April 6th, 2022

Paper First Affiliates

77 Mason Terrace Apt #21

Brookline, MA 02446

Dear Paula Federici,

At Chocolate Delivery Systems we remain committed to delivering high quality confectionery and chocolate products to our customers.

We are operating in challenging times, experiencing volatile pricing in Palm Kernel Oil, Sugar, Milk and Cocoa, as well as Packaging, Labor, and Transportation costs. Historically, our costs had minimal increases allowing CDS the ability to be conservative with previous price increases. We have managed to absorb as much of the change as possible, however at this time, we find it necessary to increase pricing on our products and services.

While costs continue to rise, there are opportunities for you our valued customers to lock in prices. We offer contracts that assure a set price for a specific time-period with established volumes. Another option is an irrevocable purchase order committing to a negotiated price and volume. Our team works to manage prices by locking into commodity contracts that are tied to volume and time. Upon finalization of your commitment, we immediately lock in those contracts.

Additionally, we offer the option to purchase on a “spot basis”, of which the price and volume will be based on current market prices and availability at that time. Spot purchases are subject to product availability and factory capacity at the time of inquiry.

We are taking these steps to maintain a sustainable high level of service, but most importantly safe quality products. I will reach out to you personally to provide a business review of your current product mix and your needs for the balance of 2022. Once we understand your needs, we will advise you of your pricing structure for the balance of the year.

We greatly appreciate your business and the long-standing partnership we’ve built together over the years. Let’s work closely together during these difficult times for mutual success in our businesses.

Sincerely,

Christina Catlin

Christina Catlin

Director of Business Development