

CHOICE DIRECT LOGISTICS, INC. TERMS AND CONDITIONS OF CONTRACT

These Terms and Conditions explain Choice Direct Logistics, Inc. ("CHOICE") services. Exceptions to any of the items in this publication will be noted in customer specific pricing agreements, statements of agreed pricing or contracts that apply for individual customers.

1. SERVICES:

a. Destination Drop Shipment Service

- i. Upon request, CHOICE will process mail.dat files and/or load plan information within one (1) business day of request.
- ii. CHOICE will establish and manage all USPS appointments, pending availability withing the USPS appointment system.
- iii. Printed Matter and/or "Mail" will be scheduled to pick up within twenty-four (24) hours of verification and acceptance by USPS. However, this is contingent on the following:
 1. The tendering party adhering to verified appointment time(s)
 2. Reasonable availability or access to the origin facility's loading dock
 3. CHOICE has system compatibility and a prearranged agreement with the tendering party and USPS to pick up the mail prior to verification and acceptance by USPS.
- iv. CHOICE will make all commercially reasonable efforts to deliver the Mail to the destination postal facility within the timetable set forth on the regional 50 state map. However, this is contingent on the following:
 1. Reasonable availability or access to the destination postal facility's loading dock(s)
 2. That the USPS reasonably honors appointments made by CHOICE.
- v. For shipments that require specified in-home delivery dates, the tendering party will ensure that product will be made available for pick up prior to, or as outlined within the load plan provided by CHOICE.
- vi. Over, Short and Damaged (OSD) Issues must be resolved on a timely basis. CHOICE will notify the shipper of any OS&D issues as soon as they arise. Thereafter CHOICE will do all possible in assisting the shipper to resolve the issues.

b. Co-palletization Services

- i. In addition to adhering to all terms under Destination Drop Shipment Service, CHOICE shall perform list processing to combine trays of mail with other mail to create one large mailing to optimize postage savings, while ensuring that the mail pieces are not damaged.

2. GENERAL:

- a. Rates and service quotations by CHOICE's employees and agents will be based upon information provided by the entity requesting service, but final rates and service will be based upon product actually received and the application of these Terms and Conditions
- b. Waiver of Provisions: Failure on the part of CHOICE, or any agent or employee of CHOICE in any or more than one instance, to insist upon the performance of any terms, covenants, or conditions of these Terms and Conditions, or to exercise any right or privilege contained within these Terms and Conditions, or the waiver by CHOICE of any breach of any other terms, covenants, or conditions of these Terms and Conditions shall not be construed as waiving any such terms, covenants, conditions, rights or privileges, but the same shall continue and remain in full force and effect, the same as if no such forbearance or waiver occurred, nor shall any single or partial exercise of any right or remedy hereunder preclude any other future exercise of any right or remedy granted hereby or by any related document or law. If any provision of these Terms and Conditions, or the application thereof to any party or circumstance shall be determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of these Terms and Conditions, or the application of such provision to any entity or person or circumstance other than that which is determined to be invalid or unenforceable, shall not be affected thereby. Each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.
- c. CHOICE reserves the right to modify, amend or supplement the rates, features of service, services, and terms and to all customers without notice. All modifications, amendments or supplements may only be authorized by the President of CHOICE and no other agent or employee of CHOICE, nor any other agent or party is authorized to do so.
- d. To the extent, if any, that conflict or inconsistency exists between these Terms and Conditions and the terms or conditions of any bill of lading, manifest, stamp, shipping label or other documentation, the Terms and Conditions, as amended, modified, changed, or supplemented, will control.
- e. To provide quality service and competitive rates, commodities are handled at less than full value. CHOICE encourages its customers to review this publication as items are subject to limitations of liability, released value or other requirements. Therefore, all parties are further encouraged to evaluate their personal or corporate insurance policies so they may tender their goods at the lowest possible rate while still being insured for full value.

f. Except as otherwise provided in these Terms and Conditions, CHOICE's assumes no obligation to arrange for the commencement of service within a specified period. All services will be provided within reasonable dispatch.

g. Unless otherwise provided, requests for changes to service must be in writing. CHOICE will accept no oral modifications.

h. CHOICE makes no warranties oral or written, express or implied with respect to any services provided and its liability is limited as set forth herein.

i. It is the responsibility of the tendering party to ensure that the commodity tendered does not violate any federal, state, or local laws or regulations.

j. Proper packing of tendered goods is the responsibility of the tendering party and only the tendering party is aware of the way goods have been packaged.

k. CHOICE, at its sole discretion, reserves the right, but is not required to open and inspect any goods tendered without notice.

l. Restricted Articles, Hazardous and Dangerous Goods: CHOICE DOES NOT arrange/handle Hazardous and Dangerous goods. If CHOICE inadvertently receives hazardous and/or dangerous goods, CHOICE will not accept any liability for damage and or loss, and in cases where the article is restricted by governing federal, state or local laws, regulations or ordinances, the tendering party is solely responsible for and will reimburse and indemnify CHOICE for any expenses it incurs.

