Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 9.11 Marshalling; Payments Set Aside. No Purchaser shall be under any obligation to marshal any assets in favor of Company or any other party or against or in payment of any or all of the Obligations. To the extent that Company makes a payment or payments to any Purchaser or any Purchaser exercises its rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 9.12 Severability. In case any provision in or obligation under this Agreement or the Restated Notes shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 9.13 Obligations Several; Independent Nature of Purchasers' Rights; Damage Waiver.

(a) The obligations of Purchasers hereunder are several and no Purchaser shall be responsible for the obligations of any other Purchaser hereunder. Nothing contained herein or in any other Note Document, and no action taken by Purchasers pursuant hereto or thereto, shall be deemed to constitute Purchasers and Company, as a partnership, an association, a Joint Venture or any other kind of entity. The amounts payable at any time hereunder to each Purchaser shall be a separate and independent debt, and, subject to Section 9.6, each Purchaser shall be entitled to protect and enforce its rights arising out of this Agreement and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose.

(b) To the extent permitted by law, Company shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with or as a result of this Agreement, any other Note Document, any transaction contemplated by the Note Documents, any Restated Notes or the use of proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with the Note Documents or the Transactions.

Section 9.14 Release of Guaranty. Upon the sale or other disposition of all of the Capital Stock of a Subsidiary Guarantor to any Person (other than an Affiliate of Company) that is permitted by this Agreement or to which Requisite Purchasers have otherwise consented, for which a Credit Party desires to obtain a release of the Subsidiary Guaranty from Purchasers, such Credit Party shall deliver an Officer's Certificate (i) stating that the Capital Stock subject to such disposition is being sold or otherwise disposed of in compliance with the terms hereof and (ii) specifying the Capital Stock being sold or otherwise disposed of in the proposed transaction. Upon the receipt of such Officer's Certificate, Purchasers shall, at such Credit Party's expense, so long as Purchasers are not aware that the facts stated in such Officer's Certificate are not true and correct, execute and deliver such releases of such Subsidiary Guaranty, as may be reasonably requested by such Credit Party.

Section 9.15 Applicable Law. THIS AGREEMENT AND THE OTHER NOTE DOCUMENTS EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN ANY SUCH NOTE DOCUMENT), AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD REQUIRE APPLICATION OF ANOTHER LAW.

Section 9.16 Construction of Agreement; Nature of Relationship. Each of the parties hereto acknowledges that (a) it has been represented by counsel in the negotiation and documentation of the terms of this Agreement, (b) it has had full and fair opportunity to review and revise the terms of this Agreement, (c) this Agreement has been drafted jointly by all of the parties hereto and (d) no Purchaser has any fiduciary relationship with or duty to any Credit Party arising out of or in connection with this Agreement or any of the other Note Documents, and the relationship between Purchasers, on one hand, and the Credit Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor. Accordingly, each of the parties hereto acknowledges and agrees that the terms of this Agreement shall not be construed against or in favor of another party.

Section 9.17 Consent to Jurisdiction and Service of Process. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY CREDIT PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT, OR ANY OBLIGATIONS HEREUNDER AND THEREUNDER, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH CREDIT PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY

(a) **ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;**

(b) **WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;**

(c) **AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO IT AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 9.8;**

(d) **AGREES THAT SERVICE AS PROVIDED IN CLAUSE (c) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER IT IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT;**

(e) **AGREES THAT PURCHASERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION; AND**

(f) **AGREES THAT THE PROVISIONS OF THIS SECTION 9.17 RELATING TO JURISDICTION AND VENUE SHALL BE BINDING AND ENFORCEABLE TO THE FULLEST EXTENT PERMISSIBLE UNDER NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1402 OR OTHERWISE.**

Section 9.18 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF
THIS AGREEMENT OR ANY OF THE OTHER NOTE DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.18 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OF THE OTHER NOTE DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE NOTES MADE HEREUNDER. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 9.19 Confidentiality. Each Purchaser shall hold all information obtained pursuant to the requirements of this Agreement in accordance with such Purchaser's customary procedures for handling confidential information of this nature, it being understood and agreed by Company that in any event a Purchaser may make disclosures (a) to its and its Affiliates' directors, Officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (b) to the extent requested by any Government Authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or Proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 9.19, to any Transferee or bona fide prospective Transferee or any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of Company, (g) with the written consent of Company, (h) to the extent such information (i) becomes publicly available other than as a result of a breach of this Section 9.19 or (ii) becomes available to any such Purchaser on a nonconfidential basis from a source other than Company or (i) to the National Association of Insurance Commissioners or any other similar organization or any nationally recognized rating agency that requires access to information about a Purchaser's or its Affiliates' investment portfolio in connection with ratings issued with respect to such Purchaser or its Affiliates and that no written or oral communications from counsel to an Agent and no information that is or is designated as privileged or as attorney work product may be disclosed to any Person unless such Person is a Purchaser hereunder; *provided that*, unless specifically prohibited by applicable law or court order, each Purchaser shall notify Company of any request by any Government Authority or representative thereof (other than any such request in connection with any examination of the financial condition of such Purchaser by such

Government Authority) for disclosure of any such information prior to disclosure of such information; and *provided further that* in no event shall any Purchaser be obligated or required to return any materials furnished by Company or any of its Subsidiaries. In addition, Purchasers may disclose the existence of this Agreement and customarily disclosed information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to Purchasers, and the initial Purchaser or any of its Affiliates may place customary ""tombstone"" advertisements (which may include any of Company's or its Subsidiaries' trade names or corporate logos) subject to approval by Company in publications of its choice (including without limitation "e-tombstones" published or otherwise circulated in electronic form and related hyperlinks to any of Company's or its Subsidiaries' corporate websites) at its own expense.

Section 9.20 USA Patriot Act. Each Purchaser hereby notifies the Credit Parties that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies Credit Parties, which information includes the name and address of each Credit Party and other information that will allow such Purchaser to identify such Credit Party in accordance with the USA Patriot Act.

Section 9.21 Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Restated Notes made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Restated Notes made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Company shall pay to Purchasers an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Purchasers and Company to conform strictly to any applicable usury laws. Accordingly, if any Purchaser contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Purchaser's option be applied to the outstanding amount of the Restated Notes made hereunder or be refunded to Company.

Section 9.22 Counterparts; Effectiveness. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto.

Section 9.23 Legends. The Restated Notes at all times shall contain in a conspicuous manner the following legend:

"THIS RESTATED NOTE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF NOVEMBER 25, 2008 AMONG PURCHASER, WACHOVIA BANK, NATIONAL ASSOCIATION (THE "ABL AGENT") AND BNP PARIBAS (THE "SENIOR AGENT") AND AS AMENDED PURSUANT TO THAT CERTAIN AMENDMENT NO. 1 DATED AS OF MAY 7, 2010, TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE LOAN PARTIES (AS DEFINED IN THE SENIOR CREDIT AGREEMENT) PURSUANT TO THAT CERTAIN AMENDED AND RESTATED CREDIT AGREEMENT DATED AS OF MAY 7, 2010 (THE "SENIOR CREDIT AGREEMENT") AMONG THE LOAN PARTIES PARTY THERETO, THE SENIOR AGENT AND THE LENDERS FROM TIME TO TIME PARTY THERETO, AND THE OTHER LOAN DOCUMENTS (AS DEFINED IN THE SENIOR CREDIT AGREEMENT) AND TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE BORROWERS (AS DEFINED IN THE AMENDED AND RESTATED ABL AGREEMENT) PURSUANT TO THAT CERTAIN ABL LOAN AND SECURITY AGREEMENT DATED AS OF AUGUST 9, 2007, AS AMENDED AS OF MAY 7, 2010 (THE "ABL AGREEMENT") AMONG THE BORROWERS, THE OTHER LOAN PARTIES PARTY THERETO, THE ABL AGENT AND THE LENDERS FROM TIME TO TIME PARTY THERETO, AND THE OTHER FINANCING AGREEMENTS (AS DEFINED IN THE ABL AGREEMENT), AS SUCH SENIOR CREDIT AGREEMENT, SUCH ABL AGREEMENT AND SUCH OTHER LOAN DOCUMENTS AND FINANCING AGREEMENTS MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS THEREUNDER AS CONTEMPLATED BY THE SUBORDINATION AGREEMENT; AND PURCHASER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT."

Section 9.24 Guaranty Confirmation. Holdings and each Subsidiary Guarantor consents in all respects to the execution by Company of this Agreement and acknowledges and confirms that the Guaranties to guarantee the full payment and performance of the Obligations of Company under the Original Note Purchase Agreement as further amended by this Agreement remain in full force and effect in accordance with their respective terms and the other Note Documents (including, without limitation any additional extensions of credit made hereinafter in accordance with the terms of this Agreement) and any reference to the "Note Purchase Agreement" or any other Note Document in such Guaranties shall be deemed to be a reference to this Agreement or such Note Document as the same is hereby amended or amended and restated on the Restatement Effective Date and as the same may be further amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

HOLDINGS:

USS HOLDINGS, INC. as Holdings

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

c/o U.S. Silica Company
106 Sand Mine Road
Berkeley Springs, WV 25411

ISSUER:

U.S. SILICA COMPANY as Issuer

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

106 Sand Mine Road
Berkeley Springs, WV 25411

SUBSIDIARY GUARANTORS:

THE FULTON LAND AND TIMBER COMPANY

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

c/o U.S. Silica Company
106 Sand Mine Road
Berkeley Springs, WV 25411

PENNSYLVANIA GLASS SAND CORPORATION

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

c/o U.S. Silica Company
106 Sand Mine Road
Berkeley Springs, WV 25411

OTTAWA SILICA COMPANY

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

c/o U.S. Silica Company
106 Sand Mine Road
Berkeley Springs, WV 25411

BMAC SERVICES CO., INC.

By /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

Notice Address:

c/o U.S. Silica Company
106 Sand Mine Road
Berkeley Springs, WV 25411

PURCHASER:

GGC FINANCE PARTNERSHIP, L.P.

By /s/ Rajeev Amara
Name: Rajeev Amara
Title: Vice President

Notice Address:

c/o Golden Gate Capital
One Embarcadero Center
39th Floor
San Francisco, CA 94111

EXHIBITS

EXHIBIT I

FORM OF RESTATED NOTE

THIS RESTATED NOTE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF NOVEMBER 25, 2008 AMONG PURCHASER, WACHOVIA BANK, NATIONAL ASSOCIATION (THE "ABL AGENT") AND BNP PARIBAS (THE "SENIOR AGENT") AND AS AMENDED PURSUANT TO THAT CERTAIN AMENDMENT NO. 1 DATED AS OF MAY 7, 2010, TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE LOAN PARTIES (AS DEFINED IN THE SENIOR CREDIT AGREEMENT) PURSUANT TO THAT CERTAIN AMENDED AND RESTATED CREDIT AGREEMENT DATED AS OF MAY 7, 2010 (THE "SENIOR CREDIT AGREEMENT") AMONG THE LOAN PARTIES PARTY THERETO, THE SENIOR AGENT AND THE LENDERS FROM TIME TO TIME PARTY THERETO, AND THE OTHER LOAN DOCUMENTS (AS DEFINED IN THE SENIOR CREDIT AGREEMENT) AND TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE BORROWERS (AS DEFINED IN THE AMENDED AND RESTATED ABL AGREEMENT) PURSUANT TO THAT CERTAIN ABL LOAN AND SECURITY AGREEMENT DATED AS OF AUGUST 9, 2007, AS AMENDED AS OF MAY 7, 2010 (THE "ABL AGREEMENT") AMONG THE BORROWERS, THE OTHER LOAN PARTIES PARTY THERETO, THE ABL AGENT AND THE LENDERS FROM TIME TO TIME PARTY THERETO, AND THE OTHER FINANCING AGREEMENTS (AS DEFINED IN THE ABL AGREEMENT), AS SUCH SENIOR CREDIT AGREEMENT, SUCH ABL AGREEMENT AND SUCH OTHER LOAN DOCUMENTS AND FINANCING AGREEMENTS MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS THEREUNDER AS CONTEMPLATED BY THE SUBORDINATION AGREEMENT; AND PURCHASER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

U.S. Silica Company

$[Amount] New York, NY

[_____], 2010

FOR VALUE RECEIVED, U.S. Silica Company, a Delaware corporation, as Issuer, promises to pay to [Purchaser's Name] ("**Payee**") or its registered assigns the principal amount of [Amount] Dollars ($[*Amount*]). All capitalized terms used but not otherwise defined herein have the meanings given to them in the Note Purchase Agreement (as defined below). The principal amount of this Note shall be payable on the dates and in the amounts specified in that certain Amended and Restated Note Purchase Agreement dated as of May 7, 2010 by and among Issuer, USS Holdings, Inc., GGC Finance Partnership, L.P. (together with its successors, assigns, transferees in their capacity as the holders or purchasers of the Notes, individually a "**Purchaser**" and collectively, "**Purchasers**") and the other parties listed therein (said Amended and Restated Note Purchase Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time, being the "**Note Purchase Agreement**"); provided that the last payment shall be in an amount sufficient to repay the entire unpaid principal balance of this Note, together with all accrued and unpaid interest thereon.

Company also promises to pay interest on the unpaid principal amount of the Note, until paid in full, at the rates and at the times which shall be determined in accordance with the provisions of the Note Purchase Agreement.

This Note is one of Company's "Restated Notes" and is issued pursuant to and entitled to the benefits of the Note Purchase Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the Note was made and is to be repaid.

All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America in same day funds at such other place as shall be designated in writing for such purpose in accordance with the terms of the Note Purchase Agreement. Unless and until a Transfer of this Note shall have been registered as provided in the Note Purchase Agreement, Company and Purchasers shall be entitled to deem and treat Payee as the owner and holder of this Note. Payee hereby agrees, by its acceptance hereof, that before disposing of this Note or any part hereof it will make a notation hereon of all principal payments previously made hereunder and of the date to which interest hereon has been paid; *provided, however*, that the failure to make a notation of any payment made on this Note shall not limit or otherwise affect the obligations of Company hereunder with respect to payments of principal or interest on this Note.

Whenever any payment on this Note shall be stated to be due on a day which is not a Business Day, such payment will be deemed due on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest on this Note.

This Note is subject to mandatory prepayment as provided in the Note Purchase Agreement and may, from time to time, make voluntary prepayments of the outstanding principal amount of, and interest on, this Note, in whole or in part, with Prepayment Premium pursuant to Section 2.4(b) of the Note Purchase Agreement.

[This Note amends, restates, supersedes and replaces in its entirety that certain Note made by the Issuer, dated as of November 25, 2008 in favor of the Payee in the original principal amount of Eighty Million Dollars ($80,000,000.00) (the "Original Note"). This Note does not, however, constitute a novation of rights, obligations and liabilities existing under the Original Note or evidence payment of all or any of such obligations and liabilities except as provided in the Note Purchase Agreement and such rights, obligations and liabilities shall continue and remain outstanding.]

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF COMPANY AND PAYEE HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

Upon the occurrence of any Event of Default, the unpaid balance of the principal amount of this Note, together with all accrued and unpaid interest thereon, may become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Note Purchase Agreement.

The terms of this Note are subject to amendment only in the manner provided in the Note Purchase Agreement.

This Note is subject to restrictions on transfer or assignment as provided in the Note Purchase Agreement.

Issuer promises to pay all reasonable, documented, out-of-pocket costs and expenses, including reasonable attorneys' fees, all as provided in the Note Purchase Agreement, incurred in the collection and enforcement of this Note. Issuer and any endorsers of this Note hereby consent to renewals and extensions of time at or after the maturity hereof, without notice.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Issuer has caused this Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first written above.

U.S. SILICA COMPANY, as Issuer

By: _____

Name:

Title:

EXHIBIT III

FORM OF SOLVENCY CERTIFICATE

This **SOLVENCY CERTIFICATE** (this "**Certificate**") is delivered in connection with that certain Amended and Restated Note Purchase Agreement (the "**Note Purchase Agreement**") dated as of May 7, 2010 by and among Issuer, USS Holdings, Inc., GGC Finance Partnership, L.P. (together with its successors, assigns, transferees in their capacity as the holders or purchasers of the Notes, individually a "**Purchaser**" and collectively, "**Purchasers**") and the other parties listed therein. Capitalized terms used herein without definition have the same meanings as in the Note Purchase Agreement.

This Solvency Certificate is being delivered pursuant to Section 3.7 of the Note Purchase Agreement. The undersigned is the **[****Treasurer/Chief Financial Officer**]** of Company and hereby further certifies as of the date hereof, to his or her knowledge and in his or her capacity as an officer of Company, and not individually, as follows:

1. I have responsibility for or am otherwise familiar with (a) the management of the financial affairs of Company and the preparation of financial statements of Company, and (b) the financial and other aspects of the transactions contemplated by the Note Purchase Agreement.

2. I hereby certify, in my capacity as **[****Treasurer/Chief Financial Officer**]** of Company and not individually, that I have made such investigation and inquiries as to the financial condition of the Credit Parties and their Subsidiaries as I deem necessary and prudent for the purpose of providing this Certificate. I acknowledge that Purchasers are relying on the truth and accuracy of this Certificate in connection with the purchase of the Notes under the Note Purchase Agreement.

3. I further certify that the financial information, projections and assumptions which underlie and form the basis for the representations made in this Certificate were reasonable when made and were made in good faith and continue to be reasonable as of the date hereof.

4, BASED ON THE FOREGOING, I hereby certify, in my capacity as **[****Treasurer/Chief Financial Officer**]** of Company and not individually, that, both before and after giving effect to the Transactions, the Credit Parties on a consolidated basis are Solvent.

The undersigned has executed this Solvency Certificate, to his or her knowledge and in his or her capacity as an officer of Company and not individually, as of [**•**].

[Remainder of page intentionally left blank]

USS HOLDINGS, INC.

By: _____

Name: _____

Title: _____

EXHIBIT IV

FORM OF SUBSIDIARY GUARANTY

This **SUBSIDIARY GUARANTY** is entered into as of [**•**] by the undersigned (each a "**Guarantor**", and together with any future Subsidiaries executing this Guaranty, being collectively referred to herein as the "**Guarantors**") in favor of and for the benefit of GGC Finance Partnership, L.P. and its successors, assigns, transferees in their capacity as the holders or purchasers of the Notes (each individually a "**Guarantied Party** and collectively "**Guarantied Parties**").

RECITALS

(A) U.S. Silica Company, a Delaware corporation as Issuer has entered into that certain Amended and Restated Note Purchase Agreement dated as of May 7, 2010 by and among Issuer, USS Holdings, Inc., GGC Finance Partnership, L.P. (together with its successors, assigns, transferees in their capacity as the holders or purchasers of the Notes, individually a "**Purchaser**" and collectively, "**Purchasers**") and the other parties listed therein (said Amended and Restated Note Purchase Agreement, as it may hereafter be amended, restated, supplemented or otherwise modified from time to time, being the "**Note Purchase Agreement**"; capitalized terms defined therein and not otherwise defined herein being used herein as therein defined).

