

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO

JAIME LOREE ARMIJO, on behalf of herself and all others
similarly situated,

Plaintiff,

v.

Civil No. _____

FEDEX GROUND PACKAGE SYSTEM, INC.,
a foreign company,

Defendant.

CLASS ACTION COMPLAINT AND JURY DEMAND

COMES NOW Plaintiff Jaime Loree Armijo, on her own behalf and on behalf of all others similarly situated, by and through undersigned counsel, and asserts to the best of her knowledge, information and belief, formed after an inquiry reasonable under the circumstances, the following:

INTRODUCTION

1. FedEx Ground Package System, Inc. (hereafter, "FedEx Ground") has fought – and largely lost – a 15-year-plus battle with its drivers over their correct classification as employees or independent contractors. For reasons mostly relating to securing business advantages over competitors, FedEx classified its drivers as independent contractors, which in turn forced the drivers to carry most of the expenses relating to courier overhead. Over the last five years, this classification status has been consistently rejected by various courts. *See, e.g., Slayman v. FedEx Ground Package Sys.*, 765 F.3d 1033 (9th Cir. 2014); *Craig v. FedEx Ground Package Sys.*, 335 P.3d 66 (Kan. 2014) (*per curiam*); *Alexander v. FedEx Ground Package Sys.*, 765 F.3d 981 (9th Cir. 2014). The quantity of litigation arising from FedEx Ground's

claimed status of its drivers is the byproduct of the operating agreements it entered into with its drivers. As the District of Kansas has explained, FedEx Ground “carefully structured its drivers’ operating agreements so that it could label the drivers as independent contractors ... to avoid the additional costs associated with employees. In other words,” the question is close “by design.” *Craig*, 335 P.3d at 72-73.

2. This lawsuit is the first brought by New Mexico FedEx Ground drivers challenging the independent contractor status claimed by FedEx Ground. Two legal claims, both unique to New Mexico, are asserted.

3. *First*, New Mexico FedEx Ground drivers seek recovery under New Mexico’s unauthorized deduction statute, NMSA 1978, § 14-13-11(A), which provides:

All assignments of wages or salaries due or to become due to any person, in order to be valid, shall be acknowledged by the party making the assignment before a notary public or other officer authorized to take acknowledgments. The assignment shall be recorded in the office of the county clerk of the county in which the money is to be paid and a copy served upon the employer or person who is to make payment.

By taking deductions from its drivers every week, FedEx Ground violates this statute with every check to Ground drivers for their work performed.

4. *Second*, New Mexico’s overtime law, NMSA 1978, § 50-4-22(D) (2008), requires that for those hours over 40 worked in a week, employees shall be paid time-and-a-half their regular hourly rate. The statute also permits only a limited use of wage deductions: “An employer furnishing food, utilities, supplies or housing to an employee who is engaged in agriculture may deduct the reasonable value of such

furnished items from any wage due to the employee.” *Id.*, § 50-4-22(B). These rights cannot be waived: “The Minimum Wage Act conveys rights in the form of minimum standards that the legislature intended all state workers to enjoy, without regard to a worker’s relationship with a union or her or his contract with the employer. ... These rights are nonnegotiable, meaning that they cannot be waived by private law, including the worker’s and the employer’s mutual agreement.” *Self v. UPS*, 1998-NMSC-046, ¶ 14, 970 P.2d 582, 588.

5. There is no exception to the New Mexico overtime law applicable to FedEx Ground drivers.

6. Private enforcement of the overtime statute is granted via NMSA 1978, § 50-4-26 (2013). Among other things, the statute provides for a private cause of action, mandatory liquidated damages equal to twice the underpaid wages, attorney’s fees to a prevailing plaintiff (but not to a prevailing defendant), injunctive relief, and a requirement that actions brought under the statute “shall be heard by the court at the earliest possible date and shall be entitled to a preference over all other civil actions...” The statute of limitations for such claims is three years. NMSA 1978, § 37-1-5 (2009).

7. Because Plaintiff’s working conditions are materially identical to her coworkers’, this lawsuit is brought as a class action.

JURISDICTION AND VENUE

8. This Court has jurisdiction in this matter via 28 U.S.C. § 1332, as the amount in controversy exceeds \$5 million and there is at least one class member diverse in citizenship from the defendant.

9. Venue is appropriate in this district because Plaintiff is a citizen of New Mexico, this class involves FedEx Ground drivers who operated out of FedEx's New Mexico terminal, and most (if not all) of FedEx Ground's breaches took place within this judicial district.

PARTIES

10. Plaintiff Jaime Loree Armijo is a citizen of the state of New Mexico, within this judicial district. On July 27, 2013, Plaintiff executed a contract with FedEx Ground to work as a "pickup and delivery contractor." **Exhibit 1** is a true and correct copy of Plaintiff's 7/27/13 FedEx Ground contract.

11. Defendant FedEx Ground Package System, Inc., is a Delaware corporation with its principal place of business in Pennsylvania. On information and belief, FedEx Ground is a citizen of Pennsylvania in that it principally operates out of that state and its headquarters are located within that state. FedEx Ground Package System, Inc. is a part of the family of corporations owned by Federal Express Corporation.

12. In this Complaint, FedEx Ground is specifically defined as the named defendant and all successor, predecessor, related and subsidiary entities to which these allegations pertain.

13. For most of her tenure at FedEx Ground, Plaintiff routinely worked 60 hours a week, or more. Because Plaintiff and class members turn on their FedEx-supplied scanner as the first thing they do when they are ready to leave the terminal, and turn off their scanner as the last thing they do when their shift ends, FedEx has a record of the hours worked by Plaintiff and all other class members.

14. The FedEx Ground contract was unilaterally amended by FedEx many times during Plaintiff's tenure as a driver. At some point on or after April 2, 2016, FedEx canceled the contracts of all New Mexico drivers and replaced their contracts with a new "agreement" that included a requirement that all drivers must purchase at least five FedEx routes (hereafter referred to as the "FedEx replacement contract").

15. This case only involves those claims arising out of the standard contract attached as **Exhibit 1** (Plaintiff Armijo's 7/27/13 contract with FedEx Ground). This case does not bring claims arising out of drivers' performance of the FedEx replacement contract (a copy of which is not attached, as Plaintiff Armijo left FedEx Ground on April 2, 2016, before the replacement contract was instituted) .

16. FedEx Ground required Plaintiff and class members to create and maintain a corporate entity in order to operate as contractor. *Id.*, Addendum 16. Accordingly, Plaintiff created "Jaimes Elegant P & D Corporation" and executed the FedEx Ground contract as the sole owner/operator of that entity.

FACTS

A. New Mexico employee status test

17. When determining whether a worker is an "employee" protected by the New Mexico wage laws, New Mexico courts look to the "economic realities" of the relationship. Under the economic realities test, or any test for "employee status," Plaintiff and other FedEx Ground drivers are employees of Defendant.

B. The economic realities of the relationship demonstrate that FedEx Ground drivers are employees not independent contractors

18. Invoking the factors New Mexico courts apply demonstrates that Plaintiff and the described class members are employees of FedEx Ground.

19. FedEx Ground controls the terms and conditions of plaintiffs' employment. FedEx Ground's drivers are a permanent and important part of its business. They work every day that FedEx Ground delivers packages, for 9.5 to 11 hours per day. They are overseen by FedEx-employed managers, who evaluate their job performance and may refuse to let them work. Therefore, they are employees under the economic-realities test.

C. FedEx Ground has the right to control the means and manner of drivers' work, and exercises that control

20. FedEx Ground requires all newly hired drivers to execute a standard agreement; a driver's failure to comply with the agreement is grounds for termination. *Id.*, p. 18 of 23, ¶ 12.1. Accordingly, FedEx Ground can require compliance with its instructions by threatening termination.

21. Though the contract purports to grant drivers some discretion, a closer look at the contract negates the notion that the drivers have any room for discretion in the manner and means of performing their jobs. *see, e.g., Id.*, pp. 1, 7, 16 of 23, Att. 7.1 to Addendum 7. FedEx Ground's directions include: delivery days and times; delivery methods; reporting requirements; vehicle identification, specifications, and maintenance; and driver appearance. FedEx Ground endeavors to control every detail of a driver's performance, including the color of socks and the style of hair. *See, e.g., Id.*, pp. 3 & 6 of 23, at ¶¶ 1.5 & 1.12.

22. FedEx Ground drivers cannot exercise their independence by modifying their contract to their advantage. Thus, the document more closely resembles a unilaterally proffered, take-it-or-leave-it employment contract. *See, e.g., Id.*, pp. 9, 13, 15, 16, 22 of 23. In addition, the contract is not the sole source defining a driver's relationship with the company. There are manuals, handbooks, memoranda, training videos, and other means of communication that direct the manner and means of delivering packages for FedEx Ground. In short, the procedure by which a driver becomes qualified to deliver packages for FedEx Ground more closely resembles the process for hiring employees, not the process for negotiating independent contractor agreements.

23. With respect to a driver's appearance, the contract requires drivers to "wear a FedEx Ground-approved uniform, maintained in good condition," and to "keep his/her personal appearance consistent with reasonable standards of good order as maintained by competitors and promulgated from time to time by FedEx Ground." *Id.*, p. 6 of 23, ¶ 1.12. The notion that such requirements are merely unenforceable suggestions is negated by the fact that FedEx Ground reserves the right to refuse to allow drivers to perform deliveries unless properly dressed or groomed.

24. FedEx Ground requires drivers to comply with strict requirements for vehicle appearance, specification, and maintenance. For example, each vehicle must be painted "FedEx White" and bear FedEx Ground's logos and advertising. The trucks must be "maintained in a clean and presentable fashion free of body damage and extraneous markings." FedEx Ground reserves the right to inspect trucks to

ensure they comply with FedEx Ground's appearance standards. The vehicles must meet FedEx Ground's minimum specifications for height, width, length, bumper height, interior shelving requirements, and (in some cases) age restrictions. FedEx Ground decides what size and configuration of truck is appropriate for a particular route. FedEx managers may remove a vehicle from service if it does not meet appearance standards or if a driver fails to timely submit maintenance reports. Failure to comply with the vehicle appearance standards constitutes a breach of the contract, which can result in termination by FedEx Ground. *See Id.*, pp. 3, 5, & 6 of 23, ¶¶ 1.5, 1.10(e), & 1.12.

25. The FedEx Ground contract provides strict requirements with regard to the handling and delivery of packages. Drivers are required to "handle, load, unload and transport packages using methods that are designed to avoid theft, loss and damage." *Id.*, p. 5 of 23 at (c).) In addition, the FedEx Ground contract provides that drivers agree to "[c]ooperate with FedEx Ground's employees, customers and other contractors, to achieve the goal of efficient pick-up, delivery, handling, loading and unloading of packages and equipment, and provide such electronic and/or manual data pertaining to package handling as is reasonably necessary to achieve this goal." *Id.*, p. 5 of 23 at (d).

26. FedEx Ground requires drivers to record information on all package deliveries. FedEx Ground utilizes multiple oversight methods for the contract's handling and delivery requirements. In other words, FedEx Ground supervises drivers to assure that the designated manner and means of delivering packages are being followed. Specifically, FedEx managers are to conduct daily van service audits

of every driver to ensure compliance with FedEx Ground's procedures for undelivered packages. Failure to follow FedEx Ground's procedures for proper release of packages may constitute a breach of the contract, resulting in termination.

27. FedEx Ground hires experts to perform random security reviews to ensure that drivers are securing their vehicles properly when delivering packages. Failure to properly secure a vehicle is also considered a violation of the FedEx Ground contract.

28. FedEx Ground requires at least two, but not more than four, customer service rides each year. *Id.*, pp. 6 & 13 of 23, ¶¶ 1.14 & 5.2. The customer service rides provide FedEx managers with the opportunity to see if drivers are complying with FedEx Ground's customer service standards and ensure that drivers are operating their vehicles safely. FedEx managers are trained to record observations during a customer service ride, including: drivers' check-in and check-out procedures; how drivers operate, park, enter and exit their vehicles; drivers' delivery and pickup methods; and whether drivers experience any delay time in performing their work. In addition, the FedEx manager is supposed to make multiple specific written observations regarding the driver's performance in the areas of package quality at delivery, quality assurance, driver release, professional appearance, customer courtesy, and service. During some of the customer service rides, FedEx managers analyze the driver's primary service area and document details including: the time the driver arrives and departs from each stop; the number of minutes at each stop; the number of minutes between stops; the last three digits of the driver's odometer reading at each stop; and the approximate

distance a driver must walk to pick up or deliver a package.

29. FedEx managers are expected to conduct at least two "business discussions" with drivers each year. The business discussions are considered procedures and not mandatory policies. The business discussions are designed to allow FedEx managers to provide recommendations and counseling to drivers in performing their contracted work. A FedEx manager may request a business discussion for multiple reasons, including problems with the driver's performance related to undelivered packages, missed pickups, and improper documentation. Although FedEx Ground may not force drivers to participate in a business discussion, failure to participate may reflect poorly on drivers' opportunities to renew their contracts. Moreover, documentation from business discussions is used to support contract termination.

30. Further, FedEx managers are encouraged to conduct a "business plan" discussion with drivers each year. During the documented discussion, FedEx managers review problem areas, agreed-upon solutions, delivery areas, and driver expectations. A FedEx business plan discussion form provides spaces for the manager to document the following information: the driver's total number of stops, packages, miles, and DOT (Department of Transportation) hours of work; anticipated changes in the driver's primary service area; the condition and appearance of the driver's equipment; any deficiencies and expected correction dates; the number and types of complaints the driver has received in the last 12 months; the driver's contingency plan in the event of a vehicle breakdown; and any comments or questions the driver may have.

Drivers' work is an integral part of FedEx's business

31. The work that the FedEx Ground drivers perform -- the pick-up and delivery of packages -- is essential to FedEx Ground's core business.

The Driver's relative investment in tools and equipment pales in comparison to the investment of Defendant

32. Most drivers use tools, instrumentalities, and services supplied by FedEx Ground -- by participating in deductions from FedEx Ground's Business Support Package/Contractor Assistance Program -- including: marketing, uniforms, scanners, shipping documentation, and DOT (Department of Transportation) inspections. *See Id.*, pp. 6 & 15 of 23, ¶¶ 1.13 & 7, & Addendum 7.

33. Though drivers have some investment in their tools and equipment (including for many drivers, their delivery vehicle), this investment is minimal when compared to the millions of dollars invested by FedEx in advertising, paying management and other employees, and maintaining delivery facilities across the entire United States.

Drivers have no ability to affect their profit or loss through managerial skill

34. FedEx Ground unilaterally controls the price paid by the customer for each delivery.

35. FedEx Ground unilaterally determines the amount that the drivers are paid for each delivery, which is essentially a piecerate for each job performed but has some variable components determined by FedEx Ground. *See, e.g., Id.* at Addendum 3.

36. Drivers are required to perform any delivery assigned by Defendant, even if it is outside their normal "territory," and the driver believes that the delivery

will not be profitable (e.g., driving 1.5 hours round-trip to deliver one package that is on another Driver's route).

37. Defendant also maintains the right, and exercises its right, to take away any delivery from inside a driver's defined "territory" and assign it to a different driver.

38. If drivers wish to hire a "helper" to assist them in their work, FedEx Ground has the final say over whom they may hire.

Minimal skill is required for drivers to perform the work

39. FedEx Ground drivers need no experience to get the job in the first place and the only required skill is the ability to drive.

Drivers usually have a long and exclusive relationship with FedEx Ground

40. Plaintiff operated the same single route or territory for Defendant for three years, and most other FedEx Ground drivers worked for Defendant for several years. The agreement that FedEx Ground required all drivers to sign was for a term of one-year.

41. Thus, drivers hold permanent, full-time positions and cannot realistically pursue other business opportunities. While delivering Defendant's packages, they are forbidden from using their vehicles for any other purpose. *See, e.g., Id.*, p. 2 of 23, ¶ 1.4. Drivers also cannot realistically use their vehicles for any business purpose other than for Defendant, because Defendant requires that Drivers' vehicles bear a FedEx Ground logo, and Defendant prohibits use of the vehicle for any activity not authorized by Defendant while the logo is visible.

Other Considerations

42. FedEx Ground's business is to take a package from one person or entity and deliver it to another person or entity. FedEx Ground does not manufacture or sell any product or perform any other service. When FedEx Ground drivers deliver packages, they have performed the sole service that FedEx Ground offers. Without the delivery drivers, there is no FedEx Ground business. In short, Plaintiff and all other class members are integrated into FedEx Ground's business to the highest degree possible, and this factor weighs heavily in favor of an employer/employee relationship.

43. FedEx Ground's drivers provide the core function of FedEx Ground's business. Thus, FedEx Ground is in business, and businesses do not ordinarily trust their core functions to independent contractors over whom the business has minimal control.

CLASS ALLEGATIONS

44. Plaintiff brings this lawsuit on her own behalf and on behalf of the following class: all individuals who worked for defendant FedEx Ground System, Inc., and/or its subsidiary, FedEx Home Delivery, Inc., in New Mexico as package pick-up and delivery drivers pursuant to a Standard Operating Agreement and who were classified as "independent contractors," thereby depriving them of various protections under New Mexico law.

45. The named plaintiff will adequately represent the class because she was treated by FedEx Ground in the same manner as other class members. FedEx Ground's misclassification, and resulting violation of New Mexico law, damaged

Plaintiff in the same manner as other class members.

46. There are common questions of law and fact applicable to the entire class, including the question of whether Plaintiff and other class members are entitled to certain types of statutory protections as FedEx Ground employees, as defined by common and statutory law.

47. This case should be certified as a class action pursuant to Fed. R. Civ. P. 23 because the common questions of law and fact concerning FedEx Ground's liability predominate over any individual question as to the amount of damages to each person in that:

- a. The members of the class are so numerous that their individual joinder in a single action is impossible and/or impracticable;
- b. The central questions of law and fact involved in this action are of a common or general interest and those common legal and factual issues predominate over any questions affecting only individual members of the class. Among the common questions of law and fact are the following:
 - i. Whether class members have been misclassified as independent contractors;
 - ii. Whether FedEx Ground has violated its legal obligations under various provisions of New Mexico law;
 - iii. Whether injunctive and declaratory relief and an equitable accounting are proper.

48. Individual litigation of all claims that might be asserted by all class members would produce a multiplicity of cases that would congest for years the judicial system having jurisdiction of the claims. By contrast, class certification provides manageable judicial treatment calculated to bring a rapid conclusion to all litigation of all claims arising out of the conduct of FedEx that is similar as to all class members.

49. Certification of the class would allow litigation of claims that may be of an insufficient amount to support separate actions, in view of the expense of the litigation.

50. The claims of the named plaintiff are identical to the claims of other members of the class. The named plaintiff shares the same interests as other members of the class in this action because, like other class members, FedEx Ground's wrongful misclassification caused Plaintiff and each class member to each suffer financial loss of thousands of dollars.

51. The named plaintiff is committed to vigorously prosecuting this action. She has retained competent and experienced counsel to represent her and the class.

52. A class action is the only realistic method available for the fair and efficient adjudication of this controversy. The expense and burden of individual litigation makes it impracticable for class members to seek individual redress for FedEx's wrongful conduct.

Count 1
Violation of NMSA 1978, § 50-4-22 (2008), New Mexico's Overtime Law

53. Plaintiff restates paragraphs 1-52 as if fully set forth.

54. Plaintiff's first claim is brought for FedEx Ground's violation of NMSA 1978, § 50-4-22 (2008). It is brought under New Mexico statutory law.

55. The class period for this claim begins three years before the date this action commenced. *See* NMSA 1978, § 37-1-5 (2009).

56. Under NMSA 1978, § 50-4-22(D) (2008), all New Mexico employees (with limited exceptions not relevant here) are entitled to be paid at time-and-a-half their regular hourly rate for all hours above 40 worked in a week.

57. The exceptions to this protection at NMSA 1978, § 50-4-24 (2013) do not apply to Plaintiff or to other class members.

58. The overtime protections may be enforced civilly through NMSA 1978, § 50-4-26 (2013). The statute provides a private right of action for violation of the overtime protections, mandatory liquidated damages equal to twice the underpaid wages, attorney's fees to a prevailing plaintiff, injunctive relief, and a requirement that actions brought under the statute "shall be heard by the court at the earliest possible date and shall be entitled to a preference over all other civil actions."

59. Plaintiff and the class members, who are properly classified as FedEx Ground employees, are entitled to protection under the statute. They each have been deprived overtime pay for their hours over 40 worked in a week.

Count 2
Violation of NMSA 1978, § 14-13-11,
New Mexico's Unauthorized Deduction Statute

60. Plaintiff restates paragraphs 1-52 as if fully set forth.

61. Plaintiff's second claim is for violation of NMSA 1978, § 14-13-11. It is brought under New Mexico statutory law.

62. The class period for this claim begins four years before the date this action commenced. *See* NMSA 1978, § 37-1-4.

63. Under NMSA 1978, § 14-13-11(A):

All assignments of wages or salaries due or to become due to any person, in order to be valid, shall be acknowledged by the party making the assignment before a notary public or other officer authorized to take acknowledgments. The assignment shall be recorded in the office of the county clerk of the county in which the money is to be paid and a copy served upon the employer or person who is to make payment.

64. Because Plaintiff and class members are employees, they are entitled to the protections of this statute.

65. With each paycheck (which Fedex Ground calls a "settlement statement"), FedEx Ground withholds certain amounts due to Plaintiff and class members. This withholding is an "assignment of wages or salaries" and thus subject to NMSA 1978, § 14-13-11.

66. FedEx Ground violates the requirements of NMSA 1978, § 14-13-11 with each "settlement statement" paid to Plaintiff and class members.

67. Under NMSA 1978, § 14-13-11, FedEx Ground's withholdings are void. Plaintiff and class members are entitled to be reimbursed by FedEx Ground for all amounts FedEx Ground withheld in violation of New Mexico law.

Count 3
Unjust Enrichment

68. Plaintiff restates paragraphs 1-52 as if fully set forth.

69. Plaintiff's third legal claim is for unjust enrichment. It arises under the common law.

70. The class period for this claim begins four years before the date this action commenced. *See* NMSA 1978, § 37-1-4.

71. Defendant FedEx Ground has been financially enriched by subjecting Plaintiff and other class members to deductions, charges, and/or expenses that typically are borne by the employer (including many of FedEx Ground's business competitors).

72. The financial enrichment enjoyed by FedEx Ground has come at the expense of Plaintiff and other class members, all of whom have borne the improper deductions, charges and/or expenses.

73. It is against equity and good conscience to permit Defendant FedEx Ground to retain such improper deductions, charges and/or expenses, and it is against the public policy of New Mexico for FedEx Ground to benefit from these unlawful deductions from their employee's wages.

74. Defendant FedEx Ground should be required to reimburse Plaintiff and other class members for such improper deductions, charges and/or expenses under the doctrine of unjust enrichment.

WHEREFORE, Plaintiff and all other class members respectfully request the following relief:

- A. Certification of the above-described class with the appointment of Plaintiff as the class representative and the undersigned attorneys as class counsel;

- B. A declaration that FedEx Ground has violated both NMSA 1978, § 50-4-22 (2008) (New Mexico's overtime law) and NMSA 1978, § 14-13-11 (New Mexico's unauthorized deduction statute);
- C. An award of overtime pay to Plaintiff and to class members for all hours over 40 worked per week for each week during the class period;
- D. Liquidated damages equaling two times the overtime payments due to Plaintiff and all class members;
- E. An award of all amounts withheld by FedEx Ground in violation of NMSA 1978, § 14-13-11;
- F. Reimbursement of all charges, deductions and expenses;
- G. An award of attorneys' fees and reasonable costs incurred in the prosecution of this action;
- H. All other relief this Court finds appropriate and equitable including payment of reasonable fees, costs, and interest where permitted by law.

JURY DEMAND

Pursuant to Fed. R. Civ. P. 38, Plaintiff and all other class members demand a trial by jury on all issues that may be so tried.

Respectfully submitted,

BAUMAN, DOW & STAMBAUGH, P.C.

/s/ Christopher P. Bauman

Christopher P. Bauman

Cynthia L. Weisman

P.O. Box 30684

Albuquerque, NM 87190

Tel. (505) 883-3191

Fax (505) 883-3194

cpb@bdsfirm.com

cw@bdsfirm.com

and

LICHTEN & LISS-RIORDAN, P.C.

Harold L. Lichten

Matthew Thomson

729 Boylston Street, Suite 2000

Boston, MA 02116

Tel. 617-994-5800

Fax: 617-994-5801

hlichten@llrlaw.com

mthomson@llrlaw.com

and

BERGER & MONTAGUE, P.C.

Shanon J. Carson

Sarah R. Schalman-Bergen

1622 Locust Street

Philadelphia, PA 19103

Tel. 215-875-3053

scarson@bm.net

sschalman-bergen@bm.net

and

JORDAN LEWIS, P.A.

Jordan Lewis

4473 N.E. 11th Avenue

Fort Lauderdale, FL 33334

Tel. 954-616-8995

Fax: 954-206-0374

Email: jordan@jml-lawfirm.com

*Counsel for Plaintiff Armijo and All Other
Class Members*

FXG P & D IC Version 2012.08.04

Operating Agreement

FEDEX GROUND PACKAGE SYSTEM, INC.

