

Mariners School, Inc.
3490 US Route One, Bldg #19
Princeton, NJ 08540

August 24, 2009

Mr. Martin Phillips
Executive Director
Coast Guard Auxiliary Association, Inc.
9449 Watson Industrial Park
St. Louis, MO 63126

Re: Mariners School, Inc/Coast Guard Auxiliary Association, Inc Affiliate Agreement

Dear Mr. Phillips:

This affiliate agreement, as amended, is entered into by and between Mariners School, Inc. (MS) and the Coast Guard Auxiliary Association, Inc. (the Association), upon signature of both parties at the bottom of this document effective with the date of signatures below.

The USCG has approved Mariners School to offer its Captain's License Course in an on-line format. See: <http://www.marinersschool.com/> Mariners Learning System™ is an exclusive suite of online courses that offer a great solution for students that want to earn their Captain's License, however, due to personal time constraints, need the additional flexibility online learning offers.

Commission/Royalty Payment: MS is hereby offering to the Association a 10% commission/royalty payment for all sales generated from a link to your sites. To earn commission/royalty through a product sale, the customer must have followed a link placed on the Association's ShopAuxiliary.com site, or, the "Members Only" page link, selected and purchased the product using MS's ordering system, accepted delivery of the product, and remitted full payment to MS. Referral commission/royalty is based on revenues derived by MS through sale of the product. MS excludes costs for shipping, handling, taxes and returned product. Commissions on direct Link sales shall be paid within fifteen (15) days after the close of each quarter of the

calendar year. MS shall provide the Association with access to the records of MS's direct Link sales at regular intervals and through third party software, including but not limited to Xcart™. If a product that generated a referral commission/royalty is returned by the customer, MS will deduct the corresponding referral commission/royalty from the next quarterly payment.

MS will process orders of those customers that have followed the Association's links to MS's website. MS will attend to customer service needs, order forms, payments, cancellations, and returns. MS will track all sales made by those customers.

Discount Offered to Auxiliary Members: In addition to aforementioned 10% commission/royalty paid to the Association, MS agrees to provide members of the USCG Auxiliary a 5% discount on MS USCG License Online Courses accessed through the Association's *Members Only* link to the special MS access site. It is understood that auxiliary members will be able to access the MS purchase site by going to <http://shopauxiliary.com/> and clicking on the *Members Only* link; upon the member entering his/her unique auxiliary member number and password, the member will have access to the MS logo to click on, accessing the unique MS/Association web site. On this page will be the discount code CGAUX that will provide members the additional 5% discount from currently offered prices and/or discounts on the MS websites. The Association agrees to promote the benefits of this link to the membership from time to time via electronic newsletters and AuxEnews to the Auxiliary membership. MS shall provide the Association the MS logo to place on said access link. The Association will provide MS with the Association's logo to place on the welcome banner on the MS site.

Graphic Image/Logo Usage: MS grants the Association a nonexclusive revocable right to use MS's graphic image and text for the sole purpose of identifying MS as a program participant, and, to assist the Association in generating sales. MS reserves all rights to MS's graphic images, text, trade names and trademarks. The Association gives MS the right to use the provided Association logo on the MS Members Only welcome banner for the sole purpose of identifying the Association as a program participant. The Association and MS may modify any images to fit the site but may not alter them graphically.

Intellectual Property: The Parties agree that (i) the intellectual property of each Party licensed to the other Party hereunder, *i.e.*, the Advertising Content, MS Direct Marks and MS Marks licensed by MS to Affiliate are and will remain the sole property of the licensor; (ii) nothing in this Agreement shall convey to either Party any right of ownership in the other Party's intellectual property; (iii) neither Party shall now or in the future contest the validity of the other Party's intellectual property; and (iv) neither Party shall in any manner take any action that would impair the value of, or goodwill associated with, such intellectual property.

The Parties acknowledge and agree that all use of the other Party's intellectual property by a Party shall inure to the benefit of the Party whose intellectual property is being used.

Choice of Law and Venue: This Agreement shall be interpreted and enforced in all respects under New Jersey law and the Parties consent to the exclusive personal jurisdiction of the United States District Court for the District of New Jersey or the Superior Court of New Jersey over any and every dispute between the Parties that refers to, relates to, involves, concerns or arises out of this Agreement.

Modifications: MS may modify terms and conditions contained in this agreement, at any time and at MS sole discretion by providing the Association notification. Modifications may include for example, changes in referral/royalty fees, referral/royalty fee schedules, payment procedures, and program rules. If a modification is unacceptable to the Association, the Association may terminate affiliation with MS. The Association's continued participation in the program, following MS's notification to the Association of a change to this agreement, will constitute acceptance of the change.

Relationship to Parties: MS and the Association are independent contractors, and nothing in this agreement will create any partnership, joint venture, agency, franchise, sales representative, or employment relationship between the two parties. Neither party will have the authority to make or accept offers or representations on their behalf.

Limitation of Liability: MS will not be liable for indirect, special, or consequential damages (or any loss of revenue, profits, or data) arising in connection with this Affiliate Agreement or the supply of product, even if MS has been advised of the possibility of such damages. Further, MS's aggregate liability arising with respect to MS's program will not exceed the total referral/royalty fees paid or payable to the Association under the Agreement. MS disclaims all liability from these matters. Further, the Association will indemnify and hold MS harmless from all claims, damages, expenses (including, without limitation, attorneys' fees) relating to the development, operation, maintenance and contents of the Association's site.

Disclaimers: MS makes no express or implied warranties or representations with respect to the Agreement or any products sold through the program (including, without limitation, warranties of fitness, merchantability, non-infringement, or any implied warranties arising out of a course of performance, dealing, or trade usage). In addition, MS makes no representation that the operation of the MS site will be uninterrupted or error-free; in such an event, MS will not be liable for the consequences.

Terms of this Agreement. By signing this Agreement, the Parties are affirmatively stating that we have read and understand the terms set forth herein and that we

agree to be bound by the terms hereof. Either you or we may terminate our agreement, at any time, with or without cause, through written notice. At that time, we will immediately remove from our site, all links to your site, along with any trademarks, trade dress and logos, and any other materials provided by you to us pursuant hereto or in connection with your program. The Association is only eligible to earn referral/royalty fees on product sales occurring while we are an Affiliate with MS. Referral/royalty fees earned on the date of termination will remain payable only if the related orders are not cancelled or returned. MS may withhold the Association's final payment for a reasonable time to ensure that the correct amount is paid.

Integration. This Affiliate Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof, and revokes and supersedes all prior agreements between the Parties and is intended as a final expression of their Agreement. It shall not be modified or amended except in writing signed by the Parties hereto and specifically referring to this Agreement. This Agreement shall take precedence over any other documents which may conflict with this Agreement. IN WITNESS WHEREOF the Parties hereto, intending to be legally bound, have executed this Agreement on the dates below.

Mariners School, Inc.

By: 
Robert Figular, President

Date: 9/1/09

Coast Guard Auxiliary Association, Inc.

By: 
Martin Phillips, Executive Director

Date: 8/20/2009