(B) The Guarantied Obligations (as hereinafter defined) are being incurred for and will inure to the benefit of Guarantors (which benefits are hereby acknowledged).

(C) It is a condition precedent to the purchase of the Notes under the Note Purchase Agreement that Company's obligations thereunder be guarantied by Guarantors.

(D) Guarantors are willing irrevocably and unconditionally to guaranty such obligations of Company.

NOW, THEREFORE, based upon the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Guarantied Parties to enter into the Note Purchase Agreement and to purchase the Notes and to make extensions of credit thereunder, Guarantors hereby agree as follows:

1. Guaranty.

(a) Guarantors jointly and severally irrevocably and unconditionally guaranty, as primary obligors and not merely as sureties, the due and punctual payment in full of all Guarantied Obligations (as hereinafter defined) when the same shall become due, whether at stated maturity, by acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code). The term "**Guarantied Obligations**" includes any and all Obligations of Company, now or hereafter made, incurred or created, whether absolute or contingent, liquidated or unliquidated, whether due or not due, and however arising under or in connection with the Note Purchase Agreement, this Guaranty and the other Note Documents.

Each Guarantor acknowledges that the Guarantied Obligations are being incurred for and will inure to its benefit.

Any interest on any portion of the Guarantied Obligations that accrues after the commencement of any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Company (or, if interest on any portion of the Guarantied Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Guarantied Obligations if said proceeding had not been commenced) shall be included in the Guarantied Obligations.

In the event that all or any portion of the Guarantied Obligations is paid by Company, the obligations of each Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) is rescinded or recovered directly or indirectly from any Guarantied Party as a preference, fraudulent transfer or otherwise, and any such payments that are so rescinded or recovered shall constitute Guarantied Obligations.

Subject to the other provisions of this Section 1, upon the failure of Company to pay any of the Guarantied Obligations when and as the same shall become due, each Guarantor will upon demand pay, or cause to be paid, in cash, to Guarantied Parties, an amount equal to the aggregate of the unpaid Guarantied Obligations.

(b) Anything contained in this Guaranty to the contrary notwithstanding, the obligations of each Guarantor under this Guaranty and the other Note Documents shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Guarantor (i) in respect of intercompany indebtedness to Company or other affiliates of Company to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder and (ii) under any guaranty of Subordinated Indebtedness which guaranty contains a limitation as to maximum amount similar to that set forth in this Section 1(b), pursuant to which the liability of such Guarantor hereunder is included in the liabilities taken into account in determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification or contribution of such Guarantor pursuant to applicable law or pursuant to the terms of any agreement.

(c) Each Guarantor under this Guaranty, and each guarantor under other guaranties, if any, relating to the Note Purchase Agreement (the "**Related Guaranties**") that contain a contribution provision similar to that set forth in this Section 1(c), together desire to allocate among themselves (collectively, the "**Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty and the Related Guaranties. Accordingly, in the event any payment or distribution is made on any date by a Guarantor under this Guaranty or a guarantor under a Related Guaranty, each such Guarantor or such other guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in the maximum amount permitted by law so as to maximize the aggregate amount of the Guarantied Obligations paid to Guarantied Parties.

2. Guaranty Absolute; Continuing Guaranty.

Other than as mandated under applicable law or expressly set forth in this Guaranty or any other Note Document, the obligations of each Guarantor hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guarantied Obligations (other than Unasserted Obligations). In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees that: (a) this Guaranty is a guaranty of payment when due and not of collectibility; (b) Guarantied Parties may enforce this Guaranty upon the occurrence and during the continuance of an Event of Default under the Note Purchase Agreement notwithstanding the existence of any dispute between Company and any Guarantied Party with respect to the existence of such event; (c) the obligations of each Guarantor hereunder are independent of the obligations of Company under the Note Documents and the obligations of any other guarantor of obligations of Company and a separate action or actions may be brought and prosecuted against each Guarantor whether or not any action is brought against Company or any of such other guarantors and whether or not Company is joined in any such action or actions; and (d) a payment of a portion, but not all, of the Guarantied Obligations by one or more Guarantors shall in no way limit, affect, modify or abridge the liability of such or any other Guarantor for any portion of the Guarantied Obligations that has not been paid. This Guaranty is a continuing guaranty and shall be binding upon each Guarantor and its successors and assigns, and, to the fullest extent permitted by applicable law, each Guarantor irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guarantied Obligations.

3. Actions by Guarantied Party.

Any Guarantied Party may from time to time, in accordance with the terms of the applicable Note Document, without notice or demand and without affecting the validity or enforceability of this Guaranty or giving rise to any limitation, impairment or discharge of any Guarantor’s liability hereunder, (a) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Guarantied Obligations, (b) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guarantied Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (c) request and accept other guaranties of the Guarantied Obligations and take and hold security for the payment of this Guaranty or the Guarantied Obligations, (d) release, exchange, compromise, subordinate or modify, with or without consideration, any security for payment of the Guarantied Obligations, any other guaranties of the Guarantied Obligations, or any other obligation of any Person with respect to the Guarantied Obligations, (e) enforce and apply any security now or hereafter held by or for the benefit of any Guarantied Party in respect of this Guaranty or the Guarantied Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Guarantied Parties or any of them may have against any such security, as Guarantied Party in its reasonable discretion may determine consistent with the Note Purchase Agreement and any applicable

security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable and (f) exercise any other rights available to Guarantied Parties or any of them under the Note Documents.

4. No Discharge.

This Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason (other than (i) payment in full of the Guarantied Obligations or (ii) Unasserted Obligations), including without limitation the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (a) any failure to assert or enforce or agreement not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guarantied Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guarantied Obligations, (b) any waiver or modification of, or any consent to departure from, any of the terms or provisions of the Note Purchase Agreement, any of the other Note Documents or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guarantied Obligations, (c) the Guarantied Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (d) the application of payments received from any source to the payment of indebtedness other than the Guarantied Obligations, even though Guarantied Parties or any of them might have elected to apply such payment to any part or all of the Guarantied Obligations, (e) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guarantied Obligations, (f) any defenses, set-offs or counterclaims which Company may assert against any Guarantied Party in respect of the Guarantied Obligations, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury but excluding payment and performance of the Guarantied Obligations and (g) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of a Guarantor as an obligor in respect of the Guarantied Obligations.

5. Waivers.

Each Guarantor waives to the extent permitted by applicable law, for the benefit of Guarantied Parties: (a) any right to require Guarantied Parties, as a condition of payment or performance by such Guarantor, to (i) proceed against Company, any other guarantor of the Guarantied Obligations or any other Person, (ii) proceed against or exhaust any security held from Company, any other guarantor of the Guarantied Obligations or any other Person, (iii) proceed against or have resort to any balance of any deposit account or credit on the books of any Guarantied Party in favor of Company or any other Person or (iv) pursue any other remedy in the power of any Guarantied Party; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Company including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Guarantied Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Company from any cause other than payment in full of the Guarantied Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Guarantied Party's errors or omissions in the administration of the Guarantied Obligations, except behavior that amounts to bad faith, gross negligence or willful misconduct; (e) (i) any principles or provisions of law, statutory or otherwise, that are or might be in conflict with the terms of this Guaranty and any legal or equitable discharge of such Guarantor's obligations hereunder other than by payment and performance, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims and (iv) promptness, diligence and any requirement that any Guarantied Party protect, secure, perfect or insure any Lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of this Guaranty, notices of default under the Note Purchase Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guarantied Obligations or any agreement related thereto, notices of any extension of credit to Company and notices of any of the matters referred to in Sections 3 and 4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Guaranty.

6. Guarantors' Rights of Subrogation, Contribution, Etc.; Subordination of Other Obligations.

Until the Guarantied Obligations (other than Unasserted Obligations) shall have been paid in full, each Guarantor shall withhold exercise of (a) any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against Company or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (i) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against Company, (ii) any right to enforce, or to participate in, any claim, right or remedy that any Guarantied Party now has or may hereafter have against Company and (iii) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Guarantied Party and (b) any right of contribution such Guarantor now has or may hereafter have against any other guarantor of any of the Guarantied Obligations in respect thereof. Each Guarantor further agrees that, to the extent the agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against Company or against any collateral or security and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights Guarantied Parties may have against Company, to all right, title and interest Guarantied Parties may have in any such collateral or security and to any right Guarantied Parties may have against such other guarantor.

Any indebtedness of Company now or hereafter held by any Guarantor is subordinated in right of payment to the Guarantied Obligations, and any such indebtedness of Company to a Guarantor collected or received by such Guarantor after an Event of Default has occurred and is continuing, and any amount paid to a Guarantor on account of any subrogation, reimbursement, indemnification or contribution rights referred to in the preceding paragraph when all Guarantied Obligations have not been paid in full, shall be held in trust for Guarantied Parties and shall promptly be paid over to Guarantied Parties to be credited and applied against the Guarantied Obligations but without affecting, impairing or limiting in any manner the liability of such Guarantor under any other provision of this Guaranty; *provided* that any payment on such indebtedness received by any Guarantor at any time when no Event of Default has occurred and is continuing and in accordance with this Guaranty or the Note Purchase Agreement shall be permitted and need not be held in trust for or paid over to Guarantied Parties.

7. Expenses.

Guarantors jointly and severally agree to pay, or cause to be paid, on demand, and to save Guarantied Parties harmless against liability for, (a) any and all reasonable, documented, out-of-pocket costs and expenses (including reasonable fees, costs of settlement, and disbursements of counsel) incurred or expended by Guarantied Parties in connection with the enforcement of or preservation of any rights under this Guaranty and (b) any and all reasonable, documented out-of-pocket costs and expenses (including those arising from rights of indemnification) required to be paid by Guarantors under the provisions of any other Note Document.

8. Financial Condition of Company.

No Guarantied Party shall have any obligation, and each Guarantor waives any duty on the part of any Guarantied Party, to disclose or discuss with such Guarantor its assessment, or such Guarantor's assessment, of the financial condition of Company or any matter or fact relating to the business, operations or condition of Company. Each Guarantor has adequate means to obtain information from Company on a continuing basis concerning the financial condition of Company and its ability to perform its obligations under the Note Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of Company and of all circumstances bearing upon the risk of non-payment of the Guarantied Obligations.

9. Representations and Warranties.

Each Guarantor makes, for the benefit of Guarantied Parties, each of the representations and warranties made in the Note Purchase Agreement by Company as to such Guarantor, its assets, financial condition, operations, organization, legal status, business and the Note Documents to which it is a party.

10. Covenants.

Each Guarantor agrees that, so long as any part of the Guaranteed Obligations shall remain unpaid (other than Unasserted Obligations), such Guarantor will, unless Requisite Purchasers shall otherwise consent in writing, perform or observe, all of the terms, covenants and agreements that the Note Documents state that Company is to cause a Guarantor and such Subsidiaries to perform or observe.

11. Set Off.

In addition to any other rights any Guarantied Party may have under law or in equity, if any amount shall at any time be due and owing by a Guarantor to any Guarantied Party under this Guaranty, such Guarantied Party is authorized at any time or from time to time, with prompt notice, to set off and to appropriate and to apply any and all deposits (general or special, including but not limited to indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness of such Guarantied Party owing to a Guarantor and any other property of such Guarantor held by a Guarantied Party to or for the credit or the account of such Guarantor against and on account of the Guarantied Obligations and liabilities of such Guarantor to any Guarantied Party under this Guaranty to the extent then due and payable.

12. Discharge of Guaranty Upon Sale of Guarantor; Release.

(a) If all of the stock of a Guarantor or any of its successors in interest under this Guaranty shall be sold or otherwise disposed of (including by merger or consolidation) in a sale or other disposition not prohibited by the Note Purchase Agreement or otherwise consented to by Requisite Purchasers, the obligations of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Guarantied Party or any other Person effective as of the time of such sale; *provided* that such Guarantor may request Guarantied Parties to execute and deliver documents or instruments necessary to evidence the release and discharge of this Guaranty as provided in Section 9.14 of the Note Purchase Agreement and the Guarantied Parties shall promptly comply with such requests.

(b) Upon the payment in full of all Guarantied Obligations (other than Unasserted Obligations), this Guaranty and all obligations of each Guarantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party. Upon such termination, Guarantied Parties will, at any Guarantor's request, promptly execute and deliver to such Guarantor such documents as such Guarantor shall reasonably request to evidence such termination.

13. Amendments and Waivers.

No amendment, modification, termination or waiver of any provision of this Guaranty, and no consent to any departure by any Guarantor therefrom, shall in any event be effective without the written concurrence of Guarantied Parties and, in the case of any such amendment or modification, Guarantors. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

14. Miscellaneous.

(a) It is not necessary for Guarantied Parties to inquire into the capacity or powers of any Guarantor or Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

(b) The rights, powers and remedies given to Guarantied Parties by this Guaranty are cumulative and shall be in addition to and independent of all rights, powers and remedies given to Guarantied Parties by virtue of any statute or rule of law or in any of the Note Documents or any agreement between one or more Guarantors and one or more Guarantied Parties or between Company and one or more Guarantied Parties; *provided, however,* that notwithstanding the foregoing, to the extent any provision in this Guaranty conflicts with any provision of the Note Purchase Agreement, then the Note Purchase Agreement shall control. Any forbearance or failure to exercise, and any delay by any Guarantied Party in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

(c) In case any provision in or obligation under this Guaranty shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(d) **THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF GUARANTORS AND GUARANTIED PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.**

(e) This Guaranty shall inure to the benefit of Guarantied Parties and their respective successors and assigns, without any need for execution hereof by such Guarantied Parties or such successors and assigns.

(f) All notices, requests and demands to or upon any Guarantied Party or any Guarantor hereunder shall be effected in the manner provided for in Section 9.8 of the Note Purchase Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth in Schedule 1.

(g) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST GUARANTOR ARISING OUT OF OR RELATING TO THIS GUARANTY MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS GUARANTY EACH GUARANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. Each Guarantor agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to Guarantor at its address set forth below its signature hereto, such service being acknowledged by Guarantor to be sufficient for personal jurisdiction in any action against such Guarantor in any such court and to be otherwise effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of any Guarantied Party to bring proceedings against such Guarantor in the courts of any other jurisdiction. The provisions of this Section 14(g) shall be binding and enforceable to the fullest extent under the New York General Obligations Law Section 5-1042 or otherwise.

(h) **EACH GUARANTOR AND, BY ITS ACCEPTANCE OF THE BENEFITS HEREOF, GUARANTIED PARTY EACH AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS GUARANTY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH GUARANTOR AND, BY ITS ACCEPTANCE OF THE BENEFITS HEREOF, GUARANTIED PARTIES EACH (A) ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR GUARANTOR AND GUARANTIED PARTIES TO ENTER INTO A BUSINESS RELATIONSHIP, THAT GUARANTOR AND GUARANTIED PARTIES HAVE ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS GUARANTY OR ACCEPTING THE BENEFITS THEREOF, AS THE CASE MAY BE, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS AND (B) FURTHER WARRANTS AND REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SIGNED BY ALL PARTIES TO THIS GUARANTY AND SPECIFICALLY REFERRING TO THIS SECTION 14(H), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS GUARANTY. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

15. Additional Guarantors.

The initial Guarantors hereunder shall be such of the Domestic Subsidiaries and Affiliates of Company as are signatories hereto on the date hereof. From time to time subsequent to the date hereof, Domestic Subsidiaries of Company may become parties hereto, as additional Guarantors (each an "**Additional Guarantor**"), by executing a counterpart of this Guaranty. A form of such a counterpart is attached as Exhibit A. Upon delivery of any such counterpart to Guarantied Parties, notice of which is hereby waived by Guarantors, each such Additional Guarantor shall be a Guarantor and shall be as fully a party hereto as if such Additional Guarantor were an original signatory hereof. Each Guarantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Guarantor hereunder, nor by any election of the Guarantied Parties not to cause any Domestic Subsidiary of Company to become an Additional Guarantor hereunder. This Guaranty shall be fully effective as to any Guarantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Guarantor hereunder.

16. Counterparts; Effectiveness.

This Guaranty may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original for all purposes; but all such counterparts together shall constitute but one and the same instrument. This Guaranty shall become effective as to each Guarantor upon the execution of a counterpart hereof by such Guarantor (whether or not a counterpart hereof shall have been executed by any other Guarantor) and receipt by the Guaranteed Party of written or telephonic notification of such execution and authorization of delivery thereof.

17. Subordination

This Subsidiary Guaranty is and shall at all times be and remain subordinated and subject in rights of payment to the extent and in the manner set forth in the Subordination Agreement to the prior payment in full of all Senior Loans and ABL Loans.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each Guarantor and Guarantied Parties have caused this Guaranty to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

[SUBSIDIARY GUARANTOR]

By: _____

Name: _____

Title: _____

Address:

GGC FINANCE PARTNERSHIP, L.P., as
Guarantied Party

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Address:

Exhibit A
[Form Of Counterpart For Additional Guarantors**]**

This COUNTERPART (this "**Counterpart**"), dated _____, 20__, is delivered pursuant to Section 15 of the Guaranty referred to below. The undersigned hereby agrees that this Counterpart may be attached to the Guaranty, dated as of November [**•**], 2008 (as it may be from time to time amended, restated, modified or supplemented, the "**Guaranty**"; capitalized terms used herein not otherwise defined herein shall have the meanings ascribed therein), among the Guarantors named therein and Guarantied Parties named therein. The undersigned, by executing and delivering this Counterpart, hereby becomes an Additional Guarantor under the Guaranty in accordance with Section 15 thereof and agrees to be bound by all of the terms thereof.

IN WITNESS WHEREOF, the undersigned has caused this Counterpart to be duly executed and delivered by its officer thereunto duly authorized as of _____, 20__.

[**NAME OF ADDITIONAL GUARANTOR**]

By: _____

Title: _____

Address:

SCHEDULE 1

Notice Address for Guarantors

[**•**]

Notice Address:

EXHIBIT V

FORM OF PARENT GUARANTY

This **PARENT GUARANTY** is entered into as of November [**•**], 2008 by the undersigned (the "**Guarantor**"), in favor of and for the benefit of GGC Finance Partnership, L.P. and its successors, assigns, transferees in their capacity as the holders or purchasers of the Notes (each individually a "**Guarantied Party** and collectively "**Guarantied Parties**").

RECITALS

(A) U.S. Silica Company, a Delaware corporation as Issuer has entered into that certain Note Purchase Agreement dated as of November [**•**], 2008 with Acquisition Co., Initial Issuer, Holdings, Guarantied Parties and the other parties listed therein (said Note Purchase Agreement, as it may hereafter be amended, restated, supplemented or otherwise modified from time to time, being the "**Note Purchase Agreement**"; capitalized terms defined therein and not otherwise defined herein being used herein as therein defined).

(B) Company is a wholly owned Subsidiary of Guarantor and thus the Guarantied Obligations (as hereinafter defined) are being incurred for and will inure to the benefit of Guarantor (which benefits are hereby acknowledged).

(C) It is a condition precedent to the purchase of the Notes under the Note Purchase Agreement that Company's obligations thereunder be guarantied by Guarantor.

