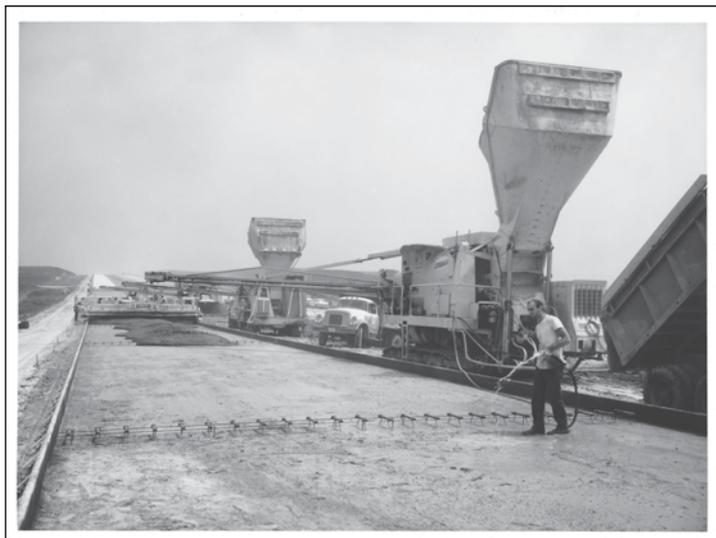


Fifty Years Ago - 1964

After a 13-year absence from the Iowa paving scene, the Koss Construction Company of Des Moines, Iowa, returned to its home state on three contracts totaling just over 13 miles and promptly established the first mile-a-day paving record on interstate highway construction in Iowa paving history. Indeed the company exceeded the mile-a-day mark on eight different paving days.

Mike Beuerlein, uncle of past company president Don Beuerlein, was the 33-year old general superintendent for Koss Construction Company's Iowa crew. He reported production on the I-80 project averaged 4,500 feet per day for an 11-hour day. The peak production day consumed 57 truckloads of Portland cement, 3,500 tons of rock, and 5,000 tons of sand. The company employed 150 men on the job that summer with 120 to 125 of them being on the concrete paving crew. To a reporter on the project Mike was quick to point out his proudest accomplishment on this busy job, a sign at the field office coordinating the logistics of all these men and materials read, "This job has gone 631 days without a man hurt."



Elsewhere, the Koss Show-Me Division was paving I-70 near Sweet Springs, Missouri consuming nearly as much Portland cement per day.

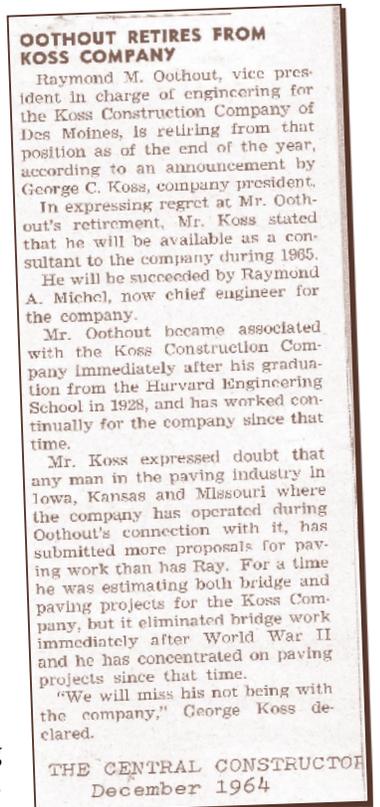
In the home office located in downtown Des Moines, Iowa, Raymond M. Oothout, Vice President of Engineering for the company announced his retirement effective at year end. Ray Oothout had joined the company straight out of Harvard's Engineering College in 1928. George C. Koss expressed doubt that any man in the paving industry in Iowa, Kansas, and Missouri had submitted



more proposals for paving work than had Ray in his 35-plus year career with Koss Construction. For a time Ray was estimating both bridge and paving projects, but the company eliminated bridge work after the Second World War. Raymond A. Michel was named Vice President of Engineering upon Oothout's retirement.

