

SECURITIES AND EXCHANGE COMMISSION

FORM 8-A12B

Form for the registration/listing of a class of securities on a national securities exchange pursuant to
Section 12(b)

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FILER

LONE STAR INDUSTRIES INC

CIK: **60195** | IRS No.: **130982660** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-A12B** | Act: **34** | File No.: **001-06124** | Film No.: **94516466**
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|---|--|
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Securities and Exchange Commission
Washington, D.C. 20549

Form 8-A

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES PURSUANT TO
SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934.

Lone Star Industries, Inc.
(Exact name or registrant as specified
in its charter)

Delaware
(State of Incorporation
or organization)

13-0982660
(IRS Employer
Identification No.)

300 First Stamford Place, P.O. Box 120014,
Stamford, Connecticut 06912-0014
(address of principal executive offices)

Securities to be registered pursuant to Section 12(b) of the Act:

| Title of each class to be so registered | Name of each exchange on which each class is to be registered |
|---|---|
| Common Stock, per share \$1.00 par value | New York Stock Exchange |
| Common Stock Purchase Warrants | New York Stock Exchange |
| 10% Senior Notes Due 2004 | New York Stock Exchange |

Securities to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

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INFORMATION REQUIRED IN
REGISTRATION STATEMENT

Item 1. Description of Registrant's Securities to be Registered.

The Registrant, Lone Star Industries, Inc., a Delaware corporation (also referred to herein as the "Company"), presently files reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is currently the subject of reorganization proceedings pursuant to Chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"). Pursuant to the Registrant's Modified Amended Plan of Reorganization, as amended (the "Plan of Reorganization"), which was confirmed by order of the Bankruptcy Court for the Southern District of New York on March 1, 1994, the Registrant has been authorized to issue (i) 25,000,000 shares of Common Stock, par value \$1.00 per share ("Common Stock"), (ii) Common Stock Purchase Warrants to purchase 4,003,333 shares of Common Stock (the "Warrants") and (iii) \$78,000,000 aggregate principal amount of its 10% Senior Notes Due 2004 (the "Notes") (the securities referred to in the foregoing clauses (i) through (iii) are hereinafter collectively referred to as the "Securities"). The Securities will be issued pursuant to Section 1145 of the Bankruptcy Code. The Registrant has applied to the New York Stock Exchange to list the Securities thereon.

The Registrant's existing Common Stock, par value \$1.00 per share, and Preferred Stock Purchase Rights are currently listed on the New York Stock Exchange. Pursuant to the Plan of Reorganization, all of such existing securities will be cancelled on or about the date of consummation of the Plan of Reorganization (the "Effective Date").

A. Common Stock

Holder of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders, including the election of directors. The Registrant's Amended and Restated Certificate of Incorporation does not provide for cumulative voting for the election of directors. The holders of Common Stock are entitled to dividends as declared from time to time by the Board of Directors from funds legally available therefor and such holders will be entitled to receive pro rata all assets of the Registrant available for distribution to such holders upon liquidation. No shares of Common Stock have any preemptive rights to subscribe for additional shares of capital stock. Shares of Common Stock issued pursuant to the Plan of Reorganization will be duly authorized, fully paid and non-assessable.

Under the Indenture (as such term is hereinafter defined), dividends on the Common Stock can be paid only in certain

circumstances and up to a maximum amount. See "Notes -- Restricted Investments and Restricted Stock Payments" below.

B. Warrants

The Warrants are non-callable, non-redeemable and exercisable until March 31, 2001 at a price of \$18.75 per share.

The number of shares of Common Stock purchasable upon the exercise of each Warrant and the exercise price of the Warrant are subject to adjustment if the Registrant (i) pays a dividend in shares of Common Stock, (ii) subdivides its outstanding shares of Common Stock, (iii) combines its outstanding shares of Common Stock into a smaller number of shares of Common Stock, or issues by reclassification or recapitalization of its shares of Common Stock, other securities of the Registrant. An adjustment will not result from the Registrant's sale of Common Stock on the open market or the declaration of regular cash dividends.

C. Notes

The Notes will be issued under an indenture to be dated on or about the Effective Date (the "Indenture") between the Registrant and Chemical Bank, as trustee (the "Trustee"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (the "Trust Indenture Act") as in effect on the date of the Indenture. The Notes are subject to all such terms, and reference is made to the Indenture and the Trust Indenture Act for a statement thereof. The following summary of certain provisions of the Indenture does not purport to be complete and is qualified in its entirety by reference to the Indenture, including the definitions therein. Copies of the proposed forms of Indenture and Notes have been filed as exhibits to this Registration Statement and are incorporated herein by reference thereto. Capitalized terms used herein and not otherwise defined herein shall have the meanings as defined in the Indenture.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms as well as any other capitalized terms used herein for which no definition is provided.

"Adjusted Consolidated Net Income" means, with respect to the period commencing on the Opening Balance Sheet Date and continuing until the date of determination (i) the sum of fifty percent of the Consolidated Net Income for each fiscal year or partial fiscal year in such period minus (ii) the sum of one hundred percent of the Consolidated Net Losses for each fiscal year

or partial fiscal year in such period.

"Affiliate" means any Person directly or indirectly controlling or controlled by or under common control with the Company or any Guarantor, as the case may be; provided, however, that the term Affiliate, with respect to the Company, will not include any Restricted Subsidiary of the Company. For this purpose, "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Average Life to Stated Maturity" means, with respect to any Indebtedness, at any date of determination, the quotient obtained by dividing (a) the sum of the products of (i) the number of years from such date to the date or dates of each successive scheduled principal payment (including, without limitation, any sinking fund requirements) of such Indebtedness multiplied by (ii) the amount of each such principal payment by (b) the sum of all such principal payments.

"Board of Directors" means the Board of Directors of any Person or any committee of the Board authorized to act for it hereunder.

"Capital Stock" means any shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such capital stock.

"Capitalized Lease" means, at the time any determination thereof is to be made, any lease of property, real or personal, in respect of which the present value of the minimum rental commitment would be capitalized on a balance sheet of the lessee in accordance with GAAP.

