



SNUBA INTERNATIONAL LICENSING PROGRAM OUTLINE 2009

The following represents a brief outline of the terms and conditions found within the Snuba License Agreement:

1. Territory is non-exclusively appointed to the Licensee.
2. Licensee is required to license a minimum of two (2) Snuba units to initiate the agreement, which can be a combination of two standard Snuba systems or a standard Snuba system plus a Snuba Quad (2 tank - four participant system).

3. License fee rates per system are as follows:
Standard Snuba System: \$ 2,000
Snuba Quad: \$ 3,000

System replacement license fee rates are based on the frequency of replacement. Use the percentages below to determine replacement fee rate:

<u>Within year 1</u>	<u>Year 2</u>	<u>Year 3 or after</u>
100%	50%	25%

Note: percentages are based on original license fee rates. Start date is the date of shipment from factory.

4. Useful life for the Snuba systems is approximately 3 - 4 years (depending on use, care and exposure). New, replacement Snuba Systems, and or replacement parts are the responsibility of the Licensee during the term of the agreement. Components or replacement parts are available at Snuba International's published licensee prices. Licensee cannot alter, modify or use components not supplied by, or approved by Snuba International. Snuba International will replace any defective equipment within the first twelve months of use.

5. Snuba International offers professional liability insurance for all Snuba Guides through the Snuba Licensee Association. Professional liability insurance is mandatory for all Snuba Guides in U.S. territories, at a cost of \$480 per year, per guide (or position). Premiums are billed quarterly.

6. All Licensee's are required to attend Snuba Guide and Operations Training from an authorized Snuba Training Center. Qualified Snuba Guides may receive additional training to allow for training of individuals within your operation ("Snuba Recreation Center Program Coordinator"). Transportation and lodging for the Snuba training coordinator is the responsibility of the Licensee. Training fee for a Snuba Guide is *\$500, plus training materials and association fee (appx. \$98.00). Training fee for a SRC Program Coordinator is *\$800, plus materials and association fee.

7. Snuba International offers the following materials:

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| a. Liability Release statements and forms | j. Nylon Flags and Banners 4' x 6' |
| b. Certificates of Participation | k. Promotional CD's |
| c. Poster - 16" x 24" | l. Graphic Design Assistance |
| d. Brochures 4" x 9" (rack card sized) | m. Snuba I.D. Cards |
| e. Camera ready artwork for brochures and ads | n. Snuba Activewear |
| f. Operations Handbooks | o. Materials in Foreign languages |
| g. Training Manuals | p. Dive gear (masks, fins, tanks, BC's) |
| h. Promotional Video tapes | q. Website referral assistance |
| i. Counter displays | r. Video commercial production |

8. Royalty payment per unit, per month is \$350 (Standard Snuba) and \$450 (Snuba Quad). Royalties are billed monthly and paid by the 10th day of each month.

9. Licensee's must observe and comply with SNUBA International's worldwide standards, procedures and policies.

Snuba International's role is ongoing. We have developed specific operating techniques that are being proven every day, throughout the world. Snuba operations have conducted over 5 million Snuba dives since the activity was introduced in 1988.

All tours are planned at a site that is suitable to Snuba diving (defined Snuba trail). Once completed, the customer is; issued a Snuba Certificate of Participation, offered SNUBA Activewear and additional opportunities, such as; an advanced Snuba Dive Adventure.

***NOTE: Training fee's are estimates and subject to rates charged directly by independent training coordinators, or if the training is conducted by Snuba International staff. Lodging, air fare and transportation are the responsibility of the licensee.**