3. PAYMENT OF CHARGES:

a. If payment on credit accounts is past due, CHOICE reserves the following rights:

i. Any outstanding invoice, which is unpaid 30 days from the date of billing, may be subject to an additional charge at a rate of 1½ percent per month of the outstanding balance, or the highest rate of interest permitted by applicable law, whichever is greater.

ii. Any outstanding invoice, which is unpaid 60 days from the date of billing, may be subject to an additional charge at a rate of 1½ percent per month of the outstanding balance, or the highest rate of interest permitted by applicable law, whichever is greater, and may forfeit any and all discount rates.

iii. In the event CHOICE engages a collection agent and/or attorney to collect unpaid balances, or to enforce any part of these Terms and Conditions, reasonable costs including, but not limited to, professional fees and costs, 25% of the balance due or a flat fee of \$200.00, whichever is greatest, plus costs, shall be applicable. It is further stipulated that exclusive jurisdiction shall be before the courts of the State of Illinois, and venue shall be proper within the county of DuPage.

b. CHOICE shall have a lien on any goods for failure to pay for charges payable on account of any shipment pursuant to these Terms and Conditions. CHOICE may refuse to surrender possession of the goods until such charges are paid.

4. CREDIT TERMS:

a. The invoice date begins the credit term cycle, and payment is due within 30 days from the invoice date. Failure to keep account current with CHOICE may result in the account being put on a "cash only" status. This status may impair ability to use CHOICE services. In the event prompt payment is not made and an account is placed on a "cash only" basis, credit privileges will not be restored until all balances are paid current, including, but not limited to, all costs, fees and expenses incurred by CHOICE in collecting or attempting to collect such balances. CHOICE may decline to restore credit privileges even if all costs, fees, and expenses are paid.

5. GENERAL CLAIMS LIABILITY

a. In absence of a greater declared/released value, the limits of liability set forth herein shall prevail as the maximum liability assumed.

b. It is agreed and understood that if the shipper desires to declare a value in excess of the limits of liability herein, the shipper must declare the excess value in writing in advance of tender and pay any supplemental charges for excess value requested.

c. The declared/released value of any shipment represents the maximum liability, including, but not limited to, any loss, damage, delay, mis delivery, non-delivery, misinformation, any failure to provide information, or mis delivery of information.

d. In any event resulting in a claim, the minimum liability is \$50.00 per claim or the actual cost value, whichever is less.

6. LIMITS OF LIABILITY:

a. Transportation Limitation of Liability: CHOICE's liability shall be limited to \$2.50 per pound, not to exceed \$100,000 per tender unless a higher value is declared. In no event shall liability be greater than the amount of loss or damage.

b. Warehousing Limitation of Damages: The depositor declares that damages are limited to \$0.10 per pound of lost or damaged product, however, such liability may be increased on all of the goods, upon written request by the depositor within 5 calendar of receipt by the warehouseman, in which event a monthly charge of two tenths of one percent per month on the excess valuation will be made in addition to the regular monthly storage charge. Property stored has not been insured by the warehouseman for the benefit of the depositor against fire or any other casualty.

7. CLAIM PROCEDURES:

- a. All overcharge claims must be submitted in writing to CHOICE within 180 days following the date of acceptance. CHOICE hold no liability for overcharge claims applicable if charges were not paid within 30 days of invoice date.
- b. Reporting of Claims: With respect to any and all incidents of claims, the following shall strictly apply. Failure to abide by the following procedures will result in declination of a claim:
- c. Annotations of damage and/or loss on the delivery receipt DOES NOT qualify as notice. A written notice of intent to file a loss and/or damage claim must be filed within the time limits below.
 - i. Obvious damage and/or loss as annotated on the delivery receipt must be reported within 30 calendar days following delivery.
 - ii. Concealed damage and/or loss (not annotated on delivery receipt) must be reported within 10 calendar days following delivery, or if perishables, verbally within 48 hours.
 - iii. Shipments lost in their entirety must be reported within 30 calendar days of the date of shipment (ship date).
- d. All goods must be retained for inspection at the delivery site for 15 days following notification of damage and/or loss. The goods must be retained in the original shipping container and all materials used in packing the cargo for transportation must be held for inspection. If inspection has not been performed within 15 days of notification, or a written waiver for inspection has been issued, privilege to perform such inspection is forfeited. While awaiting inspection, the consignee must hold the shipping container and its contents in the same location and condition they were in when the damage and/or loss was discovered. Failure to abide by these procedures will result in claim denial.
- e. All formal claims for cargo loss and/or damage must be submitted in writing using a Standard Form of Presentation of Loss and Damage Claims and must be received within nine (9) months of the delivery of the cargo. Your claim must include complete shipper and consignee information, as well as the tracking number (i.e., pro #, air bill #, invoice #), date of shipment, total weight and applicable weight of the damaged or lost portion of the shipment, total number of pieces and applicable number of pieces damaged and/or lost. Documentation supporting the claim must include a cost invoice for the original shipment, estimates or invoices for repair or a statement as to why repairs cannot be made, and may include purchase orders, expense statements, appraisals, or other records. These documents must be verifiable to our satisfaction. The filing of a lawsuit does not constitute compliance with these provisions. Failure to abide by these procedures will result in denial of a claim. It is the responsibility of the claimant to obtain and complete a Standard Form of Presentation of Loss and Damage Claims.

