



TO: Our Valued Drop-Ship Vendors

RE: Drop-Shipping Procedure

As you are aware, we made the physical move of our warehouse from Roanoke to West Chester, Ohio in July 2007. Along with this move came a conversion to all-new systems, and with a new system also came some glitches. We've been working to correct any problems that vendors may have encountered this past month. Attached is an example of the packing list that you may have already received or will be receiving in the future.

To make sure all vendors receive orders in a timely fashion, you will find in this packet information for getting set-up on VendorNet, complete drop-ship procedures, plus a contact sheet that must be filled out and faxed to the fax number printed on the contact sheet.

VendorNet (order receipt, confirmation and invoicing)

Improvements/Alsto requires that all Drop Ship vendors use our web-based system called VendorNet. This system will allow you to easily receive your orders, confirm that orders have shipped, and automatically invoice all at one site. VendorNet is free and simple to use. Attached is a checklist that you will need to complete and fax back to (513) 603-1021 to begin the set-up process. Should you have any questions about VendorNet or the set-up process, please email our VendorNet Dept. at vtg@ccsginc.com.

Since the use of VendorNet is a requirement of all Drop Ship vendors, it is imperative that we receive this information as soon as possible so we may get you set up before orders begin coming in for your products.

Order Shipment Method

On our customer order, you will be instructed as to what ship method to use.

For non-freight orders, Improvements/Alsto ships via UPS. You must use our UPS account number. This allows us to track orders. The terms are third-party billing; *do not ship consignee billing*. The account number is **5V5W57**.

For freight pickup, please notify the freight carrier's home offices; *do not contact the local agent directly* for pickup. You can register shipments online with the carrier. The contacts are:

For truck deliveries: Yellow Freight 1-800-610-6500 www.YellowFreight.com

For in-home deliveries: Home Direct USA 1-866-508-5829 www.HomeDirectUSA.com

Please mark on Bill of Ladings the following:

 "Prepaid Third-Party and Residential Delivery Charge, Prepaid Third Party.
 Bill to: Improvements/Alsto, 8877 Union Centre Blvd., West Chester, OH 45069."

Customer Order Questions/Cancellations

Please address any customer order-specific questions such as missing customer information, customer phone numbers, clarification on a customer order, etc. to our Ohio Call Center's Drop Ship group. This department's information is as follows:

Drop Ship Order Review Dept.

Phone: 513-645-4060

Leave a detailed voice mail message with the customer's name, the customer order number, date of call, and your contact information. One of the representatives will call you back within 24 hours.

Fax: 513-603-1463

Email: DropShip@ImprovementsCatalog.com or DropShip@Alstos.com

In the event of a customer order cancellation, a Drop Ship Order Review representative will go into VendorNet and cancel the order there. You will then be expected to respond within 48 hours with a confirmation that you are either canceling the order, or that the order has already shipped.

Returns and Defective Merchandise

When orders are confirmed as "shipped" on VendorNet, it invoices Improvements/Alsto. On defective merchandise and wrong merchandise shipped, debits are done to offset the VendorNet invoicing. Original and return shipping charges will also be deducted.

Please note that if an order is defective or wrong item was sent, and the customer returned it directly to you, do not send out a replacement order on your own. Please notify the Drop Ship Review Dept. of the return. Our Drop Ship Dept. will enter a replacement order if the customer wants a replacement, and re-send to you via VendorNet.

1. All damaged merchandise will be returned to the Improvements/Alsto warehouse unless other arrangements have been made in the vendor agreement. All drop ship defective merchandise will be processed per the initial vendor agreement (i.e. RTV Authorization or vendor credit). Additionally, a debit will be done for return shipping charges.
2. As mentioned above, all wrong items shipped will be returned to the vendor, and a debit will be done for cost and shipping both ways.
3. Vendor is responsible for notifying our drop-ship coordinator about any out-of-stock positions and estimated in-stock dates.
4. All drop ship orders, where customer decides they don't like the item, will return back to the Improvements/Alsto warehouse unless other wise agreed upon. If a customer refuses an item with the freight company, or UPS returns it to you, we will debit the cost minus a 15% restock fee (or whatever has been previously agreed to).

All Other Questions / Issues/ Correspondence

Please direct all stock, inventory positions, and concerns to me. Questions regarding the drop ship procedure, such as forecasting, order processing, ship confirmation, submission of invoices, etc. may be addressed to me as well. My contact information is as follows:

Karyn Woodards

Phone: (216) 831-6191 ext. 228

Fax: (216) 595-3564

Email: kwoodards@ImprovementsCatalog.com

Please share this letter with all pertinent contacts.

We thank you for your time and assistance, and look forward to a very productive business relationship with you!

PLEASE SIGN BELOW WITH YOUR UNDERSTANDING AND AGREEMENT TO THE ABOVE.
PLEASE FAX THIS PAGE BACK TO ME WITHIN 3 BUSINESS DAYS, AT (216) 595-3564.

Please print legibly and complete all information:

Company Representative _____

Title _____

Company Name _____

Address _____

City _____ State _____ Zip _____

Phone _____

Email _____

Fax _____

Average turn-around time for order fulfillment: _____ business days

Negotiated drop-ship fee (please confirm): \$ _____

Signature _____ Date _____