



DIRECT TO READER SALES PAGE

This Agreement is between the Customer and the book fulfillment division of Salem Author Services, 2301 Lucien Way, Suite 415, Maitland, FL ("Salem"). This Agreement covers the parties' respective obligations regarding the fulfillment of Customer's book ("Book") for all relevant online stores ("Service").

1. DEFINITIONS

Customer is defined as the copyright holder of the book, assignee thereof, or anyone authorized to execute this Agreement on behalf of the Customer.

MyBookOrders.com (MBO), is defined as the party which processes and fulfills all orders of Customer's book through the Website Order Fulfillment Service (the "Service"). Further, MBO shall warehouse and inventory Customer's books designated for fulfillment through Customer's website.

Book Purchaser ("BP") is defined as anyone who places an order/purchases Customer's book through the order page provided by MBO.

Customer's Website (referred to as website) is defined as any website that links to an MBO order page.

Customer's Order Page (referred to as order page) is defined as a dedicated page on MBO that sells Customer's book(s).

2. ITEMS INCLUDED IN THE SERVICE

The Website Order Fulfillment Service and Software includes the following:

- A back-end administrative console created for Author's book in order to view orders sold through Author's website and to track payments due to Author from said website sales;
- Processing all financial transactions for Book orders;
- Processing and fulfillment of outstanding orders in one (1) to two (2) business days;
- All storage costs at fulfillment center for one full year, for one title or version, for up to one half (½) pallet of books (see Section 5 for details).

3. BOOK INVENTORY

Author inventory level is available for review in real time through Author's account on MCP's website ("Author Center"). Author acknowledges that it is his/her responsibility to log in and review inventory levels to ensure sufficient inventory.

If inventory of Author's book runs out, MBO will continue to receive orders, and title will be listed as "back-ordered." Accumulated orders will be shipped out within one (1) to two (2) business days after Author's book has been inventoried at the fulfillment center.

If Author has not replenished book inventory within thirty (30) days from the date inventory runs out, MBO will turn off the order page and refund any Book Purchasers who back-ordered Author's book. Author assumes responsibility for any chargebacks MBO receives for sale or presale of Author's book.

If Author wishes to include Author's eBook on his/her order page, there may be an additional charge. The Author must notify MBO via email. Said email must include the Author approved eBook price and eBook file, which MBO will electronically inventory. An eBook is considered to be in inventory when the eBook file is stored on the MBO server. Under no circumstance will MBO accept preorders for eBooks (e.g., MBO will not accept orders before the eBook file is complete and inventoried). All eBook files sold via MBO must be in .epub, .mobi, or .pdf format.

4. AUTHOR PAYMENTS

Author will receive a monthly report outlining sales, credit card processing fees, shipping costs, and earnings.

Author must net a minimum of twenty-five US Dollars (\$25.00) per month in order for payment to be issued. If Author's net earnings are below \$25.00 in a given month, earnings will accrue until Author's earnings meet or exceed \$25.00; payment will be issued at the close of the following month's sales period.

If Author's earnings meet or exceed \$25.00, Author will receive a check within twenty (20) business days of the date that the monthly report/sales balance is loaded into the Author Center. The payment will include the entire amount for all books sold in the previous month less:

- a credit card processing fee of four and a half percent (4.5%) of the Total Fees received by MBO per completed order;
- the pick/pack fee of one dollars and fifty cents (\$1.50) for each book fulfilled through the fulfillment center, and

Total Fees for the purposes of Section 4 of this Agreement include the price of the book and/or eBook, shipping costs, and sales taxes (if applicable); that is, the total charge to the Book Purchaser per order.

Author payments are held against monthly returns fees and/or distribution fees owed by Author to MBO, and/or other fees owed to Salem Author Services and its subsidiaries.

Should Author's sales take place during a pre-order period when Author's books are not yet physically located in the fulfillment warehouse (see Section 8 (a) for pre-order conditions), payment will be held until the close of the first sales period where Author has physical books in inventory.