"Capitalized Rent" under any Capitalized Lease will mean, at any time as of which the amount thereof is to be determined, the lesser of (i) 10 times the amount of the maximum net rent payable under such lease during any period of 12 consecutive months subsequent to the date as of which the rental obligation is to be determined and (ii) the lesser of (x) the aggregate amount of net rent payable under such lease until the expiration thereof in accordance with its terms and (y) the aggregate amount of net rent payable thereunder until the first date as of which the lessee will have the right to terminate such lease, together with any other payments required on the part of the lessee to effect such termination. The net rent payable under any lease for any period will be the total amount of the rent payable by the lessee with respect to such period but will not include amounts required to be

paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges. The amount to be included in net rent for any given period with respect to any portion thereof which may be a variable will be such amount as the Registrant will in good faith determine is reasonably to be expected to be due as a result of such variable.

"Cash Equivalents" means, at any time: (i) any evidence of Indebtedness with a maturity of 180 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); (ii) certificates of deposit or acceptances with a maturity of 180 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 \$500,000,000; (iii) commercial paper with a maturity of 180 days or less issued by a corporation that is not an Affiliate of the Company organized under the laws of any state of the United States or the District of Columbia and rated at least A-1 by S&P or at least P-1 by Moody's or at least an equivalent rating category of another nationally recognized securities rating agency; and (iv) repurchase agreements and reverse repurchase agreements, in each case maturing within 180 days from the date of acquisition, relating to marketable direct obligations issued or unconditionally guaranteed by the government of the United States of America or issued by any agency thereof and backed by the full faith and credit of the United States of America; provided that the terms of such agreements comply with the guidelines set forth in the Federal Financial Agreements of Depository Institutions With Securities Dealers and Others, as adopted by the Comptroller of the Currency on October 31, 1985.

"Change of Control" means (a) a sale of all or substantially all of the assets of the Company as an entirety to any person (within the meaning of Rule 13d-3 under the Exchange Act and Sections 13(d) and 14(d) of the Exchange Act), (b) the approval by the stockholders of the Company of a plan of liquidation or dissolution, or (c) any person or group (within the meaning of Rule 13d-5 under the Exchange Act and Section 13(d) and 14(d) of the Exchange Act) becoming, directly or indirectly, the "beneficial owner," as defined in Rule 13d-3 under the Exchange Act (in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or otherwise), of greater than 50% of the total voting power entitled to vote in the election of directors, managers or trustees of the Company or such other person surviving the transaction.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and Rating Decline.

"Consolidated Net Income", with respect to any period,

means net income of the Company and its Subsidiaries, other than Rosebud, Construction Aggregates and any Subsidiary referred to in clause (i) of the definition of Restricted Subsidiary (as set forth below), all as consolidated (except as expressly provided herein) and determined in accordance with GAAP.

"Consolidated Net Loss", with respect to any period, means net losses of the Company and its Subsidiaries, other than Rosebud, Construction Aggregates and any Subsidiary referred to in clause (i) of the definition of Restricted Subsidiary (as set forth below), all as consolidated (except as expressly provided in the Indenture) and determined in accordance with GAAP.

"Consolidated Net Worth" means the total assets of a Person and its Restricted Subsidiaries minus the total liabilities of a Person and its Restricted Subsidiaries, as consolidated (except for the exclusion of Subsidiaries which are not Restricted Subsidiaries) and determined in accordance with GAAP.

"Construction Aggregates" means Construction Aggregates Limited, a corporation organized under the laws of Nova Scotia.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Dividends" means any dividends declared by a Person on its Capital Stock (other than (i) dividends payable to the Company or any Restricted Subsidiary, (ii) dividends payable solely in Capital Stock of the Company and (iii) dividends required under the terms of Preferred Stock of a Restricted Subsidiary permitted under Section 4.10 of the Indenture).

"EBITDA" means, in respect of any period, the Consolidated Net Income (or Consolidated Net Loss), plus any amounts that were deducted from revenues in determining such Consolidated Net Income (or Consolidated Net Loss) (i) in respect of depreciation, amortization and Interest Expense, (ii) the aggregate amount of any provisions (or minus any credits) for federal, state, and local franchise, income and similar taxes (including taxes based on capital), extraordinary losses and gains and (iii) without duplication, the aggregate amount of all non-cash charges to Consolidated Net Income (or Consolidated Net Loss).

"Employee Settlement Agreements" means settlement agreements in effect on the Effective Date with the Pension Benefits Guaranty Corporation, the Official Committee of Retired Employees of the Registrant and the Registrant's [(and its Subsidiaries')] unions, and all related agreements, documents and instruments, as amended, modified and supplemented from time to time.

"Event of Default" has the meaning assigned to such term in Section 6.01 of the Indenture.

"Excepted Lease" means (i) any lease existing on the Effective Date and renewals or extensions thereof and (ii) any lease from the Registrant or any Restricted Subsidiary to the Registrant or any Restricted Subsidiary.

"Excess Net Proceeds" means at any date of determination, the excess of (i) all Net Proceeds received from time to time during the Company's fiscal year (or portion thereof) in which such date occurs by the Registrant or any Restricted Subsidiary over (ii) \$2 million.

"Fair Value" means fair market value as determined in good faith by the Board of Directors of the Registrant.

"First Fiscal Year" means the first four complete fiscal quarters following the Opening Balance Sheet Date.

"GAAP" means generally accepted accounting principles in effect from time to time.

"Guarantee" means the Guarantee set forth in Article 10 of the Indenture to be made for the benefit of the holders of Notes from time to time by the Guarantors.

"Guarantee Agreement" means the Guarantee Agreement, dated of even date with the Indenture, between the Company and Chemical Bank, as trustee, pursuant to which the Company has guaranteed a portion of certain Asset Proceeds Notes issued by Rosebud pursuant to a separate Indenture, dated as of such date, between Rosebud and Chemical Bank, as Trustee.

"Guarantor" means each Restricted Subsidiary in existence from time to time which has by supplemental indenture become obligated under the Guarantee in accordance with Section 10.01 of the Indenture.

