Letter of Agreement between Davis Instruments ("Davis"), the Coast Guard Auxiliary Association, Inc. (CGAuxA) and the United States Power Squadrons (USPS) herein referred to as the "parties", relating to Pocket Quick Reference Cards (PQRCs).

Product

* 6 cards constitute a product
* 3" x 4" x .020" each card
* Rounded corners
* Single 3/16" diameter corner holes
* Four color, gloss finish, 2-sides
* Delivered from printer, rubber banded in sets of 6
* USCGA and USPS pays freight from printer in Boston

Price

Price to CGAuxA and USPS per set of 6: $3.25 in minimum quantity of 5000 sets. Priced for first order of minimum 5000 only. Price of subsequent orders to be negotiated depending on quantity ordered. USPS and the CGAuxA will be billed for the amount of product each orders. The initial order will be 2500 each to USPS and CGAuxA.

Davis agrees to make future orders of PQRCs available at discounts that enable CGAuxA and USPS to sell cards to members and students at prices under Davis' suggested retail prices.

Davis retail sales

CGAuxA and USPS agrees that Davis may sell PQRCs to its trade customers at prices determined by Davis.

Development cost (one time)

CGAuxA and USPS pays one time fee of $2,500, ($1250 paid by each) which is one half of the total $5,000 development cost. Davis pays other half ($2,500).

Content approval

Final proof approval and acceptance required in writing by both CGAuxA and USPS before going to press.

Service marks

Davis agrees that the individual service marks of USPS and CGAuxA may only be used with this product and only while this agreement, or any subsequest agreement between all parties, is in effect.

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Termination of this agreement

This agreement may be terminated at any time by any one of the three parties. In the event of such termination all three parties may continue the use of the product until supplies, present at the time of termination, are exhausted.

Copyright

USCGA and USPS agrees that Davis retains copyright for PQRCs.

Terms

Payment terms will be N-30.

Purchase order

CGAixA and USPS will place a PO with Davis incorporating the above terms and conditions prior to Davis printing the PQRCs.

_____ Date _____
CGAuxA

APPROVED

_____ - NEO Date 14 Feb 02
USPS

APPROVED

_____ Date 3/4/02
Robert Selig
Davis Instruments