

November 27, 2007

Congratulations on a good year. We hope you are able to finish your projects before the weather hits. We are happy and thankful for your patronage and look forward to continuing and growing our relationship in 2008.

2007 was a tough year in our industry with a slowdown in the housing industry, less projects for bid, and the volatile price of fuel. As our costs have escalated, we will have to raise prices for 2008. These prices will go into effect January, 7, 2008.

The good news is that we have changed the base rate of the fuel surcharge to \$3.40/ gallon from \$2.50/ gallon. All products will be adjusted \$.05 per ton for each \$0.15 increase of the fuel price beyond the \$3.40/ gallon base.

The adjustment will be based off the price of #2 road diesel at the Flying J Truck Plaza in Des Moines, Iowa on the first and third Sunday of each month. We will use their website at [www.flyingj.com](http://www.flyingj.com) to determine the fuel rate at time of adjustment. To save you time and confusion we will have current fuel surcharge information at [www.HallettMaterials.com](http://www.HallettMaterials.com) as well as a fuel surcharge history.

Again we thank you for your business this past year and hope that you have a successful and profitable 2008. Please feel free to call us if you have any questions or concerns or just want to grab a cup of coffee.

Best regards,

Chad Borsheim  
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