8. LIABILITY NOT ASSUMED:

- a. CHOICE will not be liable for, nor will any adjustment, refund or credit of any kind be given as a result of, any loss, delay, mis delivery, non-delivery, misinformation or failure to provide information caused by or resulting in whole or in part from:
 - i. The act, default, or omission of any person or entity, including those of any local, state, or federal government agencies.
 - ii. The nature of the commodity tendered, including any defect, characteristic or inherent vice of the shipment.
 - iii. The violation of these Terms and Conditions, as amended or supplemented, including, but not limited to, the improper or insufficient packing, securing, marking, and addressing, or failure to give notices in a manner and time prescribed.
 - iv. Loss, damage, delay, or other result caused by any circumstance beyond the control of CHOICE, including, but not limited to, perils of air, public enemies, acts of terrorism, public authorities acting with actual or apparent authority, acting or actual authority on the premises, authority of law, quarantine, riots, mechanical delay of aircraft, vehicles or other equipment, local disputes, civil commotion, hazards incident to a state of war, local or national weather conditions, national or local disruptions in air or ground transportation, strikes or anticipated strikes (of any entity, including, but not limited to, CHOICE, vendors or suppliers), natural disasters (earthquakes, floods, and hurricanes are examples of natural disasters), conditions that present a danger to CHOICE personnel, and disruption or failure of communication and information systems (including, but not limited to, CHOICE's systems).
 - v. Receipt of a shipment by the consignee or the consignee's agent without notation of shortage, loss or damage is prima facie evidence that the shipment was delivery in good condition. Claims for concealed damage will be declined.
 - vi. Damage or loss of articles packaged and sealed by the sender or by person(s) acting at the sender's direction, provided the seal is unbroken at the time of delivery, the package retains its basic integrity, and the recipient accepts the shipment without noting damage or loss on the delivery record.
 - vii. Inability to provide a copy of the delivery record or a copy of the signature obtained at delivery.
 - viii. Failure to notify of any delay, loss, or damage in connection with a shipment or any inaccuracy in such notice.
 - ix. Damage to packaging, and parts thereof. These are for the sole purpose of protecting the cargo and will not be subject to a freight claim.
 - x. The failure to provide accurate delivery address information.
 - xi. Early, Late, and Non-Delivery Claims – CHOICE will undertake to service under reasonable dispatch. CHOICE is not liable for special or consequential damages due to early, late, or non-delivery. In the event of early, late, or

non-delivery, CHOICE's maximum liability shall be an amount equal to the freight charges specific to the tender affected.

- xii. Truckload shipments sealed by the shipper, where truckload is delivered with seal intact.
- xiii. Indirect, consequential, special or exemplary or incidental damages, whether or not CHOICE had knowledge that such damages might be incurred, including, but not limited to, loss of profits, income, utility, wages, interest, loss of market, or loss of warranty.
- xiv. Loss or damage claims relating to a shipment where the weight of the product(s) exceeds the limitations of the shipping carton.
- xv. Loss or damage claims relating to a shipment where evidence reveals the damage was visible, yet the delivery receipt was signed "Free and Clear" (without damage or loss noted on the delivery record) by the recipient.
- xvi. Loss or damage claims relating to a shipment where evidence indicates improper packaging.

9. LIMITATIONS OF LEGAL ACTIONS:

a. The right to damages under any cause of action arising from services pursuant to these Terms and Conditions shall be extinguished unless action is brought within one calendar year of the date service was completed or the date on which the service should have been completed.

b. The right to damages under any cause of action arising from services pursuant to the Terms and Conditions of CHOICE shall be extinguished unless the claimant has complied with all applicable notice periods in these Terms and Conditions.

c. Parties utilizing CHOICE's services acknowledge that by utilizing and benefiting from these Terms and Conditions, constitutes entering into a contract with a material nexus so that they have sufficient contacts with the State of Illinois to vest jurisdiction therein and hereby forever waive any objection to exclusive Illinois jurisdiction, agree thereby to proper venue within DuPage County, Illinois, agree to be subject to the jurisdiction of the State of Illinois, waive any right to a trial by jury, and agree not to raise, and hereby waive, any defense based on venue, lack of personal or subject matter jurisdiction or sufficiency of service or process; provided further, that in the event such jurisdiction and venue is contested unsuccessfully, they and each of them shall indemnify (inclusive of attorney fees and costs) and hold CHOICE harmless from all costs incurred.

d. Each dispute shall be decided on an individual basis and will not be consolidated in any action with the disputes or claims of other parties. Parties agree by the implementation and use of these Terms and Conditions not to sue as a class plaintiff or class representatives, join a class as members, or participate as adverse parties in any way in a class lawsuit with respect to any dispute or claim relating to these Terms and Conditions or the services provided.