"Indebtedness" of any Person means, without duplication, (a) all indebtedness for money borrowed, created, incurred or assumed by such Person or guaranteed by such Person or for which it is otherwise liable or responsible (such as by agreement to purchase indebtedness of others), (b) all amounts owing by such Person under Purchase Money Indebtedness or other purchase money liens or conditional sales or other title retention agreements, (c) all indebtedness secured by any mortgage, pledge or other lien or encumbrance upon property owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness, (d) all Capitalized Rent under any Capitalized Lease (other than Excepted Leases) and (e) the lowest mandatory or

optional redemption price or liquidation value of outstanding Preferred Stock issued by such Person, if a Restricted Subsidiary, and owned by any Person other than the Company or another Restricted Subsidiary; provided, however, that the term Indebtedness excludes (i) trade payables and other accrued current liabilities incurred in the ordinary course of business; (ii) any obligations to the Company or any Restricted Subsidiary; (iii) any obligations arising from the Production Payment Transaction, (iv) in the case of the Company, any obligations arising under the Guarantee Agreement and (without limitation) any obligations on any Payment Notes hereafter issued thereunder and (v) any particular indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust money (or evidences of such indebtedness if permitted by the instrument creating such indebtedness) in the necessary amount to pay, redeem or satisfy such indebtedness as and when due, and thereafter such money and evidences of indebtedness so deposited shall not be included in any computation of the assets of such Person. In determining the Indebtedness of the Company and its Restricted Subsidiaries, any Indebtedness for which the Company and one or more Restricted Subsidiaries or for which two or more Restricted Subsidiaries are obligated shall be deemed to be Indebtedness of only one such Person.

"Interest Expense" means, in respect of any period, all interest charges on Indebtedness of the Registrant and its Restricted Subsidiaries (and, in the case of Preferred Stock included in the definition of Indebtedness, mandatory dividends thereon when payable, regardless of when declared, other than liquidating and similar dividends) paid or payable (or, with respect to any original issue discount, accrued) in respect of such period, excluding, however, imputed interest on Capitalized Leases, but including without limitation all late charges, funding cost adjustments, prepayment and yield protection fees paid or payable in respect of Indebtedness, and interest payable on obligations arising under the Production Payment Transaction, during such period.

"Interest Expense Ratio" means the ratio of (i) the aggregate EBITDA for the four complete fiscal quarters immediately preceding the date of calculation to (ii) the aggregate Interest Expense for such four immediately preceding fiscal quarters; provided, however, that in calculating the Interest Expense Ratio for purposes of determining whether proposed Indebtedness may be incurred (A) Interest Expense will be calculated on a pro forma basis giving effect to the incurrence of such proposed Indebtedness as if it were incurred on the first day of such four fiscal quarter period and (B) if the incurrence of such indebtedness relates to any transaction proposed by the Company (and otherwise permitted hereunder), any EBITDA, determined on a pro forma basis, which the Company or its Restricted Subsidiaries would have received had such

transaction been consummated immediately prior to such four fiscal quarter period will be included within the aggregate EBITDA referenced in clause (i) above for purposes of such calculation.

"Inventory" means finished goods, work in process, repair parts and supplies, fuels and packages, raw materials and goods in transit.

"Investment" means, other than in the ordinary course of business, providing any cash or assets to, or extending credit to, or becoming liable in respect of, or otherwise providing for, payment of any Indebtedness of, any Person, whether or not in exchange for securities of any Person or other consideration.

"Investment Grade" means BBB- or higher by S&P and Baa3 or higher by Moody's or the equivalent of such ratings by S&P or Moody's.

"Kosmos" means Kosmos Cement Company, a Kentucky partnership.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any Capitalized Lease in the nature thereof, and any filing of or agreement to give any financing statement under the Uniform Commercial Code or equivalent statutes of any jurisdiction other than an information filing), but does not include, in the case of the Company and its Restricted Subsidiaries, the lien granted to the Trustee under Section 7.07 of the Indenture.

"Maturity Date" of the Securities means January 31, 2004.

"Moody's" means Moody's Investors Services, Inc. and its successors.

"Net Proceeds" with respect to any Sale of Assets, means the cash (in U.S. dollars or currency freely convertible into U.S. dollars) received from such Sale of Assets after (i) provision for all income or other taxes measured by or resulting from such sale or other disposition or the transfer of the proceeds thereof to the Registrant that are payable by the Registrant or any of its Subsidiaries (as reasonably and in good faith estimated by the Chief Financial Officer of the Registrant or such Subsidiary), (ii) payment of all brokerage commissions, legal and accounting fees and expenses and other fees and expenses related to such sale or other disposition, (iii) deduction of any amounts required to be paid to the lender pursuant to any Permitted Working Capital Loans upon such Sale of Assets, (iv) deduction of amounts provided by the

Registrant or its Subsidiaries as a reserve on its regularly prepared balance sheets (or the notes thereto), in accordance with GAAP consistently applied (including, without limitation, subject to the next succeeding sentence, all amounts escrowed, pledged or otherwise set aside to assume payment of such liabilities), against any liabilities associated with the assets sold in such Sale of Assets and retained by the Registrant or its Subsidiaries, including, without limitation, trade payables, payroll and pension and other employment and postemployment benefit liabilities and liabilities related to environmental matters, or against any indemnification obligations associated with the sale or other disposition, (v) deduction of amounts set aside in good faith for the construction, acquisition or improvement of assets as contemplated by clause (D) of the proviso to the definition of "Sale of Assets," and (vi) deduction of any amounts required to discharge any Permitted Liens on the assets sold, leased, conveyed or otherwise disposed of. Net Proceeds (i) will not include any proceeds from the transfer of the Non-Core Assets pursuant to the Plan of Reorganization but (ii) will include, when received in cash (x) any Net Proceeds from the sale or other disposition of any non-cash proceeds received by the Registrant or any of its Subsidiaries from a Sale of Assets and (y) any Net Proceeds released from escrow, pledge or other set aside pursuant to the contract, settlement or other instrument or document governing such aspect of the Sale of Assets and amounts no longer reserved or set aside as described in clause (iv) or (v), respectively, of the immediately preceding sentence.

"Officer" means the Chairman of the Board, the President, any Senior Vice-President, Executive Vice-President or any other Vice-President, the Treasurer or the Secretary of the Registrant or a Guarantor, as the case may be.

"Officer's Certificate" means a certificate signed by any Officer of the Registrant or a Guarantor, as the case may be.

"Opening Balance Sheet Date" means [April 1, 1994].

"Opinion of Counsel" means a written opinion from legal counsel, who may be an employee of or counsel for the Registrant or a Guarantor or other counsel reasonably acceptable to the Trustee.

"Payment Notes" has the meaning assigned to such term in the Guarantee Agreement.