On the national scene, the Portland Cement Association (PCA) actively advocated for the formation of a national trade association in support of the concrete paving industry. George C. Koss was instrumental in enlisting the support of other major concrete paving contractors around the country in supporting the creation

of the American Concrete Pavement Association (ACPA). Harold Halm, formerly of the PCA, was hired as the first Ex-



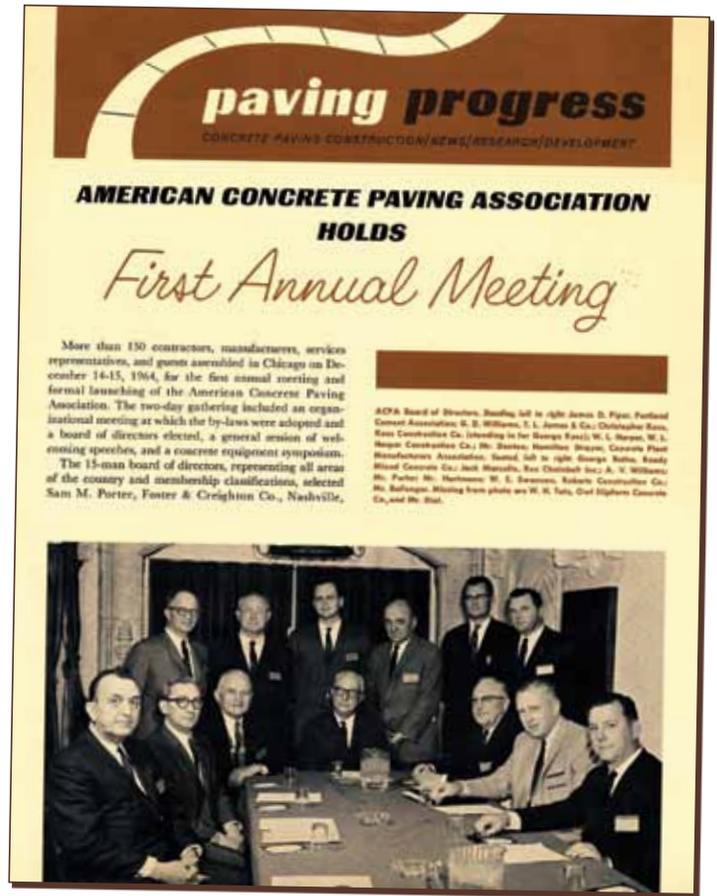
Fifty Years Ago - 1964

(cont. from page 1)

Executive Director of the new ACPA. The first annual meeting of the association was held in Chicago on December 14th and 15th, 1964. As chartered, the association had four purposes:

- 1) Maintain and improve high standards of workmanship;
- 2) develop and maintain helpful relationships;
- 3) maintain the highest ethical and technical standards in our working relationships with the industry and the public sector; and
- 3) full use of research and practical experiences to help create a larger market for concrete pavements.

It certainly appears that many of the skills, priorities, and challenges that the company displayed and pursued in 1964 are not all that much different from what we see in front of us in 2014.



Weather Challenges Optimism

As every year starts, so did 2014 – full of optimism. Plans were made for a productive year finishing some projects that were underway and kicking off some new ones just under contract. Many projects on the bidding schedule looked promising as well. The apparent challenge was going to be the distance between projects – from Pratt, Kansas to Woodward, Oklahoma to Osceola and West Memphis, Arkansas. The effort of getting from one job to the next, over those distances, is certainly tough. No one could see the coming impact that the weather would have on the first half of 2014...



It was described by most in Arkansas as the worst winter of their lifetimes. Unprecedented cold and an incredible ice storm that paralyzed the Interstate Highways for days, brought forward progress on construction projects to a near halt. At one point, motorists were stranded in their vehicles on I-55 and I-40 for days on end. When the ground thawed out, the rains started.

