



P.O. Box 130280 ■ St. Paul, Minnesota 55113-1119 ■ 651-636-8900

July 9, 2002

Dear Valued Customer,

Thank you for allowing Lakeville Motor Express to be your transportation provider. Your continued loyalty and support make it possible for us to accomplish our mission of providing both value and quality service to you and your customers. We sincerely appreciate your business.

Over the past year, we have made great strides to expand our service capabilities to better serve you. At the same time, controlling escalating operating costs has been our number one priority. We have gained efficiencies thru technology, operating improvements, and productivity gains.

However, the past year has also seen significant increases in the cost of doing business that are not related to normal operating upgrades. Some escalating costs we are able to absorb while others, such as liability insurance (45% increase) are simply beyond our control. Labor costs, due to a severe nationwide shortage of qualified drivers, have also spiraled.

In order for us to continue to provide the high quality of service required in today's transportation market, we must increase our rates. Effective July 29, 2002, Lakeville Motor Express will take a 5.9% general rate increase. This increase will apply to all of our tariffs, including our discount tariffs, commodity tariffs, and our base rate tariff LKVL500. Minimum charges will be increased by approximately the same percentage.

As everyone is well aware, fuel costs remain volatile. Under the circumstances, Lakeville Motor Express has determined that the only equitable approach in handling the fluctuating fuel prices is to continue the existing fuel surcharge program. This fuel surcharge will be reduced or cancelled when the price of fuel declines in accordance to our fuel surcharge table.

Thank you for your business and continued support.

Sincerely,

Peter Martin  
President