

Business Fulfillment Service Agreement

1. Terms & Definitions

The following terms are defined for use in this Agreement:

"Client's Product" means a tangible product that is manufactured or distributed by Client, which meets P-KOTECH INC. Business Fulfillment Service's product requirements, and is "accepted" by P-KOTECH INC. and stored in its warehouse.

"Client's Web Site" means one or more interactive Internet World Wide Web sites maintained by Client for the purpose of displaying and offering products for sale to Customers.

"Customer" means any person desiring to make a purchase of a Client Product.

"Delivered" means the Product(s) has been placed with a common carrier such as the Canada Post, UPS, Fedex, Purolator, DHL, or TNT etc., **shipping charges prepaid**, with instructions to deliver the Product(s) to the Customer.

"Accounting Period" means each monthly period, during the Term of This Agreement.

"P-KOTECH INC. Business Fulfillment Service Fees" means the fees that P-KOTECH INC. charges for the fulfillment cycle, and other services. These fees are detailed on Clients Service Rate Agreement, and are subject to change solely at the discretion of P-KOTECH INC..

"Fulfillment Cycle" - P-KOTECH INC. receives orders in an acceptable electronic format submits to Order Processing software, then pick, pack and ships order. Any services other than fulfillment cycle services are subject to additional charges. No services are provided free of charge. Additional services fees are mutually agreed upon.

"Term of this Agreement" means the term beginning when Client accepts this agreement and terminating when cancelled by Client or P-KOTECH INC. under section 5.

2. Description of Services:

P-KOTECH INC. is a provider of fulfillment services. These services are provided to Clients desiring to sell or distribute products.

3. Performance & Implementation

Client will use P-KOTECH INC. Business Fulfillment Service's Online Order Processing Site to submit customer orders to P-KOTECH INC..

Upon receipt of each valid Customer order, P-KOTECH INC. will promptly (within 48 hours) ship the ordered product(s) to the Customer.

4. Payments

Client agrees to pay P-KOTECH INC. as described hereinafter.

The amount to be paid by Client will be determined as of the 1st business day of each month following each Accounting Period during the Term of this Agreement. P-KOTECH INC. will invoice Client as promptly after these dates as is practicable. The payment due to P-KOTECH INC. is equal to the sum of all fees for the invoice, due upon receipt. Failure to receive payment by the 15th of month stops all shipping activity until payment received.

Any Client credits applied to payment must be approved by P-KOTECH INC.. Unapproved credits taken by Client will suspend all Clients activity at P-KOTECH INC. until resolution.

5. Cancellation & Termination

The Client and P-KOTECH INC. may at any time cancel this Agreement with notice. A 30-day written notice is required. Upon cancellation by either party, this Agreement will terminate and P-KOTECH INC. will ship orders until the Products are packed (orders terminated). Storage fees, fulfillment fees, packaging fees and shipping fees will apply until product is shipped back to the Client. Any and all monies due for all fulfillment services rendered, including final shipment fees, shipped prior to cancellation. All monies owing and due for final shipments will be paid prior to final shipment. The Client will provide shipment of all remaining Stock in P-KOTECH INC. Business Fulfillment Service's warehouse.

Final shipments are treated as a typical shipment, including transaction fees, overpick charges, and any packaging needs. All fees must be paid prior to final shipment.

Sections 1, 4, 6b, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 shall survive termination of this Agreement.

6. General Terms and Conditions.

A) Losses.

Client shall defend, indemnify and hold P-KOTECH INC. harmless from all claims, expenses, and losses occurring for any reason in connection with the shipment of Client's Product(s) to Customers by P-KOTECH INC., specifically including, without limitation, the costs and expenses of warranty and/or service claims of Customers arising out of express or implied representations of Client or by operation of law, regulation, or trade custom.

B) Client Support.

Client shall at all times have the ability to respond promptly to inquiries from P-KOTECH INC., and shall endeavor to resolve disputes with Clients amicably. In addition, P-KOTECH INC. reserves the right to charge Client reasonable fees and recover its expenses on account of excessive Client inquiries. Prior to imposing such fees and attempting to recover its costs, P-KOTECH INC. shall notify Client of the details and nature of the problems and attempt to find mutually acceptable solutions.

7. Regulation Authorization

Client represents and warrants that it is legally authorized and has obtained all necessary regulatory approvals and certificates to sell any product it intends to offer. Client further represents that it will conform to any and all laws, rules, regulations, requirements and/or other standards that are established by the Federal Trade Commission, province and local consumer protection agencies, and credit card governing agencies regarding Client's Products and the sale of products over the Internet or in situations where the card is not present.

8. Taxes

Each party agrees to report and pay its own taxes imposed on its income by any jurisdiction, such as provincial and federal income taxes. Should P-KOTECH INC. be required to pay any such taxes on the income of Client, the amount of such taxes and all related interest, fines, or penalties shall become immediately due and payable to P-KOTECH INC. pursuant to Section 10.