"Permitted Acquisitions" means acquisitions of assets in the ordinary course of business and acquisitions approved by the Board of Directors of the Registrant (including by way of merger or consolidation) of any assets (but not of less than 100% of the Capital Stock or other equity interests) of any Person or any division or line of business, provided that neither the Registrant

nor any Restricted Subsidiary of the Registrant (other than the acquired Person and its Subsidiaries) incurs any liability, contingent or otherwise, for the payment of any deferred portion of the purchase price therefor, other than Purchase Money Indebtedness, or for any Indebtedness, obligation or liability, contingent or otherwise, other than any such liability, contingent or otherwise, which the Registrant could incur without violation of this Agreement.

"Permitted Investment" means (i) any Investment in the Registrant or any Restricted Subsidiary (whether or not such Person is a Restricted Subsidiary before such Investment); (ii) Investments in obligations of, or guaranteed by the United States government or any agency or political subdivision thereof; (iii) Investments in commercial paper issued by corporations maturing within 180 days from the date of the original issue thereof, and rated "P-1" or better by Moody's or "A-1" or better by S&P or an equivalent rating or better by any other nationally recognized securities rating agency; (iv) Investments in certificates of deposit issued or acceptances accepted by or guaranteed by any bank or trust company organized under the laws of the United States of America or any state thereof or the District of Columbia, in each case having capital, surplus and undivided profits totalling more than \$100,000,000 maturing within one year of the date of purchase; (v) money market funds organized under the laws of the United States of America or any state thereof that invest substantially all of their assets in any of the types of Investments described in clause (ii), (iii) or (iv) above or (xii) below; (vi) any additional Investments in, or purchases of additional interests in, Kosmos, (vii) any advance to Rosebud or its Subsidiaries or Affiliates permitted under the Management Services Agreement or otherwise expressly contemplated by the Plan of Reorganization, (viii) any Investment in Construction Aggregates after the First Fiscal Year provided the aggregate amount of such Investments in any 12-month period will not exceed \$2 million, net of cash repayments during such period, (ix) any Investments required pursuant to any agreement existing on the date hereof, (x) Permitted Acquisitions, (xi) non-cash consideration received in a Sale of Assets or series of related Sales of Assets, to the extent permitted in Section 4.13 of the Indenture, (xii) Cash Equivalents; (xiii) Investments in any Affiliates during the First Fiscal Year in the aggregate amount of not more than \$5 million; and (xiv) other Investments expressly contemplated by the Plan of Reorganization.

"Permitted Liens" means (1) Liens which may be granted from time to time to secure and/or maintain Permitted Working Capital Loans; (2) Liens provided for or expressly contemplated by the Plan of Reorganization or existing on the Effective Date (including, without limitation, liens granted in respect of the Registrant's settlement agreement relating to RMC LONESTAR, a

California general partnership) or thereafter created to replace such Liens; (3) Liens in favor of the Trustee on all property and funds held or collected by the Trustee as security for the performance by the Registrant of its obligations of payment to, and reimbursement and indemnification of, the Trustee for its services under the Indenture and any similar liens in favor of the trustee under any indenture under which the Payment Notes may be issued; (4) Liens for taxes or assessments and similar charges, or imposed in connection with litigation or asserted claims, either not delinquent or contested in good faith by appropriate proceedings and as to which the Registrant or a Subsidiary shall have set aside on its books such reserves as it deems adequate (provided such reserves will be in accordance with GAAP); (5) Liens incurred, or pledges and deposits made, in connection with workers' compensation, unemployment insurance and other social security benefits, or securing the performance of leases, statutory obligations, progress payments, surety and appeal bonds and other obligations of like nature, but only to the extent any of the foregoing are incurred in good faith in the ordinary course of business; (6) Liens imposed by law, such as mechanics', carriers', warehousemen's, materialmen's and vendors' Liens, incurred in good faith in the ordinary course of business either in respect of amounts not delinquent or contested in good faith by appropriate proceedings as to which the Registrant or a Subsidiary will have set aside on its books such reserves as it deems adequate (provided such reserves will be in accordance with GAAP); (7) zoning restrictions, easements, licenses, covenants, reservations, restrictions on the use of real property or irregularities of title incident thereto that do not in the aggregate materially detract from the value of the property or assets of the Registrant or any of its Subsidiaries, as the case may be, or materially impair the use of such property in the operation of the Registrant's or any Subsidiary's business; (8) Liens created by Restricted Subsidiaries of the Registrant to secure Indebtedness of such Restricted Subsidiaries to the Registrant or to other Restricted Subsidiaries thereof; (9) any Lien on any asset acquired as a part of a Permitted Acquisition (10) Liens on the Capital Stock or other securities of any Unrestricted Subsidiary or any asset (including the stock of any Subsidiary thereof) of any Unrestricted Subsidiary to secure Indebtedness of such Unrestricted Subsidiary; (11) Liens on assets acquired in connection with the incurrence of Purchase Money Indebtedness in accordance with the definition thereof; (12) Liens granted in connection with the incurrence of Refinancing Indebtedness in accordance with the definition thereof; (13) Liens securing Employee Settlement Agreements; (14) Liens required under the Production Payment Transaction in accordance with the definition thereof; (15) any Liens on the Registrant's West Nyack, New York, plant and related facilities incurred in connection with West Nyack Indebtedness; (16) Liens under Capital Leases and sale and leaseback transactions, each to the extent permitted under Section 4.08 of the Indenture; (17) Liens on the Capital Stock of

Rosebud to secure the Registrant's obligations under the Guarantee Agreement or any Payment Notes issued thereunder; (18) other Liens expressly contemplated by the Plan of Reorganization; and (19) any other Liens existing from time to time securing obligations not exceeding, in the aggregate, \$1.5 million.

"Permitted Working Capital Loans" means Indebtedness for money borrowed under committed revolving credit or similar committed facilities for working capital purposes, or the issuance of letters of credit pursuant to the any such facility, which facility may or may not be secured by a lien on Inventory and/or Receivables that the Registrant or any Restricted Subsidiary of the Registrant may have from time to time, to the extent that the aggregate principal amount of all such Indebtedness outstanding under all such facilities at any time does not exceed the greater of (i) \$35 million or (ii) the sum of 85% of the book value of the Receivables of the Registrant and its Restricted Subsidiaries and 60% of the book value of the Inventory of the Registrant and its Restricted Subsidiaries.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"Preferred Stock", as applied to the stock of any Person, means any class of stock of such Person which has a preference in respect of dividends of such Person or other distribution of assets, or in respect of amounts payable in the event of any voluntary or involuntary liquidation, dissolution and winding up of such Person, over any other class of stock of such Person.

