

Columbia Distributing

On Premise Reactivation Retailer Letter 5/4/20

Dear Valued Retailer Partner,

As you are all aware, we are facing unprecedented times as a result of the Covid-19 crisis. We have all had to make changes to our businesses and Columbia Distributing is no different. This letter is to inform you of these changes, how they impact your business and how we can most effectively work together to expedite deliveries of our products to the on-premise once the closures are lifted.

On Premise Sales Personnel and On-Line Ordering

- In order to retain the majority of our sales staff during this crisis, most on-premise sales personnel have been temporarily redeployed to other functions. This means that when the on-premise is reopened, your sales rep may not be available to take your order the way they did in the past.
- We have built an easy to use online ordering system called [Retailer Portal](#). We will be enrolling all of our on-premise accounts onto Retailer Portal in the coming weeks so that we can quickly receive orders and plan deliveries prior to your opening. You will soon receive a welcome letter with instructions on how to complete the enrollment process and place your first order.
- Upon enrollment, please take the time to familiarize yourself with the website so that you are ready to place your first order when the time comes. While the Retailer Portal is simple to use, we will have both tutorials and customer service staff available to support you with set up and ordering should you require assistance.
- As we redeploy sales staff from other functions back the on-premise, please note that you may not have the same sales representative that you did before. Your sales rep will reach out to you and inform you of any changes.

Draft System Maintenance

- In order to ensure a smooth reactivation of your draft system, draft maintenance, including line cleaning is essential. Please see the attached guide for troubleshooting and FAQs regarding preparation of your draft system following this extended period of non-use.

Keg Shell Return Process

- Beginning on 5/4, Columbia Distributing will begin picking up empty and partial kegs only for keg shell credit. This will significantly speed up the process of making our first deliveries by not requiring our drivers to deal with an enormous quantity of cooperage while also providing you with keg shell credits for your returns.
- We kindly ask that you decant (empty) any partial kegs and stage them in a common area with close access to the exit so as to expedite the pick-up and credit process.

Out of Code Kegs

- The ABC has determined that distributors are not required to exchange or credit out of code kegs as a result of the Covid-19 closure. However, Columbia has made the decision to exchange all out of code kegs with fresh product in order to reduce the significant financial burden that bars and restaurants are sustaining as a result of the closure. This will also ensure that the freshest, highest quality products are being poured when your customers return.
- Out of Code kegs will be picked up and exchanged with the same or like product in accordance with state rules and guidelines. Kegs for exchange must be full and untapped. This exchange will take place at the time of your first delivery, not when we pick up empty or partial kegs.
- You will have 30 days from the date the on-premise closure is lifted to exchange kegs for like product.

Extension of Credit

- ABC Business and Professions Code Section 25509 prohibits manufacturers, wholesalers, and other specified suppliers from extending credit to retailers beyond 30 days. ABC will not be enforcing these provisions, instead it will be up to the distributor to determine appropriate credit terms during this time. However, you should also consider that when these temporary measures are lifted, the statutory provisions will pre-empt any agreed-upon credit terms.

Limited Inventory upon Reactivation

- Due to production lead times and the unknown date of the on-premise opening, our initial keg inventory will be limited. We are working closely with our brewer partners to ensure that you will have a range of options to purchase and exchange.

- The Retailer Portal and your sales rep will keep you informed as a greater range of inventory becomes available. As many breweries are streamlining their businesses in response to the crisis, we expect that some keg beers and brands will be unavailable for an extended period of time.
- We will be opening the Retailer Portal to place orders as soon as we receive confirmation from the state as to what day the on-premise closure will be lifted. We expect this will give us approximately two weeks of lead time. The sooner you can place your orders, the quicker your account will be routed and delivered.

Exchange of Out of Code Package Product

- Except under rare circumstances, any packaged beer or non-alcoholic beverages will still be in code and acceptable to serve once the on-premise reopens. In the event that the closure is prolonged, or should you possess any package that is out of code, your sales rep will exchange this product for like package.

Service Policy and Delivery Frequency changes

- During the on-premise shutdown, we have had to make drastic changes to our routing and delivery schedules. We are operating on a temporary plan during the shutdown and will have to transition to new delivery schedules as we add thousands of stops back to delivery routes. As a result, your previous delivery day may change.
- Your delivery schedule, previous orders and invoices, new products and other helpful information is always available on [Retailer Portal](#) once you sign up.

Enhanced Will Call

- As it will not be possible to make first deliveries to every account by opening day, we are offering extended hours and enhanced staffing at each of our branches for will call pick up for 30 days. The extended hours will be 8am to 5pm Monday through Friday. All items available for delivery will also be available via will call pick up. Please call customer service at (888) 417-5001 at least 24 hours in advance for will call orders only.

Thank you for your support, partnership, and patience through this difficult time. We all hope for a speedy recovery of your businesses and look forward to once again providing you with excellent products and service. Please save a copy of this letter for your reference and be on the lookout for updates as new information on the on-premise opening becomes available. Kind Regards,

Mike Specht Senior Vice President, Oregon & California