



August 18, 2020

To our valued Southern California Customers:

I would like to thank you for your business, we feel very fortunate to have such a great group of customers to work with.

The ready mix industry in California is currently being hit with a cement shortage that will affect our ability to supply projects. This is primarily being caused by the heat wave hitting the Western United States. Our cement producers have all been dealing with rolling blackouts. Initially they believed this would be a short-term problem. The blackouts have been extended and are now affecting production (hence the short notice for all of us). The producers cannot produce cement until they know they have a steady supply of electricity to operate their kilns. This shortage is causing a ripple effect that will last for at least 30 days.

We will make every effort to supply your existing orders, however orders that you have already placed may be canceled as we assess the amount of cement we have available. Please make sure that if you place an order, it is inspected and ready to go. The practice of placing multiple orders and later cancelling, will result in a customer given lower priority or no priority at all. Please note that you will be allowed one cleanup load for any order of one load or more. We will stop supplying orders after you reach your targeted order quantity plus one load. We will not be responsible if you do not place your order for the correct quantity. Additionally, we cannot guarantee that the entire job order quantity can be fulfilled as this is a time of inconsistent cement supply. Although we don't expect it, be prepared to segment or place a header in your concrete pour.

We will take into consideration accounts that are past due when making decisions on who will be able to place orders and who will be placed on waiting lists.

We appreciate your business and are sorry for the impact this has on our industry. If you have any questions regarding this or any other item, please contact your Sales Representative.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Venolia", is written over a horizontal line.

Steve Venolia

Vice President of Sales

Associated Ready Mixed Concrete, Inc.