"Production Payment Transaction" means the Amended and Restated Conveyance of Production Payments, the Amended and Restated Marketing Agreement, the Amended and Restated Option Agreement and the Amended and Restated Expense and Interest Agreement, each dated as of September 1, 1988 and between the Registrant and John Fouhey, as Trustee for Selleck Hill Trust, and all related documents and instruments, as each of the foregoing may have been amended, amended and restated or supplemented on or prior to the Effective Date.

"Purchase Money Indebtedness" means any Indebtedness incurred by the Registrant or any of its Restricted Subsidiaries in connection with the acquisition or construction by the Registrant or such Restricted Subsidiary, after the Effective Date, of equipment or other fixed assets, including Indebtedness incurred to finance, refinance or refund the cost (including the cost of construction) of such assets; provided that a) the principal amount of such Indebtedness does not exceed 75% of the Fair Value of the assets being acquired or the cost of construction paid by or

charged to the Registrant or such Restricted Subsidiary and b) such Indebtedness shall not be secured by any assets of the Registrant or any Restricted Subsidiary other than the assets acquired or constructed with the proceeds of such Indebtedness.

"Rating Agencies" means (i) S&P, (ii) Moody's or (iii) if S&P or Moody's or both do not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Registrant, which will be substituted for S&P or Moody's or both, as the case may be.

"Rating Category" means (i) with respect to S&P, any of the following categories: BB, B, CCC, CC, C and D (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories); and (iii) the equivalent of any such category of S&P or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (+ and - for S&P; 1, 2 and 3 for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from BB+ to BB, as well as from BB- to B+, shall constitute a decrease of one gradation).

"Rating Date" means the date which is 90 days prior to the earlier of (i) a Change of Control and (ii) public notice of the occurrence of a Change of Control or of the intention by the Registrant to effect a Change of Control.

"Rating Decline" means that on or within 90 days after the date of public notice of the occurrence of a Change of Control or of the intention by the Registrant to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies as a result of such Change of Control) the following shall occur: (a) in the event the Notes are rated by either Moody's or S&P on the Rating Date as Investment Grade, the rating of the Notes by both Rating Agencies shall be below Investment Grade; or (b) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"Receivables" means all "accounts", all "chattel paper", all "instruments" evidencing "accounts" and all proceeds thereof, as each such term is defined in the Uniform Commercial Code as in effect in the State of New York on the Effective Date.

"Refinancing Indebtedness" means Indebtedness, the proceeds of which are used to extend, renew, refinance or refund

then outstanding Indebtedness of the Registrant or its Restricted Subsidiaries permitted under this Indenture, if such refinancing or refunding Indebtedness (i) does not have a principal amount in excess of the principal amount of the Indebtedness being so refinanced or refunded, plus customary fees, expenses and costs related to the incurrence of such Refinancing Indebtedness; (ii) gives its holders collateral with no greater value (as determined by the Registrant's Board of Directors) and no more guaranties from the Registrant and its Subsidiaries (other than Unrestricted Subsidiaries) than the Indebtedness being refinanced; (iii) has an Average Life to Stated Maturity no shorter than the Indebtedness being refinanced; and (iv) is at least as junior or no more senior in right of payment to the Notes, as the case may be, as the Indebtedness being refinanced (it being understood that the fact that such Indebtedness is secured by a Permitted Lien or guaranteed by an Unrestricted Subsidiary will not cause the Indebtedness to be excluded from the definition of Refinancing Indebtedness under this clause (iv)).

"Restricted Stock Payments" means any payment on account of the purchase, redemption or other retirement of any shares of Capital Stock or any other distribution in respect thereof (other than Dividends, payments to the Registrant or any Restricted Subsidiary, dividends payable solely in Capital Stock of the Registrant and dividends required under the terms of Preferred Stock of a Restricted Subsidiary permitted under Section 4.10 of the Indenture).

"Restricted Subsidiary" means, for any time of determination: (A) any Subsidiary which has assets with a book value at such time in excess of \$1,000,000 (as reflected in the Registrant's most recent audited consolidated financial statements) other than: (i) a Subsidiary substantially all of the physical properties of which are located, and substantially all of the business of which is carried on, outside the limits of the United States of America (including Alaska and Hawaii) or which is organized under the laws of any jurisdiction other than the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, or the States or the possessions of the United States; (ii) a Subsidiary the primary business of which consists of purchasing accounts receivable and/or making loans secured by accounts receivable and/or making investments in or in the development of real estate (other than for sale or lease to the Registrant or its Restricted Subsidiaries) or providing services directly related thereto, or which is otherwise primarily engaged in the finance business or in the real estate business; (iii) Rosebud, its Subsidiaries and its and their successors-in-interest; or (iv) Construction Aggregates; and (B) any Subsidiary specified in clause (i), (ii), or (iv) of clause (A) above which the Registrant, by resolution of the Board of Directors, shall have designated as a Restricted Subsidiary. As of the Effective Date,

New York Trap Rock Corporation will be a Restricted Subsidiary.

"Rosebud" means Rosebud Holdings, Inc., a Delaware corporation and a Subsidiary of the Registrant.

"S&P" means Standard & Poor's Corporation and its successors.

"Sale of Assets" means any sale, lease or other conveyance (including by way of merger or consolidation) of assets (including the Capital Stock of any Subsidiary of the Registrant but excluding the Capital Stock of the Registrant) of (i) the Registrant or any Restricted Subsidiary or (ii) any Unrestricted Subsidiary to the extent and solely to the extent that the Registrant or any Restricted Subsidiary actually receives a distribution of some or all of the Net Proceeds of such sale, lease or conveyance; provided, however, that the term "Sale of Assets" does not include (A) any consolidation or merger involving the Registrant or any Subsidiary for the purpose of reincorporating the Registrant or such Subsidiary in another jurisdiction; (B) any sale, lease, conveyance or other disposition of assets among or between the Registrant and one or more of its Restricted Subsidiaries or among or between Restricted Subsidiaries, including, without limitation, the merger of any Restricted Subsidiary with and into the Registrant or any other Restricted Subsidiary of the Registrant; (C) any sale, lease or conveyance required under the Production Payment Transaction; (D) any sale, lease, conveyance or other disposition of assets of the Registrant or any Subsidiary to the extent the proceeds thereof are reinvested substantially contemporaneously with their receipt in the construction, acquisition or improvement of assets by the Registrant and/or any Restricted Subsidiary which the Board of Directors has in good faith determined will be useful in the business to be conducted by the Registrant or such Restricted Subsidiary; (E) any sale, lease, conveyance or other disposition of assets pursuant to a sale-leaseback arrangement permitted pursuant to this Indenture; (F) any sale of Receivables provided such sale is without recourse to the Registrant or its Restricted Subsidiaries or any sale of Receivables with recourse to the Registrant or its Restricted Subsidiaries provided such sale is Indebtedness permitted under this Indenture; (G) any sale, assignment, transfer, lease, conveyance or other disposition of assets that is governed by the provisions of Article 5 of the Indenture; (H) any sale, assignment, transfer, lease, conveyance or other disposition of assets that is in the ordinary course of business or (I) any sale, assignment, transfer, lease, conveyance or other disposition of any property, right or interest of the Registrant or any Subsidiary to Rosebud or any of its Subsidiaries or Affiliates as contemplated by the Plan of Reorganization. For purposes of this Indenture, a reinvestment of proceeds shall be considered substantially contemporaneous if (1) the Board of

