

Version

3.0

LONG BEACH DIVE

International Distributors Agreement

Long Beach Dive
INTERNATIONAL
DISTRIBUTION AGREEMENT

DISTRIBUTION AGREEMENT, dated as of _____, 2007 (this “Agreement”), by and between Solstice Industries, Inc (D/B/A Long Beach Dive), a corporation organized under the laws of the state of New York with a place of business at 1109 Oceanfront Street, Long Beach, New York 11561, USA (“Manufacturer”), and _____, a _____ *[limited liability company/corporation]* with a place of business at _____ (“Distributor”), which is a subsidiary of *[_]_]*, a _____ *[limited liability company/corporation]* (“Parent”).

WITNESSETH:

WHEREAS, Manufacturer produces an underwater diver navigation tool utilizing the Global Positioning System (the “Products”);

WHEREAS, Distributor engages in the business of distributing products for resale and providing services relating thereto, and desires to purchase the Products from Manufacturer for resale to customers in the regular course of Distributor’s business;

WHEREAS, Manufacturer desires to appoint Distributor, and Distributor desires to be appointed, as a distributor with respect to the Products, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual premises and covenants made herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Appointment.

1.1 Manufacturer hereby appoints Distributor, and Distributor accepts such appointment, as Manufacturer’s Distributor of the Products the non-exclusive right to sell and service certain Manufacturer Products.

2. Supply of Product.

2.1 Manufacturer guarantees that it will inspect all merchandise prior to shipment from the New York, and that such merchandise will be in first class condition. Distributor shall have the right to inspect merchandise upon delivery in _____. All merchandise will be shipped FOB, New York.

2.2 Manufacturer shall obtain, arrange and advance payment for expenses relating to the packaging, loading and shipping and carriage from Manufacturer’s facility of the Products and any licenses, customs formalities, tariffs, duties, taxes and other

charges payable upon export, certain of which expenses shall be invoiced to Distributor pursuant to Section 3.2 hereof. Distributor shall have the option to designate a carrier of choice. Title to and risk of loss of the Products shall pass to Distributor upon loading of the Products at the Manufacturer's facility, and Distributor shall thereafter be responsible for all costs and expenses relating to the Products, including, without limitation, the cost of carriage, insurance, unpacking and unloading the Products and any licenses, customs formalities, tariffs, duties, taxes and other charges payable upon import.

2.3 Manufacturer shall have the right to: (a) (i) refuse to accept any order from Distributor, (ii) cancel any order previously accepted by Manufacturer, and (iii) refuse or delay the shipment of Products, in each case immediately upon the breach by Distributor of any material provision of this Agreement or immediately upon the failure of Distributor to meet any payment schedules or credit or other financial requirements which may, from time to time, be established by Manufacturer; (b) allocate its inventory of Products from time to time and in such manner as it may determine in its sole discretion; and (c) at any time, effect changes in, or discontinue the manufacture or sale of, any Product without incurring any liability to Distributor. In the event Manufacturer effects changes in any Product which shall cause such Product to be incompatible with any other Product with which it was compatible prior to such change, Manufacturer shall provide Distributor with written notice thirty (30) days prior to the date on which the prior version of the changed Product shall no longer be available. In the event Manufacturer discontinues the sale of any Product, the Manufacturer shall provide Distributor with written notice thirty (30) days prior to the date on which such discontinuation is effective

2.4 Distributor hereby grants to Manufacturer a security interest in all Products sold to Distributor and any proceeds thereof (including accounts receivable) as security for all its payment obligations for Products purchased and not paid for by Distributor under this Agreement. Upon the request of Manufacturer, Distributor shall execute any document or instrument necessary or appropriate to confirm or perfect such security interest and Manufacturer is hereby authorized to execute any such document or instrument on Distributor's behalf.

3. Payment.

3.1 Distributor shall pay Manufacturer for the Products purchased hereunder at the prices set forth on Schedule A (the "Purchase Prices"). The Purchase Prices are exclusive of any Distributor Delivery Expenses (as hereinafter defined) and any such Delivery Expenses that may be necessary or appropriate for Manufacturer to pay upon the sale or delivery of the Products to Distributor shall be added to the Purchase Prices therefor. The Purchase Prices (including any volume discounts applicable thereto) shall be reviewed, and may be adjusted, by Manufacturer from time to time in its sole discretion. Changes to any Purchase Price shall be delivered by Manufacturer to Distributor on a revised Schedule A and shall be effective thirty (30) days after the date of such revised Schedule A. All other additional terms and conditions of sale shall be as stipulated in writing from time to time by Manufacturer.