5. STORAGE FEES AND WAREHOUSING

Author agrees to provide at least twenty-five (25) books per title and format to MBO's fulfillment warehouse. The printing and shipping costs of all books to fulfillment center are Author's responsibility.

a. Storage/Warehousing for One (1) Title or Format

Storage fees for one year for the number of books of the same title and format (i.e., paperback) that occupy up to one half (½) of a 4' x 4' x 4' pallet, are included as part of the initial payment for the Service.

Author agrees that, if Author wishes to store more than the quantity of books contained within one half of a pallet of the same title and format during the initial term or any renewal term of this Agreement, Author must pay an additional four dollars and fifty cents (\$4.50) per quarter (¼) pallet section per month. Fees for storage space of more than one half (½) pallet of books of the same title and format will be due on each monthly billing cycle.

For example, if Author stores books requiring the use of three quarters of one pallet at the outset of the service, Author would pay an additional \$4.50 to MBO per month. If, six months into the initial term, Author wishes to store an additional amount of books requiring an additional quarter pallet, Author shall pay \$9.00 per month for the remainder of the term.

b. Storage/Warehousing for Additional Formats and Titles

Author agrees that, if Author wishes to store an additional format of the same title or a second title, Author must pay MBO an additional initial term Service fee and all terms of service will apply to each title and format.

6. INITIAL TERM, RENEWAL TERM, RENEWAL FEES AND TERMINATION

a. Initial Term and Renewal Term

Initial Term shall be for one calendar year, beginning on the date of activation. "Date of Activation" is defined as the date on which Author has initial inventory in MBO Fulfillment system, the date on which MBO creates Author's order page, and/or the date that Author's book is available for pre-order. Renewal Term commences one year after the Date of Activation, and lasts for one calendar year. Author acknowledges that he/she must keep a valid credit card on file during the course of this Agreement (during any Initial or Renewal Term).

b. Renewal Fees / Notification

After one year, on the anniversary of the Date of Activation, Author shall pay a renewal fee of \$199.00 per title and format, which includes storage at fulfillment center for one year (up to one half (½) pallet space), inventory management, access to the Author Center, and system maintenance and updates. Fees for storage space of more than one half (½) pallet for the same title will be due on each monthly billing cycle.

If Author wishes to only renew the eBook portion of the Service, Author shall pay a renewal fee of \$59.00 per title. For termination of the print book portion of the service see Section 6 (c).

Author shall receive email notification approximately sixty (60) days prior to date of renewal. Author acknowledges that it is Author's responsibility to make sure that Author's email account is set up to accept emails from MBO. Author shall receive instructions on how to renew or cancel Service. Author acknowledges that he/she must renew or cancel the service through the Author Center within ten (10) business days of the expiration of the Initial Term or any Renewal Term.

Upon renewal of this Agreement (after the expiration of the Initial Term or any subsequent Renewal Term), Author acknowledges that the Agreement may have changed, and that he/she must agree to the updated Agreement in order to renew. Payment of any renewal fee constitutes agreement to and acceptance of the current Agreement at the time of renewal.

Author acknowledges that if he/she does not renew or cancel the Service within ten (10) business days, the Service will be terminated, the order page connected to Author's website will become a dead link, and

Author's inventory will become property of MBO. MBO can keep or destroy Author's inventory at its discretion. Further, Author acknowledges that MBO can charge Author's credit card on file a flat \$100.00 cancellation fee per title per pallet. The minimum cancellation fee is \$100.00.

c. Termination

Should Author terminate/cancel at any time after purchasing or renewing Service, no refunds or partial refunds shall be made.