Directors of the appropriate Person has approved the construction, acquisition or improvement within 12 months before or 12 months after the consummation of the sale, lease or other conveyance of assets and (2) on or before the date which is six months after such approval such company shall have entered into a definitive agreement for such construction, acquisition or improvement or shall have commenced such construction, acquisition or improvement.

"Subsidiary" shall mean any Person more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Registrant or by one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock or partnership interests or any other equity interest which ordinarily has voting power for the election of directors or, if the Person is not a corporation, voting power to direct the management of such Person, whether at all times or only so long as no senior class of stock or equity has such voting power by reason of any contingency.

"Unrestricted Subsidiary" shall mean any Subsidiary which is not a Restricted Subsidiary[; all Subsidiaries as of the date of the Indenture are Unrestricted Subsidiaries other than New York Trap Rock Corporation].

"U.S. Government Obligations" means direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America for the payment of which the full faith and credit of the United States of America is pledged.

"West Nyack Indebtedness" means the first \$25 million of principal amount of Indebtedness from time to time outstanding (and accrued interest thereon), including without limitation Capitalized Leases, sale-leaseback transactions or any other kind of Indebtedness incurred in connection with the West Nyack Modernization.

"West Nyack Modernization" means the proposed modernization of the West Nyack, New York, plant and related facilities owned by the Registrant and/or its Restricted Subsidiaries.

Paying Agent and Registrar

Principal of, and interest on the Notes will be payable, and the Notes may be presented for registration of transfer or exchange, at the offices or agencies of the respective Paying Agents and Registrars in New York, New York. Holders must surrender the Securities to a Paying Agent to collect principal payments. The initial Paying Agent and Registrar is the Trustee. The Registrant may pay principal and interest by check and may mail interest checks to the registered holders of the Notes. The Registrant may require payment of a sum sufficient to cover any

transfer tax or similar governmental charge payable in connection with certain transfers or exchanges. The Registrant or any of its subsidiaries may act as Paying Agent or Registrar and the Registrant may change the Paying Agent or Registrar without prior notice to holders of Notes.

Maturity, Interest and Principal

The Notes will have a final maturity date of January 31, 2004 and will bear interest at an annual rate of 10% with interest payable semiannually on January 31 and July 31 of each year. Interest will be computed on the basis of a 360 day year of twelve 30-day months. The Notes will be issued in the original aggregate principal amount of \$78,000,000.

The Notes will be general unsecured obligations of the Registrant; however, the Notes will be entitled to the benefit of the Guarantee.

Denominations

Notes will be issued in registered form without coupons only in \$1,000 denominations and in integral multiples of \$1,000.

Optional Redemption

The Notes will be subject to redemption (otherwise than through the mandatory redemption described below) upon at least 60 days' notice, at any time in whole, or from time to time in part, at the election of Registrant, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest, if any, to the date fixed for redemption ("Redemption Price"). If less than all the Notes are to be redeemed, the Trustee will select the Notes or portions thereof to be redeemed pro rata by lot or such other method as the Trustee considers fair and equitable to the holders of the Notes.

Mandatory Redemption

Upon a Sale of Assets, the Excess Net Proceeds derived therefrom are to be deposited with the Trustee within 45 days after the end of each fiscal quarter of the Registrant; provided, however, if the Registrant has determined in good faith to reinvest substantially contemporaneously all or any portion of the Net Proceeds derived from any such Sale of Assets in the construction, acquisition or improvement of assets by the Registrant and/or any Restricted Subsidiary, then those Net Proceeds will not be available for deposit with the Trustee. If at any time there is at least \$5,000,000 of Excess Net Proceeds on deposit with the Trustee, all such monies will be used by the Trustee as soon as practicable to redeem the Notes at the Redemption Price. The

amount of any such deposited monies will be reduced by the principal amount of any Notes that the Registrant has (no more than six months prior to the Sale of Assets in respect of which the deposit is to be made and before the latest date permissible for making such deposit) optionally redeemed or purchased and delivered to the Trustee for cancellation ("Redemption Credit Securities").

Sinking Fund

Commencing in the year 2001, the Registrant is required to make three annual payments of \$10,000,000 each into a sinking fund account maintained with the Trustee for redemption of the Notes. The amount of any such required sinking fund account will be reduced, without duplication, by the principal amount of any Notes that the Registrant has optionally redeemed or purchased and delivered to the Trustee for cancellation; provided, however, that no such reduction shall be made in respect of any Redemption Credit Securities.

Guarantee

The Registrant is obligated to cause each Restricted Subsidiary to unconditionally guarantee the due and punctual payment of the principal of, and interest on, the Notes.

Upon any Sale of Assets permitted by the terms of the Indenture, or any transaction which would be a Sale of Assets if not for the provisions of clause (D) of the definition of Sale of Assets, which, in either case, consists of all of the Capital Stock of a Restricted Subsidiary or the sale of substantially all of the assets of a Restricted Subsidiary, such Restricted Subsidiary's obligations in respect of the Guarantee will be released.

In addition, if any Restricted Subsidiary ceases to be a Restricted Subsidiary by virtue of its having had total assets with a book value of less than \$1,000,000 on the last day of each of any four consecutive fiscal quarters of the Registrant, such Restricted Subsidiary will be released from its obligation under the Guarantee.