The I-40 project in West Memphis, Arkansas was set to get rolling in early March when temporary barrier wall was set and traffic narrowed to open the workzone. A Working Day project (one that is charged a day if 60% of the forces can effectively work 60% of the day), with a high daily user cost, everyone was keyed in and ready to get going. Through the end of June, only two

weeks had multiple days worked and a total of thirteen days were done going into the July 4th holiday.

The weather impacts were not limited to eastern Arkansas. All the projects in Kansas, Oklahoma and Arkansas were impacted through the first half of the year.

As we get well into the Fall now, crews are making every effort to complete as much work as possible. Many long hours, night shifts and careful planning will complete many projects and set the table for the start of 2015 – full of optimism once again.

Road Construction Ahead

With the end of this construction season now within sight, the engineering staff is busy pursuing projects for 2015. Here are a few of the opportunities that are coming.

The T-Works program created by the Kansas Legislature has put funding in-place for projects scheduled for bid over the next few years. Two upcoming reconstruction projects on I-70 in western Kansas will certainly have our attention, as will other paving projects throughout the state.

Upcoming projects in the Arkansas Interstate Rehabilitation Program include the overlay of I-40 east of Forrest City.



Opportunities in the voter approved Connecting Arkansas Program include the expansion of US-412 near Springdale, the completion of the Bella Vista by-pass, and the widening of US-64 west of West Memphis.

The state of Oklahoma continues to update and modernize many two lane routes throughout the state. Most of these are widening and overlay projects along with several reconstruction projects on the interstate and turnpike systems.

Nebraska also has a few projects on the horizon including additional interstate reconstruction projects on I-80.

Benefits Open Enrollment

In the coming weeks, detailed benefit enrollment information will be sent to all eligible employees. This annual process provides eligible employees and their dependents an opportunity to enroll in benefits or to make changes in coverage. Eligible employees can enroll in medical coverage even if they have declined when offered previously. Timing is especially important since all necessary paperwork must be received at the corporate office by the stated deadline.

The enrollment packet will be sent to home addresses so it can be carefully reviewed by the employee and their family, if

applicable. Please watch for this important information so the opportunity is not missed.

With passage of the Affordable Care Act, the landscape has changed for individuals, insurance providers and employers. There are health coverage requirements for individuals, so please review in advance to ensure you and your dependents understand the requirements and whether you desire to participate in the benefit enrollment provided by Koss Construction, purchase health coverage in the Marketplace, or pay a fee.

It's Never Too Early

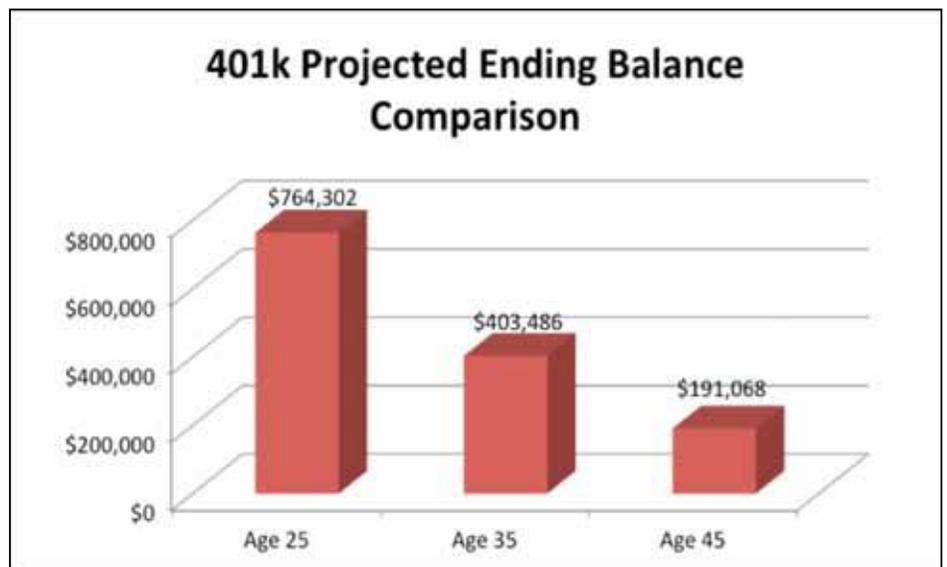
Koss Construction provides an excellent benefit to our employees – the 401k retirement program. Contributions to the 401k program are pre-taxed and the company provides a 100% match for the first 3% and 50% on the next 2% (total of 4% available). Employees age 21 or older with 1 year of service and 1,000 hours, are eligible for the program.