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT



Contract Number: C7670410 Station Number: 00871
FedEx Id: 7476083 Name: JAIMES ELEGANT P&D
Print Date: 07/27/2013 CORPORATION

P&D US Operating Agmt

TABLE OF CONTENTS

| | |
|--|----|
| BACKGROUND STATEMENT..... | 1 |
| 1. EQUIPMENT AND OPERATIONS..... | 1 |
| 1.1 Power Equipment..... | 1 |
| 1.2 Equipment Maintenance..... | 1 |
| 1.3 Operating Expenses..... | 2 |
| 1.4 Operation of the Equipment..... | 2 |
| 1.5 Equipment Identification while in FedEx Ground's Service..... | 3 |
| 1.6 Licensing..... | 3 |
| 1.7 Logs and Reports..... | 3 |
| 1.8 Shipping Documents and Collections..... | 3 |
| 1.9 Contractor Performance Escrow Account..... | 3 |
| 1.10 Agreed Standard of Service..... | 4 |
| 1.11 Refused or Returned Shipments..... | 5 |
| 1.12 Operator and Equipment Appearance Standard..... | 6 |
| 1.13 Communications Equipment..... | 6 |
| 1.14 Contractor's Obligation to Meet Standards of Customer Service..... | 6 |
| 1.15 Discretion of Contractor to Determine Method and Means of Meeting Business Objectives..... | 6 |
| 2. VEHICLE OPERATION..... | 7 |
| 2.1 Additional Vehicles; Safe Operation Required..... | 7 |
| 2.2 Employment of Qualified Persons..... | 7 |
| 3. INSURANCE AND INDEMNITIES..... | 8 |
| 3.1 Non-Trucking Liability Coverage – Contractor Responsibility..... | 8 |
| 3.2 Public Liability – FedEx Ground's Responsibility..... | 8 |
| 3.3 Public Liability – Contractor's Responsibility..... | 8 |
| 3.4 FedEx Ground's Non-Liability for Equipment..... | 9 |
| 3.5 Contractor's Responsibility for Certain Losses..... | 9 |
| 3.6 Work Accident and Workers Compensation..... | 10 |
| 4. SETTLEMENT WITH CONTRACTOR..... | 11 |
| 4.1 Settlement for Services Performed..... | 11 |
| 4.2 Settlement Statements..... | 12 |
| 5. CONTRACTOR PRIMARY SERVICE AREA..... | 12 |
| 5.1 Definition..... | 12 |
| 5.2 Mutual Intention to Reduce Geographic Size of Primary Service Area..... | 12 |
| 5.3 Recognition of Contractor's Proprietary interest in Customers Served..... | 13 |
| 6. CONTRACTOR CUSTOMER SERVICE (CCS) PAYMENTS..... | 15 |
| 7. BUSINESS SUPPORT PACKAGE..... | 15 |
| 8. SERVICE GUARANTEE PROGRAM..... | 15 |

FXG P & D IC Version 2012.08.04

Operating Agreement

ADDENDUM 1.....Identification of Leased Equipment

ADDENDUM 2.....Insurance – Minimum Coverage Requirements

ADDENDUM 3.....Settlement

Attachment 3.1.....Spotted Trailer Settlement

Attachment 3.2.....Shuttle

Attachment 3.3.....Temporary Core Zone Density Settlement

Attachment 3.4.....Added Service Settlement

Attachment 3.5.....Performance of Linehaul Work

Attachment 3.7.....Daily Core Zone Density Settlement

Attachment 3.8.....PEAK Performance Bonus Program

Attachment 3.9.....FHD PEAK Package Delivery Bonus

Attachment 3.10.....Extra Day(s) PEAK Premium Bonus

Attachment 3.11.....Point-to-Point Flat Rates

Attachment 3.12.....Enhanced Primary Plus

Attachment 3.14.....Flex Program

Attachment 3.15.....Fuel Card Purchase Program and Agreement

ADDENDUM 4.....Primary Service Area

ADDENDUM 5.....Proprietary Interest

ADDENDUM 7.....Business Support Package

Attachment 7.1.....Time-Off Program

ADDENDUM 8.....Swing Contractor

Attachment 8.1.....Swing PEAK Premium Settlement

ADDENDUM 9.....Fuel Tax Reporting

ADDENDUM 11.....Safe Driving Program

ADDENDUM 12.....International Registration Plan Base Plates

ADDENDUM 14.....Employment Eligibility Verification and Compliance with Immigration Laws

ADDENDUM 15.....Enhanced Contractor Customer Service Program

ADDENDUM 16.....Contractor as a Corporate Entity and Employer

ADDENDUM 17.....California Air Resources Board Truck and Bus Regulation Compliance

ADDENDUM 18.....Residential Driver Release Program

FEDEX GROUND PACKAGE SYSTEM, INC.
PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

BACKGROUND STATEMENT. FedEx Ground Package System, Inc. is a duly licensed motor carrier engaged in providing a small package information, transportation and delivery service throughout the United States, with connecting international service. Contractor is an owner-operator of one or more pieces of trucking equipment suitable for use in such a service. Contractor wants to make this equipment available, together with a qualified operator for each piece of equipment, **to provide daily pick-up and delivery service on behalf of FedEx Ground.** FedEx Ground wants to provide for package pick-up and delivery services through a network of independent contractors and, subject to the number of packages tendered to FedEx Ground for shipment, will seek to manage its business so that it can provide sufficient volume of packages to Contractor to make full use of Contractor's equipment. Contractor wants the advantage of operating within a system that will provide access to national accounts and the benefits of added revenues associated with shipments picked up and delivered by other contractors throughout the FedEx Ground system. In order to get that advantage, Contractor is willing to commit to provide daily pick-up and delivery service, and to conduct his/her business so that it can be identified as being a part of the FedEx Ground system. Both FedEx Ground and Contractor intend that Contractor will provide these services strictly as an independent contractor, and not as an employee of FedEx Ground for any purpose. Therefore, this Agreement will set forth the mutual business objectives of the two parties intended to be served by this Agreement – which are the results the Contractor agrees to seek to achieve – but the manner and means of reaching these results are **within the discretion of the Contractor**, and no officer or employee of FedEx Ground shall have the authority to impose any term or condition on Contractor or on Contractor's continued operation which is contrary to this understanding.

1. EQUIPMENT AND OPERATIONS.

1.1 Power Equipment. In conjunction with providing to FedEx Ground transportation services as herein provided, Contractor will provide and utilize the vehicular equipment identified in the most recent Addendum 1 to this Agreement (hereinafter called the "Equipment"). Contractor certifies that the Equipment meets the requirements of all applicable federal, state and municipal laws and regulations, and, subject to the determination of FedEx Ground of its suitability for the service called for in this Agreement, the selection and replacement of the Equipment is **within the discretion of Contractor.**

1.2 Equipment Maintenance. Contractor agrees, at Contractor's expense, to maintain the Equipment

Entity ID: V0014069

Contract Number: C7670410
 Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
 CORPORATION
 Station Number: 00871
 Page 1 of 23

in accordance with the safety and equipment standards specified in applicable federal, state and municipal laws and any rules, regulations and orders of any applicable agency. In particular, Contractor agrees to provide FedEx Ground with proof of timely maintenance and inspection of the Equipment in accordance with the periodic mandatory vehicle maintenance and inspection regulations administered or required by any federal, state or municipal agency with jurisdiction over the operations described in this Agreement. The periodic maintenance schedule recommended by the equipment manufacturer shall be deemed to meet these requirements, absent specific federal, state, or municipal regulations. In the event the Equipment is found to be deficient under any law or regulation, Contractor agrees to remove the Equipment from service with FedEx Ground until it is brought into compliance. During such interim period, Contractor shall, at Contractor's expense, provide alternative equipment suitable for use in carrying out Contractor's obligations under this Agreement.

1.3 Operating Expenses. Contractor agrees to bear all costs and expenses incidental to operation of the Equipment, whether empty or loaded, including, without limitation, all risks of depreciation, all maintenance (including cleaning and washing), fuel, oil, tires, repairs, business taxes, consumption and sales taxes, personal property taxes, ad valorem taxes, fuel and road-use taxes, ton-mile taxes, insurance coverage as provided herein, workers compensation assessments, licenses, vehicle registration renewal fees, base plates, and all highway, bridge and ferry tolls. To facilitate payment of licenses, taxes and fees, where mutually convenient or otherwise required by statute or regulations, Contractor hereby authorizes FedEx Ground to pay these charges on Contractor's behalf and to charge Contractor for any such payments, together with any direct expenses incurred by FedEx Ground in connection with their payment. Contractor agrees that unless strictly prohibited by law, any licenses, permits, assessments and taxes paid by FedEx Ground on behalf of Contractor pursuant to this paragraph may be charged back against and deducted from any compensation owed Contractor by FedEx Ground.

1.4 Operation of the Equipment. Contractor agrees to direct the operation of the Equipment and to determine the methods, manner and means of performing the obligations specified in this Agreement. FedEx Ground shall be considered to have such exclusive possession, use and control of the Equipment required by D.O.T. regulation at 49 CFR Part 376.12(c), or other applicable regulations, but shall have no right or authority, without the express permission of Contractor, to operate the Equipment for any purpose (except for incidental yard movement and positioning) unless the Equipment is driven either by Contractor or by an operator engaged by Contractor. **While the Equipment is in the service of FedEx Ground, it shall be used by Contractor exclusively for the carriage of the goods of FedEx Ground, and for no other purpose.** If the Equipment is operated in the service of anyone other than FedEx Ground, including any separate business activities of Contractor, Contractor agrees to hold

FedEx Ground harmless from any liability arising from operation of the Equipment that may be asserted against FedEx Ground by any person.

1.5 Equipment Identification while in FedEx Ground's Service. Contractor agrees to mark Equipment while in FedEx Ground's service with such identifying colors, logos, numbers, marks and insignia as may be required either under applicable regulations, including 49 CFR Part 390, or to identify the Equipment as a part of the FedEx Ground system. Contractor may use the Equipment for other commercial or personal purposes when it is not in the service of FedEx Ground, with the understanding that all such identifying numbers, marks, logos and insignia will be removed or masked (by paper or plastic overlay) when the Equipment is so used.

1.6 Licensing. If necessary to comply with the vehicle registration requirements of applicable state regulations or laws, the base plate portion of the Equipment registration shall be in the name of FedEx Ground. If, at any time during the term of this Agreement, applicable state regulations require Contractor to obtain an owner/driver operating authority in order to serve intrastate customers, Contractor agrees, at his/her own expense, to acquire and maintain such operating authority and to cooperate with FedEx Ground in altering the arrangements set out in this Agreement to the extent necessary to ensure compliance by Contractor and FedEx Ground with any such state regulations, practices and procedures.

1.7 Logs and Reports. Contractor agrees to prepare daily driver logs and daily inspection reports, along with fuel receipts, shipping documents, and other documents as required by law or regulation, and to file the originals with FedEx Ground upon the conclusion of each business day.

1.8 Shipping Documents and Collections. Contractor agrees to prepare and present for the signature of shippers and recipients such shipping documents as FedEx Ground may from time to time designate, and to complete and return these documents to FedEx Ground at the end of each business day. Contractor further agrees to collect any charges owed by shippers and recipients and to return all collected charges to FedEx Ground at the end of each business day.

1.9 Contractor Performance Escrow Account. Contractor agrees to deposit with FedEx Ground at such time and in such manner as FedEx Ground may specify the sum of \$1,000, which deposit shall be held by FedEx Ground in an account (hereinafter called the "Contractor Performance Escrow Account"). FedEx Ground agrees to handle the Contractor Performance Escrow Account as follows:

- (a) Amounts held by FedEx Ground in the Contractor Performance Escrow

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 3 of 23

Account shall be applied only for the purposes described in subparagraph (d) below.

- (b) FedEx Ground agrees to pay (by credit to Contractor's weekly Settlement Statement at quarterly intervals) interest on the daily balance in the Contractor Performance Escrow Account. Such interest shall be at a rate equal to the average annual yield of 13-week U.S. Treasury bills at the rate established at the beginning of each quarter for the funds held on deposit during such quarter.
 - (c) FedEx Ground agrees to provide Contractor with an accounting of all credits to or subtractions from Contractor's balance in such Account as part of Contractor's weekly Settlement Statement.
 - (d) Upon termination of this Agreement, Contractor agrees that any balance attributable to Contractor in the Contractor Performance Escrow Account shall be applied to reduce any indebtedness of Contractor to FedEx Ground as reflected on Contractor's Settlement Statements or other instruments. Contractor shall remain liable for any remaining indebtedness which exceeds Contractor's balance in such Account.
-
- (e) Upon Contractor's fulfillment of the obligations due to FedEx Ground upon termination, FedEx Ground shall, after making such deductions from the Contractor Performance Escrow Account as are permitted herein, provide Contractor with a final accounting of all final transactions involving Contractor's balance in such Account and remit to Contractor any remaining balance within 45 days from the date of termination.

1.10 Agreed Standard of Service. FedEx Ground has represented to shippers and recipients that, in arranging transportation of packages within the FedEx Ground system, it will provide a standard of service that is fully competitive with that offered by other national participants in the industry. Contractor acknowledges the benefits to his/her business of participation in the FedEx Ground national system, and agrees to conduct activities under the terms of this Agreement to achieve the results represented to shippers and recipients. To achieve these business objectives, Contractor agrees to:

- (a) Provide daily pick-up and delivery service to shippers and recipients on days and at times which are compatible with their schedules and requirements within Contractor's Primary Service Area, as that term is defined in this Agreement, and in such other areas as Contractor may be asked to provide service in the event Contractor elects to participate in the Flex Program described in Paragraph 9 of this Agreement, all consistent with the competitive standards within the industry (provided, however, that on any day where the volume of packages available for pick-up or delivery in Contractor's Primary Service Area exceeds the volume that Contractor can reasonably be expected to handle on such day, FedEx Ground may reassign a portion of such packages to another contractor);
- (b) Make reasonable efforts to retain and increase the base of shippers and recipients served and the number of packages handled per shipper within Contractor's Primary Service Area;
- (c) Handle, load, unload and transport packages using methods that are designed to avoid theft, loss and damage;
- (d) Cooperate with FedEx Ground's employees customers and other contractors, to achieve the goal of efficient pick-up, delivery, handling, loading and unloading of packages and equipment, and provide such electronic and/or manual data pertaining to package handling as is reasonably necessary to achieve this goal;
- (e) Foster the professional image and good reputation of FedEx Ground and Contractor with shippers and recipients, including adhering to the vehicle identification and operator appearance standards specified in Paragraphs 1.5 and 1.12 of this Agreement;
- (f) Conform to all applicable federal, state and local laws, regulations and ordinances;
- (g) Cause the Equipment to be operated safely and in compliance with all applicable laws and regulations; and,

- (h) Conduct all business activities with integrity and honesty, in a professional manner, and with proper decorum at all times.

1.11 Refused or Returned Shipments. If package cannot be delivered on the day it is tendered to Contractor for delivery, Contractor agrees to return the package to FedEx Ground that same day at the station where it was tendered for delivery, and to inscribe on the package and to provide by electronic and/or manual means whatever notational references FedEx Ground may from time to time reasonably require in order to document the package location and the reason for non-delivery (i.e., service cross).

1.12 Operator and Equipment Appearance Standard. Contractor acknowledges that the presentation of a consistent image and standard of service to customers throughout the system is essential in order to be competitive with other alternatives available to shippers and recipients and to permit recognition and prompt access to customers' places of business. Accordingly, each person having contact with the public under the provisions of this Agreement will wear a FedEx Ground-approved uniform, maintained in good condition, and will otherwise keep his/her personal appearance consistent with reasonable standards of good order as maintained by competitors and promulgated from time to time by FedEx Ground. In addition, the Equipment shall be maintained in a clean and presentable fashion free of body damage and extraneous markings, in accordance with the standards of the industry.

1.13 Communications Equipment. Contractor shall, at Contractor's expense, purchase or lease the electronic communications equipment necessary to fulfill the obligations specified in Paragraph 1.10 (d) above and which complies with specifications promulgated from time to time by FedEx Ground. Alternatively, at Contractor's option, Contractor may acquire such equipment from FedEx Ground through the Business Support Package described in Addendum 7 of this Agreement.

1.14 Contractor's Obligation to Meet Standards of Customer Service. Contractor shall have the obligation to assure that all persons who operate the Equipment are fully trained and capable of meeting the customer service standards set forth in the Agreement. FedEx Ground shall, during the first 30 days of the term of this Agreement, familiarize Contractor with various quality service procedures developed by FedEx Ground. In addition, qualified FedEx Ground station personnel may, at their option, visit customer locations with Contractor four times annually to verify that Contractor is meeting the standards of customer service provided in this Agreement.

1.15 Discretion of Contractor to Determine Method and Means of Meeting Business

Objectives. It is specifically understood and agreed by both parties that Contractor shall be responsible for exercising independent discretion and judgment to achieve the business objective and results specified above, and no officer, agent or employee of FedEx Ground shall have the authority to direct Contractor as to the manner or means employed to achieve such objectives and results. For example, no officer, agent or employee of FedEx Ground shall have authority to prescribe hours of work, whether or when the Contractor is to take breaks, what route the Contractor is to follow, or other details of performance.

2. VEHICLE OPERATION.

2.1 Additional Vehicles: Safe Operation Required. Contractor may, with the consent of FedEx Ground and consistent with the capacity of the station serviced by Contractor, own and operate more than one vehicle, with any such additional vehicles to be driven by qualified operators employed by Contractor, as described in subparagraph 2.2 below. The FedEx Ground Safe Driving Standards are attached hereto and made a part of this Agreement. No vehicle may be operated pursuant to this Agreement by any operator who is not in compliance with such standards.

2.2 Employment of Qualified Persons. Contractor may employ or provide person(s) to assist Contractor in performing the obligations specified by this Agreement. All persons so employed or provided by Contractor shall be qualified pursuant to applicable federal, state and municipal safety standards and the FedEx Ground Safe Driving Standards, and shall be fully trained, at Contractor's expense, to operate the Equipment. Contractor understands and agrees that such persons shall not be considered employees of FedEx Ground and that it is Contractor's responsibility to assure that such persons conform fully to the applicable obligations undertaken by Contractor pursuant to this Agreement. Contractor further agrees to:

- a. Bear all expenses associated with qualifying such persons to perform the services agreed to be provided herein, including, without limitation, the cost of physical examinations and drug screen tests;
- b. Bear all expenses associated with the employment of such persons, including, without limitation, wages, salaries, employment taxes, workers compensation coverage, health care, retirement benefits and insurance coverages;
- c. Assume sole responsibility for compliance with all applicable laws, rules,

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 7 of 23

regulations and orders respecting payroll deductions and maintenance of payroll and employment records; and,

- d. Hold FedEx Ground harmless from any liability and claims by others or by governments arising from Contractor's relationship with Contractor's employees or substitutes whether under industrial accident prevention laws or any other federal, state or municipal laws applicable to the relationship between employers and employees.

3. INSURANCE AND INDEMNITIES.

3.1 Non-Trucking Liability Coverage – Contractor Responsibility. Contractor agrees to obtain and keep in force at all times a policy(ies) of public liability (automobile/truckers bodily injury and property damage insurance coverage), issued by an insurance company qualified to write such coverage in the state(s) where the Equipment is operated, and rated A, Class VII or better by A.M. Best Co., to cover all costs, losses and expenses arising from operation of the Equipment while it is in operation without packages on board (empty mile coverage) in amounts not less than \$1,000,000 per occurrence. Contractor shall provide FedEx Ground Certificate(s) of Insurance evidencing such coverage naming FedEx Ground an additional insured and providing FedEx Ground 30 days' prior written notice of cancellation or material change. Minimum coverage requirements are listed in Addendum 2.

3.2 Public Liability – FedEx Ground's Responsibility. FedEx Ground agrees to self-retain and maintain insurance coverages for public liability (general and automobile/truckers person injury and property damage insurance coverage), and cargo loss and damage risks in amounts sufficient to meet its legal obligations under 49 CFR Part 387 and, subject to the exception described in subparagraph 3.5, will indemnify Contractor and Contractor's drivers against liability for operation of Equipment when any package is on board while on FedEx Ground's business subject to the following exceptions and conditions, the occurrence of any one of which will void this indemnity:

- (a) As to the involved Equipment operator, if the operator has engaged in intentional misconduct or reckless or willfully negligent operation of the Equipment;
- (b) As to the Contractor, if the Contractor is not the involved Equipment operator, but has knowledge of or reason to anticipate such operator's intentional misconduct or reckless or willfully negligent operation of the Equipment; or

- (c) As to Contractor and operator(s), when FedEx Ground has elected to discontinue its indemnity hereunder pursuant to the provisions of subparagraph 3.3.

3.3 Public Liability – Contractor's Responsibility. At any time that FedEx Ground discovers that Contractor or an operator engaged by Contractor to drive the Equipment fails to meet FedEx Ground's Safe Driving Standards as published from time to time, all as determined by FedEx Ground in its sole discretion, FedEx Ground may elect to terminate its indemnity for liability to Contractor and Contractor's drivers (hereinafter referred to as "indemnity termination"). Any such election of indemnity termination shall be given in writing to Contractor not less than 30 days before the effective date thereof, as specified in such election. In such event (unless Contractor cures such violation to FedEx Ground's sole and complete satisfaction before such effective date), Contractor shall obtain, effective not later than such specified date, and continually thereafter maintain, a policy of public liability (automobile/truckers bodily injury and property damage insurance coverage) for a combined single limit of not less the \$2,000,000 naming FedEx Ground as an additional insured, issued by an insurance company qualified to write such coverage in the state(s) where the Equipment is operated and rated A, Class VII or better by A.M. Best Co. Such insurance coverage shall be evidenced by a Certificate of Insurance provided to showing FedEx Ground as an additional insured and providing FedEx Ground 30 days' prior written notice of cancellation or material change. In addition, Contractor will obtain and continually thereafter maintain a policy of insurance for cargo loss and damage risk for an amount not less the \$40,000 per vehicle, with deductibles not greater than \$250, to be issued by an insurance company meeting the same qualifications provided above. Such insurance coverage shall be evidenced by a Certificate of Insurance provided to FedEx Ground naming FedEx Ground as an additional insured and providing FedEx Ground 30 days' prior written notice of cancellation or material change.

3.4 FedEx Ground's Non-Liability for Equipment. Contractor agrees that FedEx Ground shall not be liable to Contractor for any depreciation, loss or damage that may occur to the Equipment by collision, fire, theft or similar occurrence, excepting such loss or damage as may be caused by FedEx Ground, its agents, servants and employees.

3.5 Contractor's Responsibility for Certain Losses. The following indemnities constitute an exception to the provision for risk protection to Contractor provided in subparagraph 3.2. During the term of this Agreement and thereafter, Contractor agrees to indemnify and save FedEx Ground harmless against liabilities as follows:

- (a) The first \$1,000 arising from each claim brought against FedEx Ground and all liabilities incurred by FedEx Ground for or on the account of bodily injury and/or property damage in any manner caused by, incidental to or growing out of any act or omission of Contractor or Contractor's agents, servants or employees arising out of the ownership, maintenance, use or operation of the Equipment and/or FedEx Ground-provided equipment, or out of conduct of Contractor's business;
- (b) After one year of continuous safe operation of the Equipment under the terms of this Agreement, the Contractor's responsibility under this subparagraph shall be reduced to \$500; after two years, to \$250; and after three years to zero (provided, however, in the event the Equipment is involved in an at-fault accident while in the service of FedEx Ground, the Contractor's responsibility shall revert to \$1,000 until, by passage of time without a further at-fault accident, the modifications of this subparagraph (b) again apply);
- (c) The first \$1,000 of each claim for loss or damage to packages tendered for shipment or handling hereunder while such packages are in the possession of Contractor or Contractor's agents, servants or employees;
- (d) Any or all claims brought against FedEx Ground and liabilities incurred by FedEx Ground arising from the Contractor's relationship with Contractor's employees, whether under industrial accident prevention laws, or any other federal, state or municipal laws, rules, regulations and orders applicable to the relationship between employers and employees;
- (e) Any and all claims brought against FedEx Ground or liabilities incurred by FedEx Ground for or on account of Contractor's failure or failure of Contractor's agents, servants or employees to comply with any laws, rules, regulations or orders applicable to Contractor's business; and,
- (f) Any and all claims brought against FedEx Ground or liabilities incurred by FedEx Ground in the event the Contractor or the involved Equipment operator fails to assist FedEx Ground in securing and giving evidence, attending hearings and trials, obtaining the attendance of witnesses, or otherwise fails to cooperate with FedEx Ground in such matters.

3.6 Work Accident and Workers Compensation. Contractor agrees to obtain and keep in force at all times during the term of this Agreement work accident and/or workers compensation insurance insuring Contractor and all of Contractor's employees. At Contractor's option, such coverage may be obtained either under a policy negotiated by FedEx Ground, through an applicable state sponsored program, or through a policy providing comparable benefits and issued by an insurance company qualified to write such coverage in the state(s) where the Equipment is operated, and rated A, Class VII or better by A.M. Best Co. Such insurance coverage shall be evidenced by a Certificate of Insurance provided to FedEx Ground and providing FedEx Ground 30 days' prior written notice of cancellation or material change. Minimum coverage requirements are as listed in Addendum 2.

4. SETTLEMENT WITH CONTRACTOR.

4.1 Settlement for Services Performed. FedEx Ground agrees to settlement on a weekly basis with Contractor for services provided in accordance with the settlement schedule set forth in Addendum 3, from which settlement shall be deducted charges for items which are authorized in writing or required by law. The settlement to Contractor shall consist of the following parts:

- (a) **Package Pick-Up and Delivery Settlement**, which amount shall be a payment for stops made and packages handled.
- (b) **Contractor and Van Availability Settlement**, which amount shall be payable to Contractor with respect to each business day that Contractor provides services under this Agreement, in consideration of Contractor making available to FedEx Ground at the start of such day a clean, properly maintained van, driven by a qualified and uniformed operator. In order to encourage van availability on business days falling immediately before and immediately after certain national holidays, the Contractor and Van Availability Settlement shall be enhanced on such days, as shown in Addendum 3.
- (c) **Temporary Core Zone Density Settlement**, which amount shall be payable to Contractor with respect to each business day that Contractor provides services under this Agreement in Contractor's Primary Service Area, in consideration of Contractor agreeing to provide daily package pick-up and delivery service during such period of time when the customer density and package volume in such Primary Service Area is still developing. In the event Contractor provides service in another contractor's Primary Service Area pursuant to the Flex Program, Contractor shall also receive a proportionate

share of any Temporary Core Zone Density Settlement applicable to such other Primary Service Area. The intention of Contractor and FedEx Ground is to cooperate in increasing the customer density and package volume in Contractor's Primary Service Area to such an extent that the Temporary Core Zone Density Settlement will be reduced or eliminated, and Contractor agrees that, as such density and/or package volume increases, FedEx Ground may reduce or eliminate the Temporary Core Zone Density Settlement. Except where the Contractor's Primary Service Area is reconfigured, with a resulting increase in customer density and/or package volume, or in the case of a new station opening or other major increase in customer density and/or package volume in Contractor's Primary Service Area, such settlement amount shall not be decreased by more than \$10 per day in any six month period, and then only with 30 days' prior written notice to Contractor.