Restricted Investments and Restricted Stock Payments

The Registrant will not itself, and will not permit any Restricted Subsidiary to, declare any Dividends or make any Restricted Stock Payment or Investment (other than Permitted Investments), unless, in the case of Dividends, such Dividends are declared to be payable not more than 120 days after the date of declaration and unless, in each case, after giving effect to the proposed Dividend, Restricted Stock Payment or Investment and to any other Dividends declared but not yet paid, at the date (hereinafter called the "Computation Date") of such declaration (in

case of a Dividend) or of such Restricted Stock Payment or Investment (i) the Interest Expense Ratio will be at least equal to 2.0: 1.0, (ii) there is no outstanding Default or Event of Default and (iii) the sum of:

(A) Adjusted Consolidated Net Income, plus:

(B) the aggregate amount of net cash proceeds to the Registrant from sales subsequent to the Opening Balance Sheet Date of shares of its Capital Stock (other than Preferred Stock of a Restricted Subsidiary permitted under section 4.10 of the Indenture);

shall be greater than the sum of

(C) the aggregate amount of all such Dividends declared and Restricted Stock Payments made during the period commencing Opening Balance Sheet Date to and including the Computation Date, plus

(D) the excess, if any, of (1) the amount of the aggregate unliquidated Investments (computed as hereinbelow provided) other than Permitted Investments on the Computation Date of the Company and all Restricted Subsidiaries in all Persons other than Restricted Subsidiaries, over (2) the aggregate of (x) the amount of the aggregate unliquidated Investment (so computed) other than Permitted Investments on the Opening Balance Sheet Date of the Registrant and all Restricted Subsidiaries in Persons other than Restricted Subsidiaries and (y) the amount included in Consolidated Net Income, if any, by which the aggregate of the net profits realized upon any sales for cash after Opening Balance Sheet Date by the Registrant and its Restricted Subsidiaries of its or their Investments (other than Permitted Investments) in Persons other than Restricted Subsidiaries exceeds the aggregate of the net losses, if any, realized upon any such sales (such profits and losses to be determined in accordance with GAAP and, in the case of profits, after deducting all applicable taxes); provided that the profit or loss on any such sale to the Registrant or to any Restricted Subsidiary will not be included in such computation;

provided, however, that without regard to the foregoing restrictions, (a) the Registrant may retire any shares of any class of its Capital Stock by exchange for, or out of the proceeds of the substantially concurrent sale of, other shares of its Capital Stock, and neither any such retirement nor any such proceeds so used shall be included in any computation provided for above and (b) any Restricted Subsidiary may make any required payments (including without limitation, dividend, sinking fund, and mandatory redemption payments) on or in respect of any Preferred Stock of such Restricted Subsidiary permitted under section 4.10 of the Indenture. For purposes of Section 4.08 of the Indenture, the

issuance of Capital Stock upon the conversion of any Indebtedness of the Registrant will be deemed to constitute a sale for cash of such Capital Stock and the net proceeds of such sale will be deemed to be an amount equal to the principal amount of such Indebtedness, less applicable expenses and cash payments for fractional shares.

For the purposes of any computation provided for above, the amount of any Dividend declared or Restricted Stock Payment made in property other than cash, and the amount of any Investment in a Person other than a Restricted Subsidiary made through the transfer to it of any such property, will be deemed to be the Fair Value of such property at the time of declaration (in the case of Dividends) or at the time of payment or distribution or the making of such Investment.

Also for the purpose of any computation provided for above, the aggregate unliquidated Investment of the Registrant and Restricted Subsidiaries in any Person other than a Restricted Subsidiary will be computed in accordance with GAAP and will include all Investments by means of stock purchase, loan, advance, guarantee, capital contribution or otherwise, provided, however, that

(A) amounts invested by the Registrant through the exchange of its Capital Stock for Capital Stock of any such Person or for assets contemporaneously transferred to such Person will be disregarded;

(B) undistributed earnings of such Person will not be included;

(C) there will not be deducted from the amounts invested in any such Person any amounts received by the Registrant or any Restricted Subsidiary (as dividends, interest or otherwise) as earnings on its Investment in such Person;

(D) write-ups, write-downs or write-offs after the Opening Balance Sheet Date, of Investments in such Person will be disregarded; and

(E) accounts receivable from such Person arising in the ordinary course of business from the sale of goods or services will not be included.

Certain Limitations on Debt and Liens

The Registrant will not, and will not permit any Restricted Subsidiary, directly or indirectly, to create, incur or assume or guarantee or otherwise become liable or responsible for, any Indebtedness, unless immediately thereafter and after giving

effect thereto, the Interest Expense Ratio shall be at least equal to 2.0:1.0; provided, however, that nothing contained in the foregoing will prevent the Registrant or any Restricted Subsidiary from creating, incurring or assuming or guaranteeing or otherwise becoming liable or responsible for (i) the Indebtedness evidenced by the Notes, (ii) any Refinancing Indebtedness, (iii) any sale and lease-back transaction the proceeds of which are reinvested substantially contemporaneously with their receipt in connection with the acquisition or improvement of capital assets of the Registrant and/or any of its Restricted Subsidiaries; (iv) any Permitted Working Capital Loans; (v) any West Nyack Indebtedness; and (vi) other Indebtedness having an aggregate outstanding principal amount of no more than \$1.5 million.

Furthermore, the Registrant will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien on any asset owned by the Registrant or any of its Restricted Subsidiaries except Permitted Liens.

Sales of Assets

The Registrant will not, and will not permit any of its Restricted Subsidiaries to, consummate a Sale of Assets unless (i) the Registrant or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Sale of Assets at least equal to the Fair Value of the shares or assets sold or otherwise disposed of and (ii) at least 80% of such consideration consists of (A) cash (which will be deemed to include amounts subject to post-closing adjustments or contingencies and held in escrow or payable pursuant to a promissory note maturing within 60 days of consummation of such sale or disposition), (B) Cash Equivalents, (C) readily marketable securities which the Registrant in good faith expects to liquidate promptly following such Sale of Assets, (D) the assumption of liabilities by the purchaser pursuant to such Sale of Assets (including, in the case of the sale of the Capital Stock of a Restricted Subsidiary, liabilities of such Restricted Subsidiary) or (E) assets which the Board of Directors has in good faith determined will be useful in the ordinary course of business to be conducted by the Registrant or such Restricted Subsidiary.