(D) Guarantor is willing irrevocably and unconditionally to guaranty such obligations of Company.

NOW, THEREFORE, based upon the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Guarantied Parties to enter into the Note Purchase Agreement and to purchase the Notes thereunder, Guarantor hereby agrees as follows:

1. Guaranty.

(a) In order to induce Guarantied Parties to purchase the Notes and make extensions of credit pursuant to the Note Purchase Agreement. Guarantor irrevocably and unconditionally guaranties, as primary obligor and not merely as surety, the due and punctual payment in full of all Guarantied Obligations (as hereinafter defined) when the same shall become due, whether at stated maturity, by acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code). The term "**Guarantied Obligations**" includes any and all Obligations of Company, now or hereafter made, incurred or created, whether absolute or contingent, liquidated or unliquidated, whether due or not due, and however arising under or in connection with the Note Purchase Agreement, this Guaranty and the other Note Documents.

Any interest on any portion of the Guarantied Obligations that accrues after the commencement of any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Company (or, if interest on any

portion of the Guarantied Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Guarantied Obligations if said proceeding had not been commenced) shall be included in the Guarantied Obligations.

In the event that all or any portion of the Guarantied Obligations is paid by Company, the obligations of Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) is rescinded or recovered directly or indirectly from any Guarantied Party as a preference, fraudulent transfer or otherwise, and any such payments that are so rescinded or recovered shall constitute Guarantied Obligations.

Subject to the other provisions of this Section 1, upon the failure of Company to pay any of the Guarantied Obligations when and as the same shall become due, Guarantor will upon demand pay, or cause to be paid, in cash, to Guarantied Parties, an amount equal to the aggregate of the unpaid Guarantied Obligations.

(b) Guarantor under this Guaranty, and each guarantor under other guaranties, if any, relating to the Note Purchase Agreement (the "**Related Guaranties**") that contain a contribution provision similar to that set forth in this Section 1(b), together desire to allocate among themselves (collectively, the "**Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty and the Related Guaranties. Accordingly, in the event any payment or distribution is made on any date by Guarantor under this Guaranty or a guarantor under a Related Guaranty, Guarantor or such other guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in the maximum amount permitted by law so as to maximize the aggregate amount of the Guarantied Obligations paid to Guarantied Parties.

2. Guaranty Absolute; Continuing Guaranty.

Other than as mandated under applicable law or as expressly set forth in this Guaranty or any other Note Document, the obligations of Guarantor hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guarantied Obligations (other than Unasserted Obligations). In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees that: (a) this Guaranty is a guaranty of payment when due and not of collectibility; (b) Guarantied Parties may enforce this Guaranty upon the occurrence and during the continuance of an Event of Default under the Note Purchase Agreement notwithstanding the existence of any dispute between Company and any Guarantied Party with respect to the existence of such event; (c) the obligations of Guarantor hereunder are independent of the obligations of Company under the Note Documents and the obligations of any other guarantor of the obligations of Company and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against Company or any of such other guarantors and whether or not Company is joined in any such action or actions; and (d) Guarantor's payment of a portion, but not all, of the Guarantied Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guarantied Obligations that has not been paid. This Guaranty is a continuing guaranty and shall be binding upon Guarantor and its successors and assigns, and, to the fullest extent permitted by applicable law, Guarantor irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guarantied Obligations.

3. Actions by Guarantied Parties.

Any Guarantied Party may from time to time, in accordance with the terms of the applicable Note Document, without notice or demand and without affecting the validity or enforceability of this Guaranty or giving rise to any limitation, impairment or discharge of Guarantor's liability hereunder, (a) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Guarantied Obligations, (b) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guarantied Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (c) request and accept other guaranties of the Guarantied Obligations and take and hold security for the payment of this Guaranty or the Guarantied Obligations, (d) release, exchange, compromise, subordinate or modify, with or without consideration, any security for payment of the Guarantied Obligations, any other guaranties of the Guarantied Obligations, or any other obligation of any Person with respect to the Guarantied Obligations, (e) enforce and apply any security now or hereafter held by or for the benefit of any Guarantied Party in respect of this Guaranty or the Guarantied Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Guarantied Party or the other Beneficiaries, or any of them may have against any such security, as Guarantied Party in its reasonable discretion may determine consistent with the Credit Agreement, the Lender Hedge Agreements and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales and (f) exercise any other rights available to Guarantied parties or any of them, under the Note Documents.

4. No Discharge.

This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason (other than (i) payment in full of the Guarantied Obligations or (ii) Unasserted Obligations), including without limitation the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (a) any failure to assert or enforce or agreement not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guarantied Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guarantied Obligations, (b) any waiver or modification of, or any consent to departure from, any of the terms or provisions of the Note Purchase Agreement, any of the other Note Documents or any agreement or instrument executed pursuant thereto, or of any other guaranty for the Guarantied Obligations, (c) the Guarantied Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (d) the application of payments received from any source to the payment of indebtedness other than the Guarantied Obligations, even though Guarantied Parties or any of them might have elected to apply such payment to any part or all of the Guarantied Obligations, (e) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guarantied Obligations, (f) any defenses,

set-offs or counterclaims which Company may assert against any Guarantied Party in respect of the Guarantied Obligations, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury but excluding payment and performance of the Guarantied Obligations and (g) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guarantied Obligations.

5. Waivers.

Guarantor waives to the extent permitted by applicable law, for the benefit of Guarantied Parties: (a) any right to require Guarantied Parties, as a condition of payment or performance by Guarantor, to (i) proceed against Company, any other guarantor of the Guarantied Obligations or any other Person, (ii) proceed against or exhaust any security held from Company, any other guarantor of the Guarantied Obligations or any other Person, (iii) proceed against or have resort to any balance of any deposit account or credit on the books of any Guarantied Party in favor of Company or any other Person or (iv) pursue any other remedy in the power of any Guarantied Party; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Company including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Guarantied Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Company from any cause other than payment in full of the Guarantied Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Guarantied Party's errors or omissions in the administration of the Guarantied Obligations, except behavior that amounts to bad faith, gross negligence or willful misconduct; (e) (i) any principles or provisions of law, statutory or otherwise, that are or might be in conflict with the terms of this Guaranty and any legal or equitable discharge of Guarantor's obligations hereunder other than by payment and performance, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims and (iv) promptness, diligence and any requirement that any Guarantied Party protect, secure, perfect or insure any Lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of this Guaranty, notices of default under the Note Purchase Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guarantied Obligations or any agreement related thereto, notices of any extension of credit to Company and notices of any of the matters referred to in Sections 3 and 4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Guaranty.

6. Guarantor's Rights of Subrogation, Contribution, Etc.; Subordination of Other Obligations.

(a) Until the Guarantied Obligations (other than Unasserted Obligations) shall have been paid in full, Guarantor shall withhold exercise of (a) any claim, right or remedy, direct or indirect, that Guarantor now has or may hereafter have against Company or any of its assets in connection

with this Guaranty or the performance by Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (i) any right of subrogation, reimbursement or indemnification that Guarantor now has or may hereafter have against Company, (ii) any right to enforce, or to participate in, any claim, right or remedy that any Guarantied Party now has or may hereafter have against Company and (iii) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Guarantied party and (b) any right of contribution Guarantor now has or may hereafter have against any other guarantor of any of the Guarantied Obligations in respect thereof. Guarantor further agrees that, to the extent the agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification Guarantor may have against Company or against any collateral or security, and any rights of contribution Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights Guarantied Parties may have against Company, to all right, title and interest Guarantied Party or the other Beneficiaries may have in any such collateral or security, and to any right Guarantied Parties may have against such other guarantor.

(b) Any indebtedness of Company now or hereafter held by Guarantor is subordinated in right of payment to the Guarantied Obligations, and any such indebtedness of Company to Guarantor collected or received by Guarantor after an Event of Default has occurred and is continuing, and any amount paid to Guarantor on account of any subrogation, reimbursement, indemnification or contribution rights referred to in the preceding paragraph when all Guarantied Obligations have not been paid in full, shall be held in trust for Guarantied Parties and shall promptly be paid over to Guarantied Parties to be credited and applied against the Guarantied Obligations but without affecting, impairing or limiting in any manner the liability of Guarantor under any other provision of this Guaranty; *provided* that any payment on such indebtedness received by Guarantor at any time when no Event of Default has occurred and is continuing and in accordance with this Guaranty or the Note Purchase Agreement shall be permitted and need not be held in trust for or paid over to Guarantied Parties.

7. Expenses.

Guarantor agrees to pay, or cause to be paid, on demand, and to save Guarantied Parties harmless against liability for, (a) any and all reasonable, documented out-of-pocket costs and expenses (including reasonable fees, costs of settlement and disbursements of counsel) incurred or expended by Guarantied Parties in connection with the enforcement of or preservation of any rights under this Guaranty and (b) any and all reasonable, documented, out-of-pocket costs and expenses (including those arising from rights of indemnification) required to be paid by Guarantor under the provisions of any other Note Document.

8. Financial Condition of Company.

No Guarantied Party shall have any obligation, and Guarantor waives any duty on the part of any Guarantied Party, to disclose or discuss with Guarantor its assessment, or Guarantor’s assessment, of the financial condition of Company or any matter or fact relating to the business, operations or condition of Company. Guarantor has adequate means to obtain information from Company on a continuing basis concerning the financial condition of Company and its ability

to perform its obligations under the Note Documents, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of Company and of all circumstances bearing upon the risk of non-payment of the Guarantied Obligations.

9. Representations and Warranties.

Guarantor makes, for the benefit of Guarantied Parties, each of the representations and warranties made in the Note Purchase Agreement by Company as to Guarantor, its assets, financial condition, operations, organization, legal status, business and the Note Documents to which it is a party.

10. Covenants.

Guarantor agrees that, so long as any part of the Guaranteed Obligations shall remain unpaid (other than Unasserted Obligations), Guarantor will, unless Requisite Purchasers shall otherwise consent in writing, perform or observe, and cause its Subsidiaries to perform or observe, all of the terms, covenants and agreements that the Note Documents state that Company is to cause Guarantor and such Subsidiaries to perform or observe.

11. Set Off.

In addition to any other rights any Guarantied Party may have under law or in equity, if any amount shall at any time be due and owing by Guarantor to any Guarantied Party under this Guaranty, such Guarantied Party is authorized at any time or from time to time, with prompt notice, to set off and to appropriate and to apply any and all deposits (general or special, including but not limited to indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness of such Guarantied Party owing to Guarantor and any other property of Guarantor held by a Guarantied Party to or for the credit or the account of Guarantor against and on account of the Guarantied Obligations and liabilities of Guarantor to any Guarantied Party under this Guaranty to the extent then due and payable.

12. Release.

Upon the payment in full of all Guarantied Obligations (other than Unasserted Obligations), this Guaranty and all obligations of Guarantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party. Upon any such termination, Guarantied Parties will, at Guarantor’s request, promptly execute and deliver to Guarantor such documents as Guarantor shall reasonably request to evidence such termination.

13. Amendments and Waivers.

No amendment, modification, termination or waiver of any provision of this Guaranty, and no consent to any departure by Guarantor therefrom, shall in any event be effective without the written concurrence of Guarantied Parties and, in the case of any such amendment or modification, Guarantor. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

14. Miscellaneous.

(a) It is not necessary for Guarantied Parties to inquire into the capacity or powers of Guarantor or Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

(b) The rights, powers and remedies given to Guarantied Parties by this Guaranty are cumulative and shall be in addition to and independent of all rights, powers and remedies given to Guarantied Parties by virtue of any statute or rule of law or in any of the Note Documents or any agreement between Guarantor and one or more Guarantied Parties or between Company and one or more Guarantied Parties; *provided*, *however*, that notwithstanding the foregoing, to the extent that any provision in this Guaranty conflicts with any provision of the Note Purchase Agreement, then the Note Purchase Agreement shall control. Any forbearance or failure to exercise, and any delay by any Guarantied Party in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

(c) In case any provision in or obligation under this Guaranty shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(d) **THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF GUARANTOR AND GUARANTIED PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.**

(e) This Guaranty shall inure to the benefit of Guarantied Parties and their respective successors and assigns without any need for execution hereof by such Guarantied Parties or such successors and assigns.

(f) All notices, requests and demands to or upon any Guarantied Party or Guarantor hereunder shall be effected in the manner provided for in Section 9.8 of the Note Purchase Agreement; provided that any such notice, request or demand to or upon Guarantor shall be addressed to Guarantor at its notice address set forth in Schedule 1.

(g) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST GUARANTOR ARISING OUT OF OR RELATING TO THIS GUARANTY MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS GUARANTY GUARANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*. Guarantor agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to Guarantor at its address set forth below its signature hereto, such service being acknowledged by Guarantor to

be sufficient for personal jurisdiction in any action against Guarantor in any such court and to be otherwise effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of Guarantied Parties to bring proceedings against Guarantor in the courts of any other jurisdiction. The provisions of this Section 14(g) shall be binding and enforceable to the fullest extent under the New York General Obligations Law Section 5-1042 or otherwise.

(h) **GUARANTOR AND, BY ITS ACCEPTANCE OF THE BENEFITS HEREOF, GUARANTIED PARTY EACH AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS GUARANTY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. GUARANTOR AND, BY ITS ACCEPTANCE OF THE BENEFITS HEREOF, GUARANTIED PARTIES EACH (A) ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR GUARANTOR AND GUARANTIED PARTIES TO ENTER INTO A BUSINESS RELATIONSHIP, THAT GUARANTOR AND GUARANTIED PARTIES HAVE ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS GUARANTY OR ACCEPTING THE BENEFITS THEREOF, AS THE CASE MAY BE, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS AND (B) FURTHER WARRANTS AND REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SIGNED BY ALL PARTIES TO THIS GUARANTY AND SPECIFICALLY REFERRING TO THIS SECTION 14(H)), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS GUARANTY. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

15. Counterparts.

This Guaranty may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original for all purposes; but all such counterparts together shall constitute but one and the same instrument.

16. Subordination

This Parent Guaranty is and shall at all times be and remain subordinated and subject in rights of payment to the extent and in the manner set forth in the Subordination Agreement to the prior payment in full of all Senior Loans and ABL Loans.

IN WITNESS WHEREOF, Guarantor and Guarantied Parties have caused this Guaranty to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

PARENT:
GGC USS ACQUISITION SUB, INC., as Guarantor

By: _____
Name: _____
Title: _____

Notice Address:

_____
_____
_____
_____

USS HOLDINGS, INC., as Guarantor by execution hereof assumes all rights and obligations of GGC USS Acquisition Sub, Inc. hereunder following the merger with GGC USS Acquisition Sub, Inc. pursuant to the Acquisition Documents and agree to be bound by the terms hereof as Guarantor in all respects

By: _____
Name: _____
Title: _____

Notice Address:

_____
_____
_____
_____

GGC FINANCE PARTNERSHIP, L.P., as Guarantied Party

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address:

SCHEDULE 1

Notice Address for Guarantors

[**•**]

Notice Address:

_____

_____

_____

_____

EXHIBIT 10.9

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") dated November 25th 2008 is by and among:

(a) WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, in its capacity as agent for and on behalf of the ABL Lenders (as hereinafter defined) pursuant to the ABL Loan Agreement (as hereinafter defined) (in such capacity, and together with its successors and assigns in such capacity, and any successor or replacement agent for and on behalf of Lenders under the ABL Loan Agreement, "ABL Agent");

(b) BNP PARIBAS, in its capacity as agent for and on behalf of the Term Lenders (as hereinafter defined) pursuant to the Term Loan Agreement (as hereinafter defined) (in such capacity, and together with its successors and assigns in such capacity, and any successor or replacement agent for and on behalf of Term Lenders under the Term Loan Agreement, "Term Agent"); and

(c) GGC FINANCE PARTNERSHIP, L.P., a Cayman Islands limited partnership, in its capacity as a junior creditor under the Junior Note Purchase Agreement (as defined below) (in such capacity, and together with its successors and assigns in such capacity, the "Junior Creditor").

W I T N E S S E T H:

WHEREAS, Junior Creditor and Borrower are parties to the Junior Note Purchase Agreement (as defined below), pursuant to which the Junior Creditor Note shall be issued to Junior Creditor; and

WHEREAS, Senior Creditors (as hereinafter defined) have entered into financing arrangements with Borrowers (as hereinafter defined) pursuant to which Senior Creditors have made and may make upon certain terms and conditions, loans and provide other financial accommodations to Borrowers secured by certain assets and properties of Borrowers and Guarantors; and

WHEREAS, in order to induce Senior Creditors to continue the financing arrangements with Borrowers, Junior Creditor has agreed to the subordination in right of payment of the existing and future obligations of Debtors to Junior Creditor to the payment of the existing and future obligations of Debtors to Senior Creditors and related matters as set forth below;

NOW, THEREFORE, in consideration of the mutual benefits accruing to Creditors hereunder and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. DEFINITIONS

As used above and in this Agreement, the following terms shall have the meanings ascribed to them below:

1.1 "ABL Agent" has the meaning assigned to such term in the introductory paragraph of this Agreement.

1.2 "ABL Lenders" means Wachovia Bank, National Association, a national banking association, in its individual capacity and not as agent, and any other financial institution which is from time to time a party to the ABL Loan Agreement or any of the other ABL Loan Documents as a lender, and their respective successors and assigns (and including any other lender or group of lenders that at any time refinances, replaces or succeeds to all or any portion of the Senior Debt under the ABL Loan Agreement or is otherwise party to ABL Loan Agreement or related documents); each sometimes referred to herein individually as an "ABL Lender".

1.3 "ABL Loan Agreement" means that certain ABL Loan and Security Agreement dated as of August 9, 2007, among Company, the ABL Agent and the ABL Lenders, as amended as of the date hereof (and as thereafter amended, restated, extended, supplemented or otherwise modified from time to time).

1.4 "ABL Loan Documents" means the "Financing Agreements" as defined in the ABL Loan Agreement.

1.5 "Agent Default Notice" means a notice delivered by an Agent to Junior Creditor, which notice describes the Senior Other Covenant Default that is the subject of the Agent Default Notice.

1.6 "Agent" means, either the ABL Agent or the Term Agent, or collectively, the ABL Agent and the Term Agent as the context requires.

1.7 "Agreements" shall mean, collectively, the Senior Creditor Agreements and the Junior Creditor Agreements.

1.8 "AHYDO Catch-Up Payments" shall mean those payments referred to, and required to be paid, under Section 2.15 of the Junior Note Purchase Agreement, as in effect on the date hereof or as modified in accordance with the terms hereof.

1.9 `Bankruptcy Code" shall mean the United States Bankruptcy Code, being Title 11 of the United States Code as enacted in 1978, as the same has heretofore been or may hereafter be amended, recodified, modified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

1.10 "Borrowers" shall mean, collectively, the following, together with their respective successors and assigns, including, without limitation, a receiver, trustee or debtor-in-possession on behalf of such person or on behalf of any such successor or assign: (a) Company and (b) for purposes of the ABL Loan Documents, the Subsidiaries of Company from time to time parties to the ABL Loan Agreement as Borrowers pursuant to and in accordance with the terms thereof; each sometimes referred to herein individually as a "Borrower".