(d) Flex Fee, which amount shall be payable to Contractor with respect to each business day that Contractor provides services under this Agreement, provided Contractor has agreed to participate in the Flex Program offered by FedEx Ground.

(e) Quarterly Performance Settlement, which amount shall be paid in the first settlement of each quarter, beginning after Contractor has completed one year as a FedEx Ground Contractor and shall be equal to that percentage specified in Addendum 3 of the aggregate amounts credited to Contractor in the immediately preceding quarter, pursuant to subparagraphs (a)-(d) above.

4.2 Settlement Statements. FedEx Ground agrees to issue Settlement Statements and settlement checks to Contractor on a weekly basis (except when this Agreement is terminated as provided herein, in which case a final Settlement Statement and settlement check shall be issued within 45 days of termination). Settlement Statements shall contain a computation of the settlement Contractor is entitled to receive and an itemized listing of all deductions from Contractor's settlement. FedEx Ground shall have no responsibility to make deductions for, or to pay wages, benefits, health, welfare and pension costs, withholding for income taxes, unemployment insurance premiums, payroll taxes, disability insurance premiums, social security taxes, or any other similar charges with respect to Contractor or Contractor's employees. To facilitate prompt settlement, Contractor agrees to prepare such settlement documents and records as FedEx Ground may from time to time require in order to compute such settlement. Upon written request, Contractor shall be provided copies of those

documents which are necessary to determine the validity of all deductions from Contractor's settlement. Settlement Statements and the entries thereon shall be deemed conclusive and binding on Contractor, unless written objections to entries on a questioned Settlement Statement are received by FedEx Ground within 30 days from the date of issuance of the Settlement Statement to which the objections apply.

5. CONTRACTOR PRIMARY SERVICE AREA.

5.1 Definition. Contractor shall be responsible for the daily pick-up and delivery of packages in Contractor's Primary Service Area, as assigned to Contractor from time to time by FedEx Ground, and as shown in Addendum 4 to this Agreement.

5.2 Mutual Intention to Reduce Geographic Size of Primary Service Area. Contractor recognizes that, as the customer base and package volume in the Primary Service Area increases, the geographic size of the area which Contractor will be able to serve with the Equipment can be expected to decrease. Contractor acknowledges that the increased concentration in customer base and package volume which results from a decrease in the geographic size of Contractor's Primary Service Area is in the interest of Contractor, since Contractor will thereby have the opportunity to complete a greater number of package pick-ups and deliveries with less expense, and Contractor agrees to cooperate with the reasonable efforts of FedEx Ground in gathering data necessary to evaluate Contractor's Primary Service Area, including **permitting FedEx Ground personnel to ride with Contractor from time to time in connection with** these efforts. FedEx Ground shall have the authority, upon five work days of prior written notice to Contractor, to reconfigure Contractor's Primary Service Area to take account of customer service requirements. During such notice period, FedEx Ground shall give Contractor the opportunity, using means satisfactory to FedEx Ground, to continue to provide in such Primary Service Area the level of service called for in this Agreement. In the event Contractor is not able to provide reasonable means to continue to service the Primary Service Area, **FedEx Ground may, in its sole discretion, reconfigure such area.**

5.3 Recognition of Contractor's Proprietary Interest in Customers Served. This Agreement is based on the concept that Contractor and FedEx Ground are each engaged in an undertaking to operate an efficient package delivery service which is fully competitive with the standards of other national participants in the industry. FedEx Ground and Contractor recognize that, because of the reciprocal benefits which flow from participation in an interrelated, national service, they have a mutual interest in increasing package volume and the number of customers both in Contractor's Primary Service Area and in the service areas of other contractors who have entered into substantially identical agreements with FedEx Ground. Contractor specifically acknowledges that the intentions set forth in

this agreement to provide a national delivery service cannot be met – either nationwide or in the service area served by the station (the "Station Service Area") which includes Contractor's Primary Service Area – without the participation of a network of contractors. Therefore this Agreement contemplates the recognition both by the parties hereto and by other contractors in the FedEx Ground system of a proprietary interest by Contractor in the customer accounts in his/her Primary Service Area as that area is configured from time to time, and a consequent right of Contractor to receive payment in the event his/her Primary Service Area is reconfigured with the result that customers previously served by the Contractor are reassigned. Depending on the circumstance, as provided below, such payments may be from other contractors or from FedEx Ground. In consideration of the mutual obligations contained herein and in substantially similar agreements with other contractors, the parties hereto agree as follows:

In the event Contractor's Primary Service Area is reconfigured so that the Contractor gains customer accounts, the Contractor hereby authorized FedEx Ground to deduct from Contractor's settlement and to pay to the Contractor relinquishing such accounts the payments calculated as provided below; and

In the event Contractor's Primary Service Area is reconfigured so that customer accounts which had been serviced by the Contractor are reassigned to another contractor or to a spotted trailer, the Contractor shall receive payments, calculated and made as provided below.

Payments to or from Contractor for customer accounts gained or relinquished when Contractor's Primary Service Area is reconfigured shall be calculated and made as follows:

First, the average number of package deliveries per day gained or relinquished by Contractor shall be determined by reference to the average number of packages deliveries in the area relinquished in the three most recent complete FedEx Ground accounting periods;

Second, the average number of package pick-ups per day gained or relinquished by the Contractor shall be determined by reference to the average number of package pick-ups in the area relinquished in the three most recent complete accounting periods;

Third, the Contractor shall be entitled to a payment of the dollar amount specified in Addendum 5, multiplied by the average number of package deliveries relinquished,

and the dollar amount specified in Addendum 5, multiplied by the average number of package pick-ups relinquished;

Fourth, the Contractor shall make payments calculated using the same formula as set forth in the preceding paragraph to relinquishing contractor(s) for package deliveries and pick-ups gained;

Fifth, in the event, in connection with the reconfiguration, package deliveries or pick-ups previously in Contractor's Primary Service Area are reassigned to another contractor, FedEx Ground shall remit payment to Contractor, but only as to the extent FedEx Ground receives payments from the contractor to whom the package deliveries or pick-ups were reassigned;

Sixth, in the event package pick-ups or deliveries are permanently reassigned to a spotted trailer, FedEx Ground itself shall have the obligation to make the payments to the Contractor called for herein; and

Seventh, if contractors so request, and if **FedEx Ground in its sole discretion** agrees, payments provided hereunder may be made by credits to and deductions from the affected Contractor's weekly settlement, as shown on such Contractor's Settlement Statement.

6. CONTRACTOR CUSTOMER SERVICE (CCS) PAYMENTS. In addition to the payments listed above in Paragraph 4, beginning with the first day of the second full FedEx Ground accounting period, Contractor shall be eligible to receive performance-based Contractor Customer Service (CCS) payments each period in the amounts specified in Addendum 6. Payment shall be based on Contractor meeting individual customer service and safety goals, as well as Contractor's station meeting its service goals, all as determined by FedEx Ground.

7. BUSINESS SUPPORT PACKAGE. Contractor shall not be required to purchase or rent any products, equipment, or services from FedEx Ground as a condition to entering into this Agreement. At Contractor's election (which election shall be as indicated on Addendum 7, and may be changed annually during the first FedEx Ground accounting period and as provided below) FedEx Ground will provide a Business Support Package to Contractor at a per van charge to Contractor as set out in the current version of Addendum 7, which amount shall be deducted from Contractor's weekly settlement. The Business Support Package shall include uniforms,

communications and data processing equipment, D.O.T. inspections, equipment washing, drug tests meeting D.O.T. requirements, and other items and services found in the current version of Addendum 7. The cost of the Business Support Package may be changed once annually to reflect changes in the cost to FedEx Ground of providing such package. In the event FedEx Ground proposes to implement any such change, it shall provide Contractor with 30 days' prior written notice, during which period Contractor may elect to discontinue participation.

8. SERVICE GUARANTEE PROGRAM. FedEx Ground and Contractor recognize the mutual benefits to each party of keeping the Equipment, together with a qualified operator, in continuous daily service pursuant to the terms of this Agreement. The expenses of both maintenance and engaging a substitute operator during periods when Contractor is ill or does not desire to drive are, pursuant to the terms of this Agreement, borne by Contractor. In order to encourage Contractor to accumulate a fund from which these and other unusual costs of operation can be paid when they arise, FedEx Ground agrees to maintain an interest-bearing fund, a Service Guarantee Account (with interest calculated and applied the same way as with respect to the Contractor Performance Escrow) to account for contributions to the Service Guarantee Account. Contractor may from time to time, and solely **at contractor's discretion**, make contributions to such Account. Each quarter, FedEx Ground shall credit matching contributions to the Account as follows:

| Contractor Average Balance in Preceding Quarter | Quarterly Matching Contribution |
|---|---------------------------------|
| \$500 or more | \$100 |
| \$750 or more | \$150 |
| \$1000 or more | \$200 |

In addition, if Contractor has more than one year as a P&D contractor for FedEx Ground, FedEx Ground shall, on the anniversary of the date Contractor first became a P&D Contractor for FedEx Ground, credit the Service Guarantee Account with a Service Bonus. The amount of this Service Bonus shall be in accordance with the settlement schedule set forth in Addendum 3. The Contractor may withdraw amounts credited to the Service Guarantee Account at any time and for any purpose. **FedEx Ground may, at its discretion** and taking into account the credit history of Contractor, make a loan to Contractor to fund maintenance costs in excess of the balance in the Contractor's Service Guarantee Account. The maximum amount of any such loan is as follows: if the aggregate balance in Contractor's Service Guarantee Account is between \$500 and \$1,000,

the maximum loan is the amount of such aggregate balance; if such aggregate balance is in excess of \$1,000, the maximum loan is twice the amount of such aggregate balance, up to a maximum loan of \$5,000. Loans must be repaid within one year, and shall bear interest at the same rate as then applicable to interest payments by FedEx Ground on balances held in the Contractor Performance Escrow Account.

9. FLEX PROGRAM. At Contractor's election (which election shall be as indicated on Addendum 3, and may be changed annually during the first FedEx Ground accounting period), Contractor may participate in the FedEx Ground Flex Program. By electing to participate, Contractor agrees to accept packages from outside Contractor's Primary Service Area for pick-up and delivery, up to daily pick-up and delivery capacity (determined by reference to time required, mileage, and van capacity), when requested to do so by FedEx Ground station management. In consideration of Contractor's election to participate, Contractor shall receive, in addition to other components of the settlement provided in Paragraph 4 of this Agreement, a daily flex fee as specified in Addendum 3 for each piece of vehicular equipment in service under this Agreement. Such payment shall be made with respect to each business day that Contractor has also become entitled to the Contractor and Van Availability Settlement, regardless of whether Contractor is called upon to pick-up or deliver packages outside Contractor's Primary Service Area. P&D contractors who utilize a tractor/trailer to perform P&D work, may elect to participate in the flex program, but will only receive the daily flex fee as specified in Addendum 3, on days they actually make a live pick-up or delivery stop. P&D trailer spots do not qualify for the daily flex fee.

10. HR 10 PLAN. At Contractor's election (which election shall be and may be changed annually during January of each year), Contractor may, provided Contractor meets the eligibility requirements for participation, adopt the Prototype Defined Contribution Retirement Plan created and sponsored by Merrill Lynch for self-employed individuals such as Contractor (hereinafter referred to as the "Plan"). Any contributions by Contractor shall be in such amounts as Contractor shall specify, not to exceed 15 percent of the "covered compensation," as that term is used in the Internal Revenue Code of 1986, as amended, of Contractor and his/her employees, shall be subject to any applicable limitations contained in the Plan, and shall be allocated to participant accounts as provided in the Plan.

11. TERM OF AGREEMENT.

11.1 Initial Term. This Agreement shall, at the election of Contractor, as indicated below, continue in full force and effect for an initial term of one or two years from the date this Agreement is signed.

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 17 of 23

Contractor hereby elects the following Agreement term :

- a) one year X
- b) two years

11.2 Renewal Terms. This Agreement shall automatically renew for successive terms of one year each after expiration of the initial term unless Contractor or FedEx Ground provides the other party notice of non-renewal in writing at least 30 days prior to the expiration of the initial term or any successive renewal term.

12. TERMINATION PROVISIONS.

12.1 Termination. This Agreement may be terminated during the initial term or during any renewal term hereof, as follows:

- (a) At any time, by mutual agreement of Contractor and FedEx Ground;
- (b) By FedEx Ground in the event that Paragraphs 3.2(a) or 3.2(b) apply;
- (c) By Contractor or FedEx Ground **if the other party breaches or fails to perform the contractual obligations imposed by this Agreement;**
- (d) By either party in the event that FedEx Ground:
 - (1) ceases to do business in all or part of the Station Service Area; or,
 - (2) as a result of a decline in business, reduces operations in all or part of the Station Service Area; or
- (e) By Contractor, upon 30 days' prior written notice to FedEx Ground. The parties hereto specifically recognize the damage to FedEx Ground, which is difficult to quantify, but which includes the cost of engaging and qualifying temporary operators and replacement equipment to service Contractor's Primary Service Area, if Contractor should terminate his/her service obligations hereunder without first giving notice as provided in this paragraph. Therefore, in the event of such unauthorized termination by Contractor (except in such termination is caused by the death or disability of Contractor) Contractor shall pay to FedEx Ground, as

liquidated damages, and not as a penalty, the sum of \$1,000. FedEx Ground may withhold such amount from Contractor's final settlement or from Contractor's Performance Escrow Account.

12.2 Obligations Upon Termination. Upon termination of this Agreement for any reason, Contractor agrees promptly to:

- (a) Return to FedEx Ground's station any trailers furnished by FedEx Ground for use in connection with the Equipment. If Contractor fails to return FedEx Ground's trailers to FedEx Ground's station, FedEx Ground shall be entitled to a rental charge of \$50 per day per trailer until said trailer is returned (each 24-hour period or fraction thereof being considered on day), and may deduct any such charges from Contractor's final settlement, or from Contractor's Performance Escrow Account;
- (b) Return to FedEx Ground any packages tendered for pick-up and/or delivery and any shipping papers, documents, collections, or other property of FedEx Ground in Contractor's possession;
- (c) Return to FedEx Ground any property of FedEx Ground furnished to Contractor pursuant to the Business Support Package; and
- (d) Remove and return or permanently mask (such as by painting over) all of FedEx Ground's vehicle identification from the Equipment.

FedEx Ground may withhold the return of any monies owed Contractor, including any balance remaining in Contractor's Performance Escrow Account, until Contractor completes the return of the items listed above.

12.3 Arbitration of Asserted Wrongful Termination. In the event FedEx Ground acts to terminate this Agreement (which acts shall include any claim by Contractor of constructive termination) and Contractor disagrees with such termination or asserts that the actions of FedEx Ground are not authorized under the terms of this Agreement, then each such disagreement (but no others) shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA) and judgment upon the award of the arbitrator may be rendered in any court having jurisdiction thereof, according to the following:

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 19 of 23

- (a) Written notice of a demand for arbitration must be mailed by Contractor to FedEx Ground and the AAA by certified mail within 90 days of the occurrence of the claimed wrongful termination. Failure to mail written notice of a demand for arbitration within such 90 day period and comply with all procedural requirements set forth in the Commercial Arbitration Rules of the AAA shall constitute an absolute bar to the institution of any proceedings and a waiver of the claimed wrongful termination. The copy of the demand sent to the American Arbitration Association will be addressed to 230 South Broad Street, 12th Floor, Philadelphia, PA 19102, with a request that the demand be forwarded to the appropriate AAA Regional Office.
- (b) The dispute shall be heard and determined by a single arbitrator, chosen pursuant to the procedures of the AAA.
- (c) The arbitrator shall set the date, time, and place for each hearing, and shall schedule the hearing and make his or her determination in an expeditious manner. Neither party shall be entitled to written or deposition discovery from the other, except with respect to damages.
- (d) As to any dispute or controversy which under the terms hereof is made subject to arbitration, no suit at law or in equity based on such dispute or controversy shall be instituted by either party hereto, other than a suit to confirm, enforce, vacate, modify or correct the award of the arbitrator as provided by law; provided, however, that this clause shall not limit FedEx Ground's right to obtain any provisional remedy including, without limitation, injunctive relief, writ for recovery or possession or similar relief, from any court of competent jurisdiction, as may be necessary in FedEx Ground's sole subjective judgment to protect its property rights.
- (e) The arbitrator shall have the authority only to conclude whether the termination of Contractor was within the terms of this Agreement, to determine damages if required to do so under this subparagraph, and to provide for the division of the AAA fees and AAA assessed expenses of the arbitration between the parties; provided, however, each party shall bear the cost of attorneys, expert witnesses, or other expenses incurred by that party, and the arbitrator shall have no authority to allocate or apportion such costs. If the arbitrator concludes the termination was

within the terms of this Agreement, the termination shall be effective on the date specified in the notice of termination from FedEx Ground to Contractor. If the arbitrator concludes the termination was not within the terms of this Agreement, then, at the option of FedEx Ground: (1) the Contractor shall be reinstated within a reasonable period of time, not to exceed 90 days from the company's receipt of the arbitrator's decision, and in that event shall be entitled to damages equal to the arbitrator's determination of what Contractor's net earnings (after payment of all expenses which are borne by Contractor pursuant to this Agreement) would have been during the period between the date of termination and the date of reinstatement; or (2) Contractor shall nevertheless be terminated, and, in that event, shall be entitled to damages equal to the arbitrator's determination of what Contractor's net earnings (after payment of all expenses which are borne by Contractor pursuant to this Agreement) would have been during the period between the date of termination to the last day of the term of this Agreement (without any renewals). Contractor shall have no claim for damages in any other amount, and the arbitrator shall have no power to award punitive or any other damages.

- (f) The arbitrator shall provide the parties with only a written determination of the outcome of the arbitration, without accompanying opinion, and shall have not authority to alter, amend or modify any of the terms and conditions of this Agreement, and further, the arbitrator may not enter any award which alters, amends or modifies the terms or conditions of this Agreement in any form or manner.

13. MERGER OF UNDERSTANDING. This Agreement, the Addenda hereto, and the Attachments to the Addenda, constitute the entire agreement and understanding between the parties and, when executed, shall constitute a revocation of any earlier Contractor Operating Agreement between the parties. This Agreement, the Addenda and Attachments shall not be modified, altered, changed or amended in any respect unless in writing and signed by both parties.

14. CAPTIONS. Captions appearing in this Agreement are for convenience only and do not in any way limit, amplify, modify or otherwise affect the terms and provisions of this Agreement.

15. SAVINGS CLAUSE. If any part of this Agreement is declared unlawful or unenforceable, the remainder of this Agreement shall remain in full force and effect.

16. FAILURE TO ENFORCE. Failure of either party to enforce strictly any provision of this Agreement shall not be construed as a waiver thereof or as excusing the other party from future performance.

17. FORCE MAJEURE. The performance of the obligations of this Agreement on the part of either FedEx Ground or the Contractor shall be excused by reason of closing of public highways, changes in customer shipping and/or receiving requirements, strikes or work stoppages, weather conditions which make operations unsafe or impractical, Acts of God, or temporary or permanent cessation of business by FedEx Ground within the Station Service Area. *

18. ASSIGNMENT. This Agreement shall be binding upon and enure to the benefit of the parties to this Agreement and their assignees. FedEx Ground shall have the right to assign its rights and obligations hereunder to an affiliate of FedEx Ground. Provided Contractor is in good standing hereunder, Contractor shall, with 30 days' prior written notice to FedEx Ground, have the right to assign his/her rights and obligations hereunder to a replacement contractor acceptable to FedEx Ground as being qualified to provide the services of Contractor under this Agreement (the "Replacement Contractor"), and, provided Contractor or Contractor's representative continues to provide service under this Agreement up to the effective date of such assignment, FedEx Ground shall thereupon enter into a new agreement with Replacement Contractor on substantially the same terms and conditions as herein contained. In addition, in the event of the death or disability of Contractor, Contractor or his/her representative shall have a period of 30 days from and after such death or disability to secure a qualified Replacement Contractor to whom Contractor's rights and obligations may be assigned. Any consideration to be paid by Replacement Contractor on account of such assignment shall be strictly a matter of agreement between Contractor (or Contractor's representative) and Replacement Contractor. As a matter of accommodation to Contractor, FedEx Ground at its sole discretion, may agree, upon receipt of written instructions from Contractor and Replacement Contractor, to collect such consideration from Replacement Contractor by means of deductions from Replacement Contractor's weekly settlements for a period not to exceed one year, and promptly to remit such amounts to Contractor or his/her representative. FedEx Ground shall have no other obligations whatsoever either to secure a Replacement Contractor for the benefit of Contractor, or to assure any payment to Contractor on account of Contractor's assignment of this Agreement.

19. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

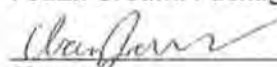
FXG P & D IC Version 2012.08.04

Operating Agreement

CONTRACTOR ACKNOWLEDGES AND REPRESENTS THAT CONTRACTOR HAS READ AND FULLY UNDERSTANDS THE PROVISIONS OF THIS AGREEMENT, AND HAS HAD SUFFICIENT TIME AND OPPORTUNITY TO CONSULT WITH PERSONAL FINANCIAL, TAX AND LEGAL ADVISORS PRIOR TO EXECUTING THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto enter into and execute this Agreement this 27th day of July, 2013, at 871.

FedEx Ground Package System, Inc.:


Signature

7-27-13
Signature Date

Clark Johnson
Printed Name

P&D Manager
Title

Contractor:


Signature

7/27/2013
Signature Date

Jaime Arroyo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 23 of 23

ADDENDUM 1

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

IDENTIFICATION OF LEASED EQUIPMENT *

| FedEx Ground Unit Number | Vehicle Make | Vehicle Year | Body Type | VIN | Number Axles | Vehicle Type |
|-----------------------------------|-----------------|-----------------|--------------|-------------------|-----------------|-----------------|
| 300725 | GMC | 2005 | VAN | 1GDJG31V951907841 | 2 | Van |

Pursuant to Section 13 of the FedEx Ground Package System, Inc. Pick-Up and Delivery Contractor Operating Agreement ("Agreement") entered into between FedEx Ground and the undersigned Contractor, Contractor and FedEx Ground hereby amend the Agreement as follows:

Notwithstanding anything to the contrary in Section 1.2 of the Agreement, Contractor may specify systematic vehicle-specific maintenance intervals different from the periodic maintenance schedule recommended by the equipment manufacturer, which shall be accepted by FedEx Ground, provided maintenance intervals comply with applicable D.O.T. safety regulations, including 49 C.F.R. §§396.5 and 396.7, which require all vehicles to be properly lubricated and free of oil and fuel leaks, and which forbid operation of a vehicle in such a condition as to likely cause an accident or breakdown. Any such alternative vehicle maintenance intervals shall be specified on Contractor's Monthly Maintenance Record submissions.

*This listing should include all primary vehicles and supplemental vehicles. For the specific settlement items applicable to primary and supplemental vehicles, see Addendum 3.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

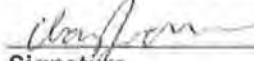
Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 1 of 2

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes the same previously executed Addenda and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature

7-27-13
Signature Date

Charles L. Johnson
Printed Name

Pro Manager
Title

Contractor:


Signature

7/27/2013
Signature Date

Jaime Armijo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 2 of 2

ADDENDUM 2**PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT****WORK ACCIDENT, WORKERS' COMPENSATION AND NON-TRUCKING LIABILITY****MINIMUM INSURANCE COVERAGE REQUIREMENTS**

Pursuant to Section 13 of the FedEx Ground Package System, Inc. Pick-Up and Delivery Contractor Operating Agreement ("Agreement") entered into between FedEx Ground and the undersigned Contractor, Contractor and FedEx Ground hereby amend the Agreement as follows:

3.1 Non-Trucking Liability Coverage – Contractor Responsibility. Contractor agrees to obtain and keep in force at all times a policy of public liability (automobile/truckers/bodily injury and property damage insurance) insurance with deductible limits no greater than \$500 per occurrence, to cover all costs, losses and expenses arising from operation of the Equipment, unless used in the business of anyone to whom the Equipment is rented or while used to carry property in any business, in amounts not less than \$1,000,000 per occurrence. Contractor shall provide FedEx Ground with Certificate(s) of Insurance evidencing such coverage naming FedEx Ground an additional insured and providing FedEx Ground 30 days' prior written notice of cancellation or material change. Contractor will be solely responsible for all deductible amounts and for any loss or damage in excess of the policy limits and for any claim excluded from such policy coverage.* Minimum coverage requirements are listed below in this Addendum 2.

3.3 Public Liability – Contractor's Responsibility. At any time that FedEx Ground discovers that Contractor or an operator engaged by Contractor to drive the Equipment fails to meet FedEx Ground's Safe Driving Standards as published from time to time and made part of this Agreement, as determined by FedEx Ground, Contractor shall obtain, effective not later than 30 days after receiving notice from FedEx Ground, and continually thereafter maintain, an additional policy of public liability automobile/truckers bodily injury and property damage insurance coverage with deductible limits no greater than \$500, that indemnifies and reimburses FedEx Ground for a combined single limit of not less than \$2,000,000. Additionally, Contractor shall obtain and continually thereafter maintain a policy of insurance for cargo loss and damage risk that indemnifies FedEx Ground, for an amount not less than \$40,000 per vehicle, with deductible limits not greater than \$250. Contractor shall provide FedEx Ground with Certificate(s) of Insurance evidencing all such coverage naming FedEx Ground an additional insured and providing FedEx Ground 30 days' prior written notice of cancellation or material change.