Further, the parties agree that if additional taxes in the nature of an excise, sales or use tax are imposed in connection with P-KOTECH INC. Business Fulfillment Service on behalf of Client, the burden of such taxes shall be the Client's responsibility. P-KOTECH INC. shall have the right to collect and pay over taxes in the nature of an excise, sales, or use tax on behalf of Client or on account of its own sales of products if reasonably required to do so by a taxing authority of competent

jurisdiction and shall further have the right to recover from Client under Section 10 of this Agreement the amount of any such taxes and related penalties and interest which are paid by P-KOTECH INC. with its own funds.

9. Limitations of Liability for P-KOTECH INC.

P-KOTECH INC. assumes no liability for disruptions or improper operation of its equipment or software for any reason, including, but not limited to, vandalism, theft, phone service outages, Internet disruptions, human error, unauthorized third party interference, impersonation, extreme or severe weather conditions or any other causes in the nature of "Acts of God" or force majeure. Unless there is written agreement to the contrary, it is understood that our errors and omission liability shall be liable only to the extent of re-mailing reshipping a correction as soon as possible to rectify the mistake, and damages due by the fulfillment house to the client shall be limited to the value of the billable work performed. In no case is the fulfillment center liable for loss of business, product loss, incidental or consequential damages or costs in excess of billing for services. P-KOTECH INC. shall not be responsible for consequential damages or punitive or exemplary damages under any circumstances. In no case shall Client be entitled to recover damages from P-KOTECH INC., which exceed the sum of the amounts of service fees retained by P-KOTECH INC. under this Agreement during the six months prior to event giving rise to the claim for damages.

10. Indemnification

Client is fully responsible for the advertising and promotion of all of Client's Products. Client certifies and represents to P-KOTECH INC. that it is the owner or that it has full right and authority to use and disseminate all information, data, graphics, text, video, music or other intellectual property which either forms a part of its Web site, which is provided by Client to Customers, or which is used by Client in its advertising and promotion and to sell and deliver products to Customers.

Client agrees to defend, indemnify and hold harmless P-KOTECH INC., its employees, officers, agents, and directors from any and all fines, penalties, losses, claims, expenses (including attorney's fees), or other liabilities resulting from or in connection with this Agreement. P-KOTECH INC. assumes no liability of the Client for failure to follow this Service Agreement and any results caused by the acts, omissions or negligence of the Client, sub-contractor or an agent of Client or an employee of any one to them, including, but not limited to, claims of third parties arising out of or resulting from or in connection with the Client's Products, messages, programs, caller contracts, promotions, advertising, infringement or any claim for libel or slander or for violation of copyright, trademark or other intellectual property rights.

11. Default

In the event Client defaults in any provision or fails to perform pursuant to this Agreement, P-KOTECH INC. shall be entitled to damages, costs and attorney's fees from the Client. Client in default 90 days, P-KOTECH INC. can liquidate inventory and apply to outstanding invoices.

12. Invalid or Non-enforceable Provisions

The invalidity or non-enforceability of any provision of this Agreement, as so determined by a court of competent jurisdiction, shall not affect the other provisions hereof, and in any such occasion this Agreement shall be construed in all respects as if such invalid or non-enforceable provision were omitted.

13. Law, Jurisdiction and Venue

This Agreement shall be construed and enforced in accordance with Canadian laws and the laws of the Province of Ontario.

14. Captions

The captions in this Agreement are for convenience only and shall not be used in interpreting, construing, performing or enforcing this Agreement.

15. Amendments and Modifications

P-KOTECH INC. may make amendments or modifications to this Agreement from time to time. Whenever practical, P-KOTECH INC. will give Client advance notice of the changes to this Agreement. Such amendments or modifications shall take effect immediately upon notice to the Client. Terms and conditions are posted on all of P-KOTECH INC.'s websites. Client will receive notice upon entering and utilizing the websites.

16. Notices

All notices required or contemplated hereby shall be forwarded by email to P-KOTECH INC. at 103 - 105 Schneider Road, Kanata ON K2K 1Y3 and to Client at the email address specified by the Client upon signing up for P-KOTECH INC. Business Fulfillment Services, or such other email address as either party may specify, by notice. Such notice shall be effective on the date it is transmitted.

16. International Shipping

P-KOTECH INC. ships internationally for many of our clients. P-KOTECH INC. advises our clients the best possible shipping methods and solutions. Client assumes all risk if they elect to not utilize the recommended P-KOTECH INC. shipping method.

Company: _____

Contact Name: _____

Address: _____

Phone: _____ Fax: _____

E-mail: _____

Photo ID: _____

Signature: _____ Date: _____