1.11 “Company” shall mean U.S. Silica Company, a Delaware corporation.

1.12 “Creditors” shall mean, collectively, Senior Creditors and Junior Creditor and their respective successors and assigns; each sometimes referred to herein individually as a “Creditor”.

1.13 “Debtors” shall mean collectively, the Borrowers and the Guarantors.

1.14 “Enforcement Action” shall mean (a) to take from or for the account of any Debtor or any other Person, by set off, the whole or any part of any moneys which may now or hereafter be owing by any Debtor with respect to the Junior Debt, (b) to sue for payment of, or to initiate or participate with others in any suit, action or proceeding against any Debtor or any other Person to (i) enforce payment of or to collect the whole or any part of the Junior Debt or (ii) commence judicial enforcement of any of the rights and remedies under the Junior Creditor Agreements or applicable law with respect to the Junior Debt, (c) to accelerate the Junior Debt, or (d) to exercise any put option or to cause any Debtor to honor any redemption or mandatory prepayment or any obligation to make an offer to repurchase under any Junior Creditor Agreement.

1.15 “Event of Default” shall mean the occurrence of an “Event of Default” under and as defined in the ABL Loan Agreement or the Term Loan Agreement.

1.16 “Guarantors” shall mean, collectively, any Person that at any time becomes party to a guarantee in favor of either Agent or any Lender or otherwise liable on or with respect to the Obligations or who is the owner of any property which is security for the Senior Debt (other than a Borrower); each sometimes referred to herein individually as a “Guarantor”.

1.17 “Insolvency Proceeding” shall mean, as to any Person, any of the following: (a) any case or proceeding with respect to such Person under the Bankruptcy Code or any other Federal or State bankruptcy, insolvency, reorganization or other law affecting creditors’ rights generally or any other or similar proceedings seeking any stay, reorganization, arrangement, composition or readjustment of the obligations and indebtedness of such Person or (b) any proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to such Person or any or all of its assets or properties or (c) any proceedings for liquidation, dissolution or other winding up of the business of such Person or (d) any assignment for the benefit of creditors or any marshaling of assets of such Person.

1.18 “Junior Creditor” has the meaning assigned to such term in the introductory paragraph to this Agreement.

1.19 “Junior Creditor Agreements” shall mean, collectively, the Junior Note Purchase Agreement, the Junior Creditor Note and all other agreements, documents fee letters, and instruments at any time executed and/or delivered by any Debtor or any other person to, with or in favor of Junior Creditor in connection with the Junior Debt or related thereto, as all of the foregoing now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.20 “Junior Creditor Notes” shall mean that certain Promissory Note dated as of the date hereof in the original principal amount of $80,000,000, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced to the extent permitted hereunder.

1.21 “Junior Debt” shall mean the “Obligations” as defined in the Junior Note Purchase Agreement and all other obligations, liabilities and indebtedness of every kind, nature and description owing by Debtors to Junior Creditor, including principal, interest, charges, fees, premiums, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under or evidenced by the Junior Creditor Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Junior Creditor Agreements or after the commencement of any case with respect to any Debtor under the Bankruptcy Code or any similar statute or any other Insolvency Proceeding (and including, without limitation, any principal, interest, fees, costs, expenses and other amounts, whether or not such amounts are allowable in whole or in part, in any such case or similar proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and whether arising directly or howsoever acquired by Junior Creditor.

1.22 “Junior Debt Fees, Costs and Expenses” means reasonable fees and reasonable out-of-pocket expenses payable by one of more Debtors to the Junior Creditor pursuant to the terms of the Junior Creditor Agreements as in effect on the date hereof or as modified in accordance with the terms hereof.

1.23 “Junior Default” means a default in the payment of the Junior Debt, or a default in the performance of any term, covenant or condition contained in the Junior Creditor Agreements or the occurrence of any other event or condition constituting a default or event of default under the Junior Creditor Agreements.

1.24 “Junior Default Notice” shall mean a written notice from Junior Creditors to the Agents pursuant to which the Agents are notified of the existence of a Junior Default, which notice incorporates a reasonably detailed description of such Junior Default and indicates that it is a “Junior Default Notice” for purposes of Section 2.4 of this Agreement.

1.25 “Junior Note Purchase Agreement” means that certain Note Purchase Agreement dated as of the date hereof between Junior Creditors and Debtors, pursuant to which the Junior Creditor Notes shall be issued, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced to the extent permitted hereunder.

1.26 “Lenders” means collectively, the ABL Lenders and the Term Lenders.

1.27 “Payment in Full” or “payment in full” or “Paid in Full” shall mean, as to any Senior Debt, the final payment and satisfaction in full in immediately available funds of all of such Senior Debt and the termination of the commitments of Senior Creditors (but not including for this purpose the refinancing or replacement of Senior Creditors). If after receipt of any

payment of, or proceeds of collateral applied to the payment of, any Senior Debt, any Senior Creditor is required to surrender or return such payment or proceeds to any person for any reason, then the Senior Debt intended to be satisfied by such payment or proceeds shall be reinstated and continue as if such payment or proceeds had not been received by such holder. The term "paid in full" as used herein shall have the same meaning as the term "payment in full".

1.28 "Permitted Junior Debt Payments" shall mean, collectively, (a) payments of Junior Debt Fees, Costs and Expenses, (b) payments of regularly scheduled, non-accelerated payments of cash interest on the Junior Debt as and when due and payable in accordance with the terms of the Junior Creditor Agreements as in effect on the date hereof or as modified in accordance with the terms hereof, (c) in addition to amounts permitted to be paid pursuant to the preceding clause (b), AHYDO Catch-Up Payments, and (d) payments by one or more Debtors to Junior Creditor in satisfaction of such Debtor's indemnity obligations set forth in Section 9.3 of the Junior Note Purchase Agreement, as in effect of the date hereof or as modified in accordance with the terms hereof.

1.29 "Person" or "person" shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture, or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.30 "Reorganization Subordinated Securities" shall mean any notes or other securities issued in substitution of all or any portion of the Junior Debt that are subordinated, including in right of payment, to the Senior Debt (or any notes or other securities issued in substitution of all or any portion of the Senior Debt) at least to the same extent that the Junior Debt is subordinated to the Senior Debt pursuant to the terms of this Agreement, and, in the case of debt securities, have maturities and other terms no less advantageous to Debtors and Lenders than the terms contained in the Junior Creditor Agreements.

1.31 "Senior Creditors" shall mean collectively, Agents and Lenders; each sometimes referred to herein individually as a "Senior Creditor".

1.32 "Senior Creditor Agreements" shall mean, collectively, the ABL Loan Documents, the Term Loan Documents and all agreements, documents and instruments at any time executed and/or delivered by any Borrower or Guarantor or any other person to, with or in favor of any Senior Creditor in connection therewith or related thereto, as all of the foregoing now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced, replaced or restructured (in whole or in part and including any agreements with, to or in favor of any other lender or group of lenders that at any time refinances, replaces or succeeds to all or any portion of the Senior Debt).

1.33 "Senior Debt" shall mean the "Obligations" as defined in the ABL Loan Agreement and the Term Loan Agreement, respectively, and all other obligations, liabilities and indebtedness of every kind, nature and description owing by Debtors to Senior Creditors and/or their respective affiliates, or participants, including principal, interest, charges, fees, premiums,

indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under the Senior Creditor Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Senior Creditor Agreements or after the commencement of any case with respect to any Debtor under the Bankruptcy Code or any similar statute or any other Insolvency Proceeding (and including, without limitation, any principal, interest, fees, costs, expenses and other amounts, whether or not such amounts are allowable either in whole or in part, in any such case or similar proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and whether arising directly or howsoever acquired by Senior Creditors; provided that the aggregate principal amount of, without duplication, any revolving credit commitments, revolving credit loans, the outstanding face amount of letters of credit, term loans, bonds, debentures, notes or similar instruments issued under the Senior Creditor Agreements in excess of $150,700,000, shall not constitute Senior Debt for purposes of this Agreement.

1.34 "Senior Other Covenant Default" shall mean any Event of Default other than a Senior Payment Default.

1.35 "Senior Other Covenant Default Blockage Period" has the meaning assigned to it in Section 2.2(c).

1.36 "Senior Payment Default Blockage Period" has the meaning assigned to it in Section 2.2(b).

1.37 "Senior Payment Default" shall mean an Event of Default resulting from the failure of any Debtor to make any payment under either the ABL Loan Agreement or the Term Loan Agreements when due (whether at the maturity thereof, or upon demand therefor or upon acceleration of maturity or otherwise) of all or any portion of the Senior Debt, whether principal or interest, or any other amounts constituting Senior Debt.

1.38 "Term Agent" has the meaning assigned to such term in the introductory paragraph of this Agreement.

1.39 "Term Lenders" means BNP Paribas, in its individual capacity and not as agent, and any other "Lender" as defined in the Term Loan Agreement; each sometimes referred to herein individually as a "Term Lender".

1.40 "Term Loan Agreement" means that certain Credit Agreement dated as of the date hereof among Debtors, the Term Agent and the Term Lenders (as amended, restated, extended, supplemented or otherwise modified from time to time).

1.41 "Term Loan Documents" means the "Loan Documents" as defined in the Term Loan Agreement.

1.42 All terms used herein which are defined in the Uniform Commercial Code as in effect in the State of New York, unless otherwise defined herein shall have the meanings set forth therein. All references to any term in the plural shall include the singular and all references to any term in the singular shall include the plural.

2. SUBORDINATION OF JUNIOR DEBT

2.1 Subordination. Except as specifically set forth in Section 2.2 below, Junior Creditor hereby subordinates its right to payment and satisfaction of the Junior Debt and the payment thereof, directly or indirectly, by any means whatsoever, is deferred, to the Payment in Full of all Senior Debt. Such subordination is for the benefit of each present and future Senior Creditor, each of whom shall be entitled to enforce this Agreement as party hereto, or as a third party beneficiary hereof, in the case of each other Senior Creditor. Each holder of Senior Debt, whether now outstanding or hereafter incurred, shall be deemed to have acquired Senior Debt in reliance upon the terms and provisions of this Agreement.

2.2 No Payments With Respect to Junior Debt in Certain Circumstances.

(a) Permitted Junior Debt Payments. Notwithstanding anything to the contrary contained in Section 2.1 above, but subject to Section 2.2(b) and (c) and Section 2.3 below, the Agents hereby agree that Borrowers and Guarantors may make and Junior Creditor may receive and retain Permitted Junior Debt Payments, so long as, in each instance and with respect to each such payment, no Senior Payment Default shall have occurred and be continuing and no Agent Default Notice which remains operative in accordance with Section 2.2(c) or (e) shall have been sent by either Agent.

(b) In the event that any Senior Payment Default shall have occurred and be continuing, then, no payment of cash, property or securities shall be made by any Debtor to the Junior Creditors on account of the Junior Debt (a "Senior Payment Default Blockage Period") until:

(i) the date on which such Senior Payment Default shall have been cured or waived in accordance with the terms of the Senior Creditor Agreements or shall have ceased to exist;

(ii) the date on which the Senior Creditors or their duly authorized representatives have waived in writing the benefit of this Section 2.2(a); or

(iii) the date on which all amounts then due and payable in respect of Senior Debt shall have been Paid in Full.

(c) In the event that any Senior Other Covenant Default shall have occurred and be continuing, then, upon the receipt by any Debtor and each Junior Creditor of an Agent Default Notice (subject to Section 2.2(e) below) from the relevant Agent(s), no payment of cash, property or securities shall be made by any Debtor to the Junior Creditors on account of Junior Debt during the period (the "Senior Other Covenant Default Blockage Period") commencing on the date of receipt of such Agent Default Notice and ending on the earliest to occur of the following:

(i) the date on which such Senior Other Covenant Default shall have been cured or waived in accordance with the terms of the Senior Creditor Agreements or shall have ceased to exist and any acceleration of Senior Debt shall have been rescinded or annulled;

(ii) the date on which the holders of such Senior Debt or their duly authorized representatives have waived in writing the benefit of this Section 2.2(b); or

(iii) 180 days after the date of receipt of the Agent Default Notice;

(d) Notwithstanding anything to the contrary contained herein, the Junior Credit Notes shall continue to accrue interest during any Senior Payment Default Blockage Period or Senior Other Covenant Default Blockage Period at the rates provided under the Junior Note Purchase Agreement or under the Junior Creditor Notes.

(e) The parties agree that (i) no more than two (2) Agent Default Notices pursuant to this Section 2.2 may be sent in any three hundred sixty (360) day period; provided, that, (A) such Agent Default Notices shall not be operative for more than one hundred eighty (180) days in the aggregate during any three hundred sixty (360) day period, (B) no more than four (4) Agent Default Notices pursuant to this Section 2.2 may be sent during the term of this Agreement and (C) an Agent Default Notice with respect to facts and circumstances constituting an Event of Default may not be used as a basis for any subsequent Agent Default Notice unless such Event of Default has been cured or waived for not less than a 180 day period following the previously delivered Agent Default Notice with respect to the same such facts and circumstances, and (ii) no Agent Default Notice under this Section 2.2 may be sent as a result of any Senior Other Covenant Default, which was existing at the time of any prior Agent Default Notice of which the relevant Agent had actual knowledge at the time of such sending, unless such Senior Other Covenant Default shall have been cured for not less than ninety (90) days and is subsequently determined by Agent to be a new Senior Other Covenant Default.

2.3 Distributions and Proceedings.

(a) In the event of any distribution, division, or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of any Debtor or the proceeds thereof to the creditors of any Debtor or readjustment of the obligations and indebtedness of any Debtor, in any Insolvency Proceeding, or upon the sale of all or substantially all of any Debtor's assets, then, and in any such event, Senior Creditors shall first receive Payment in Full in cash of all of the Senior Debt prior to the payment of all or any part of the Junior Debt (other than a distribution of Reorganization Subordinated Securities to the same extent as provided herein).

(b) Any payment or distribution which, but for the terms hereof, otherwise would be payable or deliverable in respect of the Junior Debt (other than a distribution of Reorganization Subordinated Securities to the same extent as provided herein), shall be paid or delivered directly to Agents or held in trust for the benefit of the Senior Creditors until such payments or distributions can be promptly paid or delivered to Agents (in each case, to be held and/or applied by Agent in accordance with the terms of the Senior Creditor Agreements) until all Senior Debt is Paid in Full, and each Junior Creditor irrevocably authorizes, empowers and directs all receivers, trustees, liquidators, custodians, conservators and others having authority in the premises to effect all such payments and deliveries, and each Junior Creditor also irrevocably authorizes, empowers and directs the Agents to demand, sue for, collect and receive every such payment or distribution.

(c) Junior Creditor hereby authorizes and empowers the Agents in any Insolvency Proceeding to file a proof of claim on behalf of Junior Creditor with respect to the Junior Debt (i) if Junior Creditor fails to file such proof of claim prior to thirty (30) days before the expiration of the time period during which such claims must be submitted, or (ii) if an Agent, in good faith, determines that any statements or assertions in a proof of claim filed by Junior Creditor are not consistent with the terms and conditions hereof; provided, that, any failure of such Agent to file such proof of claim shall not be deemed to be a waiver by such Agent of any of the rights and benefits granted herein by Junior Creditor. Junior Creditor shall provide Agents with a copy of any proof of claim filed by Junior Creditor in any Insolvency Proceeding.

(d) Junior Creditor hereby irrevocably grants Agents authority and power in any Insolvency Proceeding, unless and until this Agreement is terminated in accordance with its terms: (i) to accept and receive any payment or distribution which may be payable or deliverable at any time upon or in respect of the Junior Debt; and (ii) to take such other action as may be necessary or advisable to effectuate the foregoing. Junior Creditor shall provide to Agents all information and documents necessary to present claims or seek enforcement as described in the immediately preceding sentence. To the extent necessary for Agents to realize the benefits of the subordination of the Junior Debt provided for herein (including the right to receive any payment and distributions which might otherwise be payable or deliverable in respect of the Junior in any Insolvency Proceeding or otherwise), Junior Creditor shall execute and deliver to Agents such instruments or documents (together with such assignments or endorsements as Agents shall deem necessary), as may be reasonably requested by Agents.

(e) Junior Creditor hereby agrees that, while it shall retain the right to vote its claims and, except as otherwise provided in this Agreement, otherwise act in any Insolvency Proceeding relative to any Debtor (including, without limitation, the right to vote to accept or reject any plan of partial or complete liquidation, reorganization, arrangement, composition, or extension), Junior Creditor shall not: (i) take any action or vote in any way so as to directly or indirectly challenge or contest (A) the validity or the enforceability of any of the Senior Creditor Agreements or the liens and security interests granted to Agents with respect to the Senior Debt, (B) the rights and duties of Senior Creditors established in the Senior Creditor Agreements, or (C) the validity or enforceability of this Agreement; (ii) seek, or acquiesce in any request, to dismiss any Insolvency Proceeding or to convert an Insolvency Proceeding under Chapter 11 of the Bankruptcy Code to a case under Chapter 7 of the Bankruptcy Code; or (iii) seek, or acquiesce in any request for, the appointment of a trustee or examiner with expanded powers for any Debtor.

(f) Senior Creditors shall not in any event be liable for: (i) any failure to prove the Junior Debt; (ii) any failure to exercise any rights with respect thereto; (iii) any failure to collect any sums payable thereon; or (iv) any impairment or nonpayment of the Junior Debt that results, directly or indirectly, from the exercise by Senior Creditors of any of their rights or remedies under this Agreement, the Senior Creditor Agreements or under applicable law.

2.4 Junior Debt Standstill Provisions. Until the Senior Debt is Paid in Full, no Junior Creditor shall, without the prior written consent of the ABL Agent (acting upon the consent of the ABL Lenders holding more than 50% of outstanding principal amount of the loans under the ABL Loan Agreement) and the Term Agent (acting upon the consent of the Term Lenders

holding more than 50% of outstanding principal amount of the loans under the Term Loan Agreement), (a) commence any Enforcement Action, or (b) commence any Insolvency Proceeding against any Debtor or its properties or (c) take any other action against any Debtor (other than the sending of a notice of a Junior Default to Debtors (but not a notice of acceleration)) or its properties; provided, that, subject at all times to the provisions of this Agreement, the Junior Creditors may enforce or exercise any or all such rights and remedies, or commence or petition for any such action or proceeding, including the commencement of an Enforcement Action, immediately after a period ending on the earlier to occur of (i) one hundred and eighty (180) days after the date of the receipt by each Agent of a Junior Default Notice, which notice shall state that a Junior Default exists and is continuing under the Junior Creditor Agreements and shall describe such Junior Default, so long as such Junior Default remains uncured, unremedied or unwaived as of the expiration of such one hundred and eighty (180) day period; (ii) written notice to Debtors of the acceleration of the Senior Debt, and (iii) the commencement of any Insolvency Proceeding against any Debtor.