3.2 Manufacturer shall invoice Distributor for any expenses relating to the shipping and carriage from Manufacturer's facility of the Products that are incurred by Manufacturer, less any Additional Delivery Expenses (the "Distributor Delivery Expenses").

Distributor shall remit the entire invoiced amount for each shipment within thirty (30) days after the date of the corresponding invoice. In the event Distributor fails to remit payment of any invoiced amount within forty-five (45) days after the date of such invoice, Distributor shall incur an additional monthly fee of two percent (2%) of the outstanding invoiced amount. Distributor shall pay all costs and expenses incurred by Manufacturer (including reasonable attorney's fees) in the collection of any amounts payable by Distributor to Manufacturer under this Agreement.

4. Scope of Work.

4.1 Distributor shall use its best efforts to promote and maximize sales of the Products. Distributor shall maintain sufficient full time sales and marketing personnel, and shall establish access to sufficient technical personnel to properly promote, sell and provide support services for the Products.

4.2 Manufacturer shall provide suggested retail pricing and volume discounts for the Products; provided, however, that Distributor shall have the right to resell the Products at prices and discounts determined in Distributor's own reasonable discretion.

4.3 Distributor shall comply with (a) all reasonable, instructions, procedures, directions, policies and programs of Manufacturer which may be issued at any time in connection with the promotion, sale, and support of the Products, and (b) all applicable present and future laws and ordinances and regulations relating to the sale of the Products and otherwise applicable to Distributor.

4.4 Distributor shall promptly notify Manufacturer of any matter or circumstance that may have a material effect on the manufacture, promotion, sale or support of the Products or in which Manufacturer would reasonably have an interest, including, without limitation, any trends in customer feedback or satisfaction and any actual or possible infringement or violation of any the Manufacturer Marks (as hereinafter defined) or intellectual property or other proprietary rights of Manufacturer.

4.5 Distributor shall conduct its affairs relating to the promotion, sale, and support of the Products in an ethical and businesslike manner, protect and promote Manufacturer's goodwill and reputation and shall at no time engage in any trade practices with respect to the Products which could be deemed to be unfair trade practices.

5. Promotion and Marketing.

5.1 Distributor shall permit Manufacturer to identify and list Distributor as a Distributor of the Products on one or more of Manufacturer's websites on the World Wide Web (collectively, the "Manufacturer Site"), including the website which is currently located on the Internet with the uniform resource locator ("URL") www.longbeachdive.com. Such listing shall include Distributor's contact information, including, without limitation, Distributor's address, telephone number, email address and a hyperlink to the Distributor Site. Distributor shall promptly notify Manufacturer of any changes to the information relating to Distributor that Manufacturer displays on the Manufacturer Site. Notwithstanding the foregoing, Manufacturer shall have sole control of the content displayed on

and other matters relating to the Manufacturer Site, including, without limitation, the right to change applicable URL's and maintain one or more related websites on the World Wide Web.

6. Intellectual Property.

6.1 Distributor acknowledges that Manufacturer is the owner of certain service marks, trademarks, trade names, logos and other distinctive brand features and all goodwill associated therewith existing on the date hereof or hereafter created, including goodwill resulting from the efforts of Distributor. Distributor may display, use and distribute the Manufacturer Marks only (a) in their original form and style as they appear upon the Products and the Promotional Materials and (b) as part of the name of Distributor. Distributor shall not modify, conceal or remove any of the Manufacturer Marks on the Products, the Promotional Materials, the Booth Assembly or otherwise, nor shall Distributor associate with or place next to any Manufacturer Mark any other letter, word, design, symbol, logo or other matter so as to modify or dilute such Manufacturer Mark. Distributor shall not have any right, title or interest in or to any of the Manufacturer Marks as a result of this Agreement.

6.2 Manufacturer shall retain all right, title and interest in and to any inventions, ideas, designs, know-how, technology and any patent, copyright or other proprietary rights in and with respect to the Products (including, without limitation, modifications and enhancements thereto developed in whole or in part by Distributor), the Manufacturer Site, and Distributor shall not have any license, right, title or interest in or to any of the foregoing. In no event shall Distributor modify, make additions to, disassemble (except to the extent necessary to fulfill its obligations under this Agreement), design around or reverse engineer any of the Products without the prior written consent of Manufacturer. In the event Manufacturer consents to modifications, additions or other enhancements by Distributor to the Products, Distributor shall fully disclose and furnish to Manufacturer all information relating thereto, together with any relevant drawings, documents or data. All such modifications, additions or enhancements shall be deemed to be the property of Manufacturer and Manufacturer shall own the entire right, title and interest in and to such modifications, additions or enhancements. Distributor shall execute all documents and instruments and perform all actions reasonably requested of it by Manufacturer from time to time to confirm or perfect Manufacturer's right, title and interest in and to the modifications, additions or enhancements.

