

The Off Soundings Club & Ted Zuse Agreement

On August 30, 2007 the Officers of the Off Soundings Club (OSC) and Ted Zuse (TZ) agreed to continue a mail order and clothing program bearing OSC marks and logos to be offered to its members.

At no cost to OSC, TZ will produce a catalog or electronic catalog for distribution to members through official Club mailings, WEB site, or E Mails. Member's names and addresses will not be disclosed to third parties.

TZ agrees to keep full and accurate records on the sale of OSC merchandise, and further agrees to make these records available to representatives of OSC for examination on a request basis. TZ will pay OSC a royalty of 15% of the net sales on all products sold by TZ that bear OSC marks, with the exception of OSC owned inventory that TZ might distribute.

The royalties shall be paid as follows. Spring regatta revenue royalties shall be paid within 30 days of the Spring regatta. Fall regatta revenue royalties shall be paid within 30 days of the Fall regatta. Annually, by 30 January of the following year, TZ agrees to provide annual sales reports that reflect in reasonable detail the sales of merchandise for which the royalty is being paid. Also any royalties due OSC, which have not been previously paid during the year, will be paid in full by 30 January of the succeeding year.

While this agreement is non-exclusive, OSC recognizes the limited market of the OSC program and the investment in inventory and other related costs that TZ may incur.

It is mutually agreed that this agreement shall be initially be in effect through December 31, 2008, and automatically renewed there after to each December 31st. TZ or OSC may terminate this agreement with 90 days notice. If OSC terminates this agreement then it shall give TZ ample time to dispose of inventory bearing OSC marks.

TZ agrees to consult with appropriate OSC representatives on the offerings of merchandise, its design and pricing.

TZ will do its best to insure that OSC merchandise is being sold only to Club members, with the exception being Tee Shirts and related merchandise being sold at the OSC Spring and Fall Regattas.

Ted Zuse

Off Soundings Club
Commodore

Date

Date