2.5 Payments Received by Junior Creditor. Except for payments received by Junior Creditor as provided in Section 2.2 or Reorganization Subordinated Securities as provided in Section 2.3, should any payment or distribution or security or instrument or proceeds thereof be received by Junior Creditor in respect of the Junior Debt, Junior Creditor shall receive and hold the same in trust, as trustee, for the benefit of Senior Creditors, segregated from other funds and property of Junior Creditor and shall forthwith deliver the same to Agents (together with any endorsement or assignment of Junior Creditor where necessary), for application to any of the Senior Debt. In the event of the failure of Junior Creditor to make any such endorsement or assignment to Agents, Agents or any of their officers or employees, are hereby irrevocably authorized on behalf of Junior Creditor to make the same.

2.6 Instrument Legend and Notation. Any instrument at any time evidencing the Junior Debt, or any portion thereof, shall be permanently marked on its face with a legend conspicuously indicating that payment thereof is subordinate in right of payment to the Senior Debt and subject to the terms and conditions of this Agreement, and after being so marked certified copies thereof shall be delivered to Agents. In the event any legend or endorsement is omitted, Agents, or any of their officers or employees, are hereby irrevocably authorized on behalf of Junior Creditor to make the same. No specific legend, further assignment or endorsement or delivery of notes, guarantees or instruments shall be necessary to subject any Junior Debt to the subordination thereof contained in this Agreement.

3. COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Additional Covenants. Junior Creditor and Debtors agree in favor of Senior Creditors that:

(a) except as specifically set forth in Sections 2.2, 2.3 and 2.4 above, Debtors shall not, directly or indirectly, make and Junior Creditor shall not, directly or indirectly, accept or receive any payment of principal or interest or any prepayment or non-mandatory payment or any payment pursuant to acceleration or claims of breach or any payment to acquire the Junior Debt or otherwise in respect of any Junior Debt; provided that a Junior Creditor may receive payment from an assignee of the Junior Debt in connection with an assignment of the Junior Debt pursuant to the terms of the Junior Creditor Agreements made in accordance with the terms of Sections 3.1(c) and 4.2 hereof.

(b) Debtors shall not grant to Junior Creditor and Junior Creditor shall not acquire any security interest, lien, claim or encumbrance on any assets or properties of Debtors;

(c) No Junior Creditor shall sell, assign, dispose of or otherwise transfer all or any portion of the Junior Debt unless prior to the consummation of any such action, the transferee thereof shall execute and deliver to Agents a joinder to this Agreement, or an agreement substantially identical to this Agreement, in either case providing for the continued subordination and forbearance of the Junior Debt to the Senior Debt as provided herein and for the continued effectiveness of all of the rights of Agents and the Lenders arising under this Agreement. Notwithstanding the failure to execute or deliver any such agreement, the subordination effected hereby shall survive any sale, assignment, disposition or other transfer of all or any portion of the Junior Debt, and the terms of this Agreement shall be binding upon the successors and assigns of each Junior Creditor, as provided in Section 4.2 below.

(d) Junior Creditor and Debtors shall, at any time or times upon the reasonable request of either Agent, promptly ftimish to such Agent a true, correct and complete statement of the outstanding Junior Debt; and

(e) Junior Creditor and Debtors shall execute and deliver to Agents such additional agreements, documents and instruments and take such further actions as may be necessary or desirable in the opinion of Agents to effectuate the provisions and purposes of this Agreement.

3.2 Additional Representations and Warranties.

(a) Junior Creditor and Debtors represent and warrant to Senior Creditors, as of the date hereof, that:

(i) the total principal amount of the Junior Debt is $80,000,000;

(ii) Junior Creditor has no security interests, liens, claims or encumbrances on any assets and properties of Debtors and the Junior Debt is unsecured;

(iii) no default or event of default, or event which with notice or passage of time or both would constitute an event of default exists or has occurred under the Junior Creditor Agreements;

(iv) Junior Creditor is the exclusive legal and beneficial owners of all of the Junior Debt;

(v) none of the Junior Debt is subject to any lien, security interest, financing statements, subordination, assignment or other claim; and

(vi) this Agreement constitutes the legal, valid and binding obligations of Junior Creditor, enforceable in accordance with its terms as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditor' rights generally or by equitable principles.

(b) Senior Creditor represents and warrants to Junior Creditor, as of the date hereof, that this Agreement constitutes the legal, valid and binding obligations of Senior Creditor, enforceable in accordance with its terms as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditor' rights generally or by equitable principles.

3.3 Waivers. Notice of acceptance hereof, the making of loans, advances and extensions of credit or other financial accommodations to, and the incurring of any expenses by or in respect of, Debtors by Senior Creditors, and presentment, demand, protest, notice of protest, notice of nonpayment or default and all other notices to which Junior Creditor and Debtors are or may be entitled are hereby waived (except as expressly provided for herein or as to Debtors, in the Senior Creditor Agreements). Junior Creditor also waives notice of, and hereby consents to, (a) any amendment, modification, renewal, restatement or extension of time of payment of or increases or decreases in the amount of any of the Senior Debt or to the Senior Creditor Agreements or to any collateral at any time granted to or held by Agents to secure the Senior Debt, in each case to the extent not in contravention of Section 3.6(a) hereof, (b) the taking, exchange, surrender and releasing of collateral at any time granted to or held by any Senior Creditor or guarantees now or at any time held by or available to any Senior Creditor for the Senior Debt or any other person at any time liable for or in respect of the Senior Debt, (c) the exercise of, or refraining from the exercise of any rights against any Debtor or any other Borrower or Guarantor or any collateral at any time granted to or held by any Senior Creditor, (d) the settlement, compromise or release of, or the waiver of any default with respect to, any of the Senior Debt, and/or (e) Senior Creditors' election, in any proceeding instituted under the Bankruptcy Code of the application of Section 1111(b)(2) of the Bankruptcy Code. Any of the foregoing shall not, in any manner, affect the terms hereof or impair the obligations of Junior Creditor hereunder. All of the Senior Debt shall be deemed to have been made or incurred in reliance upon this Agreement.

3.4 Rights of Creditors. Junior Creditor hereby waives any and all rights to have any collateral or any part thereof granted to or held by Agent marshaled upon any foreclosure or other disposition of such collateral by Agent or any Debtor with the consent of Agent. The provisions of this Agreement are solely for the purpose of defining the relative rights of Junior Creditor, Agents and Senior Creditors and shall not be deemed to create any rights or priorities in favor of any other Person, including, without limitation, any Debtor. The failure of any Debtor to make any payment to any Junior Creditor due to the operation of this Agreement shall not be construed as prohibiting the occurrence of a Junior Default.

3.5 Subrogation. Subject to the Payment in Full of the Senior Debt, in the event and to the extent cash, property or securities otherwise payable or deliverable to the holders of the Junior Debt shall have been applied pursuant to this Agreement to the payment of Senior Debt, then and in each such event, the holders of the Junior Debt shall be subrogated to the rights of each holder of Senior Debt to receive any further payment or distribution in respect of or applicable to the Senior Debt; and, for the purposes of such subrogation, no payment or

distribution to the holders of Senior Debt of any cash, property or securities to which any holder of Junior Debt would be entitled except for the provisions of this Agreement shall, and no payment over pursuant to the provisions of this Agreement to the holders of Senior Debt by the holders of the Junior Debt shall, as between any Debtor, its creditors other than the holders of Senior Debt and the holders of Junior Debt, be deemed to be a payment by such Debtor to or on account of Senior Debt.

3.6 Modifications.

(a) Modifications to Senior Creditor Agreements. Senior Creditors may at any time and from time to time without the consent of or notice to any Junior Creditor, without incurring liability to Junior Creditor and without impairing or releasing the obligations of Junior Creditor under this Agreement, change the manner or place of payment or extend the time of payment of or renew or alter any of the terms of the Senior Debt to which such Senior Creditors are a party, or amend or otherwise modify in any manner any agreement, note, guaranty or other instrument evidencing or securing or otherwise relating to the Senior Debt to which such Senior Creditors are a party; provided, that, Senior Creditors shall not (i) increase the Senior Debt owing to such Senior Creditors (except as permitted by the definition of Senior Debt herein), (ii) increase any applicable interest rate margin with respect to the Senior Debt owing to such Senior Creditors by more than 200 basis points over the highest applicable interest rate margin set forth in the ABL Loan Agreement or the Term Loan Agreement, as the case may be, as in effect on the date hereof, except in connection with the imposition of a default rate of interest in accordance with the terms of such ABL Loan Agreement or Term Loan Agreement, as the case may be, (iii) extend the final maturity of the Senior Debt outstanding under the ABL Loan Agreement or the Term Loan Agreement, as the case may be, beyond the maturity date or extensions thereof contemplated in the ABL Loan Agreement or the Term Loan Agreement, as the case may be (as set forth in such Senior Credit Agreement in effect on the date hereof), or (iv) shorten the amortization of any portion of the Senior Debt owing to such Senior Creditors (as set forth in the Senior Credit Agreement in effect on the date hereof).

(b) Modifications to Junior Creditor Agreements. Until the Senior Debt has been Paid in Full, and notwithstanding anything to the contrary contained in the Junior Creditor Agreements, Junior Creditor shall not, without the prior written consent of Agents, either (i) agree to any amendment, modification or supplement to the Junior Creditor Agreements the effect of which is to (A) increase the maximum principal amount of the Junior Debt (other than any increase from time to time which results from the capitalization of interest and fees), (B) increase the rate of interest on any of the Junior Debt payable in cash, (C) accelerate the dates upon which payments of principal or interest on the Junior Debt are due or terms upon which interest is required to be paid, (D) change in any manner adverse to any Borrower, Guarantor or Senior Creditors or add or make more restrictive any event of default or any covenant with respect to the Junior Debt (other than any modifications or additions to reflect comparable changes made with respect to the corresponding provisions contained in the Junior Creditor Agreements so long as any applicable cushion is maintained), (E) change any redemption or prepayment provisions of, cancel, forgive or transfer (except to the extent permitted hereunder), or shorten the final maturity of, the Junior Debt, (F) alter the subordination provisions with respect to the Junior Debt, including, without limitation, subordinating the Junior Debt to any other indebtedness, or (G) change or amend any other term of the Junior Creditor Agreements if

such change or amendment would result in a Senior Default, increase the obligations of any Borrower or Guarantor or confer additional rights on any Junior Creditor or any other holder of the Junior Debt in a manner materially adverse to any Borrower, Guarantor or Senior Creditors or (ii) take any liens or security interests in any assets of any Borrower or Guarantor or (iii) accept any guaranty of any Junior Debt (other than as in effect on the date hereof) unless Junior Creditor has given Agents not less than five (5) Business Days' prior written notice thereof or Agents have consented thereto (which consent shall not be unreasonably withheld or delayed so long as the applicable guarantor is also guaranteeing the Senior Debt).

4. MISCELLANEOUS

4.1 Amendments. Any modification or waiver of any provision of this Agreement, or any consent to any departure by either Agent or any Junior Creditor therefrom, shall not be effective in any event unless the same is in writing and signed by Company, the ABL Agent (if the ABL Agent or the ABL Lenders are to be bound thereby), the Term Agent (if the Term Agent or the Term Lenders are to be bound thereby) and the holders of greater than fifty percent (50%) of the then outstanding principal balance of the Junior Creditor Note(s) (if the Junior Creditors are to be bound thereby), and then such modification, waiver or consent shall be effective only in the specific instance and for the specific instance and for the specific purpose given.

4.2 Successors and Assigns.

(a) This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of each of Creditors and its respective successors, participants and assigns.

(b) To the extent provided in their respective Agreements, each Creditor reserves the right to grant participations in, or otherwise sell, assign, transfer or negotiate all or any part of, or any interest in, the Senior Debt or Junior Debt, as the case may be, and, in the case of the Senior Debt, the Collateral securing same; provided, that, (i) Junior Creditor shall not be obligated to give any notices to or otherwise in any manner deal directly with any participant in the Senior Debt and no Senior Creditor shall be obligated to notices to or otherwise in any manner deal directly with any participant in the Junior Debt, as the case may be, and no participant shall be entitled to any rights or benefits under this Agreement except through the lender with which it is a participant and (ii) Junior Debt and interests therein shall only be assigned, transferred or negotiated after not less than thirty (30) days prior written notice to Agents of the proposed assignment, transfer or negotiation; except that any assignment, transfer or negotiation to be effected as of the last day of any calendar quarter, may be so effected after not less than fifteen (15) days prior written notice thereof to Senior Agent.

(c) In connection with any participation or other transfer or assignment, the relevant Agent or Junior Creditor, as applicable (i) may, subject to its Agreements, disclose to such assignee, participant or other transferee or assignee all documents and information which such Agent now or hereafter may have relating to Debtors and (ii) shall disclose to such participant or other transferee or assignee the existence and terms and conditions of this Agreement. In the case of an assignment or transfer, the assignee or transferee acquiring any interest in the Junior Debt or the Senior Debt, as the case may be, shall execute and deliver to each Agent a written acknowledgement of receipt of a copy of this Agreement and the written agreement by such person to be bound by the terms of this Agreement.

(d) In connection with any successor financing or replacement of either existing credit facility provided by Agents and Lenders to Debtors, Junior Creditor agrees to execute and deliver an agreement containing terms substantially identical to those contained herein in favor of any such successor or replacement lenders, and in connection with any successor financing or replacement of the existing credit facility provided by Junior Creditor to Debtors, Agents agree to execute and deliver an agreement containing terms substantially identical to those contained herein in favor of any such successor or replacement lenders

4.3 Insolvency. This Agreement shall be applicable both before and after the filing of any petition by or against any Debtor under the Bankruptcy Code and all converted or succeeding cases in respect thereof, and all references herein to any Debtor shall be deemed to apply to a trustee for such Debtor and Debtor as debtor-in-possession. The relative rights of Senior Creditors and Junior Creditor to repayment of the Senior Debt and the Junior Debt, respectively, and in or to any distributions from or in respect of any Debtor or any proceeds of any Debtor's property and assets, shall continue after the filing thereof on the same basis as prior to the date of the petition, subject to any court order approving the financing of, or use of cash collateral by, any Debtor as debtor-in-possession.

4.4 Bankruptcy Financing. If any Debtor shall become subject to a proceeding under the Bankruptcy Code and if Senior Creditors desire to permit the use of cash collateral or to provide financing to any Debtor under either Section 363 or Section 364 of the Bankruptcy Code, Junior Creditor agrees as follows: (a) adequate notice to Junior Creditor shall have been provided for such financing or use of cash collateral if Junior Creditor receive notice two (2) business days prior to the entry of the order approving such financing or use of cash collateral and (b) no objection will be raised by Junior Creditor to any such use of cash collateral or financing. For purposes of this Section, notice of a proposed financing or use of cash collateral shall be deemed given when given in the manner prescribed by Section 4.5 hereof to Junior Creditor. Junior Creditor agrees that Junior Creditor will not provide to any Debtor as debtor-in-possession any financing under Section 364(d) of the Bankruptcy Code.

4.5 Notices. All notices, requests and demands to or upon the respective parties hereto shall be in writing and shall be deemed to have been duly given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if mailed by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands are to be given or made to the respective parties at their addresses set forth below (or to such other addresses as either party may designate by notice in accordance with the provisions of this Section:

To ABL Agent: Wachovia Bank, National Association, as ABL Agent
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Telephone No.: (212) 840-2000
Telecopy No.: (212) 545-4554

To Term Agent	BNP Paribas, as Term Agent 787 Seventh Avenue New York, New York 10019 Attention: Charles Romano, Director Telephone No.: (212) [_____] Telecopy No.: (212) [_____]
To Junior Creditor:	c/o of Golden Gate Capital One Embarcadero Center, 39th Floor San Francisco, CA 94111 Attention: Sue Breedlove Telephone No.: (415) 983-2706 Telecopy No.: (415) 983-2806

Either Creditor may change the address(es) to which all notices, requests and other communications are to be sent by giving written notice of such address change to the other Creditor in conformity with this Section 4.5, but such change shall not be effective until notice of such change has been received by the other Creditor.

4.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same force and effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of this Agreement or by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

4.7 Governing Law. The validity, construction and effect of this Agreement shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would result in the application of the law of any jurisdiction other than the laws of the State of New York.

4.8 Consent to Jurisdiction; Waiver of Jury Trial. Each of the parties hereto hereby irrevocably consents to the non-exclusive jurisdiction of the Supreme Court of the State of New York in New York County, New York and the United States District Court for the Southern District of New York and waives trial by jury in any action or proceeding with respect to this Agreement.

4.9 Complete Agreement. This written Agreement is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement.

4.10 No Third Parties Benefitted. Except as expressly provided in Section 4.2, this Agreement is solely for the benefit of the Creditors and their respective successors, participants and assigns, and no other person shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement.

4.11 Disclosures, Non-Reliance. Each Creditor has the means to, and shall in the future remain, fully informed as to the financial condition and other affairs of Debtors and no Creditor shall have any obligation or duty to disclose any such information to any other Creditor. Except as expressly set forth in this Agreement, the parties hereto have not otherwise made to each other nor do they hereby make to each other any warranties, express or implied, nor do they assume any liability to each other with respect to: (a) the enforceability, validity, value or collectability of any of the Junior Debt or the Senior Debt or any collateral or guarantee which may have been granted to any of them in connection therewith, (b) any Debtor's title to or right to any of its assets and properties or (c) any other matter except as expressly set forth in this Agreement.

4.12 Term. This Agreement is a continuing agreement and shall remain in full force and effect until the Payment in Full of the Senior Debt.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

WACHOVIA BANK, NATIONAL ASSOCIATION, as ABL Agent

By: /s/ James A. Kelly
Title: Director

BNP PARIBAS, as Term Agent

By: _____

Title: _____

GGC FINANCE PARTNERSHIP, L.P.

By: _____

Title: _____

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

WACHOVIA BANK, NATIONAL ASSOCIATION, as ABL Agent

By: _____

Title: _____

BNP PARIBAS, as Term Agent

By: /s/ Richard Cushing

Title: Managing Director

By: /s/ Parthsarthi Rathore

Title: Director

GGC FINANCE PARTNERSHIP, L.P.

By: _____

Title: _____

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

WACHOVIA BANK, NATIONAL ASSOCIATION, as ABL Agent

By: _____

Title: _____

BNP PARIBAS, as Term Agent

By: _____

Title: _____

GGC FINANCE PARTNERSHIP, L.P.

By: GGC Financial (US), LLC,
a Delaware limited liability company,
its general partner

By: /s/ Illegible

Title: Managing Director

U.S. SILICA COMPANY

By: /s/ John A. Ulizio

Title:

USS HOLDINGS, INC.

By: /s/ John A. Ulizio

Title:

THE FULTON LAND AND TIMBER COMPANY

By: /s/ John A. Ulizio

Title:

BMAC HOLDINGS, INC.

By: /s/ John A. Ulizio

Title:

GEORGE F. PETTINOS LLC
By: U.S. SILICA COMPANY, its sole member

By: /s/ John A. Ulizio

Title:

BMAC SERVICES CO., INC.