3.5 Contractor's Responsibility for Certain Losses. The first paragraph of Article 3.5 of the Agreement is amended to read as follows: "The following indemnities constitute an exception to the provision for risk protection to Contractor provided in subsection 3.2. Indemnities set forth below shall be made via settlement deduction. Any deduction authorized here shall be made based on the actual amount of damages paid or incurred by FedEx Ground and such deductions pursuant to this paragraph and Addendum 3 shall be itemized and explained by FedEx Ground. During the term of this Agreement and thereafter, Contractor agrees to indemnify and save FedEx Ground harmless against liabilities as follows:"

3.6 Work Accident and Workers' Compensation. Contractor agrees to obtain and keep in force at all times during this Agreement workers' compensation insurance covering all of Contractor's personnel providing services under the Agreement. As an alternative, but only to the extent allowed under law, Contractor may obtain work accident insurance to cover Contractor's Authorized Officer, as that position is defined in Addendum 16, (but not Contractor's personnel), provided the applicable workers' compensation law entitles Contractor's Authorized Officer the option to remain without workers' compensation insurance. However, Contractor must obtain workers' compensation insurance for all personnel in any state that, by statute, regulation, order or agreement with Carrier, does not recognize work accident coverage. At Contractor's option,

Entity ID: V0014069

Entity Name: JAIMES ELEGANT P&D CORPORATION

Contract Number: C7670410

Station Number: 00871

Print Date: 07/27/2013

Page 1 of 4

the required work accident and/or workers' compensation insurance may be obtained under a policy facilitated by FedEx Ground (to the extent made available by the insurer) or through a separate source. All work accident and/or workers' compensation insurance shall be, at minimum, written by an insurance carrier or state monopolistic fund licensed to provide and providing such coverage in the state where the Contractor is domiciled and any other state as required by law. All work accident insurance shall include an endorsement, contractual promise or companion policy issued by the insurer or its affiliate covering workers' compensation risks, if any, of the Contractor. Contractor shall provide FedEx Ground with a Certificate of Insurance evidencing such coverage naming FedEx Ground an additional insured and providing FedEx Ground 30 days' prior written notice of cancellation or material change. In states that require that workers' compensation coverage be obtained only through participation in the state fund (the so-called monopolistic states), Contractor agrees to provide carrier or its designate with written authorization, acceptable to the state, which will allow Carrier or its designate to verify that Contractor is reporting payroll to the state fund. Minimum coverage requirements are listed below in this Addendum 2.

3.7 Minimum Insurance Qualifications. The parties agree, regardless of any conflicting provisions in the Agreement, that all insurance provided pursuant to this Agreement shall be provided by an insurance company qualified to write such coverage in the state(s) where the Equipment is operated, and rated A- Class IX or better by A.M. Best Co.

3.8 Coverage Facilitated by FedEx Ground. Contractor may, if Contractor and FedEx Ground mutually agree, have FedEx Ground facilitate, on Contractor's behalf, the insurance coverages required or made optional by the Agreement. In any such case, Contractor authorizes FedEx Ground to deduct, from Contractor's settlement, amounts reflecting all of FedEx Ground's expense and cost in obtaining and administering such coverage. Contractor recognizes that FedEx Ground is not in the business of selling insurance, and any insurance coverage requested by Contractor and facilitated by FedEx Ground is subject to all of the terms, conditions, and exclusions of the actual policy issued by the insurance underwriter. FedEx Ground shall ensure that Contractor is provided with a certificate of insurance (as required by 49 C.F.R. § 376.12(j)(2)) for each insurance policy under which the Contractor has authorized FedEx Ground to facilitate insurance coverage from the insurance underwriter (each such certificate to include the name of the insurer, the policy number, the effective dates of the policy, the amounts and types of coverage, the cost to Contractor for each type of coverage, and the deductible amount for each type of coverage for which Contractor may be liable), and FedEx Ground shall ensure that Contractor is provided with a copy of each policy upon request.

3.9 Other Insurance. In addition to the insurance coverages required under the Agreement, it is Contractor's responsibility to procure, carry, and maintain any fire, theft, uninsured and/or underinsured motorist, physical damage (collision), and any other insurance coverage that Contractor may desire for the Equipment or for Contractor's life, health care, dental care, vision care, or other needs. Contractor holds FedEx Ground harmless with respect to loss of or damage to Contractor's Equipment or other property, and FedEx Ground has no responsibility to procure, carry or maintain any insurance coverage covering loss of or damage to Contractor's Equipment or other property. Contractor acknowledges that FedEx Ground may, and Contractor hereby authorizes FedEx Ground to, waive, reject, or reduce no-fault, uninsured and underinsured motorist coverage from FedEx Ground's insurance policies to the full extent allowed under applicable law, and Contractor shall cooperate in the completion of all necessary documentation for such waiver, election, rejection, or reduction.

FXG P & D IC Version 2012.08.04

Addendum 2

| WORK ACCIDENT INSURANCE | |
|----------------------------------|---|
| COVERAGE | LIMITS |
| Disability | 66 2/3 % of net earnings payable weekly as defined in the policy |
| Disability Benefit Period | 10 years, with \$208,000 maximum payout |
| Medical | \$750,000 maximum payout, reasonable and customary expenses |
| Medical Benefit Period | 10 years, with \$750,000 maximum payout, reasonable and customary expenses |
| Loss of Life | 55% of net earnings payable weekly as defined in the policy |
| Loss of Life Benefit Period | 10 years |
| Loss of Life Amount | \$166,400 |
| Co-insurance | 0 |
| Deductible | 0 |
| Contingent Workers' Compensation | Full statutory benefits required, except in monopoly states |
| Minimum A.M. Best Co. Rating | A-, Class IX or better |
| Alternative Coverage | Workers' compensation coverage through a state fund or by an insurer rated A-, Class IX or better by A.M. Best Co. and licensed in Contractor's domicile state(s) |

| NON-TRUCKING LIABILITY AND PHYSICAL DAMAGE | |
|--|--|
| COVERAGE | LIMITS |
| Auto liability | \$1,000,000 combined single unit |
| Non-trucking liability | Required |
| Physical Damage | Stated value or actual cash value, whichever is less |
| Comprehensive Deductible | \$500.00 |
| Collision Deductible | \$500.00 |
| Additional Insured | FedEx Ground must be named |
| Minimum A.M. Best Co. Rating | A-, Class IX or better |

Entity ID: V0014069

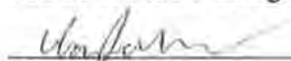
Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 3 of 4

FXG P & D IC Version 2012.08.04

Addendum 2

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes the same previously executed Addenda and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature

7-27-13
Signature Date

Clark Johnson
Printed Name

P&D Manager
Title

Contractor:


Signature

7/27/2013
Signature Date

Jaime Arroyo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 4 of 4

ADDENDUM 3**PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT****SETTLEMENT**

Contractor agrees to submit accurate and complete information to FedEx Ground necessary for FedEx Ground to determine the Settlement payable to Contractor pursuant to the terms and conditions of the Agreement. FedEx Ground agrees to settle as follows with Contractor at station 00871 for performance of contractual obligations imposed by this Agreement based on the vehicle type and fuel type identified on Addendum 4 for each PSA:

I. Package Pick-Up and Delivery Settlement

- A. **Delivery** Settlement **per stop** at each recipient or other authorized location for the purpose of delivering package(s).

Vehicle Type:

| | | |
|------------------|------------------|--------------------|
| Van: | \$1.69 per stop, | \$0.28 per package |
| Straight Truck: | \$1.58 per stop, | \$0.35 per package |
| Tractor Trailer: | \$1.97 per stop, | \$0.36 per package |

- B. Package **Pick-up** Settlement **per stop** at each shipper or other authorized location for the purpose of picking up a package(s) for delivery elsewhere.

Vehicle Type:

| | |
|------------------|-----------------|
| Van: | \$1.95 per stop |
| Straight Truck: | \$1.67 per stop |
| Tractor Trailer: | \$2.11 per stop |

| | Van: | Straight Truck: | Tractor Trailer: |
|----------------------------------|---------|-----------------|------------------|
| 1st - 50th package per stop | \$0.220 | \$0.220 | \$0.160 |
| 51st - 100th package per stop | \$0.180 | \$0.160 | \$0.130 |
| 101st - 200th package per stop | \$0.148 | \$0.050 | \$0.050 |
| 201st - 300th package per stop | \$0.136 | \$0.050 | \$0.050 |
| 301st - 400th package per stop | \$0.124 | \$0.050 | \$0.050 |
| 401st - 500th package per stop | \$0.112 | \$0.050 | \$0.050 |
| 501st - 99999th package per stop | \$0.100 | \$0.050 | \$0.050 |

- Each package picked up on a van or straight truck must be scanned to qualify for the applicable package settlement, unless an exception has been approved by FedEx Ground.
- Meet and Greet

In connection with new account start-ups, Contractor may be asked to visit a location in its PSA(s) to introduce the customer to FXG and to explain shipping procedures ("Meet and Greet"). Contractor may decline to perform Meet and

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 1 of 7

Greet services. For each requested Meet and Greet that Contractor performs, FXG agrees to pay Contractor for a pickup at the rate set forth above in section I.B. for a van, straight truck or tractor, whichever applies.

- C. Premium Settlement Components - Contractor will be paid the following premium stop and/or package settlement in addition to the stop and package settlement set forth in A and B above:

1. Late Scheduled Pick-up Stop Settlement (for pickups scheduled at 6:00pm or later and completed by Contractor at 6:00pm or later)

Straight Truck: \$1.00 per stop

Package Van: \$1.00 per stop

2. C.O.D. Delivery Settlement – An additional \$0.30 for each delivery of a package bearing a valid C.O.D. label or identified by COD service code in the scanner.

Additional settlement will be paid for delivery of shipper designated CASH C.O.D. packages, in the amount of 1.00% of the CASH C.O.D. amount collected or \$2.50, whichever is greater, to a maximum of \$7.50.

Delivery stop settlement for the first C.O.D. "no money" stop will be paid, provided that the stop is scanned and logged and the recipient's signature is obtained.

3. Call Tag Settlement – \$0.50 for each package serviced in response to a validly issued Call Tag, in addition to the Delivery Stop and Package settlement paid for the Call Tag as set forth in I.A., above.

Delivery stop settlement for the first Call Tag "not ready" stop will be paid, provided that stop is scanned and logged and the recipient's signature is obtained.

- D. Mileage-Based Settlement Components – To ensure the accuracy of any compliance reporting obligations of the parties and settlement which is based in whole or in part on the mileage of Contractor's vehicle(s), Contractor agrees to report actual mileage based on the vehicle's OEM odometer. Actual mileage reporting is required for each day that the Contractor provides services under the Agreement. If vehicle's odometer is repaired or replaced, or if another device which has been mutually agreed upon by Contractor and FedEx Ground for reporting mileage is utilized, Contractor agrees that such device's accuracy shall be at least equivalent to the vehicle's OEM odometer. Contractor agrees to accurately track and report the actual mileage of equipment incurred while providing services under the Agreement to FedEx Ground.

1. Daily Mileage Settlement – For each mile driven daily in excess of 200 miles on a day, the following settlement will be paid:

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 2 of 7

| Miles | Rate per mile |
|-----------|---------------|
| 201 - 250 | \$0.400 |
| 251 - 300 | \$0.450 |
| 301 - 999 | \$0.550 |

This Daily Mileage Settlement does not apply to straight trucks, tractors or supplemental vehicles. Miles incurred during shuttle runs or spotted trailer pick-ups and deliveries are also excluded from this settlement.

2. Fuel/Mileage Settlement:

Contractors will be paid an additional mileage settlement corresponding to fuel price increases or decreases as determined from the table(s) shown below, based on the primary vehicle and fuel type (gasoline or diesel) associated with the PSAs shown on Addendum 4. If the fuel price per gallon goes above or below the figures shown in the table(s) below, the corresponding settlement per mile will continue to increase or decrease by the same increment reflected in the applicable table(s).

Vans Table

| | | | | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$2.55 | \$2.65 | \$2.75 | \$2.85 | \$2.95 | \$3.05 | \$3.15 | \$3.25 | \$3.35 | \$3.45 | \$3.55 |
| Settlement Per Mile | \$0.1375 | \$0.1475 | \$0.1575 | \$0.1675 | \$0.1775 | \$0.1875 | \$0.1975 | \$0.2075 | \$0.2175 | \$0.2275 | \$0.2375 |

| | | | | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$3.65 | \$3.75 | \$3.85 | \$3.95 | \$4.05 | \$4.15 | \$4.25 | \$4.35 | \$4.45 | \$4.55 | \$4.65 |
| Settlement Per Mile | \$0.2475 | \$0.2575 | \$0.2675 | \$0.2775 | \$0.2875 | \$0.2975 | \$0.3075 | \$0.3175 | \$0.3275 | \$0.3375 | \$0.3475 |

| | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$4.75 | \$4.85 | \$4.95 | \$5.05 | \$5.15 | \$5.25 |
| Settlement Per Mile | \$0.3575 | \$0.3675 | \$0.3775 | \$0.3875 | \$0.3975 | \$0.4075 |

Straight Trucks Table

| | | | | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$2.55 | \$2.65 | \$2.75 | \$2.85 | \$2.95 | \$3.05 | \$3.15 | \$3.25 | \$3.35 | \$3.45 | \$3.55 |
| Settlement Per Mile | \$0.1719 | \$0.1844 | \$0.1969 | \$0.2094 | \$0.2219 | \$0.2344 | \$0.2469 | \$0.2594 | \$0.2719 | \$0.2844 | \$0.2969 |

| | | | | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$3.65 | \$3.75 | \$3.85 | \$3.95 | \$4.05 | \$4.15 | \$4.25 | \$4.35 | \$4.45 | \$4.55 | \$4.65 |
| Settlement Per Mile | \$0.3094 | \$0.3219 | \$0.3344 | \$0.3469 | \$0.3594 | \$0.3719 | \$0.3844 | \$0.3969 | \$0.4094 | \$0.4219 | \$0.4344 |

| | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$4.75 | \$4.85 | \$4.95 | \$5.05 | \$5.15 | \$5.25 |
| Settlement Per Mile | \$0.4469 | \$0.4594 | \$0.4719 | \$0.4844 | \$0.4969 | \$0.5094 |

Tractors Table

| | | | | | | | | | | | |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fuel Price | \$1.25 | \$1.35 | \$1.45 | \$1.55 | \$1.65 | \$1.75 | \$1.85 | \$1.95 | \$2.05 | \$2.15 | \$2.25 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 3 of 7

FXG P & D IC Version 2012.08.04

Addendum 3

| | | | | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Settlement Per Mile | \$0.0112 | \$0.0284 | \$0.0456 | \$0.0628 | \$0.0800 | \$0.0972 | \$0.1144 | \$0.1316 | \$0.1488 | \$0.1660 | \$0.1832 |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|

| | | | | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$2.35 | \$2.45 | \$2.55 | \$2.65 | \$2.75 | \$2.85 | \$2.95 | \$3.05 | \$3.15 | \$3.25 | \$3.35 |
| Settlement Per Mile | \$0.2004 | \$0.2176 | \$0.2348 | \$0.2520 | \$0.2692 | \$0.2864 | \$0.3036 | \$0.3208 | \$0.3380 | \$0.3552 | \$0.3724 |

| | | | | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$3.45 | \$3.55 | \$3.65 | \$3.75 | \$3.85 | \$3.95 | \$4.05 | \$4.15 | \$4.25 | \$4.35 | \$4.45 |
| Settlement Per Mile | \$0.3896 | \$0.4068 | \$0.4240 | \$0.4412 | \$0.4584 | \$0.4756 | \$0.4928 | \$0.5100 | \$0.5272 | \$0.5444 | \$0.5616 |

| | | | | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$4.55 | \$4.65 | \$4.75 | \$4.85 | \$4.95 | \$5.05 | \$5.15 | \$5.25 | \$5.35 | \$5.45 | \$5.55 |
| Settlement Per Mile | \$0.5788 | \$0.5960 | \$0.6132 | \$0.6304 | \$0.6476 | \$0.6648 | \$0.6820 | \$0.6992 | \$0.7164 | \$0.7336 | \$0.7508 |

| | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|
| Fuel Price | \$5.65 | \$5.75 | \$5.85 | \$5.95 | \$6.05 |
| Settlement Per Mile | \$0.7680 | \$0.7852 | \$0.8024 | \$0.8196 | \$0.8368 |

The mileage of supplemental vehicle(s) listed on Addendum 1 (and rental vans not listed on Addendum 1) will be included in the calculation of this additional fuel/mileage settlement based on the actual vehicle type driven as shown on Addendum 1. If the actual vehicle type is not available on Addendum 1, the calculation will be based on the vehicle number entered into the scanner or, if the vehicle number is not valid or identifiable by FedEx Ground, the primary vehicle and fuel type (gasoline or diesel) associated with the PSAs shown on Addendum 4.

For Contractors not domiciled at or near a FedEx Ground fuel station as shown on Addendum 4, the station's fuel price per gallon (gasoline or diesel) for the purposes of the Fuel/Mileage Settlement calculation will be the weekly average self-service cash price in the Zip Code in which the station is physically located based on the weekly fuel price data provided by Oil Price Information Source (OPIS is a third party vendor) for the station. This will apply to Contractors with vans, straight trucks and tractors.

If the average self-service cash price for the Zip Code in which the contractor's station is physically located cannot be determined from the weekly fuel price data proved by OPIS, the station's fuel price per gallon will be the weekly average self-service cash price for all Zip Codes serviced by the station, for which the weekly fuel price data is provided by OPIS for the station.

If the average self-service price cannot be determined using either of the two methods set forth above, the station's fuel price per gallon will be the lowest self-service cash price available in the Zip Code in which the station is located, as monitored and provided weekly by station management to Contractor Settlement.

If Contractor is deemed to be domiciled at a FedEx Ground fuel station, as shown on Addendum 4, the diesel fuel price for purposes of the Fuel/Mileage Settlement calculation will be based on the weekly FXG fuel station price.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 4 of 7

- E. Spotted Trailer Settlement – See Attachment 3.1 to this Addendum.
- F. At a designated contractor sort station, Contractor will be paid at the following rates per package for each package processed on the specified sort in which Contractor participates, prorated based on the number of participants in the sort.

| Sort Type | Rate |
|-----------|------|
| IB | \$ |
| OB | \$ |

- G. Shuttle Settlement – See Attachment 3.2 to this Addendum 3.
- H. Miscellaneous Payment(s) of and Deductions from Settlement.

FedEx Ground may reimburse Contractor for certain expenses incurred when FedEx Ground requests services beyond those identified in the Agreement and Contractor chooses to provide such services.

FedEx Ground may deduct from Contractor's settlement agreed upon charges (including applicable sales taxes) for fuel, fuel products and additives purchased at FedEx Ground fueling stations that are not made on FedEx Ground issued fuel cards; for the rental of company-owned vehicles including any fuel used and not replaced, for the rental of vehicles from third parties; for PrePass permits; for EZ Pass or Fast Pass permits; and for any other agreed upon items.

II. Contractor and Van Availability Settlement

- A. Van availability settlement of \$55.00 for each business day that Contractor makes a van or straight truck and a qualified driver available and provides pick-up or delivery services under the Agreement. Tractors and supplemental vans are not eligible for this daily van availability settlement.

- III. **Temporary Core Zone Density Settlement.** See Attachment 3.3 to this Addendum 3.
- IV. **Added Service Settlement** – See Attachment 3.4 to this Addendum 3.
- V. **Performance of Linehaul Work** – See Attachment 3.5 to this Addendum 3.
- VI. **Daily Core Zone Density Settlement** -- See Attachment 3.7 to this Addendum 3.
- VII. **PEAK Performance Bonus Program** – See Attachment 3.8 to this Addendum 3.
- VIII. **FHD PEAK Package Delivery Bonus** – See Attachment 3.9 to this Addendum 3.
- IX. **Extra Days PEAK Package Premium Bonus** – See Attachment 3.10 to this Addendum 3.

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 5 of 7

- X. **Point-to-Point Flat Rates** – See Attachment 3.11 to this Addendum 3.
- XI. **Enhanced Primary Plus** – See Attachment 3.12 to this Addendum 3.
- XII. **Flex Program** – See Attachment 3.14 to this Addendum 3.
- XIII. **Fuel Card Purchase Program and Agreement** – See Attachment 3.15 to this Addendum 3.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 6 of 7

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes the same previously executed Addenda and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-2013
Signature DateCharles Johnson
Printed NamePr D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Arroyo
Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 7 of 7

ATTACHMENT 3.1 TO ADDENDUM 3

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

SPOTTED TRAILER SETTLEMENTS

- I. Spotted Trailer Settlements change frequently due to the addition of new shipper accounts. Spotted Trailer Settlements are posted and available for viewing at all hub and station locations. Copies of Spotted Trailer Settlements will be provided upon request, and will be posted on the contractor website at <http://mygroundbiz.com>.
- II. When a trailer is spotted, or a previously spotted trailer is picked up, and no other pick-ups and/or deliveries are performed en route to or from the station, FedEx Ground will pay Contractor the full Spotted Trailer Settlement.
- III. Spotted Trailer Live Load Minimum – FedEx Ground agrees to pay Contractor a minimum of live settlement or \$10/live-designated customer site for each stop made in which at least one live package is reported while performing a combination spot.

EXAMPLE:

ABC Inc./XYZ Ltd./LMN Corp. – Spot Rate = \$55.50

ABC Inc. – Spotted Account – No live Settlement

XYZ Ltd. – Live Load – 150 live packages x \$0.05/package = \$7.50 (would pay \$10 minimum)

LMN Corp. – Live Load – 500 live packages x \$0.05/package = \$25.00

Settlement = \$55.50 + \$10.00 + \$25.00 = \$90.50

- IV. FedEx Ground agrees to pay Contractor half Spotted Trailer settlement per account when a trailer is spotted (or a previously spotted trailer is picked up) and pick-ups and/or deliveries are made en route either to or from the station.
- V. Contractor will continue to be paid a Spotted Trailer Settlement as stated above. The Fuel/Mileage Settlement paid in connection with the miles associated with the spot will be reported to Contractor as part of the Spotted Trailer Settlement, with such payment to be determined according to where the tractor is domiciled.

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-2013
Signature DateClark K. Johnson
Printed NamePOD manager
Title

Contractor:


Signature7/27/2013
Signature DateRene Arroyo
Printed NamePresident
Title

FXG P & D IC Version 2012.08.04

Attachment 3.2 to Addendum 3

ATTACHMENT 3.2 TO ADDENDUM 3

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

SHUTTLE SETTLEMENTS

| <u>Origin/Destination</u> | <u>PV</u> | <u>ST</u> | <u>Econo</u> | <u>TT</u> | <u>Handling (\$)/Pkg</u> |
|---------------------------|-----------|-----------|--------------|-----------|--------------------------|
|---------------------------|-----------|-----------|--------------|-----------|--------------------------|

Contractor must have a contracted PSA with P&D activity in order to perform shuttle runs. There is no proprietary interest in shuttle runs.

Notes: Settlement is composite amount, which includes drops, hooks, and other activities related to picking up or delivering equipment at the above locations. The Fuel/Mileage Settlement will be paid based upon the miles associated with a shuttle run and will be reported to Contractor as part of the Fuel/Mileage Settlement.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D,
CORPORATION

Station Number: 00871


Page 1 of 2

FXG P & D IC Version 2012.08.04

Attachment 3.2 to Addendum 3

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7/27/2013
Signature DateClarice Johnson
Printed NameP&D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Armijo
Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 2 of 2

FXG P & D IC Version 2012.08.04

Attachment 3.3 to Addendum 3

ATTACHMENT 3.3 TO ADDENDUM 3

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

TEMPORARY CORE ZONE DENSITY SETTLEMENT

| Package Van | | | Straight Truck | | | Tractor Trailer | | | |
|-------------|----------|------------|--------------------------|---------|------------|--------------------------|---------|------------|--------------------------|
| CORE ZONE | TCZDS | TCZDS PLUS | SINGLE CZ STOP THRESHOLD | TCZDS | TCZDS PLUS | SINGLE CZ STOP THRESHOLD | TCZDS | TCZDS PLUS | SINGLE CZ STOP THRESHOLD |
| 110 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 120 | \$12.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 130 | \$20.00 | \$5.00 | 60 | \$6.00 | \$5.00 | 45 | \$0.00 | \$5.00 | 5 |
| 140 | \$16.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 144 | \$53.00 | \$5.00 | 60 | \$2.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 210 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 45 | \$0.00 | \$5.00 | 5 |
| 220 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 221 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 230 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 231 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 235 | \$25.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 310 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 330 | \$20.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 335 | \$21.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 340 | \$5.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 410 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 420 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 430 | \$0.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 440 | \$15.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 450 | \$16.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 600 | \$101.00 | \$5.00 | 45 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 610 | \$113.00 | \$5.00 | 45 | \$73.00 | \$5.00 | 20 | \$64.00 | \$5.00 | 5 |
| 620 | \$143.00 | \$5.00 | 20 | \$32.00 | \$5.00 | 20 | \$9.00 | \$5.00 | 5 |
| 630 | \$145.00 | \$5.00 | 20 | \$5.00 | \$5.00 | 30 | \$2.00 | \$5.00 | 5 |
| 635 | \$139.00 | \$5.00 | 20 | \$32.00 | \$5.00 | 20 | \$9.00 | \$5.00 | 5 |
| 640 | \$144.00 | \$5.00 | 20 | \$32.00 | \$5.00 | 20 | \$19.00 | \$5.00 | 5 |
| 645 | \$128.00 | \$5.00 | 30 | \$32.00 | \$5.00 | 20 | \$32.00 | \$5.00 | 5 |
| 700 | \$104.00 | \$5.00 | 45 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 705 | \$76.00 | \$5.00 | 45 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 710 | \$120.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 30 | \$2.00 | \$5.00 | 5 |
| 720 | \$44.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 725 | \$68.00 | \$5.00 | 45 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 730 | \$77.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 740 | \$105.00 | \$5.00 | 30 | \$36.00 | \$5.00 | 20 | \$1.00 | \$5.00 | 5 |
| 780 | \$148.00 | \$5.00 | 20 | \$82.00 | \$5.00 | 20 | \$66.00 | \$5.00 | 5 |
| 785 | \$138.00 | \$5.00 | 20 | \$87.00 | \$5.00 | 20 | \$73.00 | \$5.00 | 5 |
| 791 | \$134.00 | \$5.00 | 20 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 792 | \$88.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 |
| 793 | \$142.00 | \$5.00 | 20 | \$11.00 | \$5.00 | 20 | \$2.00 | \$5.00 | 5 |
| 800 | \$136.00 | \$5.00 | 20 | \$14.00 | \$5.00 | 20 | \$2.00 | \$5.00 | 5 |
| 805 | \$138.00 | \$5.00 | 20 | \$60.00 | \$5.00 | 20 | \$45.00 | \$5.00 | 5 |

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 1 of 6

FXG P & D IC Version 2012.08.04

Attachment 3.3 to Addendum 3

| CORE ZONE | TCZDS | | SINGLE CZ STOP THRESHOLD | | TCZDS | | SINGLE CZ STOP THRESHOLD | | TCZDS | | SINGLE CZ STOP THRESHOLD | |
|-----------|----------|--------|--------------------------|----------|--------|-----------|--------------------------|--------|-----------|-------|--------------------------|-----------|
| | TCZDS | PLUS | THRESHOLD | TCZDS | PLUS | THRESHOLD | TCZDS | PLUS | THRESHOLD | TCZDS | PLUS | THRESHOLD |
| 820 | \$142.00 | \$5.00 | 20 | \$83.00 | \$5.00 | 20 | \$73.00 | \$5.00 | 5 | | | |
| 895 | \$2.00 | \$5.00 | 60 | \$0.00 | \$5.00 | 30 | \$0.00 | \$5.00 | 5 | | | |
| 900 | \$120.00 | \$5.00 | 20 | \$127.00 | \$5.00 | 20 | \$118.00 | \$5.00 | 5 | | | |
| 903 | \$145.00 | \$5.00 | 20 | \$23.00 | \$5.00 | 20 | \$2.00 | \$5.00 | 5 | | | |
| 905 | \$151.00 | \$5.00 | 20 | \$122.00 | \$5.00 | 20 | \$111.00 | \$5.00 | 5 | | | |
| 910 | \$155.00 | \$5.00 | 15 | \$133.00 | \$5.00 | 20 | \$132.00 | \$5.00 | 5 | | | |
| 915 | \$156.00 | \$5.00 | 15 | \$133.00 | \$5.00 | 15 | \$142.00 | \$5.00 | 5 | | | |
| 920 | \$148.00 | \$5.00 | 15 | \$114.00 | \$5.00 | 20 | \$105.00 | \$5.00 | 5 | | | |
| 925 | \$162.00 | \$5.00 | 15 | \$147.00 | \$5.00 | 15 | \$154.00 | \$5.00 | 5 | | | |
| 930 | \$172.00 | \$5.00 | 15 | \$147.00 | \$5.00 | 15 | \$154.00 | \$5.00 | 5 | | | |

Core Zones are comprised of one or more five-digit ZIP Code areas. Single Core Zone Stop Threshold represents the level of activity for which FedEx Ground will pay full TCZDS in a single Core Zone.