6.3 Manufacturer warrants that the Products sold pursuant to this Agreement do not infringe any valid U.S. patent. This warranty is given upon condition that Distributor promptly notify Manufacturer of any claim or suit involving Distributor in which such infringement is alleged and that Distributor permits Manufacturer, at its election, to control completely the defense or compromise of any such allegation of infringement. Manufacturer does not warrant that the use of the Products or any material made therefrom, whether the Products are used alone or in combination with any other material, will not infringe a patent.

7. Covenants of Distributor.

7.1 During the Term of this Agreement and for two (2) years after the expiration or termination thereof, Distributor agrees to not directly or indirectly compete with Manufacturer, or to own or to operate, or participate, with any other person or entity, any business or enterprise in competition with the manufacturer, with respect to sale of the Products.

7.2 Distributor shall use the Confidential Information (as hereinafter defined) solely in connection with this Agreement. Except to the extent necessary and appropriate to promote, sell, and provide support services for the Products or to otherwise perform its obligations under this Agreement, Distributor will not copy any Confidential Information and will hold in strictest confidence the Confidential Information and will use the same degree of diligence and effort to protect the Confidential Information from disclosure to third parties as Distributor uses to protect its own confidential information; provided that in no event shall Distributor use less than reasonable diligence and effort in protecting the Confidential Information. In the event of any unauthorized use or disclosure of any of the Confidential Information, Distributor shall notify Manufacturer immediately after Distributor becomes aware of such use or disclosure and will cooperate in all respects with Manufacturer to prevent any further use and/or regain possession of the Confidential Information. "Confidential Information" shall mean all information disclosed by Manufacturer to Distributor or learned from any source by Distributor in connection herewith relating to Manufacturer's technical, marketing, product and business affairs, including, without limitation, customer lists and financial, price, trade secret and other proprietary information, whether in oral, graphic, written or electronic form; provided, however, that Confidential Information shall not include information which (a) was known to Distributor prior to disclosure by Manufacturer, or (b) was in the public domain or subsequently enters the public domain other than by a breach of this Agreement. Notwithstanding anything to the contrary contained herein, Manufacturer shall retain all rights to the Confidential Information.

8. Term and Termination.

8.1 The term of this Agreement shall be for a period of one (1) year commencing on the date hereof (the "Initial Term") and shall automatically renew for successive one (1) year periods (each a "Renewal Term" and all of such Renewal Terms together with the Initial Term, the "Term") unless either party provides the other party with written notice of its intention not to renew at least forty-five (45) days prior to the expiration of the Initial Term or then current Renewal Term.

8.2 (a) In the event of a material breach of this Agreement, the non-breaching party shall have the option to immediately terminate this Agreement by written notice unless the breaching party remedies any such breach within sixty (60) days after written notice thereof from the non-breaching party; provided, however, that in the event of a breach of a payment obligation under Section 3 hereof, the period provided for remedy shall be ten (10)

days. This Agreement will terminate automatically in the event bankruptcy or insolvency proceedings are instituted by or against Distributor, or Distributor is adjudicated a bankrupt, becomes insolvent, makes an assignment for the benefit of creditors or proposes or makes any arrangement for the liquidation of its debts.

(b) The termination of this Agreement shall not release either party from any obligation that may be owing to the other party (whether then or hereafter due to such other party) nor shall it operate to discharge any liability that had been incurred by such party prior thereto, except that with respect to any order pending upon termination of this Agreement, Manufacturer will have the option to regard such Order as canceled or to fill same, whether in whole or in part, in which event Distributor will pay Manufacturer therefor on a cash-in-advance basis. Acceptance of any order by Manufacturer after expiration or notice of termination is given hereunder shall not operate as a renewal of this Agreement or as a waiver of such termination or any breach.