Change of Control

Upon the occurrence of a Change of Control Triggering Event, the Registrant will be obligated to make an offer to purchase (a "Change of Control Offer") and will, subject to the provisions described below, purchase, on a Business Day (the "Change of Control Purchase Date") not more than 90 nor less than 30 following the occurrence of the Change of Control Triggering Event, all of the then outstanding Notes at a purchase price (the "Change of Control Purchase Price") equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any,

to the Change of Control Purchase Date. The Registrant will, subject to the provisions described below, be required to purchase all Notes properly tendered into the Change of Control Offer and not withdrawn.

Notice of a Change of Control Offer will be mailed by the Registrant not later than the 60th day after the Change of Control Triggering Event to the holders of Notes at their last registered addresses with a copy to each Guarantor, the Trustee and the Paying Agent. The Change of Control Offer will remain open from the time of mailing for at least 20 Business Days and until 5:00 p.m., New York City time, on the Change of Control Purchase Date.

On the Change of Control Purchase Date, the Registrant will (i) accept for payment Notes or portions thereof (but only in principal amounts which are integral multiples of \$1,000) validly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent money, in immediately available funds, sufficient to pay the Change of Control Purchase Price of all Notes or portions thereof so tendered and accepted, and (iii) deliver to the Trustee the Notes so accepted together with an Officer's Certificate setting forth the Notes or portions thereof tendered to and accepted for payment by the Registrant.

The Registrant will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements applicable to a Change of Control Offer made by the Registrant and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Events of Default

An "Event of Default" is defined in the Indenture to mean, among other things, (i) failure by the Registrant or any Guarantor to pay interest when the same becomes due and payable and continuance of such failure for 30 days; (ii) failure by the Registrant or any Guarantor to pay principal when and as the same will become due and payable, at maturity, upon acceleration, in connection with any sinking fund payment obligation, redemption or otherwise; (iii) failure by the Registrant or any of its Restricted Subsidiaries to generally pay any Indebtedness in excess of \$1,000,000 or the Employee Settlement Agreements after giving effect to any applicable grace period; (iv) one or more final judgments against the Company or any of its Restricted Subsidiaries for payments of money which in the aggregate exceed \$1,000,000, occur and such judgments are not stayed or otherwise rescinded; (v) failure by the Registrant or any of its Restricted Subsidiaries to perform, or breach by the Registrant or any of its Restricted Subsidiaries of, certain covenants in the Indenture and continuance

of such failure for 30 days after written notice is given to the Registrant by the Trustee or to the Registrant and the Trustee by the holders of 25% in principal amount of the Notes; or (vi) certain events of bankruptcy, insolvency or reorganization of the Registrant or any of its Material Restricted Subsidiaries. The Indenture provides that the Trustee must, within 90 days after the occurrence of a Default, give to the holders of the Notes notice of all uncured Defaults known to it, provided that, except in the case of Default in payment on any Notes, the Trustee will be protected in withholding notice if the Trustee in good faith determines that the withholding of such notice is in the interest of the holders of Notes.

The Registrant or any Guarantor will be required to furnish to the Trustee within 120 days after the close of each fiscal year; and within 60 days after the end of each of the first three fiscal quarters of the Registrant and such Guarantor, an Officer's Certificate stating whether such officer knows of any Default or Event of Default under the Indenture during such period, and the status of each such Default or Event of Default.

The Trustee or the holders of not less than 25% in principal amount of the Notes will be authorized, upon the happening of any Event of Default specified in the Indenture, to declare all unpaid principal and accrued interest on the Notes to the date of acceleration, due and payable.

The holders of 66 2/3% in principal amount of the Notes are authorized to waive any Default or Event of Default and rescind such declaration if the Default or Event of Default, except a Default in the payment of principal of or interest on any Notes, or a Default with respect to a covenant or provision which cannot be modified or amended without consent of the holder of each outstanding Note affected. Subject to all provisions of the Indenture and applicable law, the holders of a majority in principal amount of the Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee.

Amendment, Supplement and Waiver

Subject to certain exceptions, the Indenture, the Guarantee or the Notes may be amended or supplemented with the consent of the holders of at least 66 2/3 percent in principal amount of the respective issue of Notes then outstanding, and any existing Default or compliance with any provision may be waived (other than a continuing Default or Event of Default in the payment of principal or interest of any Note) with the consent of the holders of 66 2/3 percent in principal amount of Notes then outstanding. Without the consent of any holder of Notes, the

Company and the Trustee may amend or supplement the Indentures or the Notes, among other things, to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Registrant's obligations in the case of a merger or acquisition, in order to effect the granting or release of the Guarantee with respect to any Guarantor as permitted under the Indenture, or to make any change that does not adversely affect the rights of any holder of the Notes.

Without the consent of each holder affected, the Company may not, among other things, reduce the principal amount of Notes whose holders are necessary to consent to an amendment of the Indenture; reduce the rate or change the interest payment time of any Note or alter the redemption provisions with respect thereto; reduce the principal of or change the fixed maturity of any Note; make any change in the provisions concerning waiver of Defaults or Events of Default by holders of the Notes or rights of holders to receive payment of principal or interest; or waive a Default in the payment of principal or interest on any Note.

Item 2. Exhibits.

The following exhibits are being filed with each copy of this Registration Statement:

1. The Plan of Reorganization (Incorporated by reference to Exhibit A to Exhibit E to the Lone Star Industries, Inc. Form T-3, File No. 022-22175, dated January 14, 1994, as filed by the Registrant with the Securities and Exchange Commission (hereinafter referred to as the "January 1994 Form T-3").
2. Modification of Debtors' Plan of Reorganization (Incorporated by reference to Exhibit 2 to the Lone Star Industries, Inc. Form 8-K, File No. 1.001-06124, as filed with Securities and Exchange Commission on March 8, 1994).
3. The Disclosure Statement (Incorporated by reference to Exhibit 5 to the March 1994 Form T-3).
4. Form of Amended and Restated Certificate of Incorporation of Reorganized Lone Star Industries, Inc. (Incorporated by reference from Exhibit H to Exhibit E to the January 1994 Form T-3).
5. Form of Warrant Agreement.
6. Form of Indenture.*

Signature

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized.

Date: March 17, 1994

LONE STAR INDUSTRIES, INC.

By:/s/ John J. Martin
John J. Martin
Senior Vice President,
General Counsel & Secretary