Contractors having only one contracted PSA, as shown on Addendum 4 to this Agreement, will be paid the TCZDS stated above for their corresponding vehicle type (van, straight truck, or tractor). Contractors with more than one contracted PSA, as shown on Addendum 4 to this Agreement, will be paid the TCZDS stated above for their first contracted PSA (i.e., the PSA with the earliest in service date), and the sum of the TCZDS and the TCZDS PLUS for all subsequently contracted PSAs.

Contractor will be deemed to have two or more PSAs under contract, whether the PSAs are listed on the same Addendum 4 to a single operating agreement or on more than one Addendum 4 to more than one operating agreement.

If Contractor provides pick-up and/or delivery service in more than one Core Zone on any one day, Contractor's TCZDS (including TCZDS PLUS if applicable) for that day will be prorated between the Core Zones, taking into consideration the number of stops in each Core Zone for vans and tractor/trailers, and the package and stop settlement in each Core Zone for straight trucks.

Additionally, each Core Zone will be assigned a Single Core Zone Stop Threshold as shown above. If a Contractor provides pick-up and/or delivery service in more than one Core Zone on any one day, Contractor's Single Core Zone Stop Threshold for that day will be prorated between the Core Zones, taking into consideration the number of stops in each Core Zone for vans and tractor/trailers, and the package and stop settlement in each Core Zone for straight trucks. If the Contractor's total Stops for the day do not equal or exceed Contractor's total Weighted Stops, Contractor's total TCZDS will be prorated based on the ratio of Contractor's total Stops to total Weighted Stops.

Certain core zones contain additional money which will not be prorated in the total TCZDS. These Core Zones may be grouped together and the additional money will only be paid once for the entire group. TCZDS that contain extra money are posted on MyGroundBiz.com along with the core zone groups.

If Contractor drives at least 200 miles a day in a PSA in the primary vehicle Contractor has associated with the PSA (excluding supplemental vehicles), picks up and/or delivers in Core Zones where the difference between the highest and a lower TCZDS is \$35 or more, and has between 10 percent and 50 percent of its stops in the PSA's lower paying Core Zones, then the lower TCZDS(s) will be increased by \$35 if Contractor drives 200 to 249 miles a day (excluding supplemental vehicles), by \$40 if Contractor drives between 250 and 299 miles a day (excluding

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 2 of 6

FXG P & D IC Version 2012.08.04

Attachment 3.3 to Addendum 3

supplemental vehicles), and by \$45 if Contractor drives 300 or more miles a day (excluding supplemental vehicles). The TCZDSs (including TCZDS PLUS if applicable) will then be prorated as set forth above.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

**Entity Name: JAIMES ELEGANT P&D
CORPORATION**

Station Number: 00871

Page 3 of 6

FXG P & D IC Version 2012.08.04

Attachment 3.3 to Addendum 3

VAN

| Core Zone | Full TCZDS | Total Stops | Weight | TCZDS Paid | Single CZ Stop Threshold | Weight | Weighted Stops |
|-----------|------------|-------------|--------|------------|--------------------------|--------|----------------|
| 100 | \$10.00 | 40 | 0.4000 | \$4.00 | 60 | 0.4000 | 24.0 |
| 120 | \$20.00 | 40 | 0.4000 | \$8.00 | 60 | 0.4000 | 24.0 |
| 140 | \$50.00 | 20 | 0.2000 | \$10.00 | 30 | 0.2000 | 6.0 |
| | | | | | | | |
| | | 100 | | \$22.00 | | | 54.0 |

Result – TCZDS Paid is not prorated since $100 > 54$

| Core Zone | Full TCZDS | Total Stop | Weight | TCZDS Paid | Single CZ Stop Threshold | Weight * | Weighted Stops |
|-----------|------------|------------|--------|------------|--------------------------|----------|----------------|
| 100 | \$10.00 | 20 | 0.4000 | \$4.00 | 60 | 0.4000 | 24.0 |
| 120 | \$20.00 | 20 | 0.4000 | \$8.00 | 60 | 0.4000 | 24.0 |
| 140 | \$50.00 | 10 | 0.2000 | \$10.00 | 30 | 0.2000 | 6.0 |
| | | | | | | | |
| | | 50 | | \$22.00 | | | 54.0 |

Result – TCZDS Paid is prorated $\$22 \times 50/54 = \20.37 **Straight Truck**

| Core Zone | Full TCZDS | Total Stops | Pkg&Stp Settle. | Weight | TCZDS Paid | Single CZ Stop Threshold | Weight | Weighted Stops |
|-----------|------------|-------------|-----------------|--------|------------|--------------------------|--------|----------------|
| 100 | \$10.00 | 15 | \$49.64 | 0.4688 | \$4.69 | 30 | 0.4688 | 14.1 |
| 120 | \$20.00 | 10 | \$40.95 | 0.3868 | \$7.74 | 30 | 0.3868 | 11.6 |
| 140 | \$50.00 | 5 | \$15.29 | 0.1444 | \$7.22 | 15 | 0.1444 | 2.2 |
| | | | | | | | | |
| | | 30 | \$105.88 | | \$19.64 | | | 27.8 |

Result – TCZDS Paid is not prorated since $30 > 27.8$

| Core Zone | Full TCZDS | Total Stops | Pkg&Stp Settle. | Weight | TCZDS Paid | Single CZ Stop Threshold | Weight | Weighted Stops |
|-----------|------------|-------------|-----------------|--------|------------|--------------------------|--------|----------------|
| 100 | \$10.00 | 10 | \$35.25 | 0.3853 | \$3.85 | 30 | 0.3853 | 11.6 |
| 120 | \$20.00 | 10 | \$40.95 | 0.4476 | \$8.95 | 30 | 0.4476 | 13.4 |
| 140 | \$50.00 | 5 | \$15.29 | 0.1671 | \$8.36 | 15 | 0.1671 | 2.5 |
| | | | | | | | | |
| | | 25 | \$91.49 | | \$21.16 | | | 27.5 |

Result – TCZDS Paid is prorated $\$21.16 \times 25/27.5 = \19.24

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 4 of 6

FXG P & D IC Version 2012.08.04

Attachment 3.3 to Addendum 3

Tractor – Live P&D Only

| Core Zone | Full TCZDS | Total Stop | Weight | TCZDS Paid | Single CZ Stop Threshold | Weight | Weighted Stops |
|-----------|------------|------------|--------|------------|--------------------------|--------|----------------|
| 100 | \$20.00 | 1 | 0.1667 | \$3.33 | 5 | 0.1667 | 0.8 |
| 120 | \$20.00 | 1 | 0.1667 | \$3.33 | 5 | 0.1667 | 0.8 |
| 140 | \$10.00 | 4 | 0.6667 | \$6.67 | 5 | 0.6667 | 3.3 |
| | | 6 | | \$13.33 | | | 5.0 |

Result – TCZDS Paid = \$13.33 (Not prorated since 6 > 5)

| Core Zone | Full TCZDS | Total Stop | Weight | TCZDS Paid | Single CZ Stop Threshold | Weight | Weighted Stops |
|-----------|------------|------------|--------|------------|--------------------------|--------|----------------|
| 100 | \$20.00 | 1 | 0.2500 | \$5.00 | 5 | 0.2500 | 1.3 |
| 120 | \$20.00 | 1 | 0.2500 | \$5.00 | 5 | 0.2500 | 1.3 |
| 140 | \$10.00 | 2 | 0.5000 | \$5.00 | 5 | 0.5000 | 2.5 |
| | | 4 | | \$15.00 | | | 5.0 |

Result – TCZDS Paid is prorated \$15.00 x 4/5 = \$12.00

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


 Signature

 7-27-2013
 Signature Date

 Charlie Johnson
 Printed Name

 P&D Manager
 Title

Contractor:


 Signature

 7/27/2013
 Signature Date

 Jaime Arroyo
 Printed Name

 President
 Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 5 of 6

FXG P & D IC Version 2012.08.04

Attachment 3.3 to Addendum 3

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 6 of 6

ATTACHMENT 3.4 TO ADDENDUM 3

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

ADDED SERVICE SETTLEMENT

Contractor will be paid additional settlement in the amounts shown below for each day the total number of pickup and delivery stops (or delivered packages, whichever is applicable) completed by Contractor are greater than the established thresholds for the Primary Service Area (PSA).

PSA: 107558

Delivery Package Thresholds

| <u>Threshold Level</u> | <u>Threshold Rate</u> |
|---------------------------------|-----------------------|
| No Rates Available For This PSA | |

Total Stop Thresholds

| <u>Threshold Level</u> | <u>Threshold Rate</u> |
|------------------------|-----------------------|
| 78 | \$25.00 |
| 83 | \$30.00 |
| 88 | \$45.00 |
| 123 | \$60.00 |
| 128 | \$65.00 |
| 133 | \$75.00 |
| 168 | \$90.00 |
| 173 | \$95.00 |
| 178 | \$105.00 |

The Added Service Thresholds that are established for Swing Contractors are only applied when a Swing Contractor is not covering a PSA under the Time-Off Program. When a Swing Contractor is covering a PSA under the Time-Off Program, the Added Service Thresholds of the PSA being covered apply to the Swing Contractor.

The above threshold levels and rates will be updated periodically during the year. Contractor will be given 30 days notice of any changes and the revised threshold levels and rates will be effective on the date specified below,

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

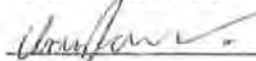
Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 1 of 2

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-2013
Signature DateClark Johnson
Printed NameP&D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Arroyo
Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 2 of 2

ATTACHMENT 3.5 TO ADDENDUM 3

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

PERFORMANCE OF LINEHAUL WORK

FedEx Ground agrees to settle with Contractor for performance of the contractual obligations imposed by this Agreement as follows:

I. Mileage

A. FedEx Ground agrees to settle with Contractor for the following Variable Mileage Settlement which incorporates fuel/mileage settlement:

1. Single Run Variable Mileage Settlement shall be paid in accordance with the following rate table. If the fuel price per gallon (and corresponding settlement per mile) goes above or below the figures shown in the table(s) below, the price per gallon and corresponding settlement per mile will continue to increase or decrease by the same increment reflected in the tables below.

| | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$1.25 | \$1.35 | \$1.45 | \$1.55 | \$1.65 | \$1.75 | \$1.85 | \$1.95 |
| Settlement Per Mile | \$1.0762 | \$1.0934 | \$1.1106 | \$1.1278 | \$1.1450 | \$1.1622 | \$1.1794 | \$1.1966 |

| | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$2.05 | \$2.15 | \$2.25 | \$2.35 | \$2.45 | \$2.55 | \$2.65 | \$2.75 |
| Settlement Per Mile | \$1.2138 | \$1.2310 | \$1.2482 | \$1.2654 | \$1.2826 | \$1.2998 | \$1.3170 | \$1.3342 |

| | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$2.85 | \$2.95 | \$3.05 | \$3.15 | \$3.25 | \$3.35 | \$3.45 | \$3.55 |
| Settlement Per Mile | \$1.3514 | \$1.3686 | \$1.3858 | \$1.4030 | \$1.4202 | \$1.4374 | \$1.4546 | \$1.4718 |

| | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$3.65 | \$3.75 | \$3.85 | \$3.95 | \$4.05 | \$4.15 | \$4.25 | \$4.35 |
| Settlement Per Mile | \$1.4890 | \$1.5062 | \$1.5234 | \$1.5406 | \$1.5578 | \$1.5750 | \$1.5922 | \$1.6094 |

| | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$4.45 | \$4.55 | \$4.65 | \$4.75 | \$4.85 | \$4.95 | \$5.05 | \$5.15 |
| Settlement Per Mile | \$1.6266 | \$1.6438 | \$1.6610 | \$1.6782 | \$1.6954 | \$1.7126 | \$1.7298 | \$1.7470 |

| | | | | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$5.25 | \$5.35 | \$5.45 | \$5.55 | \$5.65 | \$5.75 | \$5.85 | \$5.95 |
| Settlement Per Mile | \$1.7642 | \$1.7814 | \$1.7986 | \$1.8158 | \$1.8330 | \$1.8502 | \$1.8674 | \$1.8846 |

Contractors who operate tractors deemed to be domiciled at a FXG fuel station as shown on Addendum 4 will be presumed to be fueling at hubs or stations with fueling stations and will be paid the mileage settlement component in this Subsection I(A)(1) above based on the weekly per gallon pump price charged at the hub or station with a fueling station.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 1 of 6

Contractors who are not deemed domiciled at a FXG fuel station as shown on Addendum 4, will be paid the mileage settlement component in this Subsection I(A)(1) based on the weekly average self-service cash price in the Zip Code in which the station is physically located based on the weekly fuel price data provided by Oil Price Information Source (OPIS is a third party vendor) for the station. This will apply to Contractor with tractors.

If the average self-service cash price for the Zip Code in which the Contractor's station is physically located cannot be determined from the weekly fuel price data provided by OPIS, the station's fuel price per gallon will be the weekly average self-service cash price for all Zip Codes serviced by the station, for which the weekly fuel price data is provided by OPIS for the station.

If the average self-service price cannot be determined using either of the two methods set forth above, the station's fuel price per gallon will be the lowest self-service cash price available in the Zip Code in which the station is located, as monitored and provided weekly by station management to Contractor Settlement.

2. Team*Run Variable Mileage Settlement shall be paid Variable Mileage Settlement at the rates in Subsection I(A)(1) above, plus an additional \$0.065 per mile.
3. Central longer combination vehicles (LCV) on single runs shall be paid Variable Mileage Settlement at the rates in this Subsection I(A)(3). The weekly Fuel Price for Contractors with or without fuel cards will be determined using the methodology in Subsection I(A)(1). Central LCV single runs are only those LCV runs through Ohio, Indiana, Kansas, Florida, Oklahoma, Massachusetts, and New York. If the fuel price per gallon (and corresponding settlement per mile) goes above or below the figures shown in the table(s) below, the price per gallon and corresponding settlement per mile will continue to increase or decrease by the same increment reflected in the table below.

| | | | | | | | | |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$1.25 | \$1.35 | \$1.45 | \$1.55 | \$1.65 | \$1.75 | \$1.85 | \$1.95 |
| Settlement | \$1.1772 | \$1.1964 | \$1.2156 | \$1.2348 | \$1.2540 | \$1.2540 | \$1.2924 | \$1.3116 |
| Per Mile | | | | | | | | |
| Fuel Price | \$2.05 | \$2.15 | \$2.25 | \$2.35 | \$2.45 | \$2.55 | \$2.65 | \$2.75 |
| Settlement | \$1.3308 | \$1.3500 | \$1.3692 | \$1.3884 | \$1.4076 | \$1.4268 | \$1.4460 | \$1.4652 |
| Per Mile | | | | | | | | |
| Fuel Price | \$2.85 | \$2.95 | \$3.05 | \$3.15 | \$3.25 | \$3.35 | \$3.45 | \$3.55 |
| Settlement | \$1.4844 | \$1.5036 | \$1.5228 | \$1.5420 | \$1.5612 | \$1.5804 | \$1.5996 | \$1.6188 |
| Per Mile | | | | | | | | |
| Fuel Price | \$3.65 | \$3.75 | \$3.85 | \$3.95 | \$4.05 | \$4.15 | \$4.25 | \$4.35 |
| Settlement | \$1.6380 | \$1.6572 | \$1.6764 | \$1.6956 | \$1.7148 | \$1.7340 | \$1.7532 | \$1.7724 |
| Per Mile | | | | | | | | |
| Fuel Price | \$4.45 | \$4.55 | \$4.65 | \$4.75 | \$4.85 | \$4.95 | \$5.05 | \$5.15 |
| Settlement | \$1.7916 | \$1.8108 | \$1.8300 | \$1.8492 | \$1.8684 | \$1.8876 | \$1.9068 | \$1.9260 |
| Per Mile | | | | | | | | |
| Fuel Price | \$5.25 | \$5.35 | \$5.45 | \$5.55 | \$5.65 | \$5.75 | \$5.85 | \$5.95 |

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 2 of 6

FXG P & D IC Version 2012.08.04

Attachment 3.5 to Addendum 3

| | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Settlement Per Mile | \$1.9452 | \$1.9644 | \$1.9836 | \$2.0028 | \$2.0220 | \$2.0412 | \$2.0604 | \$2.0796 |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|

4. Central longer combination vehicles (LCV) on team runs shall be paid Variable Mileage Settlement at the rates in Subsection I(A)(3) above, plus an additional \$0.065 per mile. Central LCV team runs are only those LCV runs through Ohio, Indiana, Kansas, Florida, Oklahoma, Massachusetts, and New York.
5. Western longer combination vehicles (LCV) on single runs shall be paid Variable Mileage Settlement at the rates in this Subsection I(A)(5). The weekly Fuel Price for Contractors with or without fuel cards will be determined using the methodology in Subsection I(A)(1). Western LCV single runs are only those LCV runs through Arizona, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, and Utah. If the fuel price per gallon (and corresponding settlement per mile) goes above or below the figures shown in the table(s) below, the price per gallon and corresponding settlement per mile will continue to increase or decrease by the same increment reflected in the table below.

| | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fuel Price | \$1.25 | \$1.35 | \$1.45 | \$1.55 | \$1.65 | \$1.75 | \$1.85 | \$1.95 |
| Settlement Per Mile | \$1.2283 | \$1.2491 | \$1.2699 | \$1.2907 | \$1.3115 | \$1.3115 | \$1.3531 | \$1.3739 |
| Fuel Price | \$2.05 | \$2.15 | \$2.25 | \$2.35 | \$2.45 | \$2.55 | \$2.65 | \$2.75 |
| Settlement Per Mile | \$1.3947 | \$1.4155 | \$1.4363 | \$1.4571 | \$1.4779 | \$1.4987 | \$1.5195 | \$1.5403 |
| Fuel Price | \$2.85 | \$2.95 | \$3.05 | \$3.15 | \$3.25 | \$3.35 | \$3.45 | \$3.55 |
| Settlement Per Mile | \$1.5611 | \$1.5819 | \$1.6027 | \$1.6235 | \$1.6443 | \$1.6651 | \$1.6859 | \$1.7067 |
| Fuel Price | \$3.65 | \$3.75 | \$3.85 | \$3.95 | \$4.05 | \$4.15 | \$4.25 | \$4.35 |
| Settlement Per Mile | \$1.7275 | \$1.7483 | \$1.7691 | \$1.7899 | \$1.8107 | \$1.8315 | \$1.8523 | \$1.8731 |
| Fuel Price | \$4.45 | \$4.55 | \$4.65 | \$4.75 | \$4.85 | \$4.95 | \$5.05 | \$5.15 |
| Settlement Per Mile | \$1.8939 | \$1.9147 | \$1.9355 | \$1.9563 | \$1.9771 | \$1.9979 | \$2.0187 | \$2.0395 |
| Fuel Price | \$5.25 | \$5.35 | \$5.45 | \$5.55 | \$5.65 | \$5.75 | \$5.85 | \$5.95 |
| Settlement Per Mile | \$2.0603 | \$2.0811 | \$2.1019 | \$2.1227 | \$2.1435 | \$2.1643 | \$2.1851 | \$2.2059 |

6. Western longer combination vehicles (LCV) on team runs shall be paid Variable Mileage Settlement at the rates in Subsection I(A)(5) above, plus an additional \$0.065 per mile. Western LCV team runs are only those LCV runs through Arizona, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, and Utah.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 3 of 6

- B. In addition to the mileage settlement stated in subsection A above, Contractor will be paid the Mileage Plus Settlement set forth in the table below for authorized mileage runs for each identified tractor.

Mileage Plus Settlement

- | <u>Tractor</u> | <u>Domicile Station</u> | <u>\$ Rate/Mile</u> |
|----------------|---|---------------------|
| C. | A \$0.03 per mile safety incentive is paid after the vehicle completes one full year free of at-fault accidents; once achieved this incentive becomes a permanent part of the base mileage rate. | |
| D. | A \$0.03 per mile safety incentive is also paid after the vehicle completes two full years, free of at-fault accidents. | |
| | If the vehicle is involved in an at-fault accident prior to completion of two full years, an additional one year qualifying period begins again from the date of the accident. | |
| | Once the two year safety incentive is achieved, it becomes a permanent part of the base mileage rate. | |
| E. | A \$0.02 per mile safety incentive is paid after the vehicle completes three full years free of at-fault accidents. | |
| | If the vehicle is involved in an at-fault accident prior to completion of the third full year, an additional one year qualifying period begins again from the date of the accident. | |
| | Once the three-year safety incentive is achieved, it becomes a permanent part of the base mileage rate. | |
| F. | To be eligible for any new safety incentive increases, the vehicle must have operated a minimum of 50,000 miles in the previous year. Requests for waivers of this requirement are considered on a case-by-case basis and should be forwarded through the Senior Manager-Linehaul to Vice President, Transportation, PGH. | |

- II. **Drop and Hook Settlement** – FedEx Ground agrees to settle with Contractor for dropping and hooking trailers. The matrix below is based on a combination of what Contractor arrives with and what Contractor departs with.

| Settlement For Dropping, Assembling, and Hooking Trailers | | |
|---|----------------|-----------|
| Hook Code | Drop Code | Rate Paid |
| Hook Set | Drop Set | \$9 |
| Hook Set | No Disassemble | \$6 |
| Hook Set | No Drop | \$4 |
| Hook Set | Drop One | \$7 |
| No Assemble | Drop Set | \$6 |
| No Assemble | No Disassemble | \$4 |
| No Assemble | No Drop | \$1 |
| No Assemble | Drop One | \$4 |
| No Hook | Drop Set | \$5 |
| No Hook | No Disassemble | \$2 |
| No Hook | No Drop | 0 |
| No Hook | Drop One | \$3 |
| Hook One | Drop Set | \$6 |
| Hook One | No Disassemble | \$4 |
| Hook One | No Drop | \$1 |
| Hook One | Drop One | \$4 |
| Hook Triples | Drop Triples | \$14 |
| Hook Triples | Drop Set | \$10 |
| Hook Triples | No Disassemble | \$8 |
| Hook Triples | Drop One | \$9 |
| Hook Triples | No Drop | \$6 |
| Hook Set | Drop Triples | \$12 |
| No Assemble | Drop Triples | \$10 |
| Hook One | Drop Triples | \$9 |
| No Hook | Drop Triples | \$8 |

- III. **Package Handling Settlement.** Contractor will be paid \$0.05 per package for loading or unloading of packages.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

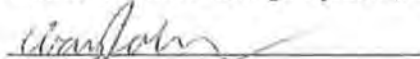
Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 5 of 6

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/03/2012, or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-2013
Signature DateDavid L. Johnson
Printed NameP&D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Arroyo
Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 6 of 6

ATTACHMENT 3.11 TO ADDENDUM 3

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

POINT-TO-POINT FLAT RATES

If requested to provide service in a specific lane, Contractor will be paid a Point to Point Flat Rate settlement in lieu of any other rate or drop and hook settlement set forth in Sections I and II of Attachment 3.5 to Addendum 3.

The mileage associated with each flat rate will be paid separately under the Variable Mileage Settlement table and methodology in Subsection I(A)(1) of Attachment 3.5 to Addendum 3 and the posted flat rates will be reduced commensurately.

Point-to-Point Flat Rates are subject to restatement due to operational changes. Point-to-Point Flat Rates are posted and available for viewing at all hub and station locations. Copies of Point-to-Point Flat Rates will be provided upon request, and will be posted on the contractor website at <http://mygroundbiz.com>.

