

BOOK FULFILLMENT AGREEMENT

This Agreement is made on the ____ day of _____ 2010, between:

360 Digital Books, (herein called 360)
with offices at 8089 Stadium Drive, Suite C, Kalamazoo, MI 49009.

And

_____ (herein called Publisher)

With offices at _____, _____ (Street address) _____ (ST) _____ (Zip)

A. Term

This agreement shall have an initial term of one (1) year and shall automatically be renewed for successive one (1) year periods unless either party gives notice in writing to the other party no less than 30 days prior.

B. Services Provided by 360

1. Inventory Storage and Record Keeping

360 will store Publisher's books in its warehouse in Livonia, Michigan in such a way that provides efficient fulfillment service while exercising extreme care in the handling of all books. Maintain perpetual inventory records for all titles stored in warehouse. Perform an annual physical inventory count at a date specified by 360 and replenish any inventory shortage of each book title on hand per the annual physical count versus the perpetual records.

2. Order Processing and Fulfillment

360 will receive, pack and ship all orders within 24 hours of receipt, assuming proper inventory amounts exist.

3. Shipping

360 will ship all books via carrier specified with each order. 360 will prepay all shipping charges and bill back to Publisher on a monthly basis.

4. Invoicing

360 will prepare invoices on a monthly basis. This invoice will include all fees as outlined in the Schedule of Fee's section of this agreement. Payments will be processed in accordance to the terms set up on the Publisher's account.

5. Web Access

360 will provide each publisher with a unique login and password that will grant them access through a web browser to a list of active titles that are stored in our fulfillment system. Along with this Publishers will be able to monitor current inventory levels and have access to a complete history of all activity on each title.

6. Low Inventory Notification

360 will notify the Publisher when inventory is getting low. This will be done via an automated e-mail system that is tied directly to the inventory system. This is triggered by the re-order point that is set by the Publisher at the time each title is entered into the fulfillment system.

7. Listing on the On-Line Store

360 will list each of your titles on our on-line store so you can start selling your books immediately. Your listing will include a thumbnail of your cover, a short description (written by the Publisher) and the price of your book. Along with the listing there will be a "buy now" button that runs through your Pay Pal account, or it can link to your web page so you can use your own charge card merchant.

8. Direct Link to Your Website

360 will provide a direct link from the Publisher's website to their fulfillment system. This will make it possible for the Publisher to sell their books through their website and have the order automatically sent through 360's fulfillment system, without the Publisher's intervention. This will require the use of PayPal as your charge card merchant.

C. Responsibilities of Publisher

1. Inventory Level

Publisher will be responsible for maintaining a sufficient inventory level so that 360 can fulfill all incoming orders within the time frame specified.

2. Payment

Publisher is responsible for keeping their account paid up to date or 360 reserves the right to limit access to your inventory. All invoices will be processed based on the terms the Publisher has set up on their account. (i.e. charge card accounts will be charged when invoice is written, term accounts will be due 30 days after invoice date and cash advance accounts will be due upon receipt.)

3. Fulfilling Titles Not Printed by 360

Publisher will need to provide 360 with the exact number of books and pallets to be stored. Publisher will also need to provide 360 with a thumbnail of the front cover for the purpose of listing on the on-line store.

D. Schedule of Fee's

One Time Initial Set-Up Fee (Includes 1st years Administration Fee)

- \$100.00 (Includes up to 5 titles at initial set-up)
- \$25.00 each additional title after initial set-up

Annual Administration Fee (Billed in advance, starting on the 2nd year)

- 1-5 Titles = \$25.00 each title
- 6-10 Titles = \$20.00 each title
- 11-20 Titles = \$15.00 each title
- 21 Titles & up = \$7.50 each title

Handling Fee's

- \$2.25 for first book to each address
- \$0.25 for each additional book to same address
- Shipping is additional based on the specific method chosen with each order

Monthly Storage Fee

- \$12.00 per title/pallet

Returns

- Same charges as Handling Fee's

360 Digital Books



Signature

Signature

Printed Name

Keith Reisinger

Printed Name

Title

Executive Vice President

Title

Date

Fulfillment Online Bookstore Information

If you have more than one book title in fulfillment, we will need this page filled out for each title.

Customer Name: _____

Book Title: _____

ISBN#: _____

Re-Order Point Quantity: _____ (this is set so that when your inventory gets to a certain number it will automatically email you stating that your inventory is low and do you want to reorder)

Book Description (200 characters or less): _____ (this is added along with a thumbnail of your book cover)

Book Retail Price: _____

Shipping/Handling Cost: _____

Shipping Method(s): _____

Choose only one option (A or B)

Option A (If using a PayPal account)

Book retail price: \$ _____

Shipping cost: \$ _____

PayPal login (We do not need or want your password): _____

This information will make it possible for us to provide a direct link from your website to our fulfillment system. As outlined in #8 in contract above.

Option B (If NOT using a PayPal account)

Web address: _____

We will use this to create a link from our Books Data Online book store directly to your website
NOTE: This method is not tied directly to our fulfillment inventory system, which means orders will need to be placed through the client area manually.