



Dear Customer:

We would like to take this opportunity to clarify the public warehouse industry practice and our company's obligation for loss or destruction of or damage to goods we store and handle for your company and for insurance on those goods. Insurance and liability can be very confusing and we want to make sure our policies are clear, especially for those new to the logistics industry.

Goods which we store for your company are not insured by us and the storage rates we charge do not include any charge for insurance. We strongly recommend that you obtain and maintain insurance coverage on all goods which you ship to us for storage to protect you in the event of loss or destruction of or damage to the goods.

As you know, as a public warehouse operator, we are required to exercise reasonable care in storing goods for your company's account and we are liable only for loss or destruction of or damage to goods if that loss, damage or destruction occurs as a result of our failure to exercise reasonable care. Accordingly, if any of the goods which we store for your company's account are lost, damaged or destroyed while in storage, we will be liable for that loss, damage or destruction only if it occurred as a result of our failure to exercise reasonable care. While not an inclusive list, public warehouse operators like us are generally not liable for loss, destruction or damage to customer goods caused by an earthquake, flood, hurricane, war, roof collapse, accidental fire, etc. For this reason we recommend that you continue to maintain all-risk property insurance on your goods while they are in storage at our warehouse.

Further, if we are liable to your company for loss or destruction of or damage to goods due to our failure to exercise reasonable care, our liability is limited in accordance with the provisions on the reverse side of our Non-Negotiable Warehouse Receipt which we issue to your company for all goods we receive for storage for your company's account. Please familiarize yourself with those terms and conditions.

While we have the ability to increase the limits of our liability, any such increase must be agreed to in writing in advance of any loss or destruction of or damage to the goods and communicated to our warehouse liability insurer who will charge us extra for the increased limits. This extra charge for the increased limits will be passed on to you and is not for insurance on your goods, it is a charge to increase the limits of our liability so that you may recover more in the event that your goods are lost, damaged or destroyed while in our custody and due to our failure to exercise reasonable care.

We strive to provide excellent service and happily look forward to sharing our metrics with you. We are diligent in our efforts to care for your goods while they are in our custody. We appreciate your business and will continue to communicate openly and honestly in order to build and maintain our valued customer relationships. We trust that this clears any confusion that may exist in regard to these issues and believe it will be useful in supporting your risk management efforts. Please feel welcome to contact us if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Chris Murphy", is written over a white background.

Chris Murphy, CEO
209-534-1704