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/03/2012, or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-2013
Signature DateClark Schumacher
Printed NameP&D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Arroyo
Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 1 of 1

ATTACHMENT 3.12 TO ADDENDUM 3
PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT
ENHANCED PRIMARY PLUS

Contractor agrees that payment to Contractor of the Enhanced Primary Plus payment set forth in this Attachment 3.12 to Addendum 3 is contingent upon Contractor executing and complying with the terms and conditions of Addendum 16.

If Contractor has two (2) or more Primary Service Areas (PSAs) under contract to either FedEx Ground or FedEx Home Delivery (that are listed as PSAs on Contractor's Addendum 4 and for which Contractor is paid on a separate Settlement statement), Contractor will be paid an Enhanced Primary Plus payment each fiscal quarter as shown in the chart below:

| <u>Eligible PSAs</u> | <u>Quarterly Enhanced Primary Plus Payment</u> |
|----------------------|--|
| 2 | \$1,450 |
| 3 | \$3,150 |
| 4 | \$5,100 |
| 5 | \$7,300 |
| 6 | \$8,750 |
| 7 | \$10,200 |
| 8 | \$11,650 |
| 9 | \$13,100 |
| 10 | \$14,550 |

Contractor will be deemed to have multiple PSAs under contract with FedEx Ground, whether the PSAs are listed on the same Addendum 4 to a single operating agreement, or on more than one Addendum 4 to more than one (FedEx Ground or FedEx Home Delivery) operating agreement.

A Contractor's PSAs must be contracted by the first business day of the quarter and remain under contract for the entire quarter preceding payment to qualify for the applicable quarterly Enhanced Primary Plus payment.

Contractor will be paid only one quarterly Enhanced Primary Plus payment, irrespective of the number of PSAs the Contractor has under contract, whether under one or more than one Addendum 4, and whether under one or more than one (FedEx Ground or FedEx Home Delivery) operating agreement. For example, if a Contractor has two FedEx Ground PSAs and one FedEx Home Delivery PSA, the Contractor would be eligible to receive a total Enhanced Primary Plus payment of \$3,150 per quarter. If a Contractor has ten or more PSAs, the Contractor would be eligible to receive a total of \$14,550 per

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 1 of 2

FXG P & D IC Version 2012.08.04

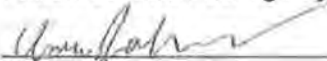
Attachment 3.12 to Addendum 3

quarter.

The term PSA includes FedEx Ground, FedEx Home Delivery and Regular Swing Contractor PSAs, but not pickups being performed by Linehaul Contractors pursuant to a Performance of P&D Work attachment to a Linehaul Settlement addendum.

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or if signed after the effective date, the first day of the FedEx Ground quarter (June 1, September 1, December 1 or March 1) immediately following the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature

7-27-13
Signature Date

Clark Johnson
Printed Name

Pro Manager
Title

Contractor:


Signature

7/27/2013
Signature Date

Jayme Armijo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 2 of 2

FXG P & D IC Version 2012.08.04

Attachment 3.14 to Addendum 3

ATTACHMENT 3.14 TO ADDENDUM 3

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

FLEX PROGRAM

Contractor will be paid a daily flex fee of \$7.50 for each PSA identified on Addendum 4, as provided in the Agreement. P&D Contractors operating a tractor/trailer to perform P&D work may elect to participate in the Flex Program but will only receive the daily flex fee on days it actually performs a live pick-up or delivery stop. P&D trailer spots do not qualify for the daily flex fee. Contractor:

 X elects elects not

to participate in the Flex Program.

By execution of this Attachment to the current Addendum 3 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:

Signature Clark JohnsonSignature Date 7-27-13Printed Name Clark JohnsonTitle P&D Manager

Contractor:

Signature [Signature]Signature Date 7/27/2013Printed Name Jaime ArroyoTitle President

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 1 of 1

FXG P & D IC Version 2012.08.04

Attachment 3.15 to Addendum 3

ATTACHMENT 3.15 TO ADDENDUM 3

PICKUP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

FUEL CARD PURCHASE PROGRAM AND AGREEMENT

Contractor authorizes FedEx Ground to deduct from Contractor's weekly Settlement fund all purchases which are made with an authorized fuel card issued pursuant to this Attachment.

Contractor authorizes deductions for all fuel and fuel products and additives and other purchases by Contractor using a fuel card. Contractor agrees it is solely responsible for any misuse or abuse of the Fleet fuel card. Contractor accepts full responsibility for all charges made with fuel cards issued pursuant to this Attachment. Contractor acknowledges and agrees that FedEx Ground will not accept responsibility for any misuse or abuse of the fuel card.

Contractor agrees that if its fuel card(s) is lost or stolen, such act must be reported immediately to the fuel card company.

By execution of this Attachment to the current Addendum 3 to the Pickup and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012 or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments, if any, and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:

Signature

Signature Date

Printed Name

Title

Contractor:

Signature

Signature Date

Printed Name

Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 1 of 1

ADDENDUM 4

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

PRIMARY SERVICE AREA

Contractor's Primary Service Area 107558 is as described below:

| VEHICLE TYPE | | FUEL TYPE | FEDEX FUEL STATION | |
|---------------|-----------|------------|--------------------|-------------|
| DELIVERY AREA | | | | |
| ZIP | CORE ZONE | CITY | STREET | BLOCK RANGE |
| 87005 | 780 | BLUEWATER | ALL | ALL |
| 87007 | 791 | CASABLANCA | ALL | ALL |
| 87014 | 791 | CUBERO | ALL | ALL |
| | | ENCINAL | ALL | ALL |
| | | SEAMA | ALL | ALL |
| | | SEBOYETA | ALL | ALL |
| 87020 | 740 | GRANTS | 1000 ROBERTS | WALMART |
| | | | 1016 ROOSEVELT | CIBOLA HOSP |
| | | | EL MORRO | 225-DIAMOND |
| | | | HWY 66 EAST | 1700-PRISON |
| | | | MISC. | MISC. |
| | | | MISC. | MISC. |
| | | | MISC. | MISC. |
| | | | MISC. | MISC. |
| 87021 | 740 | MILAN | ALL | ALL |
| | | | ALL | ALL |
| 87026 | 791 | LAGUNA | ALL | ALL |
| | | TOHAJILEE | ALL | ALL |
| 87034 | 791 | ACOMA | ALL | ALL |
| 87040 | 791 | PAGUATE | ALL | ALL |
| 87045 | 785 | PREWITT | ALL | ALL |
| 87049 | 791 | SAN FIDEL | ALL | ALL |
| 87050 | 791 | SAN MATEO | ALL | ALL |
| 87051 | 791 | SAN RAFAEL | ALL | ALL |
| 87121 | 450 | ROUTE 66 | RIO PUERCO | ALL |

| DELIVERY AREA EXCEPTIONS | | | | |
|---------------------------------|------------------|-------------|---------------|--------------------|
| <u>ZIP</u> | <u>CORE ZONE</u> | <u>CITY</u> | <u>STREET</u> | <u>BLOCK RANGE</u> |
| 87121 | 450 | ALBQ | ABEES ST | ALL |
| | | | BARCELONA | ALL |
| | | | BENAVIDEZ | ALL |
| | | | BLAKE | 4301 |
| | | | BLUE AVENA | ALL |
| | | | BLUE SKY | ALL |

Entity ID: V0014069

Entity Name: JAIMES ELEGANT P&D CORPORATION

Contract Number: C7670410

Station Number: 00871

Print Date: 07/27/2013

Page 1 of 5

FXG P & D IC Version 2012.08.04

Addendum 4

| <u>ZIP</u> | <u>CORE ZONE</u> | <u>CITY</u> | <u>STREET</u> | <u>BLOCK RANGE</u> |
|------------|----------------------|-------------|----------------|--------------------|
| | | | BROOKSMOOR | ALL |
| | | | BUCK ISLAND | ALL |
| | | | CALLE DEL REY | ALL |
| | | | CARTEGENA | ALL |
| | | | CASSANDRA | ALL |
| | | | CENOTE | ALL |
| | | | CENTRAL | 8000 - 10000 |
| | | | CONNEMARA | ALL |
| | | | COORS SW | 1001 & UP |
| | | | DELGADO | ALL |
| | | | DON LUCIANO | ALL |
| | | | DONA TERESA | ALL |
| | | | DUKE | ALL |
| | | | EGRET CT | ALL |
| | | | EL CHARRO | ALL |
| | | | ERVIE SW | ALL |
| | | | FLORA | ALL |
| | | | FOX HILL | ALL |
| | | | FRAZIER | ALL |
| | | | FREDERICK | ALL |
| | | | GROVER CT | ALL |
| | | | HUSEMAN SW | ALL |
| | | | JACQUELINE | ALL |
| | | | JENNIE RD | ALL |
| | | | JETTY | ALL |
| | | | LOVE RD | ALL |
| | | | MAPLEWOOD | ALL |
| | | | MURCHINSON | ALL |
| | | | NICKLAUS | ALL |
| | | | OJO FELIZ | ALL |
| | | | PAKAWEREE | ALL |
| | | | PINOT NOIR | ALL |
| | | | POWERS WAY | ALL |
| | | | REBA | ALL |
| | | | RIVERBEND | ALL |
| | | | SAGE | ALL |
| | | | SANDY CREEK | ALL |
| | | | SCHOONER | ALL |
| | | | SONOMA | ALL |
| | | | SPRING SAGE | ALL |
| | | | STINSON | ALL |
| | | | SUNBEAM | ALL |
| | | | SUNSET GARDEN | ALL |
| | | | TELESTAR | ALL |
| | | | UNSER | 1201 |
| | | | VALLEY VIEW | ALL |
| | | | VIA DEL ORO | ALL |
| | | | VIA TRANQUILLO | ALL |
| | | | VISTA PENASCO | ALL |
| | | | WINCHESTER | ALL |

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 2 of 5

FXG P & D IC Version 2012.08.04

Addendum 4

| <u>ZIP</u> | <u>CORE ZONE</u> | <u>CITY</u> | <u>STREET</u> | <u>BLOCK RANGE</u> |
|------------|----------------------|-------------|----------------|--------------------|
| | | ALBUQUERQUE | 64TH ST | 900 |
| | | | 8000 BLUEWATER | OWENS & MINO |
| | | | AIRPORT | |
| | | | AVALON | 9911 FLYINGJ |
| | | | BLUEWATER | |
| | | | BLUEWATER | 6625 THOM BE |
| | | | CENTRAL | 5402-9800 |
| | | | CENTRAL | 7201 LEG CHU |
| | | | CENTRAL NW | 10000 AND UP |
| | | | COORS 800 | 800 DIS TIRE |
| | | | COORS NW | 0 - 1610 |
| | | | COORS SW | EXCEPT 3500 |
| | | | DAYTONA | |
| | | | FORTUNA | |
| | | | GALLATIN | |
| | | | HANOVER | |
| | | | ILIFF | |
| | | | JOHN DANTIS | 100 |
| | | | LOS VOLCANES | |
| | | | MERIDIAN | |
| | | | MESA CORDERO | 401 |
| | | | OLD COORS | 14303 |
| | | | OLIVER ROSS | |
| | | | PASEO D VOLCAN | |
| | | | SAUL BELL | |
| | | | SHELLY DR | 5800 |
| | | | SILVER CREEK | |
| | | | SUNSET GARDENS | 11500 AND UP |
| | | | SUNSET GARDENS | BELOW 10000 |
| | | | TOWER | |

PICK UP AREAZIP

87005000000
87007000000
87014000000
87020000000
87021000000
87026000000
87028000000
87034000000
87038000000
87040000000
87045000000
87049000000
87051000000

| <u>CORE ZONE</u> | <u>ZIP</u> + | <u>SHIPPER</u> | <u>ADDRESS</u> | <u>BEGIN TIME</u> | <u>END TIME</u> |
|----------------------|--------------|---------------------|---------------------|-----------------------|---------------------|
| 450 | 87121000100 | CRTC PROTOCOL SERVI | 900 CAMINO DE SALUD | 800 | 1700 |

Entity ID: V0014069

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Contract Number: C7670410

Station Number: 00871

Print Date: 07/27/2013

Page 3 of 5

FXG P & D IC Version 2012.08.04

Addendum 4

| <u>CORE ZONE</u> | <u>ZIP</u> | <u>SHIPPER</u> | <u>ADDRESS</u> | <u>BEGIN TIME</u> | <u>END TIME</u> |
|----------------------|-------------|----------------------|---------------------|-----------------------|---------------------|
| 740 | 87020000000 | DESIGNER AVIARIES | 837 HOUSTON AVE | 800 | 1800 |
| | | HABIGERS SERVICE PRI | 1200 W SANTA FE AVE | 1530 | 1730 |
| | 87021000000 | SUNWEST INDIAN ART | 1094 ELKINS RD | 800 | 1800 |
| 791 | 87026000000 | PHICO | HC 77 BOX 35 | 1600 | 2000 |
| | 87034000000 | SKY CITY CASINO | I S 40 EXIT 102 | 1500 | 2000 |

PICK UP EXCEPTIONS

| <u>CORE ZONE</u> | <u>ZIP</u> | <u>SHIPPER</u> | <u>ADDRESS</u> | <u>BEGIN TIME</u> | <u>END TIME</u> |
|----------------------|------------|----------------|----------------|-----------------------|---------------------|
|----------------------|------------|----------------|----------------|-----------------------|---------------------|

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATIONStation Number: 00871
Page 4 of 5

By execution of this Addendum to the current Pick Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes the same previously executed Addenda and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-13
Signature DateClark Johnson
Printed NameP&D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Arroyo
Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 5 of 5

ADDENDUM 5

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

PROPRIETARY INTEREST

FedEx Ground recognizes that Contractor has a proprietary interest in the customer accounts (pick-ups and deliveries in the FedEx Ground Service, as defined below) in Contractor's Primary Service Area, as defined in Addendum 4 of this Agreement. The Parties agree that Contractor is providing FedEx Ground Service and has rights to pick-ups and deliveries assigned by shipping and receiving customers to the FedEx Ground Service; but Contractor has no rights to pick-ups and deliveries assigned by shipping or receiving customers to the FedEx Home Delivery Service, as defined below.

The parties acknowledge the services that FedEx Ground Package System, Inc. offers to customers. FedEx Ground Service is a pick-up and delivery service performed primarily but not exclusively at commercial locations on shipments assigned either by shippers or receivers to the Ground network and primarily offered Monday through Friday. FedEx Home Delivery Service is a pick-up and delivery service performed primarily but not exclusively at residential locations on shipments assigned either by shippers or receivers to the Home Delivery network and primarily offered Tuesday through Saturday.

FedEx Ground recognizes that in the event Contractor's Primary Service Area, as identified in Addendum 4, is reconfigured, resulting in pick-ups and/or deliveries previously serviced by Contractor being permanently reassigned, Contractor is entitled to payment. Such payment may be from other contractors or from FedEx Ground, in accordance with the provisions of Paragraph 5.3 of this Agreement. As it relates to reconfigurations only, Contractor is a third party beneficiary to agreements FedEx Ground has with other contractors in the FedEx Ground network.

For every delivery package relinquished, under the provisions of Paragraph 5.3 of the Agreement, Contractor is entitled to a minimum payment of \$1 per package.

For every pick-up package relinquished, under the provisions of Paragraph 5.3 of the Agreement, Contractor is entitled to a minimum payment of \$2 per package. This does not include trailer spots.

As Contractor's settlement and density increase in the Primary Service Area, the potential value of Contractor's customers may increase. Contractor may offer more than the minimum amounts prescribed above for packages being relinquished by another contractor, in order to gain additional customers and increase profitability, or Contractor may sell to the highest bidder when Contractor's customers are being reassigned. FedEx Ground makes no guarantees of such increases, nor will FedEx Ground act inconsistently with Addendum 16 and interfere in such transactions between Contractor and other persons who have the capability and qualifications to perform the services required by this Agreement.

In the event a trailer spot, pick-up or delivery being performed by a P&D Contractor operating a tractor/trailer, is permanently assigned to

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 1 of 2

FXG P & D IC Version 2012.08.04

Addendum 5

a P&D Contractor operating a van or straight truck, FedEx Ground, shall pay the tractor/trailer P&D Contractor a one-time payment of \$100 for each such trailer spot.

In every case involving payment for packages transferred between contractors, whether tractor/trailer, van, or straight truck, the reason must be based on FedEx Ground's determination, reasonably made, that such changes in pick-up and delivery assignments are permanent, not seasonal, nor known to be of short duration.

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes the same previously executed Addenda and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature

7-27-2013
Signature Date

Clark Johnson
Printed Name

P&D Manager
Title

Contractor:


Signature

7/27/2013
Signature Date

Jaime Armijo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871
Page 2 of 2

ADDENDUM 7**PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT****BUSINESS SUPPORT PACKAGE**

Business Support Package ("BSP") consists of the following goods and services:

| <u>BSP Component</u> | <u>Daily Deduction Amount</u> |
|---|-------------------------------|
| One Scanner (Including maintenance, battery, message transmission cost and other scanner-related items.) | \$2.75 |
| Vehicle Washing (No guarantee is expressed or implied as to Contractor's right to a minimum number of washes per week and the number of washings may vary based on the existence of factors outside the control of FedEx Ground. Where vehicle washing is not available for the entire fiscal year, Contractor's deduction shall be reimbursed.) | \$2.58 |
| Uniform Rental (The Daily Deduction Amount stated herein allows Contractor to rent up to seven long or short-sleeved shirts, five pants/shorts, one jacket and one ball cap each fiscal year. Contractor shall return all uniform items upon contract termination. Contractor's failure to return rented uniform items will result in a final settlement deduction of \$69.00.) | \$0.85 |

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013Entity Name: JAIMES ELEGANT P&D CORPORATION
Station Number: 00871
Page 1 of 3

FXG P & D IC Version 2012.08.04

Addendum 7

| | |
|---|--------|
| Drug Screen – Random (Contractor's Daily Deduction Amount relieves Contractor of the cost responsibility of random drug test(s). Contractors and their employees may or may not be randomly drug tested during the fiscal year.) | \$0.07 |
|---|--------|

Contractor is not required to purchase the Business Support Package. The total Daily Deduction Amount of the BSP is **\$6.25** per day, per van, for each business day Contractor is entitled to receive van availability. The Daily Deduction Amount is a fixed amount that may be in excess of the actual cost assessed by vendors of the BSP components' goods or services due to pricing variances of vendors or geographic locations of stations. Contractor may review pricing information at mygroundbizaccount or at Contractor's domicile station. As a condition of entering into the BSP, Contractor agrees that vendor information will be kept confidential and will not be disclosed to third parties.

Contractor utilizing additional equipment for helper(s) and/or supplemental(s) will be assessed an additional charge per day:

Each Additional Scanner: \$2.75

If Contractor utilizes scanner equipment, Contractor agrees to be liable for loss or damage to such equipment under the following conditions:

1. Loss while in the possession of Contractor;
2. Willful and/or intentional damage;
3. Damage resulting from disregard of vendor's recommended operating procedures;

Contractor will not be liable for normal wear and tear or defects associated with manufacture and/or vendor repair and maintenance of such equipment provided.

Contractor:

☒ elects
☐ elects not

to participate in the BSP and hereby authorizes a weekly settlement deduction (of the total Daily Deduction Amount per week) for any purchases made, including deductions for any sales taxes that may be applicable. Contractor may change such election as provided in the Agreement.

Entity ID: V0014069

Entity Name: JAIMES ELEGANT P&D CORPORATION

Contract Number: C7670410

Station Number: 00871

Print Date: 07/27/2013

Page 2 of 3

FXG P & D IC Version 2012.08.04

Addendum 7

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes the same previously executed Addenda and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:

[Signature]
Signature

7-27-13
Signature Date

Charles J. Smith
Printed Name

P&D Manager
Title

Contractor:

[Signature]
Signature

7/27/2013
Signature Date

Jaime Arroyo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION
Station Number: 00871
Page 3 of 3

ATTACHMENT 7.1 TO ADDENDUM 7

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

TIME-OFF PROGRAM

Each Contractor, at its discretion, may elect to participate in the Time-Off Program. The program consists of the following elements:

A Contractor is eligible to sign up for two weeks time-off from September 1, 2012 through August 30, 2013. Weeks available will be posted prior to September 1, 2012.

- A Contractor operating multiple Primary Service Areas (PSA) may select time-off for each PSA for which deductions are made for the Business Support Package (BSP).
- Selection of time off weeks will take place in August with the order of selection determined by length of service as a Contractor for earliest acquired PSA. Each additional PSA time off week selection will be based on the date the PSA was acquired as recorded in FedEx Ground's Contractor Driver Administration and Settlement System (CDAS). Highest local inbound service for the previous full accounting period will serve as a tiebreaker.
- Each Contractor will select one week off, in order, through the entire list of participating contractors before the second week is selected, in the same order, and then select the third week in the same order.
- Time-off should be taken in Monday through Friday increments. However, days may be scheduled, subject to availability and FedEx Ground's discretion.
- A Contractor who signs up for the Time-Off Program must remain in the program through August 30, 2013. All selected weeks must be honored by FedEx Ground and Contractors. Unless written notification is received by FedEx Ground within 30 days from the signature date of this Attachment, the program will remain in effect through August 30, 2013.
- A Contractor who starts mid-year, or adds a PSA mid-year, may elect to participate in the Time-Off Program. This election will be subject to availability of time-off weeks at the station. If elected, Contractor will be charged, via settlement deductions, as if Contractor participated from September 1, 2012.

The Time-Off Program will provide participating Contractors with two weeks off under the following conditions:

- The Contractor's van will not be used to service its PSA.
- The Contractor will have no liability for accidents, claims, or service resulting from the activities of a replacement driver during its absence.
- The Contractor's eligibility for an ECCS bonus during the time-off period will not be affected by a replacement driver providing service under the Time-Off Program.

Prior to taking time-off, a replacement driver may ride with the Contractor an appropriate number of days to become familiar with the Contractor's PSA.

- Participating Contractor must allow the Swing Contractor or its designated driver to conduct familiarization ride(s) if a Swing Contractor requests a ride(s).
- The Contractor is expected to provide guidance, suggestions, and advice to the Swing Contractor concerning the most efficient manner of serving its PSA and any special customer requirements.

To participate in the Time-Off Program, Contractor must indicate that it understands and agrees to the following provisions:

- For two weeks time-off, Contractor agrees to have an additional \$3.00 added to the daily BSP settlement deduction (maximum of \$15 per week, unless additional weeks are elected).
 - If available and upon approval by FedEx Ground, additional weeks can be purchased for an additional \$1.50/day for each additional week added to daily BSP settlement deduction.
 - Contractor will not receive any settlement for work performed by a replacement driver in its PSA during the time-off period.
 - If the Agreement is terminated for any reason, contractor will not be entitled to any reimbursement of monies collected in the BSP for the Time-Off Program.
 - If the Agreement is terminated and contractor has taken all or part of its selected time-off, the remaining monies owed for the Time-Off Program that year will be deducted from final settlement.
-
- If the Agreement is not renewed at the time it expires and Contractor is participating in the Time-Off Program but has not taken any time-off, Contractor will be reimbursed the amount paid into the BSP for Time-Off Program.
 - If a Contractor, participating in the Time-Off Program, sells its PSA and the buyer agrees to participate in the program and continue the BSP Time-Off Program deduction for the remainder of the year, the selling Contractor will not be charged for the remainder of the year. In that case, the buyer will assume the time-off week(s) selected by the selling Contractor.
 - Any Contractor participating in the Time-Off Program may sell or trade its selected time-off week(s) to any other participating Contractor. The Swing Contractor assigned to cover the time-off weeks being sold or traded will continue to cover them. Station management must be informed for planning purposes only.

FXG P&D IC Version 2012.08.04

Attachment 7.1 to Addendum 7

Contractor:

Elects to participate in the Time-Off Program and hereby acknowledges, understands, and accepts the above provisions and conditions of the Time-Off Program.

Does not elect to participate in the Time-Off Program.

By execution of this Attachment to the current Addendum 7 to the Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Attachment is fully executed by both parties, this revised Attachment supersedes the same previously executed Attachments and, except for the changes and additions in this revised Attachment, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-13
Signature DateClark Johnson
Printed NameP&D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Arroyo
Printed NamePresident
Title

ADDENDUM 9

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

FUEL TAX REPORTING

(For Vehicles With Registered Weights Over 26,000 Pounds)

Pursuant to Section 13 of the FedEx Ground Package System, Inc. Pick-Up and Delivery Contractor Operating Agreement ("Agreement") entered into between FedEx Ground and the undersigned Contractor, Contractor and FedEx Ground hereby amend the Agreement as follows:

Notwithstanding anything to the contrary in Section 1.6 of the Agreement, Contractor may make an election regarding who is to pay and report the Contractor's fuel tax liability. Contractor may elect to report and pay its own fuel tax liability directly to the states. Alternatively, Contractor may elect to have FedEx Ground report and pay Contractor's fuel tax liability to the states under the International Fuel Tax Agreement (IFTA), in accordance with Pennsylvania IFTA base-state reporting requirements and subject to the terms and conditions stated in this Addendum 9.

Contractor must make said election at least ten (10) days prior to the end of any calendar quarter by initialing one of the choices below, completing all requirements herein and executing this Addendum 9 to the Agreement. If Contractor's election is timely made, Contractor agrees that the election will become effective at the beginning of the calendar quarter immediately following the date this Addendum 9 is executed and the requirements herein are completed. If an election to have FedEx Ground report and pay Contractor's fuel tax liability to the states under IFTA is not timely made, Contractor agrees to report and pay its own fuel taxes directly to the states until such time as the election becomes effective at the beginning of the next following calendar quarter.