By: /s/ John A. Ulizio

Title:

PENNSYLVANIA GLASS SAND CORPORATION

By: /s/ John A. Ulizio

Title:

BETTER MINERALS & AGGREGATES COMPANY

By: /s/ John A. Ulizio

Title:

OTTAWA SILICA COMPANY

By: /s/ John A. Ulizio

Title:

AMENDMENT NO. 1 TO SUBORDINATION AGREEMENT

THIS AMENDMENT NO. 1 TO SUBORDINATION AGREEMENT (this "Amendment") is made as of May 7, 2010 by and among (i) Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, a national banking association, in its capacity as agent for and on behalf of the ABL Lenders (as defined below) (the "ABL Agent"), (ii) BNP Paribas, in its capacity as agent for and on behalf of the Term Lenders (as defined below) (the "Term Agent"); (iii) GGC Finance Partnership, L.P., a Cayman Islands limited partnership, in its capacity as a junior creditor under the Junior Note Purchase Agreement (as defined below) (the "Junior Creditor"); and (iv) U.S. Silica Company, a Delaware corporation (the "Borrower").

RECITALS

WHEREAS, the Borrower, USS Holdings, Inc., a Delaware corporation ("Parent"), Term Agent and the lenders therein (the "Term Lenders") have entered into that certain Credit Agreement dated as of November 25, 2008 (the "Term Loan Agreement") pursuant to which, among other things, the Term Lenders have agreed, subject to the terms and conditions set forth in the Term Loan Agreement, to make certain loans and financial accommodations to the Borrower;

WHEREAS, the Borrower, Parent, each of the subsidiary guarantors party thereto and the Junior Creditor have entered into that certain Note Purchase Agreement dated as of November 25, 2008 (the "Junior Note Purchase Agreement"), pursuant to which, among other things, the Junior Creditor has agreed, subject to the terms and conditions set forth in the Junior Note Purchase Agreement, to purchase from the Borrower certain notes;

WHEREAS, the Borrower, the ABL Agent and the lenders therein (the "ABL Lenders") have entered into that certain Loan and Security Agreement dated as of August 9, 2007, as amended by Amendment No. 1 and Consent to Loan and Security Agreement, dated as of November 25, 2008 (the "ABL Loan Agreement"), pursuant to which, among other things, the ABL Lenders have agreed, subject to the terms and conditions set forth in the ABL Loan Agreement, to make certain loans and financial accommodations to the Borrower;

WHEREAS, the ABL Agent, the Term Agent and the Junior Creditor have entered into that certain Subordination Agreement dated as of November 25, 2008 (the "Subordination Agreement");

WHEREAS, on the date hereof, the Borrower, Parent, the Term Agent and the Term Lenders are entering into that certain Amended and Restated Credit Agreement (the "Amended and Restated Term Loan Agreement"), pursuant to which the parties thereto have agreed, among other things, subject to the terms and conditions set forth therein, to amend and restate the Term Loan Agreement in certain respects as described in the Amended and Restated Term Loan Agreement;

WHEREAS, on the date hereof, the Borrower, Parent, each of the subsidiary guarantors party thereto and the Junior Creditor are entering into that certain Amended and Restated Note Purchase Agreement (the "Amended and Restated Junior Note Purchase

Agreement"), pursuant to which the parties thereto have agreed, among other things, subject to the terms and conditions set forth therein, to amend and restate the Junior Note Purchase Agreement in certain respects as described in the Amended and Restated Junior Note Purchase Agreement;

WHEREAS, on the date hereof, the Borrower, the ABL Agent and the ABL Lenders are entering into that certain Amendment No. 2 to Loan and Security Agreement and Consent (the "Amendment to ABL Loan Agreement"), pursuant to which the parties thereto have agreed, among other things, subject to the terms and conditions set forth therein, to amend and restate the ABL Loan Agreement in certain respects as described in the Amendment to ABL Loan Agreement;

WHEREAS, the parties hereto desire to amend the Subordination Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto hereby agree as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein (including within the foregoing recitals) shall have the meanings ascribed to them in the Subordination Agreement.

2. **References.** The parties hereto acknowledge and agree that all references in the Subordination Agreement to (i) the "Term Loan Agreement" shall be deemed to refer to the Amended and Restated Term Loan Agreement, as the same may be further amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by the terms of the Subordination Agreement, (ii) the "Junior Note Purchase Agreement" shall be deemed to refer to the Amended and Restated Junior Note Purchase Agreement, as the same may be further amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by the terms of the Subordination Agreement and (iii) the "ABL Loan Agreement" shall be deemed to refer to the ABL Loan Agreement as amended by the Amendment to ABL Loan Agreement, as the same may be further amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by the terms of the Subordination Agreement.

3. **Consent and Reaffirmation.** The Junior Creditor acknowledges that it has received a copy of the Amended and Restated Term Loan Agreement and the Amendment to ABL Loan Agreement (together, the "Senior Amendments") and consents to the execution, delivery and performance of the terms thereof and hereby (i) ratifies and reaffirms the continued subordination of the Junior Debt (including, without limitation, that of any additional Subordinated Debt to be evidenced by any Additional Notes) to the Senior Debt in accordance with the terms of the Subordination Agreement (as amended hereby), (ii) acknowledges that, except as specifically set forth herein, the Agent does not waive, diminish or limit any term or condition contained in the Subordination Agreement and (iii) agrees that the Subordination Agreement, the subordination effected thereby and the rights and obligations of the Junior Creditor and the Senior Creditors arising thereunder shall not be affected, modified or impaired in any manner or to any extent by the Senior Amendments or the transactions contemplated thereby, except to the extent expressly herein set forth. Each of the Term Agent and the ABL Agent acknowledge that it has received a copy of the Amended and Restated Junior Note Purchase Agreement and consents to the execution, delivery and performance of the terms thereof.

4. **Amendments.**

(a) The definition of "Junior Creditor Note" set forth in Section 1 of the Subordination Agreement is hereby amended and restated in its entirety as follows:

"Junior Creditor Notes" shall mean that certain Amended and Restated Note, issued on the Restatement Date in the aggregate principal amount of $75,000,000.00 and delivered in exchange for that certain Promissory Note dated as of November 25, 2008 in the original principal amount of $80,000,000, as now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced to the extent permitted hereunder.

(b) The definition of "Permitted Junior Debt Payments" set forth in Section 1 of the Subordination Agreement is hereby amended and restated in its entirety as follows:

"Permitted Junior Debt Payments" shall mean, collectively, (a) payments of Junior Debt Fees, Costs and Expenses, (b) payments of regularly scheduled, non-accelerated payments of cash interest on the Junior Debt as and when due and payable in accordance with the terms of the Junior Creditor Agreements as in effect on the date hereof or as modified in accordance with the terms hereof, (c) Permitted Refinancings and Exchanges, (d) in addition to amounts permitted to be paid pursuant to the preceding clauses (b) and (c), AHYDO Catch-Up Payments, and (e) payments by one or more Debtors to Junior Creditor in satisfaction of such Debtor's indemnity obligations set forth in Section 9.3 of the Junior Note Purchase Agreement, as in effect on the Restatement Date or as modified in accordance with the terms hereof.

(c) The definition of "Senior Debt" set forth in Section 1 of the Subordination Agreement is hereby amended by deleting the word "$150,700,000" in the proviso thereof and replacing it with the word "$214,500,000."

(d) Section 1 of the Subordination Agreement is hereby amended by inserting the following defined terms therein in appropriate alphabetical order:

"Permitted Refinancings and Exchanges" shall mean (a) any refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification of such Indebtedness, provided that such refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification does not (i) increase the cash rate of interest and payment in kind rate of interest on such Subordinated Indebtedness in an aggregate amount in excess of 2.0% above the aggregate rate of interest under the Junior Note Purchase Agreement as of the Restatement Date, (ii) change (to earlier dates) any dates upon which payments of principal or interest are due thereon, (iii) change

any event of default or condition to an event of default with respect thereto (other than to eliminate any such event of default or increase any grace period related thereto), (iv) change the redemption, prepayment or defeasance provisions thereof to make more onerous, change the subordination provisions thereof (or of any guaranty thereof), (v) increase the outstanding principal amount of such Indebtedness (other than on account of accrued interest, premium, fees and expenses) unless otherwise permitted as new Indebtedness under Section 6.1(m) of the Term Loan Agreement, provided further that the effect of such refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification, together with all other refinancing, refunding, renewal, replacement, waiver, amendment, restatement, supplement or other modification made, does not increase materially the obligations of the obligor thereunder or to confer any additional rights on the holders of such Indebtedness (or a trustee or other representative on their behalf) which would be materially adverse to Borrower or Lenders, and (b) any conversion, exchange, or other payment in Capital Stock.

"Restatement Date" means May 7, 2010.

(e) Section 2.2(b) of the Subordination Agreement is hereby amended by adding the words "other than any payments permitted under clause (b) of the definition of Permitted Refinancings and Exchanges" after the words "cash, property or securities" and before the words "shall be made."

(f) Section 2.2(c) of the Subordination Agreement is hereby amended by adding the words "other than any payments permitted under clause (b) of the definition of Permitted Refinancings and Exchanges" after the words "cash, property or securities" and before the words "shall be made."

(g) Section 3.2(a)(i) of the Subordination Agreement is hereby amended by replacing "$80,000,000" with "$75,000,000".

(h) The first sentence of Section 3.1(c) of the Subordination Agreement is hereby amended and restated in its entirety as follows: "No Junior Creditor shall sell, assign, dispose of or otherwise transfer all or any portion of the Junior Debt (other than under clause (b) of the defined term "Permitted Refinancings and Exchanges") unless prior to the consummation of such action, the transferee thereof shall execute and deliver to Agents a joinder to this Agreement, or an agreement substantially identical to this Agreement, in either case providing for the continued subordination and forbearance of the Junior Debt to the Senior Debt as provided herein and for the continued effectiveness of all of the rights of Agents and the Lenders arising under this Agreement."

(i) Subclause (i)(B) of Section 3.6(b) of the Subordination Agreement is hereby amended and restated in its entirety as follows: "(B) increase the rate of interest on any of the Junior Debt in excess of 2.0% above the rate of interest on the Restatement Date in the aggregate for the cash rate of interest and payment in kind rate of interest".

(j) Subclause (i)(E) of Section 3.6(b) of the Subordination Agreement is hereby amended and restated in its entirety as follows: "(E) change any redemption or prepayment provisions of, cancel, forgive or transfer (except to the extent permitted hereunder), or shorten the final maturity of, the Junior Debt, other than Permitted Refinancing and Exchanges".

5. **Conditions Precedent.** The effectiveness of this Amendment is subject to the execution and delivery hereof by the ABL Agent, the Term Agent, the Junior Creditor and the Borrower.

6. **Representations and Warranties.** Each of the parties hereto represents and warrants that (a) it has full power, authority and legal right to make and perform this Amendment, and (b) that this Amendment is the legal, valid and binding obligation of such Person, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles.

7. **Miscellaneous.**

(a) This Amendment shall inure to the benefit of the Senior Creditors and their respective successors and assigns, and shall be binding upon the Junior Creditor and its successors and assigns.

(b) This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which taken together shall be one and the same instrument. Signature pages hereto delivered by facsimile, emailed .pdf or other similar form of electronic transmission shall be equally effective as a manually executed original.

(c) This Amendment shall be subject to the terms of Sections 4.7 through 4.11 of the Subordination Agreement.

- Remainder of Page Intentionally Left Blank; Signature Page Follows –

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their proper and duly authorized officers as of the day and year first above written.

TERM AGENT

BNP PARIBAS

By: /s/ Richard Cushing
Name: Richard Cushing
Title: Director

ABL AGENT

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ James A. Kelly
Name: James A. Kelly
Title: Vice President

JUNIOR CREDITOR

GGC FINANCE PARTNERSHIP, L.P.

By: GGC Financial (US), LLC, a Delaware limited liability company, its general partner

By: /s/ Rajeev Amara
Name: Rajeev Amara
Title: Vice President

BORROWER

U.S. SILICA COMPANY

By: /s/ John A. Ulizio
Name: John A. Ulizio
Title: President

September 25, 2009

Mr. Bryan A. Shinn
103 Sunny Dell Road
Landenberg, PA 19350

Dear Bryan:

U.S. Silica Company (USS) is pleased to offer you the position of Senior Vice President of Sales & Marketing at the headquarters of U.S. Silica, currently located in Berkeley Springs, WV. The offer:

1. An annual Base Salary of $232,000, which equates to a monthly salary of $19,333.33.

2. Participation in the Annual Bonus Incentive Program (ABIP) at 45%, which means that you will be eligible for an annual bonus of 45% of your salary if the ABIP program pays out at 100%. The payment of an ABIP bonus is subject to the terms of the program (which are reviewed annually); in general, an ABIP bonus is paid to the extent that USS' EBITDA performance exceeds certain benchmarks and other metrics (which have traditionally included safety performance) are met. The ABIP bonus is paid in February or March for the prior year's performance (i.e., after the audit results of the prior year are substantially complete). A five year history of ABIP payout percentages, for the results of 2004 to 2008 inclusive, is attached.

3. Incentive Units in GGC USS Holdings LLC, in the following amounts: 1,051,666.7 of Class C units, and 1,051,666.7 of Class D units. The Incentive Units will be granted subject to the execution of the Incentive Unit Agreement, in substantially the same form as the Incentive Unit Agreement enclosed. The Incentive Units are subject to the terms and conditions of the Incentive Unit Agreement and the 2008 Participant Unit Plan.

4. In addition to the standard USS relocation package, USS will pay a special allowance equal to eighty (80%) percent of the difference between the purchase price for your existing home at 103 Sunny Dell Road, Landenberg, PA, which was $880,000, and the (a) sale price of your existing home, or (b) the appraised value of your existing home if your existing home is not sold or under contract to be sold (with no contingencies, other than financing) within 180 days of the date you begin employment at USS, if the sale price or appraised value of your existing home is less than $880,000, and in either case up to a cap of $125,000. The special allowance will be paid (c) within five (5) business days of the closing on the sale of your existing home, or (d) within five (5) business days after the 180th day of the beginning of your employment with USS if your existing home is not sold or under contract to be sold (with no contingencies, other than financing). In the event that there is a contract for the sale of your existing home within 180 days of the beginning of your employment at USS, and the contract does not result in a sale, then USS will pay you the special allowance within five (5) business days of the termination of the

contract of sale. In the event that your existing home is not sold or subject to a contact for sale within 180 days of the beginning of your employment at USS, USS will contract with a third party relocation company to purchase the home. Also, as a modification to the standard relocation package, USS will pay temporary living expenses for up to 180 days, or the date on which you relocate into a permanent residence, whichever period is less.

5. In the event that USS terminates you without Cause within one year of the beginning of your employment, then we will (a) pay you special severance equal to twelve (12) months of your Base Salary in effect on the date of termination, and (b) pay the premiums (subject to you paying the employee share of the health care premium; in the case of an employee at the vice president level, the employee share of the health care premium is currently 25%) for extension of USS health care coverage pursuant to COBRA for (i) twelve (12) months from the date of termination, or (ii) the date upon which you obtain full-time employment, whichever occurs first. The payment of the special severance and the extension of the USS health care coverage are contingent upon your execution of a general release of USS (and any affiliated entities) of any claims of whatever kind arising out of your employment by USS. For purposes of this paragraph 5, Cause means: (a) embezzlement, theft or misappropriation by you of any property of USS or its subsidiaries or affiliates; (b) any information, arraignment, indictment or other similar criminal proceeding against you (or any plea of nolo contendere) with respect to any felony or other crime causing USS significant public disgrace; (c) directly or indirectly owning, managing, operating, being employed by or participating in the ownership, management, operation or control of, or being in any manner connected with, any business engaged in or competitive with the business of USS; (d) divulging, transmitting or otherwise disclosing (other than in the regular and proper course of business) confidential knowledge or information with respect to the operations, customers, markets or finances of USS or its affiliates (“Confidential Information”), or using Confidential Information for the benefit of any person or entity other the USS and its affiliates; (e) gross negligence or willful misconduct on your part in the performance of your duties as an employee or officer of USS; (f) any chemical dependence which adversely affects the performance of your duties and responsibilities to USS (or any use of illegal drugs whether or not in the workplace); (g) failure to pass the post-offer of employment drug screening provided to all new USS employees; (h) failure to perform duties as reasonably directed by the President of USS which is not cured within fourteen (14) days after written notice by the President of USS to you. The existence or non-existence of Cause shall be determined in good faith by the President of USS and the Board of Directors.

For the avoidance of doubt, your employment (as is the case with all other USS employees not subject to collective bargaining agreements) shall be on an “at will” basis.

6. On March 1, 2010, USS will pay you a one time special bonus of $50,000, provided that you are a full-time employee of USS on that date.

****

In addition to the above items, we will provide you with USS’ standard relocation package, which includes normal moving expenses, house hunting trips, a ‘settling-in-allowance’ and temporary living expenses (as modified by item 4 above).

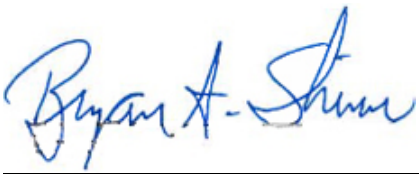
As a matter of Company policy, our offer is contingent upon your signing a Standard Agreement for Assignment of Inventions and Covenant against Disclosure. This is enclosed for your review and signature. A drug screening and chest x-ray will be scheduled prior to your first day of employment. A physical will be scheduled immediately upon commencement of employment. Your continued employment is contingent on successfully passing the drug screening.

You will be eligible to participate in the standard employee benefit programs in effect as of your hire date. A ‘sign-up’ form will be provided for your signature and designation of benefit options on your first day of work along with a copy of our benefits booklet. As a new employee, you are required by the U.S. Department of Justice, Immigration & Naturalization Service to complete an 1-9 form (copy attached). This form needs to be completed and documentation received on your first day of employment. You can elect from the listing on the back of the form which documentation to bring with you.

We are certain that you will be a distinct asset to our team. We are looking forward to your signature at the bottom representing acknowledgment and acceptance of this offer for employment with U.S. Silica Company. Please return one copy of this letter and the Standard Agreement for Assignment of Inventions and Covenant against Disclosure with your signatures.

Sincerely,

John A. Ulizio



Bryan A. Shinn

Enclosures
cc: Deborah A. Keyser

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement"), is made and entered into as of this 1st day of April, 2011, by and between **U.S. SILICA COMPANY**, a Delaware corporation (the "Company" or "USS"), and **JOHN A. ULIZIO** ("Consultant").

