This Service Agreement (this "Agreement") is entered into as of _____ (the "Effective Date"), by and between:

("LOGISTECH")   **("CUSTOMER")**

LOGISTECH Solutions, Inc.   and
(Corporate Headquarters)
1800 Quality Dr., NE
Wilson, NC 27893

Tel: 877-430-SHIP
Fax: 770-234-5854

CUSTOMER desires LOGISTECH to provide certain storage, warehouse, fulfillment logistics, pick and pack operations, shipping logistics, and inventory management services, as well as access to LOGISTECH's WMS software and related supporting technology. LOGISTECH will provide these services and license such technology to CUSTOMER on the terms and conditions of this Agreement.

This Agreement consists of this signature page and applies to the following Schedules:

        Schedule A: Terms and Conditions
        Schedule B: Annual Pricing

This Agreement represents the agreement between the parties relating to the subject matter of this Agreement and supersedes all prior or contemporaneous communications, understandings, representations, and commitments (including those in any marketing materials and any proposals provided by LOGISTECH to CUSTOMER) by or between the parties, whether written or oral, which may be related to such matters in any way. The terms and conditions of this Agreement may be amended only in a writing signed by authorized representatives of both parties. Any conflicting or additional provisions of any purchase order submitted by CUSTOMER to LOGISTECH will have no effect. **EACH PARTY HAS READ AND AGREES TO BE BOUND BY THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ALL OF THE SCHEDULES INDICATED ABOVE, AND IS AUTHORIZED TO EXECUTE THIS AGREEMENT.**

Logistech Solutions, Inc.	Customer:
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

Please read this Agreement in its entirety carefully. "CUSTOMER" refers to you, your company, and any person with actual or apparent authority to engage your company contractually.

1. Term.
  1.1. The terms and conditions of this Agreement do not expire. CUSTOMER shall receive notification within 30 days in the event of any changes.
2. Parties.
  2.1. LOGISTECH is a party to this Agreement. The company who uses these services (herein referred to as "CUSTOMER") is the other party to this Agreement.
3. Payment Terms; Security Interest; Pricing.
  3.1. LOGISTECH has semi-monthly billing cycles, which are the 1st-15th and 16th – 31st (or last day of the month). CUSTOMER will be sent an e-bill automatically on the first day following the billing cycle. Payment terms are NET15.
  3.2. LOGISTECH shall retain a security interest in all of CUSTOMER's products held by LOGISTECH, securing the payment by CUSTOMER any money owed to LOGISTECH.
  3.3. All payments to LOGISTECH shall be in U.S. currency.
  3.4. CUSTOMER further agrees that LOGISTECH shall be entitled to collect all fees and expenses incurred by LOGISTECH in connection with the collection of any unpaid amounts hereunder, including without limitation, reasonable attorneys' fees.
  3.5. Pricing for services under this agreement shall be presented on Schedule B. Any potential price changes will be communicated to CUSTOMER at least 30 days prior to the scheduled change. Price changes typically take effect during January each year.
4. Shipments and Shipping Charges.
  4.1. Carriers may bill for services that are beyond the control of LOGISTECH. The CUSTOMER is obligated to pay any additional shipping charges incurred by LOGISTECH after a shipment is made, such as duties and taxes, return charges for shipment refusals or undeliverable addresses, or address corrections, without limitation, provided such charges were not incurred because of an error by LOGISTECH.
  4.2. Carriers have the right to change shipping rates at any time. LOGISTECH is not responsible for the accuracy of any estimates of shipping charges provided to CUSTOMER. LOGISTECH will notify CUSTOMER as soon as it is notified of any pending changes in transportation charges or surcharges imposed by carriers.
  4.3. Excluding third party billed shipments, LOGISTECH reserves the right to choose the carrier to ship goods on behalf of CUSTOMER, provided the carrier of choice meets or exceeds CUSTOMER's requirements for both shipping transit time and shipping cost.
  4.4. All parcel shipping tendered from LOGISTECH will be restricted to the following widely known carriers: UPS, FedEx, DHL, and U.S. Postal Service.
  4.5. Any 3rd party shipping charges that are reversed to the shipper account will be the responsibility of the CUSTOMER.
5. Shipment Insurance; Declared Value; Claims.
  5.1. CUSTOMER must provide the declared value of every product stored and fulfilled by LOGISTECH.
  5.2. CUSTOMER acknowledges that LOGISTECH should declare for purposes of shipment insurance and customs, the aggregate of the value of all parts included in each shipment. Shipping insurance will only be declared for shipments via small package/parcel carriers excluding US Postal Service. Insurance will only be declared if aggregate value is greater than the value for which the carriers provide insurance by default.
  5.3. Claims of loss with respect to shipped items are determined by terms and conditions established by the carrier shipping the product, and will vary from time to time and among different carriers. Therefore, CUSTOMER expressly agrees that LOGISTECH has no liability if any claim is denied or paid only in part by the carrier.