First step, participate in the program and contribute at least 5% so that you receive the maximum company match of 4%. If you don't, you're missing out on "free money" that could have a huge positive impact on your retirement savings.

Second, share as little as possible with the taxman. Any funds placed in the 401k plan offer an immediate tax break since contributions are pre-taxed which lower taxable wages. Every dollar you pay in taxes is a dollar not saved for retirement.

While retirement may feel like it's a long way off, it will likely be your biggest and most important savings goal.

Below is a chart showing the effect of compounding based



on an annual salary of \$50,000 with a contribution rate of 5%, company match of 4%, cost of living annual wage adjustment and an average return of 5% on investment. The example shows the effect of starting contributions at age 25, age 35, and age 45 with a retirement age of 65. With the impact of compounding, the early bird really does get the worm.

Personnel News

Jeanne M. Waisner has joined the company as Chief Financial Officer. Jeanne is a 1993 graduate of the University of Kansas and holds licenses as a Certified Public Accountant and a Certified Management Accountant. She was recruited to the firm after a seventeen-plus year career with a large manufacturing enterprise and brings very strong cost accounting and management skills to the financial operations of the company.

Janine M. Mohan has been promoted to Job Costing Coordinator. Janine is a 1991 graduate of Washburn University and has been with the firm for eight years. Janine is implementing a centralization of our materials purchasing and continues to assist our engineering staff.

Jeffery S. Bray was promoted to Plant Foreman. Jeff's background as a mechanic and his ability to keep things running are ideal for his new assignment at the plant. He has been in Arkansas with the Sunflower Division.

Jeffery S. Lane joined the company this summer as a Quality Control Technician. Jeffery's background and experience in Arkansas as a Technician and Manager have been a benefit to the Sunflower Division.

Garry D. Kennedy was promoted to Truck Foreman earlier this year. Garry has been around the Sunflower Division truck department for over 10 years and knows how to keep them running and where to send them each day.

Richard D. Shelton has left the firm to pursue other interests.

In Memory

Steve Andris, 59, of Elk City, Oklahoma passed away August 1, 2014. Steve was employed with Koss Construction for twenty-one years, starting on October 3, 1992 as a batch truck driver. In the year 2000, he was promoted to a boom truck driver. Steve left Koss on December 14, 2013 due to health reasons.

Ronald McNeese, 74, of Grant City, Missouri passed away September 15, 2013. Ron's son, Craig McNeese, recently informed us in a letter of his passing. Ron was a Semi Trailer Truck Driver for Koss for fifteen years, beginning on October 16, 1987 until his retirement on September 27, 2002. In his letter, Craig mentioned that his father spoke very fondly of Koss and his many co-workers.

Winter Wonderland: A Celebration of Lights



This year marks the seventeenth year for TARC's annual fundraising event, The Winter Wonderland: A Celebration of Lights. Koss Construction Company supports this event every year with a charitable donation. The Winter Wonderland raises money to provide essential services and supports necessary for infants, children and adults with developmental and

related disabilities in the Topeka area and Shawnee County.