RECITALS

WHEREAS, the Company desires to secure the Consultant's services and the Consultant desires to provide such services to the Company; and

WHEREAS, the Consultant will obtain certain confidential information of the Company and the Consultant acknowledges and understands that, during the course of the performance of his services pursuant to this Agreement, the Consultant will become familiar with certain confidential information of the Company which is exceptionally valuable to the Company and vital to the success of the Company's business; and

WHEREAS, the Company and the Consultant desire to protect such confidential information from disclosure to third parties or use of such information to the detriment of the Company.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto acknowledge and agree as follows:

TERMS

PART ONE

NATURE AND TERM OF SERVICES

1.01 Services. The Company hereby agrees to engage the Consultant to perform, and the Consultant hereby agrees to perform, such consulting services relating to the Company, as requested by the General Counsel or Chief Executive Officer of the Company, including consulting services relating to or associated with crystalline silica issues, which may include, but not be limited to: (a) federal, state, provincial or local legislation or regulation; (b) the administration of the Company's occupational health program; (c) litigation (including matters relating to insurance and the ITT indemnity); (d) the preparation of articles and presentations; (e) participation in trade association and other organization activities relating to crystalline silica (including, but not limited to, the National Industrial Sand Association ("NISA"), the IMA-NA, the American Chemistry Council-Crystalline Silica Panel, and specifically including the NISA epidemiology task force and silica health effects committee and the IMA-NA, safety & health committee, government affairs and operations & engineering committees), and the participation in meetings, presentations and other activities in connection with the matters described in this section 1:01(e); and (f) general matters relating to Consultant's past work relating

to legal and administrative matters with the Company (the "Consultant's Services"). Consultant agrees to use his best efforts in providing the Consultant's Services to the Company and in fulfilling his duties and obligations pursuant to the terms of this Agreement.

Notwithstanding the provisions of this Section 1.01, the scope of Consultant's Services shall not include services performed by the Consultant as a witness in connection with pending or future litigation, and the services that the Consultant may perform as a witness include (but are not limited to), in addition to the actual time acting as a witness (whether in trial, any form of hearing, or any form of deposition), time and services spent reviewing documents, meeting with counsel and other activities typical of witness preparation.

1.02 Non-Compete. The Consultant agrees that he will not during the Term hereof (as that term is hereinafter defined) perform work for, or perform services for, directly or indirectly, any competing industrial sand producer or processor. Notwithstanding the provisions of this section 1.02, the Company acknowledges that work or services performed in connection with crystalline silica issues (and in particular, work done on crystalline silica issues in connection with NISA or other trade associations or organizations) may be for or result in the direct or indirect benefit of other industrial sand producers (in addition to the Company), and the Company agrees that any such work by the Consultant on crystalline silica issues is not a breach of this section or any provision in the Amended and Restated Employment Agreement dated January 11, 2011 between the Consultant and the Company ("Employment Agreement").

1.03 Days Worked. There shall be no minimum requirement for days worked by the Consultant during the Term.

1.04 Term. The term of this Agreement (the "Term") shall begin on April 1, 2011, and shall continue until the close of business on March 31, 2013, unless earlier terminated pursuant to the terms of this Agreement. The term of this Agreement may be extended for additional annual terms by mutual written agreement of the parties.

1.05 Status as Independent Contractor. Nothing contained in this Agreement shall be construed as creating a relationship between Company and Consultant other than that of independent contractor. Consultant shall not be deemed an agent of the Company or of any other company affiliated with the Company, and Consultant shall have no right, power or authority to act in any way in the name of the Company or its affiliated companies.

PART TWO

COMPENSATION

2.01 Fees. During the Term of this Agreement, the Company shall pay to the Consultant at the rate of $1,500 per day ("Consultant's Fee"). However, in consideration of those further covenants made by Consultant in this Agreement, the Company agrees to pay to Consultant a minimum of $10,000.00 per calendar quarter in fees notwithstanding the failure of the Company to utilize Consultant's services in to such extent in such calendar quarter. The Consultant's Fee pursuant to this Agreement is in addition to the Company's obligation to pay Consultant severance pursuant to the Employment Agreement and/or the General Release. Consultant shall provide a budget to the Company (to its Chief Executive Officer, slobodow@ussilica.com) for prior approval when feasible before engaging in activities as Consultant pursuant to this Agreement.

2.02 Benefits. The Consultant and the Company acknowledge and agree that as the Consultant is an independent contractor, the Company shall not, and shall have no obligation to, by reason of this Agreement, provide the Consultant with any benefits (including, but not limited to, any health, disability, deferred compensation, severance, insurance, profit sharing, or pension benefits) pursuant to this Agreement; however, this provision shall have no effect on Company benefits otherwise due to the Consultant pursuant to the Employment Agreement.

2.03 Expenses. During the Term of this Agreement, the Consultant shall be reimbursed by the Company for all ordinary and necessary out-of-pocket expenses for travel, lodging, meals, or any other similar expenses incurred by the Consultant in performing the Consultant's Services for the Company (including mileage reimbursement at the established IRS rate in the event Consultant is required to use his personal vehicle on Company business), to the extent that such expenditures meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), for deductibility by the Company for federal income tax purposes and which are substantiated and documented by the Consultant as required by the Code and in accordance with policies established by the Company from time to time (i. e., Consultant must file with the Company a standard expense report using an Excel form approved by the Company).

2.04 Payment of Fees and Expenses. Consultant agrees to furnish Company a monthly expense statement. Such statement shall be sent by fax or e-mail to James Manion, fax (301) 682-0690, or manion@ussilica.com. Company agrees to pay such statement within seven business days after receipt at month-end. Additionally, Company agreement to pay the Consultant's Fee on a monthly basis, within seven business days of the end of the month for which services the payment is due. Consultant further agrees to sign and deliver to Company upon request an IRS Form W-9 if needed, and Consultant certifies he is not subject to "backup withholding".

PART THREE

CONFIDENTIAL INFORMATION AND COMPETITION

3.01 Definition of Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall mean, but shall not be limited to, information which is proprietary Company information which is not generally known to the public through legitimate origins, and which includes, but is not limited to, information regarding Company customers and Company products, policies, procedures or manuals of the Company, and information concerning the operations of the Company. The Company and the Consultant acknowledge and agree that the foregoing Confidential Information is extremely valuable to the Company and shall be deemed to be a "Trade Secret". For the purposes of this Section 3.01, such information is "not generally known to the public through legitimate origins" if it is not generally known to third parties who can obtain economic value from its disclosure and use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy or confidentiality. In the event that any part of the Confidential Information becomes generally known to the public through legitimate origins (other than by the breach of this Agreement by the Consultant), that part of the Confidential Information shall no longer be deemed Confidential Information for the purposes of this Agreement, but the Consultant shall continue to be bound by the terms of this Agreement as to all other Confidential Information.

3.02 Non-Disclosure of Confidential Information. The Consultant will not prior to, during, or after termination of, this Agreement, in any form or manner, directly or indirectly, divulge, disclose or communicate to any person, entity, firm, corporation or any other third party, or utilize for the Consultant's personal benefit or for the benefit, any Confidential Information.

3.03 Delivery Upon Termination. Upon termination of this Agreement for any reason, the Consultant will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, or any other documents which contain Confidential Information (collectively, the "Documents").

3.04 Equitable Remedies. The Consultant agrees and acknowledges disclosure of confidential information in breach of this Agreement will result in immediate and irreparable harm to the business and goodwill of the Company and that monetary damages and remedies at law for such breach would be inadequate. The Company shall therefore be entitled to apply for and receive from any court of competent jurisdiction an injunction to restrain any violation of this Agreement and for such further relief as the court may deem just and proper, and the Consultant shall, in addition, pay to the Company the Company's costs and expenses in enforcing such terms (including court costs and reasonable attorneys' fees).

3.05 Continuing Obligation. The obligations, duties and liabilities of the Consultant pursuant to this Part Three of this Agreement are continuing, absolute and unconditional and shall remain in full force and effect as provided therein despite any termination of this Agreement for any reason whatsoever, for two years after the termination of this Agreement.

PART FOUR

TERMINATION

4.01 Termination. This Agreement may be terminated at any time by either party, upon ninety days written notice to the other party.

PART FIVE

MISCELLANEOUS

5.01 Assignment. Except as provided in this Section 5.01, the Consultant and the Company acknowledge and agree that the covenants, terms and provisions contained in this Agreement and the rights of the parties hereunder cannot be transferred, sold, assigned, pledged or hypothecated; provided, however, that this Agreement shall be binding upon and inure to the benefit of the Company and any successor to or assignee of all or substantially all of the business and property of the Company. In addition, the Company may assign its rights hereunder to a direct or indirect subsidiary, affiliated company, or division of the Company without the consent of the Consultant, upon written notice to the Consultant. Finally, the Consultant may assign its rights under this Consulting Agreement to a Limited Liability Company formed by the Consultant, and Consultant shall provide notice of such assignment to the Legal Department of the Company, together with the FEIN of such limited liability company.

5.02 Entire Agreement. This Agreement contains the entire agreement between the parties concerning this Consulting Agreement and shall not be modified except in writing by the parties hereto. Furthermore, the parties hereto specifically agree that all prior agreements, whether written or oral, relating to the Consultant's Services to the Company shall be of no further force or effect from and after the date hereof. For the avoidance of doubt, the Consultant and the Company are parties to the Employment Agreement, and this Consulting Agreement does not in any way modify the Employment Agreement.

5.03 Severability. If any phrase, clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause or provision shall be deemed severed from this Agreement, but will not affect any other provisions of this Agreement, which shall otherwise remain in full force and effect. If any restriction or limitation in this Agreement is deemed to be unreasonable, onerous and unduly restrictive by a court of competent jurisdiction, it shall not be stricken in its entirety and held totally void and unenforceable, but shall remain effective to the maximum extent permissible within reasonable bounds.

5.04 Notices. Any notice, request or other communication required to be given pursuant to the provisions hereof shall be in writing and shall be deemed to have been given when delivered in person, or by overnight delivery service, next day air

(UPS or Federal Express only), to the addresses shown below, such notices when given by overnight delivery service to be deemed effective on the next business day after sending.

5.05 Waiver. The waiver by the Company or the Consultant of any breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition hereof.

5.06 Use of Company Vehicles. Any use of Company vehicles by Consultant shall be in accordance with the Company's Vehicle Safety & Usage Policy dated 8/15/2005, as amended.

5.07 Liability Insurance. The Company reserves the right at any time in the future to require the Consultant to obtain general liability insurance in an amount adequate to protect the Company against any and all claims and/or liability that may hereafter arise by reason of Consultant's conduct while retained as Company's consultant. In such event, the Company agrees that it shall be solely responsible for the payment of all premiums for the issuance and renewal of such liability insurance.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

COMPANY:

U. S. SILICA COMPANY

By: 

Brian Slobodow, Chief Executive Officer

8490 Progress Drive, Suite 300
Frederick, Maryland 21701
301-682-0655

CONSULTANT:

JOHN A. ULIZIO

19223 Old Ipswich Circle
Hagerstown, Maryland 21742
301-790-2583

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made as of June 1, 2011, by and between U.S. Silica Company, a Delaware corporation (the "Company"), and Brian Slobodow ("Executive").

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. The Company shall employ Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement for the period beginning on the date hereof and ending as provided in Paragraph 4 hereof (the "Employment Period").

2. Position and Duties.

(a) During the Employment Period, Executive shall serve as the Chief Operating Officer of the Company, and shall have the normal duties, responsibilities, functions and authority of the Chief Executive Officer, subject to the power and authority of the Board of Managers of the Company's corporate parent, GGC USS Holdings, LLC (the "Board") and its designees, to expand or limit such duties, responsibilities, functions and authority within the normal scope of duties, responsibilities, functions and authority associated with the position of Chief Executive Officer. During the Employment Period, Executive shall render such administrative, financial and other executive and managerial services to the Company and its Subsidiaries and Affiliates which are consistent with Executive's position as the Board may from time to time direct.

(b) During the Employment Period, Executive shall report to the Board and shall devote his best efforts and his full business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Subsidiaries and Affiliates. Executive shall perform his duties, responsibilities and functions to the Company and its Subsidiaries and Affiliates hereunder to the best of his abilities in a diligent, trustworthy, professional and efficient manner and shall comply with the Company's and its Subsidiaries' and Affiliates' policies and procedures in all material respects. In performing his duties and exercising his authority under this Agreement, Executive shall support and implement the business and strategic plans approved from time to time by the Board and shall support and cooperate with the Company's and its Subsidiaries' and Affiliates' efforts to expand their businesses and operate profitably and in conformity with the business and strategic plans approved by the Board. So long as Executive is employed by the Company, Executive shall not, without the prior written consent of the Board, accept other employment or perform other services for compensation. During the Employment Period, Executive shall not serve as an officer or director of, or otherwise perform services for compensation for, any other entity without the prior written consent of the Board; provided that Executive may (i) serve as an officer or director of or otherwise participate in solely educational, welfare, social, religious and civic organizations so long as such activities do not interfere with Executive's employment with the Company and its Subsidiaries and Affiliates and (ii) serve on the board of Neways Holdings Ltd., AtoZ.com and Aseptic Solutions.

(c) For purposes of this Agreement, "Subsidiaries" shall mean any corporation or other entity of which the securities or other ownership interests having the voting power to elect a majority of the board of directors or other governing body are, at the time of determination, owned by the Company, directly or through one of more Subsidiaries.

(d) For purposes of this Agreement, "Affiliates" shall mean any natural person, corporation, limited liability company, general partnership, limited partnership, proprietorship or other business organization (a "Person") that directly, or indirectly through one of more intermediaries, controls or is controlled by or is under common control with the Company.

3. Compensation and Benefits.

(a) During the Employment Period, Executive's base salary shall be three hundred seventy-five thousand U.S. dollars ($375,000) per annum or such higher rate as the Board may determine from time to time (as adjusted from time to time, the "Base Salary"), which salary shall be payable by the Company in regular installments in accordance with the Company's general payroll practices in effect from time to time. In addition to the Base Salary, the Board shall award a bonus to Executive following the end of each fiscal year during the Employment Period based upon the Company's operating results during such year (which bonus shall be in an amount equal to 50% of the Base Salary upon the achievement of EBITDA consistent with the minimum EBITDA required by the Company's then-current senior secured credit facility and which may be higher or lower based on the achievement of financial targets established on an annual basis by the Board in consultation with management). Payment of any bonus with respect to a fiscal year of the Company which may become due under this Agreement shall be made in the calendar year following the calendar year in which such fiscal year ends.

(b) During the Employment Period, the Company shall reimburse Executive for all reasonable business expenses incurred by him in the course of performing his duties and responsibilities under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

(c) In addition to the Base Salary, Executive shall be entitled to the following benefits during the Employment Period, unless otherwise modified by the Board:

(i) participation in the Company's health and welfare benefits on the same basis as the other members of the Company's senior management;

(ii) a maximum of twenty (20) days of personal time off each year with salary; and

(iii) family relocation expenses, not to exceed $35,000 in the aggregate, to Princeton, New Jersey or Frederick, Maryland region from Park City, Utah,

(d) All amounts payable to Executive hereunder shall be subject to all required and customary withholding by the Company and its Subsidiaries.

(e) Executive shall be entitled to participate in the Company's 401(k) Plan in accordance with its terms and provisions and applicable law, as the same may be changed, amended or terminated from time to time.

4. Term.

(a) The Employment Period shall continue until the earlier of (i) Executive's death or Disability, (ii) Executive's resignation of his employment with the Company and (iii) the Company's termination of this Agreement. The Employment Period may be terminated by the Company at any time for Cause (as defined below) or without Cause. Except as otherwise provided herein, any termination of the Employment Period by the Company shall be effective as specified in a written notice from the Company to Executive.

(b) If the Employment Period is terminated by the Company without Cause or by Executive for Good Reason (as defined below),

(i) Executive shall be entitled to continue to receive his Base Salary payable in regular installments as special severance payments from the date of termination through the later of (A) the twelve-month anniversary of the date of this Agreement and (B) the six-month anniversary of the date of termination (the "Severance Period"), if and only if Executive has executed and delivered to the Company a General Release substantially in form and substance as set forth in Exhibit A attached hereto and the General Release has become effective, and only so long as Executive has not revoked or breached the provisions of the General Release or breached the provisions of Paragraphs 5, 6 and 7 hereof and does not apply for unemployment compensation chargeable to the Company or any Subsidiary during the Severance Period (provided that if the Company is a "public company" within the meaning of Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A"), any amounts payable to Executive during the first six months and one day following the date of termination pursuant to this Paragraph 4(b) shall be deferred until the date six months and one day following such termination, and if such payments are required to be so deferred, the first payment shall be in an amount equal to the total amount to which Executive would otherwise have been entitled to during the period following the date of termination if the deferral had not been required),

(ii) If Executive is eligible for and elects to receive continuation group health coverage mandated by Section 4980B of the Internal Revenue Code or similar state laws ("COBRA") during the period which Executive is entitled to receive severance payments pursuant to the preceding sentence, Executive will be responsible for paying such COBRA premiums and the Company will reimburse Executive for the amount of the COBRA premiums; provided, however, that the Company shall have no obligation to reimburse Executive with respect to such COBRA premiums to the extent that the Company reasonably determines that reimbursement of such COBRA premiums could

result in the imposition of excise taxes on the Company for any failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended, and

(iii) Executive shall not be entitled to any other salary, compensation or benefits after termination of the Employment Period, except as specifically provided for in the Company's employee benefit plans or as otherwise expressly required by applicable law.

Subject to the provisions of Paragraph 26(c), the amounts payable pursuant to this Paragraph 4(b) shall be payable in regular installments in accordance with the Company's payroll practices as of the date of the termination of this Agreement. Notwithstanding any other provision of this Agreement, if following the termination of his employment Executive is entitled to payments or other benefits under this Paragraph 4(b), but the Company later determines that Cause with respect to Executive exists or existed on, prior to, or after such termination of Executive, (i) Executive shall not be entitled to any payments or other benefits pursuant to this Paragraph 4(b), (ii) any and all payments to be made by the Company and any and all benefits to be provided to Executive pursuant to this Paragraph 4(b) shall cease and (iii) any such payments previously made to Executive shall be returned immediately to the Company by Executive.

(c) If the Employment Period is terminated by the Company for Cause or is terminated pursuant to clauses (a)(i) or (a)(ii) above (other than a termination by Executive for Good Reason), Executive shall only be entitled to receive his Base Salary through the date of termination or expiration and shall not be entitled to any other salary, compensation or benefits from the Company or its Subsidiaries or Affiliates thereafter, except as otherwise specifically provided for under the Company's employee benefit plans or as otherwise expressly required by applicable law.

(d) Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination or expiration of the Employment Period shall cease upon such termination or expiration, other than those expressly required under applicable law (such as COBRA). Except as otherwise expressly provided herein, the Company may offset any amounts Executive owes it or its Subsidiaries or Affiliates against any amounts it or its Subsidiaries or Affiliates owes Executive hereunder.

