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Aug 31, 2017

To our valued ProX customers,

This update is to inform you of the current status of our rebuilding, as well as anticipated production for the near future. We hope this will assist you in scheduling and planning.

We are happy to inform everyone that our new production facilities are operational and that **we are back to approximately 85% of full production capacity**. We are currently working diligently to replenish inventory levels; however that will take some time to accomplish. Please be aware at the moment this is a temporary "Transition" period for both the Dealers and CTI as production is increased.

We will continue to work closely with all Dealers to plan a production schedule that will work for as many people as possible in as timely a fashion as possible. As both CTI and Dealers build inventory there may be <u>some</u> motors with limited availability during this transition period, however we are replenishing products on a on-going weekly-to-monthly basis (depending on the type of motor/propellant).

Do understand that as ProX dealers place orders over a wide assortment of reloads there may be some products not available within their shipment timeline. CTI will work to maximize filling their orders to the best of our ability and get products to all customers whenever possible. That said, in general we anticipate more shortage within the Vmax, C-star, and White Thunder lineup throughout the early stages of this transitional period as we ramp up.

Please be patient as inventory levels are being refilled, and understand that this is a temporary transitional period for all parties involved.

## TARC

CTI is aware that the annual Team America Rocketry Challenge (TARC) is an integral part of the students' curriculum in many schools. As such we have already built up some inventory of our certified and approved Pro24 and Pro 29 motors for this contest. For the early part of the contest (i.e. the remainder of 2017) CTI anticipates having sufficient supply for 11 of 14 CTI reloads approved by National Association of Rocketry (NAR) for the contest. The three (3) reloads which will have <u>limited</u> quantities, but are currently available during the remainder of 2017 are; 26E31-15A, 53F70-14A, , 57F59-12A . CTI anticipates that by the Jan/Feb of 2018 all 14 approved CTI reloads will be available.

Cesaroni Technology Inc. would like to offer our heartfelt thanks to all ProX customers and dealers for their patience throughout this tough rebuilding process. It has been a longer road to get back into full production than everyone would like, but we are happy to report that we are almost there. We look forward to continuing business with both our ProX customer and Dealers and seeing launches in the fields.

Sincerely,

## Cesaroni Technology Inc

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