

# Los Angeles Cold Storage Company

Earning Your Trust since 1895



Dear Customer:

Some customers have asked for our advice regarding warehouse insurance requirements for products placed in our facilities. In light of these requests, we thought it would be helpful to take this opportunity to remind you of our industry's practice, and our legal responsibilities for the products which we store and handle for your company.

First, you should be aware that we do not insure the products which we store and/or handle for your account and the rates we charge do not include any charge for insurance. We strongly recommend that you obtain and maintain insurance coverage on all products which you ship to us for handling and storage, just as you would for products stored in your company's own facilities. Such insurance is needed, regardless of where the products are stored, to protect you in the event of loss, destruction of or damage to the products.

Second, you should know that, as a public warehouse operator, we are required by law to exercise reasonable care in storing and handling products for your company's account, and that we are liable for loss, destruction and/or damage to products only if that loss, destruction or damage occurs as a result of our failure to exercise reasonable care. Accordingly, if any of the products which we handle or store for your company's account are lost, damaged, or destroyed while in our warehouse facility, we will be liable for that loss, damage, or destruction only if it occurred as a result of our failure to exercise reasonable care. Further, if we are liable to your company for loss or destruction of or damage to stored products, due to our failure to exercise reasonable care, our liability is limited in accordance with the provisions of Section 9 on the reverse side of our Non-Negotiable Warehouse Receipt. We urge you to familiarize yourself with those terms and conditions.

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

We appreciate your confidence in us and will do whatever we can to continue to provide exceptional service to your company. If any of the above matters are unclear or if you have any other questions or concerns, please do not hesitate to contact us immediately. We look forward to continuing to help you to productively serve your customers for many years to come.

Very Truly Yours,

Los Angeles Cold Storage