(c) Upon termination of this Agreement, and without limitation to Section 8 hereof, Distributor will immediately deliver to Manufacturer all documents, materials or items relating to the Products, including, without limitation, any documents or materials containing Confidential Information, the Promotional Materials (whether or not provided by Manufacturer to Distributor at no additional cost) and any documents including the Manufacturer Marks, containing confidential or proprietary information of Manufacturer or identifying Distributor as an authorized distributor of Manufacturer. Within thirty (30) days after termination of this Agreement, Distributor shall provide to Manufacturer written certification, executed by an officer of Distributor, that Distributor has returned to Manufacturer all documents, materials or items relating to the Products. Manufacturer shall reimburse Distributor for the cost of shipping of materials returned to the extent the cost of shipping same to Distributor was previously paid by Distributor. Upon the expiration or termination of this Agreement for any reason, Distributor shall immediately cease to represent itself as a distributor of Manufacturer, and shall otherwise desist from all conduct or representations which, in the opinion of Manufacturer, might imply or indicate that Distributor is authorized by Manufacturer to sell the Products.

(d) If Distributor shall default in the payment of any indebtedness or other amounts due to Manufacturer when and as the same shall become due and payable and if such default shall continue for a period of ten (10) days after written notice of such default shall have been given to Distributor by Manufacturer by registered or certified mail, then all of the liabilities and obligations of Distributor to Manufacturer whether then due or not, shall, at the option of Manufacturer and without further notice to Distributor, become immediately due and payable.

8.3 Distributor hereby grants to Manufacturer following termination of this Agreement, an option to repurchase from Distributor all or any part of Distributor's inventory of Products at the lesser of the Purchase Prices then in effect or the Purchase Prices paid therefor by Distributor. Within thirty (30) days after the effective date of termination of this Agreement, Distributor shall submit to Manufacturer a written schedule of all Products in the possession of or then owned by Distributor (the "Repurchase Schedule"), identifying each Product by model number and quantity. Within thirty (30) days following receipt of the

Repurchase Schedule by Manufacturer, Manufacturer shall have the right to inspect the inventory reflected thereon and within thirty (30) days after completion of such inspection to provide written notice of its election to repurchase from Distributor all or any part of Distributor's inventory. Payment of the repurchase price shall be made by Manufacturer to Distributor whether by (a) the issuance to Distributor of a credit corresponding to the repurchase price, to be applied to the reduction of any indebtedness of Distributor then owing to Manufacturer or (b) if the repurchase price shall exceed the then current indebtedness of Distributor then owing to Manufacturer, by payment of such excess to Distributor within thirty (30) days after the receipt of such Products by Manufacturer. Distributor shall be responsible for obtaining, and shall bear the cost of, packaging, loading and otherwise delivering the Products to a carrier designated by Manufacturer and any licenses, customs formalities, tariffs, duties, taxes and other charges payable upon export. Title to and risk of loss of the Products shall pass to Manufacturer upon loading of the Products at Distributor's facility. Manufacturer shall thereafter be responsible for, and shall bear all costs and expenses relating to, the Products, including the cost of shipping, carriage, insurance, unpacking and unloading the Products and any licenses, customs formalities, tariffs, duties, taxes and other charges payable upon import. If Manufacturer elects not to repurchase the remaining Product, the Distributor shall have six months from the date of termination to sell such Product pursuant to the terms of this Agreement.

9. Parent Guaranty.

9.1 Parent hereby absolutely, irrevocably and unconditionally guarantees Distributor's timely payment in full and performance of Distributor's obligations under this Agreement. This guaranty is a guaranty of payment and performance and not of collection, and Parent agrees that if Distributor fails to make any payment or perform any of its obligations under this Agreement, Manufacturer shall have the right to proceed first and directly against Parent under this guaranty and without proceeding first against Distributor or exhausting any remedies against Distributor that Manufacturer may have. Without limitation to the foregoing, Parent agrees that it shall not be necessary, and Parent shall not be entitled to require, as a condition of enforcing any of Distributor's obligations under this Agreement, that Manufacturer (a) file suit or proceed to obtain or assert a claim for personal judgment against Distributor, (b) make any other effort to obtain any payment owing to Manufacturer under this Agreement other than providing Distributor and Parent with any demands or notice of breach as may be required hereunder, (c) foreclose against or seek to realize upon any security interest securing Distributor's obligations under this Agreement (including, without limitation, the security interest granted by Distributor to Manufacturer), or (d) exercise or assert any other right or remedy to which Manufacturer may be entitled in the enforcement of this Agreement.