If Contractor elects to have FedEx Ground report and pay Contractor's fuel tax liability to the states under IFTA, Contractor agrees to provide to FedEx Ground, accurately, timely and in such form and manner as FedEx Ground may from time to time prescribe, including but not limited to, all mileage and fuel purchase data as FedEx Ground may need to comply with Pennsylvania's IFTA base-state reporting requirements (or other base state as determined by FedEx Ground in its sole discretion). If Contractor does not provide its mileage and fuel purchase data accurately, timely and in such form and manner as FedEx Ground may from time to time prescribe, or if for any other reason FedEx Ground in its sole discretion decides to terminate its reporting and payment of Contractor's fuel tax liability, Contractor agrees that FedEx Ground may notify Contractor in writing at least thirty (30) days prior to the end of any calendar quarter that Contractor will have to report and pay its own fuel tax liability directly to the states going forward from the beginning of the calendar quarter immediately following Contractor's receipt of notice from FedEx Ground. Contractor further agrees to remove FedEx Ground's IFTA decal(s) from its Equipment at the end of the calendar quarter during which Contractor receives such notice from FedEx Ground and to return said decal(s) to Contractor's domicile hub or station.

At Contractor's request, FedEx Ground may, in its sole discretion, issue fuel card(s) to Contractor – upon execution of a Fuel Card Purchase Agreement, to facilitate the reporting and paying of Contractor's fuel tax liability. Any fuel card issued to Contractor will be assigned to a specific unit of the Equipment and may be used by Contractor only to purchase fuel, fuel products and additives for the unit to which it is assigned. Misuse of a fuel card could result in the cancellation of all fuel cards issued to Contractor. All fuel cards issued to Contractor shall be returned to FedEx Ground, at Contractor's domicile hub or station, at the termination of the Agreement or within three (3) days of receiving notice from FedEx Ground that Contractor's further use of the fuel cards has been cancelled, whichever first occurs. If Contractor or Contractor's drivers do not use the issued fuel card(s) to make all fuel purchases, Contractor further agrees to provide FedEx Ground with an accurate accounting of all fuel purchases made, including all original fuel receipts.

Contractor agrees that all fuel, fuel products and additives, , and any other purchases charged to

Entity ID: V0014069

Entity Name: JAIMES ELEGANT P&D CORPORATION

Contract Number: C7670410

Station Number: 00871

Print Date: 07/27/2013

Page 1 of 2

fuel cards, all state fuel taxes, all sales taxes, all fuel decals and all direct expenses incurred by FedEx Ground in connection with any payments made to the states will be charged back to the Contractor by FedEx Ground through deductions from Contractor's settlement or escrow account in accordance with Section 1.3 of the Agreement.

Contractor elects to have fuel taxes reported and paid as follows:

☒ Contractor elects to report and pay its own fuel taxes directly to the state(s)

Contractor elects to have FedEx Ground report and pay its fuel taxes to the state(s) under FedEx Ground's current IFTA base-state reporting requirements

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, and except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:

Clark Johnson
Signature

7-27-13
Signature Date

Clark Johnson
Printed Name

P&D Manager
Title

Contractor:

Jaime Arrijo
Signature

7/27/2013
Signature Date

Jaime Arrijo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D -
CORPORATION

Station Number: 00871

Page 2 of 2

ADDENDUM 11**PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT****SAFE DRIVING PROGRAM**

Pursuant to Section 13 of the FedEx Ground Package System, Inc. Pick-Up and Delivery Contractor Operating Agreement ("Agreement") entered into between FedEx Ground and the undersigned Contractor, Contractor and FedEx Ground hereby amend the Agreement by replacing the FedEx Ground Safe Driving Standards as referenced in Article 3.3 of the Agreement and the previously executed Safe Driving Program with the following language:

1. DRIVER QUALIFICATION CRITERIA

In the interest of safety, the Parties agree that all drivers providing services under the Agreement must meet the following Driver Qualification Criteria regardless of the size or weight of the vehicle they drive or the class of license or permit required to operate the vehicle. For the purpose of this Addendum, a Commercial Motor Vehicle ("CMV") is defined as any vehicle used for commercial purposes, regardless of the size or weight of the vehicle or the class of license or permit required to operate the vehicle.

1.1 The Parties agree that all drivers providing services under the Agreement will provide the information required by 49 CFR 391.21 by accurately completing a form or document furnished by FedEx Ground.

1.2 The Parties agree that all drivers providing services under the Agreement will meet the criteria set forth at 49 CFR 391.11.

(A) To demonstrate that a driver can, by reason of training, experience, or both, safely operate the type of CMV to be driven, FedEx Ground agrees to accept either of the following:

(i) evidence of one year of verifiable driving experience (within the three years immediately preceding the driver's assignment to provide services under the Agreement) in the type of CMV the driver will be operating; or

(ii) evidence of six months of verifiable driving experience (within the three years immediately preceding the driver's assignment to provide services under the Agreement) in the type of CMV the driver will be operating, and successful completion of a FedEx Ground-approved driver training course, which shall include a written examination, at Contractor's expense.

(B) FedEx Ground will conduct its investigation and inquiries pursuant to 49 CFR 391.23, and will consider the Background Qualification Criteria in Article 3 of this Addendum.

1.3 The Parties agree that all drivers performing services under the Agreement will meet the physical qualifications set forth in 49 CFR 391.41. A driver may demonstrate the prescribed physical qualifications by:

(A) submitting to and passing the medical examination described in 49 CFR 391.43, performed periodically as referenced in 49 CFR 391.45, and conducted by a licensed medical examiner as defined in 49 CFR 390.5;

(B) submitting to and passing a controlled substance and/or alcohol screening in

Entity ID: V0014069

Entity Name: JAIMES ELEGANT P&D CORPORATION

Contract Number: C7670410

Station Number: 00871

Print Date: 07/27/2013

Page 1 of 9

conjunction with the initial medical examination under the policies and procedures FedEx Ground has established to meet the objectives of 49 CFR 391.41(b)(12 and 13); and

- (C) except where prohibited by law, submitting to and passing the random and post-accident controlled substances and alcohol screening policies and procedures FedEx Ground has established to meet the prescriptions and objectives of 49 CFR Part 40 and 49 CFR Part 382. Contractor agrees that each of its drivers will be entered in the FedEx Ground system-wide pool of drivers from which drivers are randomly selected for drug screening.

1.4 NEW DRIVER QUALIFICATION CRITERIA

The Parties agree that all drivers performing services under the Agreement must be able to demonstrate a history of safe driving and satisfactory work experience. In this regard, the Parties further agree that a driver will not be initially qualified to provide services under the Agreement if the driver has a record of committing any of the following listed offenses (i.e., Sections 1.4 (A through H)), including but not limited to violations, citations or convictions, during the prior 60 consecutive months:

- (A) refusal to submit to or failure to pass a drug or alcohol test requested by a law enforcement official in connection with the operation of any vehicle;
- (B) operating any vehicle that contains drugs, alcoholic beverages, or a controlled substance contrary to law;
- (C) failure to submit to or pass a United States Department of Transportation ("DOT") alcohol or controlled substances screening;
- (D) operating any vehicle while under the influence of alcohol or a controlled substance;
- (E) use of any vehicle in the commission of a felony;
- (F) fleeing or attempting to flee from a law enforcement official in any vehicle;
- (G) failing to stop or remain at the scene of an accident in connection with the operation of any vehicle; or
- (H) causing an accident in any vehicle resulting in a fatality;

Additionally, the Parties further agree that a driver will not be initially qualified to provide services under the Agreement if the driver has a record of committing any of the following listed offenses (i.e., Sections 1.4 (I through R)), including but not limited to violations, citations and convictions, during the prior 36 consecutive months, unless otherwise stated:

- (I) operating any vehicle while the driver's license was revoked, suspended, canceled, or expired, or for operating a CMV without a valid DOT physical certification issued by a licensed medical examiner as defined in 49 CFR 390.5;
- (J) reckless, aggressive, or careless operation of any vehicle, whether or not causing property damage or harm to another person (Note: the Parties agree that two or more instances of exceeding the posted speed limit by 15 m.p.h. or more, or one or more instance(s) of operating any vehicle at 80 m.p.h. or more,

- both constitute the dangerous and careless operation of any vehicle);
- (K) committing two or more moving violations in any vehicle in the previous 12-month period (Note: the Parties agree that a seatbelt violation constitutes a moving violation);
- (L) involvement in a roll-over accident in a CMV (Note: the Parties agree that the term "roll-over accident" is defined as an accident where a power unit or any unit in the vehicle combination turns over on its side or roof);
- (M) committing two moving violations in separate incidents, in any vehicle, unless one of the moving violations occurs in a non-CMV and neither violation results in the revocation, cancellation, or suspension of the driver's license or permit, or committing three or more moving violations, in separate incidents, in any vehicle. (Note: the Parties agree that a seatbelt violation constitutes a moving violation);
- (N) OMITTED
- (O) operating any vehicle while texting, e-mailing, using a hand-held telephone, scanner or other hand-held electronic communication device, or while manually interacting with any electronic device;
- (P) causing two or more accidents in any vehicle;
- (Q) any revocation, cancellation, or suspension of the driver's license or permit to operate a vehicle (Note: the Parties agree that revocations, cancellations, or suspensions for failure to appear (FTA), failure to meet financial responsibility laws, and for convictions in connection with non-moving violations are excluded); or
- (R) violating an out-of-service order issued by a law enforcement official.

1.5 CURRENT DRIVER DISQUALIFICATION CRITERIA

The Parties agree that a driver providing services under the Agreement will be disqualified from driving for the periods of time set forth below from the date FedEx Ground is first informed about or learns of the disqualifying offense. A "disqualifying offense" refers to the last event required to trigger the disqualification periods identified in Section 1.5 (A through X):

- (A) life for refusal to submit to or failure to pass a drug or alcohol screening requested by a law enforcement official in connection with the operation of any vehicle;
- (B) life for operating any vehicle that contains drugs, alcoholic beverages, or a controlled substance contrary to law;
- (C) life for failure to submit to or pass a DOT alcohol or controlled substances screening as required by the Agreement;
- (D) life for operating any vehicle while under the influence of alcohol or a controlled substance;
- (E) life for use of any vehicle in the commission of a felony;

- (F) life for fleeing or attempting to flee from a law enforcement official;
- (G) life for knowingly failing to stop or remain at the scene of an accident in connection with the operation of any vehicle;
- (H) life for (i) causing a preventable accident in a CMV resulting in a fatality, or (ii) for causing a fatality through the negligent operation of any vehicle, including but not limited to the crimes of motor vehicle manslaughter, homicide by motor vehicle and negligent homicide;
- (I) life for causing a preventable accident in a CMV resulting in bodily injury and/or property damage greater than \$50,000, with the amount of the bodily injury and/or property damage to be determined by the initial insurance reserve set after the date of the accident;
- (J) life for falsifying any DOT-related safety document required by the Agreement;
- (K) thirty-six months for knowingly operating a CMV while the driver's license or permit to operate the CMV was revoked, suspended, canceled or expired, or for operating a CMV without a valid DOT physical certification issued by a licensed medical examiner as defined in 49 CFR 390.5 and as required by the Agreement;
- (L) thirty-six months for causing three or more preventable accidents in a CMV in any 12 consecutive months;
- (M) thirty-six months for being involved in a preventable roll-over accident in a CMV (Note: the Parties agree that the term "roll-over accident" is defined as an accident where a power unit or any unit in the vehicle combination turns over on its side or roof);
- (N) thirty-six months for six or more violations of the hours of service regulations in a 12-month period as applied under the terms of the Agreement;
- (O) thirty-six months for carrying unauthorized/unqualified passengers in a CMV;
- (P) thirty-six months for failure to report to FedEx Ground management from the accident scene or as soon as possible under the circumstances (as determined by the extent of property damage or personal injury and whether another motor vehicle is involved) any accident or incident involving a CMV, regardless of who appears to be at-fault;
- (Q) sixty days for reckless or aggressive operation of any vehicle, whether or not causing property damage or harm to another person (Note: the Parties agree that two or more instances of exceeding the posted speed limit by 15 m.p.h. or more in a 36-month period, or one or more instance(s) of operating any vehicle at 80 m.p.h. or more, both constitute the dangerous and careless operation of any vehicle);
- (R) OMITTED
- (S) twelve months for violating a law enforcement official's out of service order, and life for a second violation of a law enforcement official's out of service order;
- (T) six months for violating any law or regulation prohibiting the driving of a CMV

while texting or e-mailing, while using a hand-held telephone, scanner or other hand-held electronic communication device, or while manually interacting with any electronic device;

- (U) sixty days for committing two moving violations, in separate incidents, in any vehicle in a 36-month period, unless one of the moving violations occurs in a non-CMV and neither violation results in the revocation, cancellation, or suspension of the driver's license or permit, or 120 days for a third or subsequent moving violation, in separate incidents, in any vehicle in a 36-month period (Note: the Parties agree that a seatbelt violation constitutes a moving violation);
- (V) thirty days for committing one serious moving violation in a CMV in a 36-month period (Note: the Parties agree that the term "serious moving violation" includes citations for or convictions of the following: failure to stop, failure to yield, rolling stop, running a stop sign/traffic signal, avoiding a traffic control device (e.g., cutting through a parking lot), and a moving violation in a construction area);
- (W) until qualified under 49 C.F.R. 391.11 ; or
- (X) the disqualifying periods of time associated with the disqualifying offenses listed in Tables 1, 2, 3 and 4 of 49 C.F.R. 383.51, unless a more stringent and/or longer disqualifying period is specified in Section 1.5 (A through W) of this Addendum.

1.6 The Parties agree that a driver disqualified pursuant to this Section 1.5 will only be re-qualified to provide services under this Agreement if the period of time associated with the disqualifying offense has elapsed, the driver has satisfied the requirements of Sections 1.1 and 1.3 of this Addendum as part of the re-qualification process, and the driver has not violated, been cited for or convicted of any of the offenses listed in Section 1.4 of this Addendum during the period of time the driver was disqualified.

1.7 The Parties further agree that throughout this Section 1.5 and Section 5.6 of this Addendum, the term "preventable accident" is defined as an event involving a CMV that results in personal injury or property damages and expenses exceeding \$500 (excluding any property damages to Contractor's vehicle), and which could have been averted but for an act, or failure to act, by the driver. FedEx Ground agrees to make a good faith determination of the preventability of each accident by applying the criteria in *Trucking Industry Guidelines for Recording Fleet Vehicle Accidents and Determining Preventability* published by the American Trucking Associations, as revised from time to time. An "accident" includes but is not limited to a yard accident, i.e., an accident that occurs on FedEx Ground property.

1.8 If a driver performing services under this Agreement would be disqualified if found guilty of any of the offenses, acts or omissions set forth in Section 1.5 (A, B, D, E, F, H (ii), Q, S, T, U, V, and X) or Section 3 of this Addendum to the extent those offenses, acts or omissions violate applicable law, Contractor agrees that FedEx Ground may after reasonable inquiry make a preliminary determination that it is probable that the driver will be found to be guilty of the offense as charged. In such event, Contractor will temporarily disqualify the driver from working under the Agreement until a final determination is rendered by a court, and the temporary disqualification will lead to permanent disqualification if the driver is found to be guilty of an offense identified in Section 3, or disqualification for the relevant period of time specified in Section 1.5 if the driver is found to be guilty of the offense in issue, enters a plea of no contest (*nolo contendere*) to the offense in issue, or if adjudication is withheld for the offense in issue.

2. NON-DRIVER QUALIFICATION CRITERIA

The Parties acknowledge that DOT regulations prohibit the transport of unauthorized persons on certain Equipment while being operated under the Agreement. Contractor understands that the term "unauthorized persons" as used in 49 CFR 392.60 includes all non-driver helpers and any other person having occasion to ride in the Equipment, until they have been authorized by FedEx Ground. To ensure authorization, Contractor agrees to have each such person complete an application and be qualified under the Background Qualification Criteria in this Section 3 of this Addendum, prior to being allowed on the Equipment, regardless of the size or weight of the Equipment.

3. BACKGROUND QUALIFICATION CRITERIA

Contractor agrees that, unless prohibited by law, individuals will not be qualified to provide any services under the Agreement if in the previous ten years (or shorter period if mandated by law), they have pleaded guilty or *nolo contendere* to, or have been convicted of, or have a history of an adjudication withheld pending the completion of a court-ordered diversion program related to, or have completed a period of probation, parole or incarceration with respect to, or have any criminal matters pending against them related to a felony or to a misdemeanor involving theft, violence, dishonesty, sexual abuse or assault, the use or possession of weapons, the use or possession of controlled substances, or crimes against a person or property. Contractor also agrees that individuals will not be qualified to provide any services under the Agreement if they have been convicted of a crime related to sexual abuse and have an active court order mandating registration as a sexual offender.

4. TRAINING RESPONSIBILITIES

To the extent required by applicable federal, state and municipal laws, regulations and rules, Contractor agrees, at its expense, to train or caused to be trained all Contractor personnel in the following areas: basic conveyor safety, lockout/tag-out safety, chemical hazards communication (right to know), hazardous materials handling and security, fire prevention and emergency action plans, yard safety, and alcohol and controlled substance testing programs. FedEx Ground agrees to provide Contractor with a Safety Information Guide outlining Contractor's training responsibilities under the Agreement. Contractor agrees to acknowledge receipt of the Safety Information Guide and to provide the information contained therein to all Contractor personnel.

5. SAFETY RESPONSIBILITIES

Contractor agrees to ensure that the following safety-related responsibilities are met:

5.1 Vehicle Inspection and Maintenance. Contractor agrees to ensure that all Equipment, regardless of size or weight, being used by Contractor to provide services under the Agreement, is inspected and maintained as called for in 49 CFR Parts 393 and 396. This includes ensuring that, regardless of the size or weight of the Equipment, the annual vehicle inspection required by 49 CFR Part 396 is performed for all Equipment and that all Contractor personnel conduct the pre-trip and post-trip inspections called for in 49 CFR Part 396 for all Equipment. Contractor further agrees to ensure that all Contractor personnel are trained to conduct pre-trip and post-trip inspections consistent with DOT prescribed requirements for such inspections.

5.2 Hours of Service. Regardless of the size or weight of the equipment being utilized by the Contractor to provide services under the Agreement, Contractor agrees to ensure that all Contractor personnel comply with the DOT regulations at 49 CFR Part 395 relating to hours of service, except that a driver of a vehicle that does not require a commercial driver's license to operate under 49 CFR Part 383 may be eligible for the

exemptions identified at 49 CFR 395.1(e)(2).

5.3 Accident Reporting. To comply with the accident reporting and evaluation requirements of 49 CFR Part 390.15, Contractor agrees to ensure that any incident resulting in property damage and any incident or accident involving any pedestrian or occupant of any type of vehicle, whether or not the incident or accident appears to have resulted in personal injury, regardless of who appears to be at fault, and regardless of the size or weight of the Equipment being utilized by the Contractor to provide services under the Agreement, be reported to FedEx Ground management as soon as possible. FedEx Ground agrees to make Accident Packets available to Contractor (at the FedEx Ground Station), and Contractor agrees to ensure that an Accident Packet is available in the Equipment at all times while being used to provide services under the Agreement, and to use the Accident Packet to assist in reporting accident-related information.

5.4 OMITTED

5.5 Use of Electronic Communication Devices. Contractor agrees that drivers will not communicate by telephone, texting, e-mail or electronic messaging while the Equipment is in motion or is being operated on a roadway (unless lawfully parked on a roadway), including viewing and/or reading any messages or other electronically distributed content, unless the driver is using a hands-free mode as permitted by state law. Contractor further agrees that drivers will not use a scanner while the Equipment is being operated on a roadway. A violation of this subsection will disqualify the driver from providing service to FedEx Ground for six months, as noted above in Section 1.5(T).

5.6 Certain Driver Offenses. Notwithstanding any provision of this Safe Driving Program, Contractor understands that FedEx Ground will terminate the Agreement when the Contractor fails to take reasonable care to ensure safe driving operations (whether a Contractor takes reasonable care will include, but not be limited to consideration of the number of PSAs owned and whether Contractor has a safety program) and any of the following events occur, in addition to any driver disqualification as described in this Addendum:

- (A) Contractor or Contractor's driver causes a preventable accident in a CMV resulting in a fatality;
- (B) Contractor or Contractor's driver causes a preventable accident in a CMV resulting in more than \$500,000 in bodily injury and/or property damage, with the amount of the bodily injury or property damage to be determined by the initial insurance reserve set after the date of the accident; or
- (C) Two or more of Contractor's drivers (which includes the Contractor if he/she provides driving services under this Agreement) are disqualified, pursuant to Section 1.5 above, within 12 consecutive months.

5.7 Driver Violation and License Suspension Reporting. As required by 49 CFR 383.31, 383.33 and 391.15(b)(2), Contractor agrees to ensure that all Contractor personnel notify FedEx Ground of any traffic conviction or driver's license suspension, revocation or disqualification.

5.8 Hazardous Material, Fuel and Waste Spillage Reporting. Contractor agrees to ensure that all Contractor personnel comply with applicable federal, state and municipal laws and regulations governing the handling and transportation of hazardous material, fuel and waste. To comply with DOT and other government reporting mandates, Contractor also agrees to ensure that Contractor personnel report immediately to management at the FedEx Ground Station all hazardous material, waste and fuel spillage that occur while providing services under the

Agreement.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 8 of 9

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012 or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes Article 3.3 of the Agreement and the previously executed Safe Driving Program and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each Party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature

7-27-13
Signature Date

Clem/4 Johnson
Printed Name

POD Manager
Title

Contractor:


Signature

7/27/2013
Signature Date

Jaime Arroyo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410
Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D .
CORPORATION

Station Number: 00871
Page 9 of 9

ADDENDUM 12

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

INTERNATIONAL REGISTRATION PLAN BASE PLATES

(For vehicles over 26,000 pounds)

Pursuant to Section 13 of the FedEx Ground Package System, Inc. Pick-Up and Delivery Contractor Operating Agreement ("Agreement") entered into between FedEx Ground and the undersigned Contractor, Contractor and FedEx Ground hereby amend the Agreement as follows:

Notwithstanding anything to the contrary in Section 1.3 of the Agreement, Contractor may elect to have FedEx Ground obtain base plates by registering the Contractor's tractors under the International Registration Plan (IRP) through a state predetermined by FedEx Ground. IRP registration and base plates would be obtained for tractors that operate in two or more states.

If Contractor elects to have FedEx Ground register its tractors under the IRP, Contractor agrees to provide all documents required by the registering state. The documents will include: a processed title for each tractor in the Contractor's name, a bill of sale for each tractor being registered, and a copy of the Contractor's current-year Heavy Vehicle Use Tax return (Form 2290). Contractor's IRP registration will be automatically renewed, unless Contractor elects to opt out of the program and perform its own registration. Contractor must opt out by October 31st of the current year.

The cost of the IRP registration will be deducted from Contractor's weekly settlement as follows:

New Contractors – four (4) weeks after a tractor is registered and a base plate is obtained, the cost of the base plate will be equally divided and deducted from the Contractor's weekly settlement over sixteen (16) consecutive weeks.

Contractors adding a vehicle - four (4) weeks after a tractor is registered and a base plate is obtained, the cost of the base plate will be equally divided and deducted from the Contractor's weekly settlement over two (2) consecutive weeks.

Annual renewal of registration – the cost of the plate will be equally divided and deducted from the Contractor's settlement over two (2) consecutive weeks at the end of January of the New Year.

The cost of registration is non-refundable. If the Contractor's operating agreement is terminated for any reason, the Contractor's IRP registration and base plate will be inactivated with the registering State.

Contractor elects to have its tractor(s) registered, by initialing next to each tractor listed below:

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 1 of 3

Tractor(s) election:

| Tractor | Contractor obtains registration | FedEx obtains registration | Contractor Initials |
|---------|------------------------------------|-------------------------------|------------------------|
|---------|------------------------------------|-------------------------------|------------------------|

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 2 of 3

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes the same previously executed Addenda and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:

[Signature]
Signature

7-27-13
Signature Date

Clark L. Johnson
Printed Name

Post Office Manager
Title

Contractor:

[Signature]
Signature

7/27/2013
Signature Date

Jaime Arroyo
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 3 of 3

ADDENDUM 14

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

EMPLOYMENT ELIGIBILITY VERIFICATION AND COMPLIANCE WITH IMMIGRATION LAWS

Pursuant to Section 13 of the FedEx Ground Package System, Inc. Pick-up and Delivery Contractor Operating Agreement ("Agreement") entered into between FedEx Ground and the undersigned Contractor, Contractor and FedEx Ground hereby amend Section 1.10 of the Agreement by adding the following:

1.10 Agreed Standard of Service.

(i) Comply with the federal and state laws and regulations regarding employment eligibility verification and immigration, including, but not limited to, those laws and regulations applicable to federal contractors and subcontractors of the United States government, and, at the request of FedEx Ground, provide evidence of such compliance. Specifically, Contractor agrees to:

(1) employ only persons who are legally authorized to work in the United States and to maintain an I-9 employment authorization form, if required, for each person utilized and, at the request of FedEx Ground, provide evidence of such compliance;

(2) enroll in the E-Verify program, if not already enrolled, (Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: www.dhs.gov/E-Verify.) and to provide FedEx Ground, upon request, with a copy of Contractor's Maintain Company page and/or other such documentation as requested by FedEx Ground which memorializes the terms of the Contractor's agreement with the Department of Homeland Security.

(3) use E-Verify, for all personnel hired by Contractor on or after the effective date of this addendum, to initiate verification of employment eligibility of all new hires within 3 business days after the date of hire, and to provide FedEx Ground, upon request, verification satisfactory to FedEx Ground that Contractor is using the E-Verify system; and,

(4) comply with Executive Order 12989, as amended, and all associated government regulations. Specifically, Contractor understands and agrees to comply with the requirements of 48 CFR 52.222-54, including those requirements summarized below:

(a) For all personnel employed by Contractor after November 6, 1986, who are directly performing work, in the United States, under a federal contract or subcontract that is required to include the E-Verify clause, Contractor agrees to use E-Verify to initiate verification of employment consistent with 48 CFR 52.222-54. Contractor further agrees to provide, upon request, verification satisfactory to FedEx Ground that Contractor is using the E-Verify system.

