

APPLIANCE DEALERS COOPERATIVE

Re: Warehouse Storage

Effective Date: 11/1/13

The following has been reviewed and approved by the ADC Finance Committee.

ADC Warehouse holds daily Inventory of around \$35 million in white goods, electronics, seasonal items and accessories between all three warehouses.

Once assigned, we hold order for a member for seven days without any storage charge giving a member time to schedule delivery with customer, warehouse or consumer delivery. After that there was a small amount charged per week.

Holding sold merchandise in warehouse for more than a week where constant receiving and pulling of merchandise takes place, creates not only space issue but also damage issues. ADC has been following a policy of no storage for sold merchandise over one week unless there is a special case or circumstance. This is the reason we have never looked into raising storage charges as we expect members to only order merchandise as per need.

Based on last year's storage and damage issues, we are raising storage charges for orders that need storage beyond seven days.

Storage charge is only determined seven days after the unit is assigned.

Assigned and un-shipped Show orders/ RAC/ Displays are charged storage after 14 days.

(same as before)

Exception: RAC/DH will not be charged storage from Feb. 15th to March 25th

Storage Charges:

Air-Conditioners and Dehumidifiers:

All orders held in ADC warehouse after March 25th: \$1.35 per piece per week (charge same as before)

All other merchandise including Show orders (excluding AC/DH): \$1.00 a day