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February 21, 2020

Frosty Acres  
1225 Old Alpharetta Road  
Suite 235  
Alpharetta, GA 30005

Dear Frosty Acres Distributors:

Sugar Foods Corporation will be adjusting Foodservice pricing nationally effective April 15, 2020. Since Maines Paper & Foodservice requires 45 days, we are targeting an effective date of April 15<sup>th</sup>, 2020.

We are pleased that we have maintained steady prices throughout the last two years and we are adjusting our prices now to provide stability for the balance of 2020 and into 2021. Key commodity-driven adjustments and manufacturing costs are as follows:

- Parmesan Cheese – current dairy market remains very volatile, which will continue through the balance of 2020 with futures averaging 12-15% higher year over year
- Almonds – price increases started in late 2019 and show leveling, but costs are higher than prior year
- Zero Calorie Sweeteners – additional tariffs implemented in 2019 with continued uncertainty
- Sugar – costs have increased significantly due to unprecedented weather conditions affecting the US beet sugar crop
- Employee Benefits and Labor – continues to be a challenge with the increasing minimum wage laws, as well as continued increases in employee benefits

Please send the appropriate pricing template files for our pricing analyst to populate the fields for all the categories affected by the price increase.

Should you have any questions, please contact me.

Thanks for your business and we look forward to growing further with Maines.

Michael Walsh

Michael Walsh  
Director of Foodservice Sales  
Sugar Foods Corporation

cc: Andrea Smith  
Jim Brodie  
Chris Travisano