(b) Contractor agrees to include the requirements of 48 CFR 52.222-54 in any agreement with a value of over \$3,000 with any covered subcontractors or vendors who perform services that flow from the Agreement. Upon request, Contractor agrees to provide verification satisfactory to FedEx Ground of Contractor's compliance with this provision.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

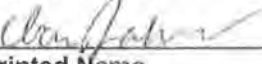
Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

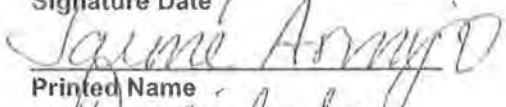
Page 1 of 2

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes Section 1.10 of the Agreement and, except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-13
Signature Date
Printed Name
Title

Contractor:


Signature7/27/2013
Signature Date
Printed Name
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 2 of 2

ADDENDUM 15**PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT****ENHANCED CONTRACTOR CUSTOMER SERVICE PROGRAM**

Contractor understands and agrees that payment to Contractor of the ECCS payment set forth in this Addendum 15 is contingent upon Contractor executing and complying with the terms and conditions of Addendum 11 to this Agreement.

SAFETY AND CUSTOMER SERVICE BONUS

Contractor is eligible to be paid, each calendar month, an individual, performance-related bonus (ECCS Bonus) for each Primary Service Area (PSA) listed on Addendum 4 to this Agreement, after providing services for the PSA for one full accounting period (i.e., one full calendar month).

Payment of the ECCS Bonus will be based on Contractor's performance, the length of Contractor's service for each PSA (PSA Service Period), and the number of PSAs under contract to either FedEx Ground or FedEx Home Delivery. For the purpose of determining the Potential Monthly Bonus structure set forth below, the number of PSAs will be determined by adding the number of PSAs listed on Addendum 4 to this Agreement to the number of PSAs listed on Addendum 4 to the FedEx Home Delivery Operating Agreement, if any. Although PSAs listed on Addendum 4 to the FedEx Home Delivery Operating Agreement will be counted to determine whether Contractor contracts for 1 PSA, 2-3 PSAs, or 4+ PSAs as set forth below, only PSAs listed on Addendum 4 to this Agreement are eligible for the ECCS Bonus described in this Addendum. The term PSA includes FedEx Ground, FedEx Home Delivery, and Regular Swing Contractor PSAs, but not short term swing PSAs or pickups being performed by Linehaul Contractors pursuant to a Performance of P&D Work attachment to a Linehaul Settlement addendum. Contractors are eligible for the ECCS Bonus for a PSA listed on Addendum 4 to this Agreement beginning after the PSA has been in service for one full calendar month after execution of this Addendum and Addendum 11. The ECCS Bonus for each PSA is broken down as follows:

| PSA Service Period | Potential Monthly Bonus | | |
|--------------------------------------|--------------------------------|-------------------|-----------------|
| | 1 PSA | 2 - 3 PSAs | 4 + PSAs |
| 1st Full Calendar Month - 2.99 years | \$420 | \$470 | \$520 |
| 3 - 4.99 years | \$420 | \$470 | \$520 |
| 5 years or more | \$520 | \$570 | \$620 |

For each calendar month, eligibility for the ECCS Bonus will be determined separately for each PSA based on Contractor's performance in safety and customer service. For a PSA to qualify for the ECCS Bonus, the PSA must be contracted by the first business day of the month during each calendar month, Contractor's employees performing services for that PSA must not have any of the following "ineligible events": a preventable accident (as "preventable accident" is defined in Addendum 11 to the Agreement); an out-of-service order issued by a law enforcement official; a driver disqualification as identified in Addendum 11 to the Agreement when driving a CMV (as "CMV" is defined in Addendum 11 to the Agreement). The receipt of one verified complaint by Contractor is also an ineligible event and will only qualify Contractor for half of the ECCS Bonus in the PSA in which the complaint is received, unless the complaint implicates signature or scanning integrity, in which case Contractor will not be eligible for any ECCS Bonus in the PSA in which the complaint is received. Additionally, for a PSA to qualify for the ECCS Bonus, Contractor must remain "active" in FedEx Ground's contract administration and settlement database for all business days of the calendar month and have pick-up and/or delivery service (which includes P&D trailer spots) for the PSA. For driver disqualifications, "ineligible event" refers to the last event required to trigger the disqualification periods identified in Section 1.5 of Addendum 11 to the Agreement.

Entity ID: V0014069

Entity Name: JAIMES ELEGANT P&D CORPORATION

Contract Number: C7670410

Station Number: 00871

Print Date: 07/27/2013

Page 1 of 4

| ECCS Payment Schedule | ECCS Bonus Payout |
|--|--------------------------|
| No ineligible events | Full ECCS |
| 1 verified complaint | Half ECCS |
| 1 or more preventable accident(s) | No ECCS |
| 1 or more out-of-service order(s) issued by a law enforcement official | No ECCS |
| 1 or more driver disqualification(s) as identified in Addendum 11 to the Agreement when driving a CMV (as "CMV" is defined Addendum 11 to the Agreement) | No ECCS |
| 1 or more verified complaint(s) due to signature or scanning integrity | No ECCS |
| 2 or more verified complaints | No ECCS |

The PSA for which Contractor was performing services under the Agreement on the date the ineligible event occurred will be ineligible for the ECCS Bonus.

A PSA is ineligible for the ECCS Bonus for the contractor who owns the PSA on the date the ineligible event occurred.

If Contractor sells or otherwise transfers a PSA ineligible for the ECCS Bonus after the ineligible event occurs, Contractor will not be eligible to receive an ECCS Bonus for the PSA listed on Addendum 4 that has the longest PSA Service Period.

Any ineligible PSA will not qualify for the ECCS Bonus for the calendar month the ineligible event is reported to or discovered by FedEx Ground.

Examples of complaints include, but are not limited to, complaints about the following:

- Driver release to business
- Unauthorized indirect deliveries
- Rudeness, abusive, or objectionable language or behavior
- Poor appearance or not in FedEx Ground uniform
- Failure to follow customer instructions
- Unsafe driving
- Accidents or property damage
- Disputed signature
- Non-compliant signature services
- Disputed delivery attempt complaint on adult, direct, or indirect signature required packages

PICK-UP SERVICE BONUS

Contractor who meets the following three conditions will be eligible for the Pick-Up Service Bonus that is calculated on a weekly basis and paid after the end of each month.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 2 of 4

- * No pick-ups are missed.
- * All scheduled pick-ups are made within the customers' requested windows, which includes a 10 minute grace period at the end of the pick-up window.
- * The scanner is used to process all pick-up stops, including zero package pick-ups.

Two instances of non compliance per month for late pick-ups and/or manual reconciliations for improper use of scanner will be allowed.

This Pick-Up Service Bonus will be calculated as follows:

Contractor must meet all three of the above conditions to qualify for the \$70 weekly bonus. After the completion of each month, FedEx Ground will pay Contractor a Pick-Up Service Bonus for each week of the preceding month in which Contractor qualified for the payment.

SETTLEMENT OPTIONS

Contractor may request that ECCS monies be deposited in Contractor's interest-bearing service guarantee account, and/or paid as cash settlement. Election(s) may be distributed in 5% increments that must total 100%.

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the first day of the month immediately following the date when this Addendum is fully executed by both parties, and except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:


Signature7-27-13
Signature DateClint Schlegel
Printed NameP&D Manager
Title

Contractor:


Signature7/27/2013
Signature DateJaime Arroyo
Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 4 of 4

FXG P&D IC Version 2012.08.04

Addendum 16

ADDENDUM 16

PICK UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

CONTRACTOR AS A CORPORATE ENTITY AND EMPLOYER

Pursuant to Section 13 of the FedEx Ground Package System, Inc. Pick-Up and Delivery Contractor Operating Agreement ("Agreement") entered into between FedEx Ground and the undersigned Contractor, Contractor and FedEx Ground hereby amend the Agreement by replacing Section 2.2 and Section 18 of the Agreement.

1. Registration as Corporate Entity and Employer.

Contractor represents and warrants that it is a corporation (and not some other form of business, such as a limited liability partnership (LLP), limited liability company (LLC), limited liability corporation, association, joint-stock company, joint stock association, or similar entity) incorporated in a State in the United States of America and that it is registered as a corporate business entity and as an employer in the state(s) in which it does business, and is in good standing in the state in which it is incorporated. Contractor agrees to maintain its registration, and good standing, if applicable, as a corporate business entity and as an employer in the state(s) in which Contractor provides Services under this Agreement and agrees to remain registered and in good standing in the state in which it is incorporated. Upon request by FedEx Ground, Contractor agrees to provide documentation showing that it is and continues to be a state law corporation, registered as a corporate business entity, in good standing, and registered as an employer.

2. Responsibility for Employer-Related Expenses and Legal Compliance.

In providing Services under this Agreement, except as outlined in Sections 3 and 4 of this Addendum, Contractor agrees to use only personnel that Contractor ensures are treated as employees of Contractor ("Contractor Personnel" or "Personnel") for all payroll, tax, withholding, insurance and other purposes under applicable law. Contractor agrees that neither it nor any of its Personnel are to be treated as or considered to be FedEx Ground's employees for any purpose, nor is Contractor or its Personnel entitled to or eligible for any employee benefits from FedEx Ground or any FedEx Ground-sponsored benefit plans, even if subsequently reclassified as or otherwise found to be employees of FedEx Ground by a court, agency, or other adjudicative body. Upon request by FedEx Ground, Contractor agrees to provide documentation establishing that all of its Personnel are treated as employees for all payroll, tax, withholding, insurance and other purposes under applicable law. As between FedEx Ground and Contractor, Contractor agrees to:

- 2.1 bear all expenses associated with the training of its Personnel under this Agreement, and all expenses associated with physical examinations;
- 2.2 bear all expenses associated with the employment of such persons, including without limitation, wages, salaries, benefits, employment taxes, unemployment insurance, workers compensation coverage, and government mandated disability insurance, and, at the request of FedEx Ground, provide proof that these obligations and all

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 1 of 7

FXG P&D IC Version 2012.08.04

Addendum 16

related filings with federal, state and local authorities are being met, including without limitation, collection and payment of withheld taxes and unemployment taxes, the procurement and maintenance of workers' compensation insurance and the satisfaction of any other obligations required by law;

- 2.3 assume sole responsibility for payroll deductions and maintenance of payroll and employment records, and for compliance with all applicable federal, state, and local laws, including without limitation, wage payment, final payment of wages, required withholdings from wages, deductions, overtime, and rest and meal periods, and, at the request of FedEx Ground, provide evidence of such compliance;
- 2.4 utilize only persons who are legally authorized to work in the United States, maintain an I-9 employment authorization form, if required, for each person utilized, and, at the request of FedEx Ground, provide evidence of such compliance; and
- 2.5 comply with the laws and regulations applicable to government contractors and subcontractors as set forth in this Agreement, and, at the request of FedEx Ground, provide evidence of such compliance; and
- 2.6 only utilize persons to provide Services under this Agreement who are fully trained and qualified pursuant to applicable federal, state, and municipal safety standards and the standards set forth in this Agreement including the Safe Driving Program set forth in this Agreement.

3. Subcontracting

- 3.1 **Subcontracting Generally.** Contractor may subcontract its obligations to provide Services under the Agreement to any other independent contractor under any Operating Agreement with FedEx Ground or to any ISP (Independent Service Provider operating under an ISP Agreement with FedEx Ground ("Subcontractor")). To ensure legal compliance, Contractor agrees not to subcontract its obligations to any third party that is not a party to an Operating Agreement or ISP Agreement with FedEx Ground, or other agreement with FedEx Ground covering the same subject matter and for the same purpose, unless FedEx Ground agrees in advance in writing.
- 3.2 **Payment of Subcontractors.** Contractor agrees that FedEx Ground will pay the Subcontractor for the work performed in accordance with any agreement FedEx Ground has with the Subcontractor.
- 3.3 **Responsibilities as a Subcontractor.** If Contractor provides Services as a Subcontractor for another independent contractor, Contractor agrees that its responsibilities, obligations and liabilities will apply to the subcontracted Services.

4. Employee Leasing Companies, Professional Employment Organizations ("PEOs"), Temporary Employee Arrangements and Temporary Staffing Agencies.

To the extent Contractor uses the services of third party vendors as a source for qualified personnel to provide Services under the Agreement, Contractor agrees as follows:

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 2 of 7

FXG P&D IC Version 2012.08.04

Addendum 16

- 4.1 to remain fully and solely responsible to ensure and to provide documentation from the vendor demonstrating that any such personnel are treated as employees for all purposes including without limitation those in Section 2.1-2.6;
- 4.2 to ensure that any vendors are appropriately licensed, accredited, and registered in accordance with any and all applicable local, state and federal laws. Specifically, any such vendors must be in good standing and registered as an employer in the states in which they operate, provide workers' compensation coverage and unemployment insurance to qualified personnel, and comply with all payroll, tax, withholding, insurance and other requirements under applicable law;
- 4.3 to use only vendors that are in the business of providing personnel or temporary staffing and that are members of and adhere to the standards of either the American Staffing Association or the National Association of Professional Employer Organizations; and
- 4.4 to not use a contractor under an Operating Agreement with FedEx Ground or an Independent Service Provider under an ISP Agreement as a vendor.

Contractor agrees that none of its Personnel as described in this Section 4 are to be treated as or considered to be FedEx Ground's employees for any purpose, nor is Contractor or its temporary personnel entitled to or eligible for any employee benefits from FedEx Ground or any FedEx Ground-sponsored benefit plans, even if subsequently reclassified as employees of FedEx Ground by a court, agency, or other adjudicative body. Upon request by FedEx Ground, Contractor agrees to produce documentation from any vendor demonstrating that personnel described in this Section 4 are being treated as employees of the vendor and that the vendor is appropriately licensed, accredited, and registered in accordance with the law and complies with the standards stated above. Contractor agrees that an unreasonable failure to produce requested documentation will constitute a material breach of the Agreement.

5. Corporate Authorization.

Each signing party represents and warrants to the other that: (A) he/she has the requisite power and authority to enter into this Agreement for the business entity on whose behalf the signing party executes this Agreement; and (B) the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated by this Agreement, have been duly authorized by requisite formal business governance action on the part of each Party.

6. Designation of Authorized Officer and Business Contact.

Contractor agrees to designate an "Authorized Officer" of Contractor to deal with FedEx Ground on Contractor's behalf. The Authorized Officer shall be an Officer of Contractor and shall be empowered to make binding decisions on behalf of Contractor related to modification to the terms of this Agreement, termination of this Agreement, assignment of this Agreement pursuant to Section 7 of this Addendum, and changes related to payment of Settlement. The Parties agree that each will designate one of its Personnel to be a "Business Contact" at each Fed Ex Ground Station for purposes of administering the day-to-day operations under this Agreement, including decisions related to Personnel. Unless Contractor specifies otherwise in writing, Contractor's

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 3 of 7

FXG P&D IC Version 2012.08.04

Addendum 16

Authorized Officer will be Contractor's Business Contact. Contractor agrees however that its Business Contact may not also serve as the Business Contact for any other Contractor under an Operating Agreement within the same operating division of FedEx Ground. Contractor further agrees to ensure that FedEx Ground has reasonable access to Contractor's Business Contact for the purpose of addressing matters within the Business Contact's purview. Contractor may change its Authorized Officer and/or Business Contact designations at any time and will provide FedEx Ground with written notice of any such change together with appropriate corporate authorization for a change in Contractor's Authorized Officer. FedEx Ground designates the Senior Manager of the FedEx Ground Station where Contractor is domiciled, or in the event of the Senior Manager's unavailability, his/her designee as its authorized agent and Business Contact for purposes of administering this Agreement, including day-to-day operational issues.

7. Assignment of Agreement and Transfer of Primary Service Areas (PSAs).

Contractor may assign this Agreement or otherwise transfer its rights or obligations in a PSA under the Agreement with the prior written consent of FedEx Ground, which consent shall not be unreasonably withheld; provided that the Parties acknowledge and agree that, in all instances, the withholding of such consent by FedEx Ground shall not be deemed unreasonable if (A) the assignment or transfer proposed by Contractor would result in the inability of a contractor to achieve the results contracted for in the Agreement or (B) such assignment or transfer would result in FedExGround's undue reliance for service in a geographic area on a single contractor, contractors, or Independent Service Provider(s) controlled by common shareholders and officers.

In connection with any such proposed assignment or transfer, the Contractor proposing the assignment or transfer shall provide advance notice to FedEx Ground in writing, which notice shall include the nature, type and scope of the proposed assignment or transfer. FedEx Ground, as soon as practicable, but not more than 30 days after receipt of such written notice, will notify the Contractor in writing of its consent or lack thereof to any such proposed assignment or transfer. Any assignment or transfer made by a Contractor without the written consent of FedEx Ground, as provided herein, will be void and of no effect as between Contractor and FedEx Ground.

The Parties agree that any proposed transfer of control, in whole or in part, of a PSA or PSAs to an entity not already bound under a fully executed and enforceable Operating Agreement with FedEx Ground shall constitute a transfer to a new entity requiring FedEx Ground's prior written consent. As a condition to the effectiveness of FedEx Ground's prior written consent to such transfer or partial transfer of such PSA or PSAs to such new entity, FedEx Ground and the new contractor may enter into an Operating Agreement under substantially the same terms and conditions as required under this Agreement. In the event of a transfer or partial transfer of a PSA from a Contractor to an existing contractor, Contractor agrees to provide FedEx Ground prior written notice of the transfer and to re-execute Addendum 4 as appropriate.

For the purposes of this Section, Contractor agrees that the following events, without limitation, shall also constitute an "assignment" requiring the prior written consent of FedEx Ground pursuant to the terms and conditions hereof: (1) any assignment by operation of law or any court-ordered plan of merger, consolidation, liquidation, dissolution or otherwise (2) any transfer of control, either directly or indirectly, of Contractor through the appointment of new officers or directors, or through the sale or direct or indirect transfer of its stock, membership, partnership or other equity interests or its assets in a single transaction or series of related transactions, or (3)

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 4 of 7

any merger, consolidation or acquisition by or of or into Contractor with or into another entity to form or become part of a new or different entity, or (4) any other transaction, transfer, or the like having the effect of an assignment or transfer of Contractor's rights or delegation of its duties hereunder or otherwise designed to circumvent the provisions of this Section.

FedEx Ground may (A) assign this Agreement and its rights and obligations hereunder with the written consent of Contractor, which consent shall not be unreasonably withheld, and (B) without the consent of Contractor, assign this Agreement and its rights and obligations hereunder to any affiliate of FedEx Ground or to any person or entity that acquires all or substantially all of the voting stock or assets of FedEx Ground or of any affiliate of FedEx Ground, or to any successor of or to FedEx Ground in a merger, consolidation, reorganization or similar transaction or in connection with an acquisition of FedEx Ground or any affiliate of FedEx Ground.

8. Grounds for Termination of Agreement and Opportunity to Cure.

The Parties acknowledge and agree that, while it is impossible to define in advance each breach or combination of breaches that will constitute a material breach, the following will be sufficient to constitute a material breach: (1) an act of Contractor, including its personnel, agent, officer, or owner of Contractor that is inconsistent with the honesty and integrity and compliance with law provisions of Section 1.10 of the Agreement including without limitation making a false certification of fact such as forging recipient's name as proof of delivery, intentionally miscoding or mis-scanning the status of a package, or falsification of DOT related documents (2) the failure of Contractor to register, or maintain registration, as a corporate entity and employer, (3) the failure of Contractor to ensure that all personnel providing Services for it are treated as employees, (4) the failure of Contractor to remove or re-assign disqualified personnel from providing Services under this Agreement, (5) the failure of Contractor personnel, or an officer or owner of the Party, to comply with posted FedEx Ground policies against workplace-related violence, hostile work environment, and harassment (6) the failure of Contractor to maintain required insurance coverage, (7) breach by Contractor of the assignment provisions, (8) the failure of Contractor to provide documentation of proof of compliance with legal or contracting standards, (9) violation of the provisions of Addendum 11, Section 5.6, relating to Certain Driver Offenses and failure to take reasonable care to ensure safe driving operations. For all other material breaches of this Agreement, upon receiving notice of an opportunity to cure, the Parties will have seven days to remedy the breach if possible and take steps to ensure that similar future breaches will not occur, provided that FXG may proceed at its election to mitigate its damages as necessary. If within seven days of receiving notice of an opportunity to cure the breaching Party demonstrably remedies any breach and/or takes steps to ensure that similar breaches will not occur in the future, termination of the Operating Agreement will not be warranted.

9. Contractor Personnel

Contractor agrees that it shall not assign to provide Services under this Agreement any personnel who (1) breach Sections 1.10 (e), (f), (g), or (h) of the Agreement, including without limitation to making a false certification of fact such as forging a recipient's name as proof of delivery, intentionally miscoding or mis-scanning the status of a package, or falsifying DOT related or other official documents; or (2) fail to meet the Background Qualification Criteria set forth in Addendum 11, Section 3; or (3) fail to comply with applicable workplace safety, anti-violence, and anti-harassment standards and legal requirements. Contractor agrees that such personnel are disqualified to provide Services under the Agreement.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 5 of 7

FXG P&D IC Version 2012.08.04

Addendum 16

10. Payment

FedEx Ground agrees to pay Settlement to Contractor by electronic funds transfer on a weekly basis, in arrears, from when the applicable Charges become payable. FedEx Ground shall make payment to Contractor no later than 15 days after the date Contractor submits all information necessary for FedEx Ground to secure customer payment. Contractor agrees to furnish documents needed to allow FedEx Ground to pay Settlement to Contractor through electronic funds transfers to an account of Contractor's choosing.

11. Calculation of EPP, PPS, ECCS, CCS, and Core Zone Plus

Effective June 1, 2011 and thereafter, Enhanced Primary Plus, Enhanced Contractor Customer Service, Contractor Customer Service, and Core Zone Plus will use only the number of Primary Service Areas (PSAs) associated or connected with a single incorporated Contractor to calculate the following settlement components: EPP, PPS, ECCS, CCS, and Core Zone Plus.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

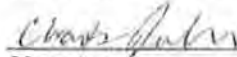
Page 6 of 7

FXG P&D IC Version 2012.08.04

Addendum 16

By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012 or, if signed after the effective date, the date when this Addendum is fully executed by both parties, this revised Addendum supersedes Section 2.2 and Section 18 of the Agreement except for the changes and additions in this revised Addendum, the Agreement remains in full force and effect, and each Party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:



Signature

7-27-13
Signature Date

Charles Palmer
Printed Name

President
Title

Contractor:


Signature

7-27-2013
Signature Date

Jaime Jimeno
Printed Name

President
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D CORPORATION

Station Number: 00871

Page 7 of 7

ADDENDUM 18

PICK-UP AND DELIVERY CONTRACTOR OPERATING AGREEMENT

RESIDENTIAL DRIVER RELEASE PROGRAM

Contractor will not be responsible for the loss resulting from a residential driver release if:

1. The Contractor is approved for the Residential Driver Release Program.
2. Packages are left in an approved driver release area. Certain areas will be designated "Signature required". Signatures must be obtained for deliveries in such areas.
3. Packages are left out of public sight.
4. Driver release packages are left only at residential dwellings with single family entryways.
5. Packages are left in places that are not susceptible to weather damage. If this is not possible, packages must be securely wrapped in weatherproof bags.
6. Packages are left in places inaccessible to animals.
7. Delivery notices are left at the primary entrance whenever, and wherever, a package is left without the recipient's signature.
8. Contractor completes and returns the FedEx Driver Release Verification form or the FedEx Confirmation of Delivery form within 10 calendar days of receipt. Contractor will not be required to complete the FedEx Driver Release Verification form or the FedEx Confirmation of Delivery form received more than 90 days after the package ship date.

Contractors will be responsible for loss resulting from a residential driver release if:

1. Signatures are not obtained for packages requiring signature.
2. Packages destined to businesses are driver released. Businesses include churches, schools and businesses operated out of a residence.
3. Packages destined to apartments or residences with public access and/or common entryways are driver released.
4. Packages are released to any address other than the one specified on the address label. These packages are mis-deliveries.

Indirect Deliveries:

Contractor will not be responsible for loss resulting from indirect deliveries if:

1. **Contractors use** the proper exception code and records the correct address of the location where the packages are indirectly delivered.
2. **Contractor gets** the signature of an adult (someone over 18) living or working at the indirect delivery site.

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 1 of 3

3. **Contractor enters** the name (first initial and last name) of the person signing for the package in the area provided on the delivery record/manifest or scanner.
4. **Contractor leaves** a delivery notice at the primary entryway at the correct recipient's address.

Packages Requiring Signatures (Noted on the Contractor's Delivery Record/Manifest and/or indicated on the scanner by scanning the barcode) are not included in the Residential Driver Release Program. The packages not included are:

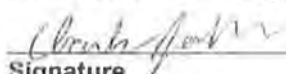
1. Premium Service Packages for which the shipper has requested (and paid for) signature service.
2. Packages destined for areas designated as "Signature required".
3. Packages with declared value of over \$500

Claims

Notwithstanding the provisions of subparagraph 3.5(c) of the Agreement, Contractor will not be required to indemnify FedEx Ground for loss of and damage to packages but will remain responsible for handling packages so as to avoid theft, loss and damage under subparagraph 1.10 (c) of the Agreement.

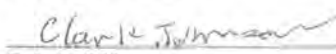
By execution of this Addendum to the current Pick-Up and Delivery Contractor Operating Agreement (the "Agreement"), FedEx Ground and Contractor each agree that effective 09/01/2012, or, if signed after the effective date, the date when this Addendum is fully executed by both parties, except for the changes and additions in this Addendum, the Agreement remains in full force and effect, and each party agrees to continue to be bound by the terms of that Agreement.

FedEx Ground Package System, Inc.:



Signature

7-27-13

Signature Date


Printed Name
Title

Contractor:


Signature

7/27/2013

Signature Date


Printed NamePresident
Title

Entity ID: V0014069

Contract Number: C7670410

Print Date: 07/27/2013

Entity Name: JAIMES ELEGANT P&D
CORPORATION

Station Number: 00871

Page 3 of 3

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) _____

DEFENDANTS

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known) _____

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☐ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

| CONTRACT | TORTS | FORFEITURE/PENALTY | BANKRUPTCY | OTHER STATUTES |
|---|--|---|---|---|
| <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise | PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice | PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions | <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609 | <input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes |
| REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property | CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education | PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement | | |

V. ORIGIN (Place an "X" in One Box Only)

- ☐ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$

CHECK YES only if demanded in complaint:
JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.