  5.4. In the event of loss or damage to any package shipped using LOGISTECH's accounts, LOGISTECH will file the claim with the carrier, but shall not be responsible for any loss or damage.
  5.5. CUSTOMER acknowledges that declared value for purposes of shipping insurance may be required to be substantiated by invoices and/or other documents showing purchase price when making carriage claims with carriers.
  5.6. Any third party billed shipments will be the responsibility of the CUSTOMER to file claims with carriers.
  5.7. LOGISTECH is not liable for any carrier's failure to make timely delivery on delivery date specified. Any estimate by LOGISTECH as to probable date of delivery by any carrier is a statement of opinion only and is not warranted in any manner. LOGISTECH is not liable for any delays in parcels or deliveries by any carrier.
  5.8. Claims for error in the fulfillment of an order must be filed by CUSTOMER with LOGISTECH within 30 days of delivery of buyer's goods or the shipment date. Upon receiving a claim, LOGISTECH will promptly take steps to identify the source of the error and, if it is determined the error was caused by LOGISTECH, will reship the order at its cost or undertake corrective measures which are appropriate under the circumstances.
6. Back Order Management
  6.1. The first order submitted to WMS that causes a backorder situation causes the said order and all succeeding orders to become "backhold" status until inventory is replenished, or the quantity for the backordered units is reduced below the available inventory.
  6.2. Orders for products requesting units exceeding available quantity will require review and release by the CUSTOMER if partial shipment, and therefore creation of backordered units, is desired. Otherwise, the shipment will be held until all units of each product is available to fill the order.
  6.3. Backorders will ship via the same service indicated on the original order submission. If desired, the CUSTOMER may change the shipping service any time before inventory is replenished, which automatically releases the order for shipment.
  6.4. Any change to the priority in which any set of specific orders are filled will require written communication and may delay processing.
7. Security and Responsibility for Login
  7.1. CUSTOMER's Account, login ID and password code (collectively called "Login") required for access to, and use of our service is the confidential information of LOGISTECH and CUSTOMER. CUSTOMER will be responsible for maintaining the secrecy and confidentiality of CUSTOMER Login. CUSTOMER agrees not to disclose to any other person, corporation, entity, or organization the whole or any part of your Login.
  7.2. CUSTOMER is solely responsible and liable for all damages, losses, costs, expenses, fees, claims and obligations whatsoever arising from use of our service through CUSTOMER's Login, whether authorized by CUSTOMER or not.
  7.3. LOGISTECH may assume the authenticity and genuineness of any instructions made via CUSTOMER's Login as instructions given by CUSTOMER or authorized agent of CUSTOMER.
  7.4. CUSTOMER must immediately notify LOGISTECH of any known or suspected disclosure or unauthorized use of Login.
  7.5. LOGISTECH is not under any circumstances liable for any losses, damages, or liability occasioned by a breach of security related to unauthorized use of CUSTOMER Login or access to or use of our services. CUSTOMER releases and indemnifies LOGISTECH from any loss, damage or liability resulting from the use or misuse of CUSTOMER Login or your confidential information.
  7.6. CUSTOMER will take all necessary steps to ensure that CUSTOMER does not transmit or receive any computer virus, worms, Trojan Horse, time bombs, cancel bots, cookies that are intended to damage, interfere with, intercept or expropriate any

Customer Initial: _____

system, data or personal information through the use of our service and CUSTOMER releases and indemnifies LOGISTECH from any losses, damages or liabilities suffered or incurred through a breach of CUSTOMER's obligation to do so.