10. Indemnity.

10.1 Distributor agrees to indemnify, defend and hold harmless Manufacturer from and against any and all liability, damage, cost or expense (including reasonable attorneys' fees) arising out of or relating to the acts or omissions of Distributor or its employees, agents or representatives in connection with the obligations of Distributor under this Agreement or the breach of any representation or warranty of Distributor contained in this Agreement, including, without limitation, liability resulting from injury to persons or property. In addition, Distributor agrees to reimburse Manufacturer for any and all cost or expense

(including reasonable attorneys' fees) incurred by Manufacturer in successfully enforcing the provisions of this Section 10.1, whether by prosecution of a lawsuit or otherwise.

11. Force Majeure.

11.1 Manufacturer may reduce or suspend deliveries under this Agreement to the extent that an act of God, strike, lockout or other labor dispute, civil commotion, sabotage, fire, flood, explosions, act of any government, unforeseen shortage or unavailability of fuel, power, transportation, raw materials or supplies, inability to obtain or delay in obtaining governmental approvals, permits, licenses or allocations or the occurrence of any other state of facts beyond the reasonable control of Manufacturer, whether or not of the kind specifically enumerated above, interferes with Manufacturer's ability to produce or supply Distributor with Products.

12. General.

12.1 Distributor is an independent contractor and not an agent or an employee of Manufacturer, and has no authority to conduct business under the Manufacturer's name or to use the term "agent" or any similar term in relation to Manufacturer or to obligate Manufacturer in any manner.

12.2 The rights granted to Distributor hereunder shall be personal to Distributor and may not be assigned or otherwise transferred, whether by operation of law or otherwise, without the prior written consent of Manufacturer. For purposes of this Agreement, a Change in Control (as hereinafter defined) shall be deemed an assignment. No delegation of any obligation owed by Distributor hereunder shall be made without the prior written consent of Manufacturer. Any attempted assignment or transfer by Distributor of this Agreement or of any rights hereunder shall be void and ineffective for all purposes and will be a material breach of Distributor's obligations hereunder. A Change in Control shall mean a merger or consolidation of Distributor into or with any other corporation or other entity, or a direct or indirect change in equity or ownership of Distributor (on an outstanding basis or on an as-converted fully-diluted basis) exceeding twenty-five percent (25%), whether resulting from any one transaction or from the cumulative effect of related or unrelated transactions; provided that a change in equity or ownership consented to in writing prior to such change by Manufacturer shall not effect a Change in Control.

12.3 All notices and other communications made under or pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given or made when personally delivered or if mailed, on the date of mailing by certified or registered mail, return receipt requested, postage prepaid, or with an internationally recognized overnight courier service, prepaid, to the addressee thereof at such address as set forth in this Agreement or at such other address as either party may hereafter communicate to the other party hereto in conformity with the foregoing.

12.4 In the event that any provision of this Agreement shall be held to be invalid, prohibited or unenforceable in any jurisdiction for any reason (including, without limitation, any provision which may be held unenforceable because of the scope, duration or area

of its applicability), unless narrowed by construction, this Agreement shall, as to such jurisdiction only, be construed as if such invalid, prohibited or unenforceable provision had been more reasonably drawn so as not to be invalid, prohibited or unenforceable (or, if such language cannot be drawn narrowly enough, the court making any such determination as to any provision shall have the power to modify such scope, duration or area or all of them, but only to the extent necessary to make such provision enforceable in such jurisdiction, and such provision shall then be applicable in such modified form in such jurisdiction only). If, notwithstanding the foregoing, any provision of this Agreement shall be held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction only, shall be ineffective to the extent of such invalidity, prohibition or unenforceability, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction.

12.5 Distributor acknowledges that monetary damages may not be a sufficient remedy for a breach by Distributor of any of its obligations under this Agreement, including, without limitation, any breach relating to the unauthorized use or disclosure of Manufacturer's confidential and proprietary information or Distributor's covenants as to non-competition, and that Manufacturer shall be entitled to, without waiving any other rights or remedies and without the necessity of posting any bond or other security, such specific performance and/or injunctive relief in order to enforce or prevent any violation of the provisions of this Agreement.