If Author cancels Service before the expiration of the Initial Term or Renewal Term is up, the order page connected to Author's website will become a dead link, and all books in Author's inventory shall be shipped to Author, at Author's expense. Upon termination (assuming that Author has no monies owed to MBO), the remaining inventory will be sent to the Author's shipping address that MBO has on file in the Author Center (it is Author's responsibility to email an updated address when need be, or to contact MBO directly if the shipping address for the remaining inventory is different than that on file). The books will be sent at Author's expense, assuming that Author has a valid credit card on file and/or has arranged an alternate form of payment with MBO. If MBO is unable to charge the card on file, or has not been provided payment for shipment, MBO reserves the right to recycle the remaining inventory without notice. At such time, Author will be charged a \$100 recycling fee per pallet or portion thereof (minimum fee of \$100).

Alternatively, Author can notify MBO to recycle the remaining inventory for the same \$100 per pallet or any portion thereof.

Cancellation of Service will result in the removal of the complete order page, including all versions of the fulfillment titles.

7. ADDITIONAL TITLES AND FORMATS

Author agrees that, if Author wishes to store and fulfill an additional title(s) or format, Author will be responsible for the cost of the Service (which MBO may discount at its discretion), and all Renewal Fees at the expiration of the Initial Term or any Renewal Term. Author will pay to MBO the Initial Term and Renewal Term fees on a per title basis.

8. MISCELLANEOUS PROVISIONS

a. Pre-Orders of Author's Book

Pre-Order capability will only be made available through Author's order page at a maximum of three (3) weeks prior to estimated availability of the physical book, or when Author's files have been submitted to the printer for a physical proof (commencement of Author's initial print run). There is a one time fee required to enable Author's order page for pre-order sales.

Pre-order sales for eBooks, prior to MBO's receipt and inventory of the electronic file, will not be allowed under any circumstances.

b. Types of Orders Accepted by MBO

The only types of book orders fulfilled through the Service are orders by the general public. If Author orders copies of his/her book through the order page, those sales will be listed on monthly statement and

will be subject to the same fees associated with orders placed by the general public. Orders by industry wholesalers and retailers must be placed through Author's distributor.

MBO does not accept phone or fax orders under any circumstances.

c. Author Orders

For all orders placed by Author through his/her order page, Author shall pay shipping. Additionally, the total transaction is subject to the \$1.50 per book pick/pack fee and other fees described in Section 4 of this Agreement.

For all bulk orders placed by Author through Salem staff, Author shall pay shipping. Additionally, the total transaction is subject to a \$7 per case pick/pack fee.

If Author places a test order through the order page, that order will be fulfilled and sent to the address provided. That sale will be listed on monthly statement and will be subject to the same fees associated with orders placed by the general public.

d. Return Policy for MyBookOrders.com Book Purchaser

MBO will accept returns only if the Book Purchaser receives an incorrect book (e.g., the book shipped to the Book Purchaser is not the book that Book Purchaser originally ordered through Author's website) or if the Book Purchaser receives a book that is damaged in shipping (and is in unreadable condition). MBO will not accept returns under any other circumstance.

If the Book Purchaser receives an incorrect book, the Book Purchaser must contact MBO within ten (10) business days and return book to MBO. MBO will replace the book at no charge to Author or to the Book Purchaser. The incorrect book will be sent back to the fulfillment center to be entered into inventory.

If the Book Purchaser receives a book damaged in shipping (unreadable condition), the Book Purchaser must contact MBO within ten (10) business days and return the book to MBO. MBO will replace the book at no charge to Author or to the Book Purchaser. The damaged book will be destroyed. Author shall not receive recompense for damaged books; they shall be counted as loss.

MBO does not accept eBook returns under any circumstances.

e. Credit Card Processing Fees

Credit card processing fees are subject to change without notice. The credit card processing fee will not change by more than one percent (1.0%) within a calendar year.

f. DRM for eBooks

Author acknowledges that he/she may choose to sell eBooks from his/her order page created as part of the Service. eBook formats may be .mobi, .epub, and/or PDF files. Author acknowledges that, if he/she elects to make eBook files (any format) available for sale as part of the Service, said eBook files will not be DRM protected.