7.7. CUSTOMER acknowledges that any processes, data, procedures, manuals, user documentation, online help screens and proprietary or other information provided by LOGISTECH to CUSTOMER from time to time in connection with the Service ("Materials") enumerate and details certain procedures, methods and practices ("Procedures") designed to verify that transmissions, information, instructions, data, orders and/or requests ("Communications") are the authorized and unaltered Communications of CUSTOMER and LOGISTECH. You consent to the transmissions of Communications through the Internet and acknowledge that the Internet is not necessarily a secure communication and delivery system, and understand the confidentiality and other risks associated with it. CUSTOMER agrees to be bound by Communications received by LOGISTECH, and CUSTOMER and LOGISTECH may rely on the authenticity, accuracy and integrity of Communications received, in accordance with the Procedures applicable to the Communication.

7.8. CUSTOMER's data in Logistech's database systems are the exclusive property of the CUSTOMER and shall be used on at the CUSTOMER's instructions. Logistech shall provide reasonable and prudent protection against the loss of CUSTOMER's data in much the same matter that CUSTOMER would themselves. A minimum-security program shall contain utilization of antivirus software, firewall protection and other current technologies. This includes backup procedures for database systems.

8. Indemnification.

8.1. CUSTOMER shall indemnify, defend, and hold LOGISTECH, its officers and employees, harmless from any claim or demand and any loss, liability, or expense associated therewith, including reasonable attorneys' fees, made by any third party due to or arising out of (a) CUSTOMER's use of LOGISTECH's services, (b) the violation of any provision of this Agreement by CUSTOMER, (c) LOGISTECH's accessing or exchanging information with third party computer systems at CUSTOMER's request; (d) the shipment of products to individuals not authorized to legally possess such products; and (e) a claim for personal injury, death, property damage or other claim, including without limitation, product liability claims, defective product claims, and inherently dangerous product claims, arising from or relating to products for which fulfillment services are provided by LOGISTECH to CUSTOMER, except to the extent that such claim, demand, loss, liability or expense arises out of gross negligence or willful misconduct on the part of LOGISTECH.

8.2. LOGISTECH shall indemnify, defend, and hold CUSTOMER, its parents, subsidiaries, affiliates, officers, and employees, harmless from any claim or demand and any loss, liability, or expense associated therewith, including reasonable attorneys' fees, made by any third party (including without limitation any carrier) due to or arising out of the gross negligence or willful misconduct of LOGISTECH.

8.3. CUSTOMER is the "seller of record" of all products and LOGISTECH is only the shipping agent; therefore, CUSTOMER is responsible for any sales taxes associated with or arising from product sales.

9. Limitation of Liability.

9.1. LOGISTECH is not responsible for any lack of notification based on buyers entering their e-mail address into WMS incorrectly. Further, LOGISTECH shall not be liable for the disclosure of any information via e-mail if buyer provides and incorrect e-mail address.

9.2. LOGISTECH is not responsible for data communication failures to third party API's. It is the CUSTOMER's responsibility to notify LOGISTECH of data transmission failures, or lack of order fulfillment data to third party API's.

10. Termination.

10.1. Either party may terminate this Agreement without cause anytime.

10.2. Upon written notice of termination, CUSTOMER will be required to pay any outstanding invoices and the final cost of processing/shipping. Payment must be secured by LOGISTECH before release of final withdrawal of inventory.

10.3. Upon termination, any prepayment of services held on account will be refunded to the CUSTOMER, less any financial institution fees associated with the refund transaction.

11. Notice. Except for orders and other computer-based communications, all notices to a party shall be in writing and shall be made via conventional mail, fax or email and shall be effective upon receipt by the intended recipient to the respective parties as follows:

If to LOGISTECH

Headquarters address on signature page

If to CUSTOMER

All notices will be addressed to CUSTOMER's business address last known by LOGISTECH or sent to CUSTOMER's last known email address or facsimile number.

12. Insurance and Risk of Loss. LOGISTECH shall not be responsible for insuring products of CUSTOMER which are stored on LOGISTECH's property and shipped by LOGISTECH. CUSTOMER shall bear the risk of loss with respect to such products; *provided, however*, that LOGISTECH shall use best efforts to securely warehouse products and shall be responsible for any loss or damage to product caused by LOGISTECH's negligence.