The Winter Wonderland: A Celebration of Lights is just that, a drive at Topeka's Lake Shawnee with an expansive view of Christmas decorations and lights to celebrate the Season, and at the same time support a very good cause

Internally Cured Concrete Pavement in Kansas

Koss Construction Company partnered with the Kansas Department of Transportation in early May of this year and placed an Internally Cured Concrete Pavement test section on US-54 in Allen County, KS.

What is internally cured concrete? The American Concrete Institute (ACI) defines it as “a process by which the hydration of cement continues because of the availability of internal water that is not part of the mixing water.” Internally Cured (IC) concrete can be made using superabsorbent polymers, natural fibers or lightweight aggregate.

The mix design on this project replaced a mid-sized limestone aggregate with an equal volume of a pre-wetted expanded shale aggregate of similar size. The expanded shale provides a reservoir of available water to prevent early age shrinkage cracking and continue the hydration of the cementitious materials throughout the concrete. Other benefits of IC concrete compared to conventional concrete are reduced curling/warping, increased strength and lower permeability making the concrete more resistant to chloride penetration.

Internal curing does not take the place of conventional surfacing curing and attention to timely surface cure should be maintained to achieve the full benefits of IC concrete.

KDOT is continuing to monitor the test section and should have some data to share later this year.

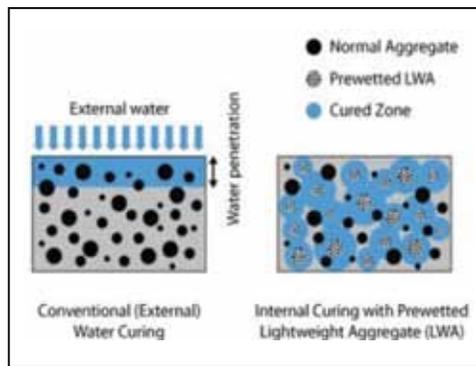


Figure 1: Comparison of external (conventional) and internal curing using pre-wetted lightweight aggregate (LWA). (*Note that in practice the pre-wetted lightweight aggregates are placed sufficiently close to enable the cured zones to overlap allowing the entire paste to be cured.) Figure 1 compliments of ESCSI.

Worker Safety & Visibility



It is that time of year when the seasons are changing and the days are starting to get shorter, even though daylight savings time does not officially end until November 2, 2014. What does this mean for Koss Construction employees? It means that the regular starting time in the morning will be darker or that it will be getting to be dusk or dark by the time the work day is done. This creates a significant exposure for the employees who are finishing up work at the end of the day or setting up the work zone in the morning.

Workers who are not wearing the appropriate Hi-Viz apparel or are not wearing it in the proper manner, may not be seen by passing traffic, construction traffic, or equipment operators in the work zone. This puts that worker at risk of being hurt or seriously injured. Koss purchases Hi-Viz apparel that meet the Worker Visibility Standard that is required by the U.S. Department of Transportation's Federal Highway Administration (FHWA) for all workers in or near a highway right-of-way.