(e) For purposes of this Agreement, "Cause" shall mean with respect to Executive one or more of the following: (i) the commission of a felony or other crime involving moral turpitude or the commission of any other act or omission involving dishonesty, disloyalty or fraud with respect to the Company or any of its Subsidiaries and Affiliates or any of their customers, suppliers or distributors, (ii) reporting to work under the influence of alcohol or illegal drugs, the use of illegal drugs (whether or not at the workplace) or other repeated conduct causing the Company or any of its Subsidiaries or Affiliates substantial public disgrace or disrepute or substantial economic harm, (iii) substantial and repeated failure to perform duties as reasonably directed by the Board (provided that the Board gives Executive written notice of its

intention to terminate the Employment Period for Cause pursuant to this clause (iii) and allows Executive a 30-day period from the date of such notice to cure such failure to perform), (iv) any act or omission aiding or abetting a competitor, supplier, customer or distributor of the Company or any of its Subsidiaries and Affiliates to the material disadvantage or detriment of the Company and its Subsidiaries and Affiliates, (v) breach of fiduciary duty, gross negligence or willful misconduct with respect to the Company or any of its Subsidiaries or Affiliates or (vi) any other material breach of this Agreement.

(f) For purposes of this Agreement, "Good Reason" shall mean any material breach by the Company of its obligations under this Agreement (including, for avoidance of doubt, any material diminution in Executive's Base Salary, authority and/or responsibilities or any failure to provide benefits to Executive on the same basis as the other members of the Company's senior management); provided that Executive gives the Company written notice of his intention to terminate the Employment Period for Good Reason and allows the Company a 30-day period from the date of such notice to cure such breach.

(g) For purposes of this Agreement, "Disability" shall mean Executive's inability to perform the essential duties, responsibilities and functions of his position with the Company and its Subsidiaries and Affiliates for a period of 90 consecutive days or for a total of 180 days during any 12-month period as a result of any mental or physical illness, disability or incapacity even with reasonable accommodations for such illness, disability or incapacity provided by the Company and its Subsidiaries and Affiliates or if providing such accommodations would be unreasonable, all as determined by the Board in its reasonable good faith judgment. Executive shall cooperate in all respects with the Company if a question arises as to whether he has become disabled (including, without limitation, submitting to reasonable examinations by one or more medical doctors and other health care specialists selected by the Company and authorizing such medical doctors and other health care specialists to discuss Executive's condition with the Company).

5. Confidential Information.

(a) Executive acknowledges that the information, observations and data (including trade secrets) obtained by him while employed by the Company and its Subsidiaries and Affiliates concerning the business or affairs of the Company or any of its Subsidiaries and Affiliates ("Confidential Information") are the property of the Company or such Subsidiary or Affiliate. The term "Confidential Information" includes, but is not limited to, patent, copyright, trade secret, and proprietary information, techniques, sketches, drawings, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulae related to the current, future and proposed products and services of the Company and its Subsidiaries and Affiliates, and information concerning research, experimental work, development, design details and specifications, engineering, financial information, procurement requirements, customers, distributors (including contact information), business forecasts, sales and merchandising, and marketing plans and information. Executive agrees that he shall not disclose to any Person or entity or use for his own purposes any Confidential Information or any confidential or proprietary information of other Persons or entities in the possession of the Company and its Subsidiaries and Affiliates ("Third Party Information"),

without the prior written consent of the Board, unless and to the extent that the Confidential Information or Third Party Information becomes generally known to and available for use by the public other than as a result of Executive's acts or omissions. Executive shall deliver to the Company at the termination or expiration of the Employment Period, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer files, disks and tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to Third Party Information, Confidential Information, Work Product (as defined below) or the business of the Company or any of its Subsidiaries and Affiliates which he may then possess or have under his control.

(b) Executive shall be prohibited from using or disclosing any confidential information or trade secrets that Executive may have learned through any prior employment. If at any time during the Employment Period Executive believes he is being asked to engage in work that will, or will be likely to, jeopardize any confidentiality or other obligations Executive may have to former employers, Executive shall immediately advise the Board so that Executive's duties can be modified appropriately. Executive represents and warrants to the Company that Executive took nothing with him which belonged to any former employer when Executive left his prior employment positions and that Executive has nothing that contains any information which belongs to any former employer. If at any time Executive discovers this is incorrect, Executive shall promptly return any such materials to Executive's former employer. The Company does not want any such materials, and Executive shall not be permitted to use or refer to any such materials in the performance of Executive's duties hereunder.

6. Intellectual Property, Inventions and Patents.

(a) Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any confidential information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) which relate to the Company's or any of its Subsidiaries' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive (whether alone or jointly with others) while employed by the Company and its Subsidiaries and Affiliates, whether before or after the date of this Agreement ("Work Product"), belong to the Company or such Subsidiary or Affiliate. Executive shall promptly disclose such Work Product to the Board and, at the Company's expense, perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments). Executive acknowledges that all Work Product shall be deemed to constitute "works made for hire" under the U.S. Copyright Act of 1976, as amended.

(b) Executive is hereby advised that this Paragraph 6 regarding the Company's and its Subsidiaries' and Affiliates' ownership of Work Product does not apply to any invention for which no equipment, supplies, facilities or trade secret information of the Company or any Subsidiary or Affiliate was used and which was developed entirely on Executive's own time, unless (i) the invention relates to the business of the Company or any Subsidiary or Affiliate or to

the Company's or any Subsidiaries' or Affiliates' actual or demonstrably anticipated research or development or (ii) the invention results from any work performed by Executive for the Company or any Subsidiary or Affiliate.

7. Non-Compete, Non-Solicitation.

(a) In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his employment with the Company and its Subsidiaries and Affiliates he shall become familiar with, and during his employment with the Company he has become familiar with, the Company's trade secrets and with other Confidential Information concerning the Company and its Subsidiaries and Affiliates and that his services have been and shall continue to be of special, unique and extraordinary value to the Company and its Subsidiaries and Affiliates, and therefore, Executive agrees that, during the Employment Period and for six months thereafter (the "Noncompete Period"), he shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity by, or in any manner engage in, any business or entity competing with the businesses of the Company or its Subsidiaries and Affiliates as such businesses exist or are in process during the Employment Period or on the date of the termination or expiration of the Employment Period (it being understood that notwithstanding anything herein to the contrary, manufacturers, distributors, marketers and retailers who operate outside of the multi-level or network marketing channel of distribution shall not be deemed to be competitive with the business of the Company or its Subsidiaries and Affiliates), within any geographical area in which the Company or its Subsidiaries and Affiliates engage or plan to engage in such businesses. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) In addition, during the Noncompete Period, Executive shall not directly or indirectly through another Person or entity (i) induce or attempt to induce any employee of the Company or any Subsidiary or Affiliate to leave the employ of the Company or such Subsidiary or Affiliate, or in any way interfere with the relationship between the Company or any Subsidiary or Affiliate and any employee thereof, (ii) hire any person who was an employee of the Company or any Subsidiary or Affiliate at any time during the Employment Period or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee, distributor or other business relation of the Company or any Subsidiary or Affiliate to cease doing business with the Company or such Subsidiary or Affiliate, or in any way interfere with the relationship between any such customer, supplier, licensee, distributor or business relation and the Company or any Subsidiary or Affiliate (including, without limitation, making any negative or disparaging statements or communications regarding the Company or its Subsidiaries and Affiliates).

8. Enforcement. If, at the time of enforcement of Paragraphs 5, 6 or 7 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum

period, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information and Work Product, the parties hereto agree that the Company and its Subsidiaries and Affiliates would suffer irreparable harm from a breach of Paragraphs 5, 6 or 7 by Executive and that money damages would not be an adequate remedy for any such breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company and its Subsidiaries and Affiliates and their successors or assigns, in addition to other rights and remedies existing in their favor, shall be entitled to specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security). In addition, in the event of a breach or violation by Executive of Paragraph 7, the Noncompete Period shall be automatically extended by the amount of time between the initial occurrence of the breach or violation and when such breach or violation has been duly cured. Executive acknowledges that the restrictions contained in Paragraph 7 are reasonable and that he has reviewed the provisions of this Agreement with his legal counsel.

9. Additional Acknowledgments. In addition, Executive acknowledges that the provisions of Paragraphs 5, 6 and 7 are in consideration of employment with the Company and additional good and valuable consideration as set forth in this Agreement. Executive also acknowledges that (i) the restrictions contained in Paragraphs 5, 6 and 7 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living, (ii) the business of the Company and its Subsidiaries and Affiliates will be international in scope and without geographical limitation and (iii) notwithstanding the state of formation or principal office of the Company or residence of any of its executives or employees (including Executive), it is expected that the Company and its Subsidiaries and Affiliates will have business activities and have valuable business relationships within its industry throughout the world. Executive agrees and acknowledges that the potential harm to the Company and its Subsidiaries and Affiliates of the non-enforcement of Paragraphs 5, 6 and 7 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries and Affiliates now existing or to be developed in the future and that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

10. Executive's Representations. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, (ii) Executive is not a party to or bound by any employment agreement, noncompete agreement or confidentiality agreement with any other Person or entity, and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges and represents that he has consulted with independent legal counsel regarding his rights and obligations under this Agreement and that he fully understands the terms and conditions contained herein.

11. Survival. Paragraphs 5 through 25, inclusive, shall survive and continue in full force in accordance with their terms notwithstanding the expiration or termination of the Employment Period.

12. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight courier service or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

Notices to Executive:

Brian Slobodow
175 Arreton Road
Princeton, NJ 08540

Notices to the Company:

U.S. Silica Company
P.O. Box 187
UPS – 2496 Hancock Road
Berkeley Springs, West Virginia
Attention: General Counsel

With a copy to:

c/o Golden Gate Private Equity, Inc.
One Embarcadero Center
39th Floor
San Francisco, CA 94111
Attention: Rajeev Amara

With a copy to:

Kirkland & Ellis LLP
555 California Street, 27th Floor
San Francisco, CA 94104
Attention: Stephen D. Oetgen
Arshad A. Ahmed

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when so delivered, sent or mailed.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall

not affect any other provision of this Agreement or any action in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

14. Complete Agreement. This Agreement embodies the complete agreement and understanding among the parties and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, but excluding any breaches thereof by either party prior to the date hereof.

15. No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

16. Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

17. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns, except that Executive may not assign his rights or delegate his duties or obligations hereunder without the prior written consent of the Company.

18. Choice of Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Maryland, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Maryland or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Maryland.

19. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company (as approved by the Board) and Executive, and no course of conduct or course of dealing or failure or delay by any party hereto in enforcing or exercising any of the provisions of this Agreement (including, without limitation, the Company's right to terminate the Employment Period for Cause) shall affect the validity, binding effect or enforceability of this Agreement or be deemed to be an implied waiver of any provision of this Agreement.

20. Insurance. The Company may, at its discretion, apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered advisable. Executive agrees to cooperate in any medical or other examination, supply any information and execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

21. Indemnification and Reimbursement of Payments on Behalf of Executive. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries or Affiliates to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes ("Taxes") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Affiliates or Executive's ownership interest in the Company or its Affiliates (including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity). In the event the Company or any of its Subsidiaries or Affiliates does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries and Affiliates for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

22. Consent to Jurisdiction. EACH OF THE PARTIES IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND LOCATED IN BALTIMORE, MARYLAND, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SET FORTH ABOVE SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN MARYLAND WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS PARAGRAPH 22. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND LOCATED IN BALTIMORE, MARYLAND AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

23. Waiver of Jury Trial. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

24. Corporate Opportunity. Executive shall submit to the Board all business, commercial and investment opportunities, or offers presented to Executive in his personal capacity or of which Executive becomes aware at any time during the Employment Period which relate to the business of industrial minerals ("Corporate Opportunities"). Unless approved by the Board, Executive shall not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

25. Executive's Cooperation. During the Employment Period and thereafter, Executive shall cooperate with the Company and its Subsidiaries and Affiliates in any internal investigation, any administrative, regulatory or judicial investigation or proceeding or any dispute with a third party as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this Paragraph 25, the Company shall reimburse Executive solely for reasonable travel expenses (including lodging and meals) upon submission of receipts.

26. Code Section 409A Compliance.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Code Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) To the extent that severance payments or benefits pursuant to this Agreement are conditioned upon the execution and delivery by the Executive of a release of claims, the Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of the Executive's termination of employment. If the foregoing release is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the following shall apply:

(i) To the extent any such cash payment or continuing benefit to be provided is not "deferred compensation" for purposes of Code Section 409A, then such payment or benefit shall commence upon the first scheduled payment date immediately after the date the release is executed and no longer subject to revocation (the "Release Effective Date"). The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Agreement applied as though such payments commenced immediately upon the

Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following the Executive's termination of employment.

(ii) To the extent any such cash payment or continuing benefit to be provided is "deferred compensation" for purposes of Code Section 409A, then such payments or benefits shall be made or commence upon the sixtieth (60) day following the Executive's termination of employment. The first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon the Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following the Executive's termination of employment.

The Company may provide, in its sole discretion, that Executive may continue to participate in any benefits delayed pursuant to this section during the period of such delay, provided that the Executive shall bear the full cost of such benefits during such delay period.

(d) For purposes of compliance with Code Section 409A, to the extent any reimbursements or in-kind benefits under this Agreement constitute "non-qualified deferred compensation" for purposes of Section 409A, (i) all expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (ii) any right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(e) Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

U.S. Silica Company

By: /s/ Rajeev Amara
Name: Rajeev Amara
Its:

/s/ Brian Slobodow
BRIAN SLOBODOW

{Signature Page to Employment Agreement}

Exhibit A

GENERAL RELEASE

I, [_____], in consideration of and subject to the performance by _____, a _____ (together with its subsidiaries, the "Company"), of its obligations under the Employment Agreement, dated as of [_____] (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its affiliates and all present and former directors, officers, agents, representatives, employees, successors and assigns of the Company and its affiliates and the Company's direct or indirect owners (collectively, the "Released Parties") to the extent provided below.

1. I understand that any payments or benefits paid or granted to me under paragraph 4(b) of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the payments and benefits specified in paragraph 4(b) of the Agreement unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter or breach this General Release. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates. I also acknowledge and represent that I have received all payments and benefits that I am entitled to receive (as of the date hereof) by virtue of any employment by the Company.

2. Except as provided in paragraph 4 below and except for the provisions of my Employment Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law,

regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims").

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

5. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. Notwithstanding the foregoing, I further acknowledges that I am not waiving and am not being required to waive any right that cannot be waived by law, including the right to file a charge or participate in an administrative investigation or proceeding of the Equal Employment Opportunity Commission or any other government agency prohibiting waiver of such right; provided, however, that I hereby disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation. I further agree that I am not aware of any pending claim of the type described in paragraph 2 as of the execution of this General Release.

6. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

7. I agree that I will forfeit all amounts payable by the Company pursuant to the Agreement if I challenge the validity of this General Release. I also agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by me pursuant to the Agreement.

8. I agree that this General Release and the Agreement is confidential and agree not to disclose any information regarding the terms of this General Release or the Agreement,

except to my immediate family and any tax, legal or other counsel I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone.

9. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the National Association of Securities Dealers, Inc. (NASD), any other self-regulatory organization or governmental entity.

10. I agree to reasonably cooperate with the Company in any internal investigation, any administrative, regulatory, or judicial proceeding or any dispute with a third party. I understand and agree that my cooperation may include, but not be limited to, making myself available to the Company upon reasonable notice for interviews and factual investigations; appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process; volunteering to the Company pertinent information; and turning over to the Company all relevant documents which are or may come into my possession all at times and on schedules that are reasonably consistent with my other permitted activities and commitments. I understand that in the event the Company asks for my cooperation in accordance with this provision, the Company will reimburse me solely for reasonable travel expenses, (including lodging and meals), upon my submission of receipts.

11. I agree not to disparage the Company, its past and present investors, officers, directors or employees or its affiliates and to keep all confidential and proprietary information about the past or present business affairs of the Company and its affiliates confidential unless a prior written release from the Company is obtained. I further agree that as of the date hereof, I have returned to the Company any and all property, tangible or intangible, relating to its business, which I possessed or had control over at any time (including, but not limited to, company-provided credit cards, building or office access cards, keys, computer equipment, manuals, files, documents, records, software, customer data base and other data) and that I shall not retain any copies, compilations, extracts, excerpts, summaries or other notes of any such manuals, files, documents, records, software, customer data base or other data.

12. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

13. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

(a) I HAVE READ IT CAREFULLY;

(b) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;

(c) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;

(d) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;

(e) I HAVE HAD AT LEAST 21 DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE SUBSTANTIALLY IN ITS FINAL FORM ON _____ __, _____ TO CONSIDER IT AND THE CHANGES MADE SINCE THE _____ __, _____ VERSION OF THIS RELEASE ARE NOT MATERIAL AND WILL NOT RESTART THE REQUIRED 21-DAY PERIOD;

(f) THE CHANGES TO THE AGREEMENT SINCE _____ __, _____ EITHER ARE NOT MATERIAL OR WERE MADE AT MY REQUEST.

(g) I UNDERSTAND THAT I HAVE SEVEN DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;

(h) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND

(i) I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

DATE: _____ _____

Name	Jurisdiction of Formation
GGC RCS Holdings, Inc.	Delaware
Coated Sand Solutions, LLC	Delaware
Preferred Rocks USS Inc.	Delaware
Hourglass Acquisition I, LLC	Delaware
Hourglass Holdings, LLC	Delaware
USS Holdings, Inc.	Delaware
U.S. Silica Company	Delaware
The Fulton Land and Timber Company	Pennsylvania
Pennsylvania Glass Sand Corporation	Delaware
BMAC Services Co. Inc.	Delaware
Ottawa Silica Company	Delaware
Ottawa Silica Company, Ltd.	Quebec

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated July 18, 2011, with respect to the combined financial statements of U.S. Silica Holdings, Inc. and GGC RCS Holdings, Inc. contained in the Registration Statement and Prospectus of U.S. Silica Holdings, Inc. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the heading "Experts."

/s/ Grant Thornton LLP

Baltimore, Maryland
July 18, 2011

Exhibit 23.2

[John T. Boyd Company Letterhead]

CONSENT OF JOHN T. BOYD COMPANY

We hereby consent to the reference to our firm in the Prospectus contained in the Registration Statement on Form S-1 of U.S. Silica Holdings, Inc. and any amendments thereto. We hereby further consent to the use of the information contained in our reserve audit, dated July 13, 2011, relating to estimates of reserves of U.S. Silica Holdings, Inc. and its subsidiaries in the Registration Statement, and to the reference to us under the heading "Experts."

John T. Boyd Company

By: /s/ Ronald L. Lewis

Ronald L. Lewis
Managing Director and Chief Operating Officer

Dated: July 14, 2011

Exhibit 99.1

[Freedonia Letterhead]

CONSENT OF THE FREEDONIA GROUP, INC.

We hereby consent to the references to our company's name in the Registration Statement on Form S-1 (as may be amended or supplemented, the "Registration Statement") of U.S. Silica Holdings, Inc. (the "Company") and the quotation by the Company in the Registration Statement from Table IV-4 from our report World Well Stimulation Materials, April 2011. We also hereby consent to the filing of this letter as an exhibit to the Registration Statement.

THE FREEDONIA GROUP, INC.

By: /s/ Corinne Gangloff
Name:
Title:

June 22, 2011