13. Inventory Shrinkage. LOGISTECH's inventory tracking is perpetual, and therefore all activity that affects inventory levels (inbound receipts, outbound orders, and adjustments) is tracked and historically logged for each product. Inventory from suppliers and vendors are expected to match Advance Shipment Notifications (ASN) provided by the CUSTOMER within WMS. LOGISTECH's staff will make best efforts to confirm item receipt quantities with documentation, packing lists, labels, and expected quantity indicated by CUSTOMER on the ASN. However, not all cartons of product are opened and counted, and therefore hidden inventory discrepancies could exist and discovered later. Such situations will be handled on a case-by-case basis and shared with CUSTOMER as they are discovered. Any adjustments that are created because of hidden discrepancies will be excluded from any measure of inventory accuracy.

13.1. Inventory lost during transit to/from a LOGISTECH facility are excluded from inventory accuracy measurements. Any loss or damage occurred while in transit are applicable through cargo claims insurance, if applicable, which are provided pursuant to the CUSTOMER client survey that is collected upon establishing an account with LOGISTECH.

13.2. LOGISTECH shall not be liable for any CUSTOMER loss because of inventory shrinkage unless such shrinkage causes the inventory to fall below Ninety-Nine and One-Half percent (99.5%) inventory accuracy level annually. LOGISTECH shall be liable for the percentage of the discrepancy below this accuracy level based on CUSTOMER's cost for the items. Proof of cost must be established with an invoice from the CUSTOMER's supplier. LOGISTECH is not liable for any losses indirectly related to inventory shortages or loss of sales.

13.3. Inventory Accuracy is calculated as follows:

13.3.1. $((1-(\text{Counted Inventory Units} - \text{System Inventory Units}) / (\text{Counted Inventory Units} + \text{Shipped Units}))) \times 100$

13.4. Any official request for physical counting of inventory will be done at the expense of the CUSTOMER at the applicable hourly rate defined in the pricing agreement, and the commencement of inventory counting must be scheduled in advance with reasonable

Customer Initial: _____

notice. A CUSTOMER representative may be allowed to accompany LOGISTECH staff to conduct the inventory counting with prior approval. There must not be any pending orders or receipts for the duration of an inventory count procedure.

13.5. Confirmation of a loss can be done via LOGISTECH's perpetual inventory adjustment records or results from a CUSTOMER requested cycle count. If the CUSTOMER does not request a cycle count, then only perpetual inventory adjustments (included in System Inventory Units) is used to calculate inventory accuracy.

14. **Force Majeure.** LOGISTECH shall not be liable for failure to perform, or the delay in performance of, any of its obligations under this Agreement if, and to the extent, that such failure or delay is caused by events substantially beyond its control, including, but not limited to, acts of God, acts of the public enemy or governmental body in its sovereign or contractual capacity, war, fire, floods, strikes, epidemics, quarantine restrictions, civil unrest or riots, freight embargoes and/or unusually severe weather. If so affected, LOGISTECH shall notify CUSTOMER within twenty-four (24) hours and shall use commercially reasonable efforts to avoid or remove such causes of non-performance or delay and shall continue performance hereunder with reasonable dispatch whenever such causes are removed.

15. **Miscellaneous.**

15.1. This Agreement shall be governed by and construed in accordance with the laws of the state of North Carolina, excluding its conflict of law provisions.

15.2. CUSTOMER and LOGISTECH agree to submit to the exclusive jurisdiction of the courts of the state of North Carolina for resolution of all claims arising from or relating to this Agreement. Venue for any lawsuit brought hereunder shall be in the Superior Court of Wilson County, North Carolina, or the United States District Court for the Eastern District of North Carolina

15.3. If any provision(s) of this Agreement is held by a court of competent jurisdiction to be contrary to law, then such provision(s) shall be construed, as nearly as possible, to reflect the intentions of the parties with the other provisions remaining in full force and effect.

15.4. LOGISTECH's failure to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by LOGISTECH in writing. The waiver by LOGISTECH or CUSTOMER of any breach of a provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the parties.

15.5. CUSTOMER and LOGISTECH agree that any cause of action arising out of or related to this Agreement must commence within one (1) year after the cause of action arose; otherwise, such cause of action is permanently barred.

15.6. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one Agreement, and may be executed using signatures transmitted via facsimile or email representing both parties.

15.7. The section titles in this Agreement are solely used for the convenience of the parties and have no legal or contractual significance.

15.8. Privacy – LOGISTECH will not share client names, vendors, or any other proprietary CUSTOMER Information. CUSTOMER agrees not to share pricing or Agreement details with a third party without prior written consent.

Customer Initial: _____