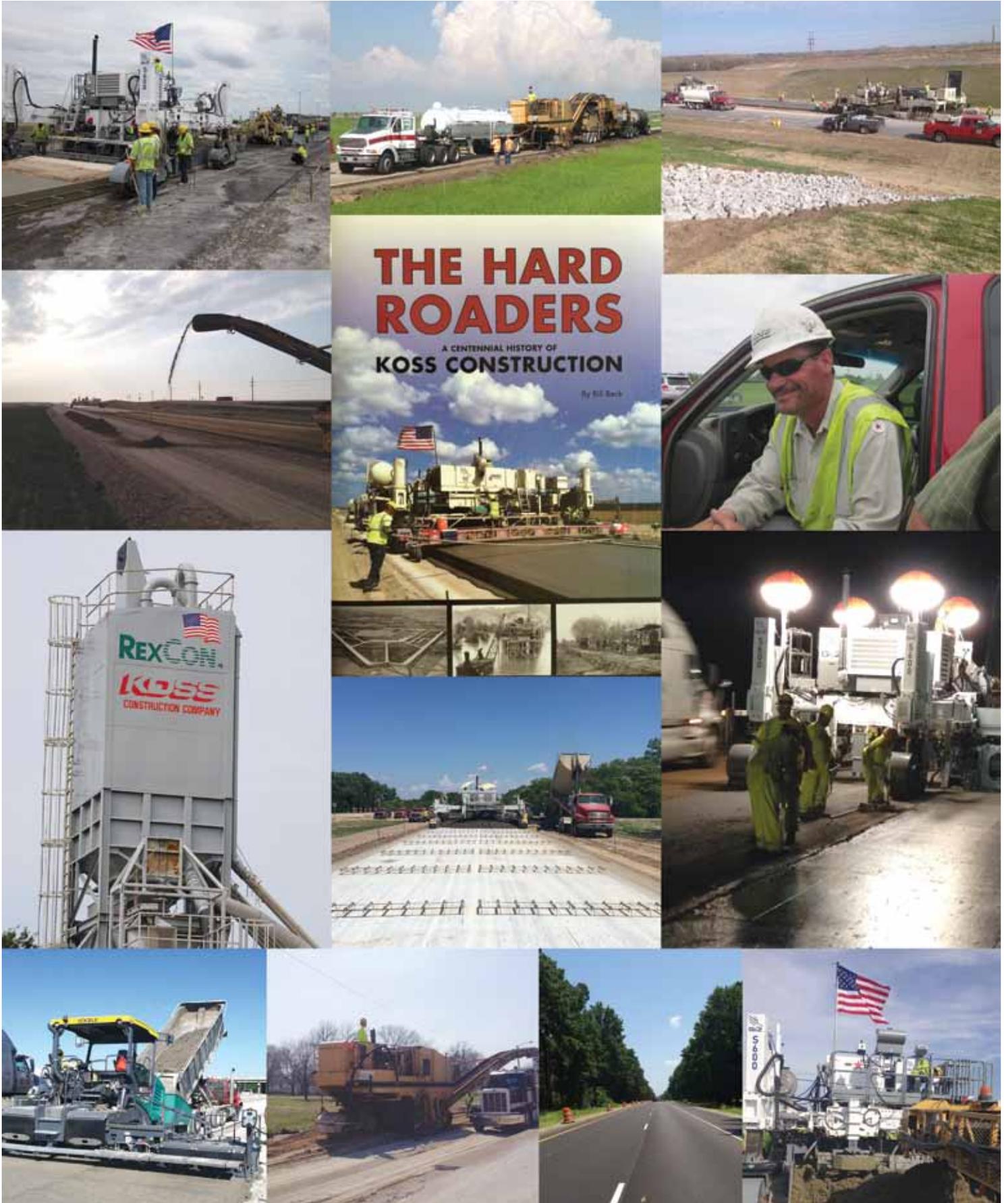


Guidelines for workers to be visible:

1. Safety vest must be the correct size so that it can fastened/zippered up. This will provide 360° visibility of the worker, no matter what direction he is facing.
2. The vest should be in good condition.
3. If the vest has been washed a number of times and the background or striping is light, it will have lost its reflectivity and should be replaced.
4. If the vest is very dirty or if some of the reflective tape is torn, the vest should be replaced as it will not show the wearer as a “person.”
5. If the vest has been torn and is loose fitting on the wearer, it should be replaced so that it does not become caught in moving equipment.
6. Night work requires that all workers must wear Class E pants to provide greater visibility.

Low light conditions are very dangerous on the roads, especially around construction work zones. Worker visibility is extremely important to keep workers safe from all types of traffic while working within the right-of-way or close by. Zip up your vest and stay safe. Questions regarding Hi-Viz safety vests can be directed to Becky Harmon, Loss Prevention & Compliance Officer.

★ ★ 2014 HARD ROADERS ★ ★



Please visit our website at <http://www.kossconstruction.com>