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April 9, 2013

To: Our Valued Customers

Subject: Hazardous Classification of Flexcon Tanks

As a result of recent developments and rulings within the Department of Transportation, we have been notified that certain Flexcon Expansion tanks fall into a Hazardous Materials classification when being shipped UPS. The reason for the "Hazardous" classification is due to the fact that certain tanks have a pre-charge of greater than 12 psi. We are now certified to ship anything considered a Hazardous Material from our BJ Terroni warehouse. The products affected by this determination are as follows:

- Flexcon PH tanks all
- Flexcon WHV's, WWT's-all

In order to comply with this ruling, effective immediately, any UPS shipments of the above tanks will be subject to a **\$27.50/unit** UPS Surcharge on top of your standard UPS charge based on your Zip Code and weight. Any tank being picked up by our customer's driver is allowed under the DOT approvals which Flexcon has received and in that case not considered "Hazardous". In addition, we are permitted to ship any of the above tanks LTL without a "Hazardous" classification provided our Bill of Lading is documented correctly.

We appreciate your understanding in this matter and the necessity for our compliance with all required DOT regulations since failure to do so results in very serious and costly penalties.

Sincerely,

B.J. Terroni Management