12.6 It is hereby irrevocably agreed that all actions, suits or proceedings between Manufacturer and Distributor arising out of, in connection with or relating to this Agreement, or the interpretation, performance or breach thereof, shall be litigated in the federal or state courts located in New York State, except that Manufacturer may institute and prosecute any action under Section 12.7 in any court of competent subject matter jurisdiction and except that Manufacturer may institute and prosecute to judgment in any court of competent subject matter jurisdiction an action, suit or proceeding to effect collection of any monies due to Manufacturer from Distributor and Distributor shall reimburse Manufacturer for all costs and expenses (including attorneys' fees) incurred by Manufacturer in connection therewith. Distributor hereby consents to the jurisdiction of said courts, and agrees that if litigation is commenced in any such court, Distributor does hereby waive personal service of all process upon Distributor on the condition that all such process is served personally or by registered or certified mail directed to Distributor at the address indicated on the first page hereof and does hereby waive the right to transfer or change the venue of any such litigation.

12.7 TO THE EXTENT THEY MAY LEGALLY DO SO, THE MANUFACTURER AND DISTRIBUTOR HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH OR RELATING OR INCIDENTAL TO, THE DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. TO THE EXTENT THEY MAY LEGALLY DO SO, THE MANUFACTURER AND DISTRIBUTOR HEREBY AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION, CAUSE OF ACTION OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO

MAY FILE AN ORIGINAL COUNTERPART OR COPY OF THIS SECTION 12.7 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE OTHER PARTY OR PARTIES HERETO TO WAIVER OF ITS OR THEIR RIGHT TO TRIAL BY JURY.

12.8 This Agreement shall be deemed to have been made and fully performed in, and shall be governed and construed in accordance with the internal laws of, the State of New York, without regard to any conflict of laws provisions.

12.9 This Agreement contains the entire understanding of the parties with respect to its subject matter and, except as specifically provided in this Agreement, no modification, amendment or waiver of any provision hereof shall be valid unless written and signed by each of the parties hereto.

12.10 This Agreement supersedes, terminates and otherwise renders null and void any and all prior agreements or contracts, whether written or oral, entered into between Distributor and Manufacturer with respect to the subject matter hereof. Nothing herein contained shall be construed as intended to relieve or release either party from any obligation which such party may owe to the other party hereto, including without limitation, the payment of monies.

12.11 No waiver by either party of any breach hereof shall be deemed a waiver of any preceding or succeeding breach. No failure or delay by either party to exercise any right or privilege hereunder shall be deemed an acquiescence thereto or to operate as a waiver of such party's right to exercise the same or any other right or privilege hereunder at any subsequent time or times.

12.12 This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MANUFACTURER:

DISTRIBUTOR:

SOLSTICE INDUSTRIES, INC.

[_____]

By: _____

By: _____

Name:

Name:

Title:

Title:

PRODUCTS, PURCHASE PRICES, AND VOLUME DISCOUNTS

I. Products and Purchase Prices – Effective as of <INSERT DATE HERE> _____.

<u>Product Name / Description</u>	<u>Purchase Price* (per unit)</u> Manufacturers Suggested Retail Price (MSRP)
RECON-Pro	
Base RECON-Pro Unit	\$ 3100.00
Accu-Dive Pro	
Base Accu-Dive Pro Unit	\$3100.00
Additional Accu-Dive (only) Options	
GPS Signal Booster	\$300.00
Extra length of Umbilical Cable price per foot	\$2.00 p/ft
Charts & Software (Product Options for RECON Pro & Accu-Dive)	
Garmin BlueChart CDROM - Americas	\$130.00
Additional Site License - Americas	\$90.00
Garmin BlueChart CDROM – Pacific	\$200.00
Additional Site License – Pacific	\$150.00
Garmin BlueChart CDROM – Atlantic	\$175.00
Additional Site License - Atlantic	\$115.00
Garmin Blank DataCard	\$75.00
Garmin PC DataCard	\$50.00
Garmin Pre-loaded Data Card	Call for Pricing

SCUBA-Vis	
Base SCUBA-Vis Unit	\$1400.00
SCUBA-Vis Product Options	
Additional Umbilical Cable (price per foot)	\$1.00 p/ft
Digital Video Recorder (DVR)	\$250.00
SCUBA-Vis Resort	
Base SCUBA-Vis Unit and Product Options	Call for Pricing

*Unless otherwise specified, all prices are in U.S. dollars.

II. Volume Discounts

Distributor shall be entitled to a percentage discount of the entire invoiced Purchase Price (excluding, without limitation, the Distributor Delivery Expenses and the cost of any Demonstration Units or Promotional Materials) in the event Distributor purchases the number of Product units as set forth below:

Volume Discount:

<u>Number of Product units</u>	<u>Percentage Discount</u>
At least 10 but less than 20 Products	10.0%
At least 20 or more Products	15 %

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