

EXHIBIT 4

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THIS AGREEMENT made as of the 11th day of July, 1983. (8)

BETWEEN:

BRUCE KIRBY, INC., a corporation incorporated under the laws of the State of Connecticut, United States of America (hereinafter called "Kirby Inc.")

- and -

BRUCE KIRBY, an individual of the Town of Rowayton in the State of Connecticut, United States of America

- and -

BROOK SHAW MOTOR SERVICES LTD., a corporation incorporated under the laws of England (hereinafter called the "Licensee")

WHEREAS Bruce Kirby is an independent designer of sailboats and yachts and in particular is the designer of the 13 foot 1/2 inch sailboat pictured in Schedule 1 annexed hereto, which has been manufactured and sold in Canada and in other countries of the world in association with the trade mark "LASER";

AND WHEREAS Bruce Kirby and Kirby Inc. have represented that together they own all right, title and interest in the design and copyright of the said sailboat;

AND WHEREAS 124561 Canada Inc. of Hawkesbury, Ontario has acquired from Peat Marwick Limited, as receiver and manager of Les Voiliers Performance Inc./Performance Sailcraft Inc., of the City of Pointe Claire, in the Province of Quebec, Canada, and is the owner of, the trade mark "LASER" for use in association with, inter alia, sailboats;

AND WHEREAS Licensee is desirous of obtaining a license from Bruce Kirby and Kirby Inc. to manufacture said sailboat and of obtaining a license from 124561 Canada Inc. to use the trade mark "LASER" in association with said sailboat;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 In this agreement:

- a) "Licensed Design" means the design created by Bruce Kirby for the 13 foot 10 1/2 inch sailboat pictured in Schedule 1 annexed hereto, the copyright in which is owned by Bruce Kirby and Kirby Inc.;
- b) "Kirby Sailboat" means a sailboat or sailboat hull manufactured in accordance with the Licensed Design which has been commonly sold in association with the trade mark "LASER";
- c) "ILCA" means International Laser Class Association of Cornwall, England;
- d) "IYRU" means The International Yacht Racing Union of London, England;
- e) "IYRU Holdings" means IYRU Holdings Limited of Surrey, England;
- f) "IYRU Agreement" means the agreement dated July 8, 1974 among IYRU, Performance Sailcraft International Company Limited, ILCA and IYRU Holdings as heretofore or hereafter amended or as hereafter reconstituted from time to time;
- g) "Advisory Council" means the advisory council established pursuant to Article 15 of the constitution of ILCA which comprises the president and vice president of the World Council of ILCA from time to time (presently Paul van Ellemeet and Peter Griffiths respectively) and two persons nominated by 124561 Canada Inc. from time to time (presently Tim Coventry and Ian Bruce);
- h) "Construction Manual" means the manual which prescribes the materials to be used in the construction of a Kirby Sailboat and the method to be used in the manufacture thereof including:

- i) the specifications for the materials to be used in the construction of a Kirby Sailboat, including sailcloth, fittings and raw materials,
 - ii) the method for production of tooling, moulds and plugs used in the construction of a Kirby Sailboat,
 - iii) the manufacture of the hull, deck, centerboard box, centerboard and rudder for a Kirby Sailboat,
 - iv) the method of cutting the sailcloth and finishing the sails for a Kirby Sailboat, and
 - v) the assembly of the parts necessary to make the mast, boom and spars for a Kirby Sailboat.
- i) "Hull Number" means a serial number attached to or impressed upon the hull of a Kirby Sailboat in the manner referred to in the Construction Manual;
- j) "Dealer Wholesale Price" means Licensee's published wholesale price for Kirby Sailboats to the Dealer, FOB factory, which shall include the royalty fee payable to Kirby Inc. by this Agreement but shall exclude duty and applicable sales taxes, cost of packaging and IYRU fees, and national and international class fees which may be collected by Licensee; and
- k) Unless the context otherwise indicates, words in the singular include the plural and words in the plural include the singular.

ARTICLE 2 - GRANT OF LICENSE

- 2.1 Bruce Kirby and Kirby Inc. hereby jointly warrant that they are the exclusive owner of all right, title and interest in and to copyright and industrial design rights in the Licensed Design (hereinafter collectively referred to as the "Copyright") in all countries of the world which recognize Canadian copyright and industrial design rights and that the Copyright is valid and subsisting.
- 2.2 Bruce Kirby and Kirby Inc. hereby jointly warrant that neither Bruce Kirby nor Kirby Inc. has made any assignment of, or granted

any license which is now subsisting in respect of the Copyright in the territory described in Schedule 2 annexed hereto (hereinafter referred to as the "Licensed Territory") save only for such rights as Alary Sailcraft and Mr. R.P. Stratton & Partners might have by reason of an agreement dated February 5, 1981, among Performance Sailcraft Inc./Les Voiliers Performance Inc., Alary Sailcraft and Mr. R.P. Stratton & Partners, The International Yacht Racing Union and International Laser Class Association, a copy of which forms Schedule 3 annexed hereto.

2.3 Subject to the terms and conditions herein contained, Bruce Kirby and Kirby Inc. hereby give and grant to Licensee, to the exclusion of all others including Bruce Kirby and Kirby Inc. the sole and exclusive license of the Copyright to manufacture, sell and market Kirby Sailboats in the Licensed Territory save only for such rights as Alary Sailcraft and Mr. R.P. Stratton might have by reason of an agreement dated February 5, 1981, among Performance Sailcraft Inc./Les Voiliers Performance Inc., Alary Sailcraft and Mr. R.P. Stratton & Partners, The International Yacht Racing Union and International Laser Class Association, a copy of which forms Schedule 3 annexed hereto.

2.4 Licensee is hereby authorized to sell and market Kirby Sailboats manufactured by Licensee ^{✓ to ✓} in a territory for which Bruce Kirby and Kirby Inc. shall have granted to another person a license such as that granted herein provided that Licensee shall have secured the prior written consent of such other person.

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2.5 Licensee hereby accepts the aforesaid license and agrees to observe and abide by all the terms and conditions of this Agreement.

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Bruce Kirby and Kirby Inc. shall ~~not~~ grant ~~any~~ licenses of Copyright ~~in any territory save~~ ^{outside the licenced territory of Schedule 2} only on terms and conditions substantially the same as the terms and conditions of this Agreement, and neither Bruce Kirby nor Kirby Inc. shall manufacture Kirby Sailboats.

ARTICLE 3 - PRODUCTION

3.1 Licensee acknowledges and represents that Licensee has acquired and is the owner of a set of production tooling for the construction of Kirby Sailboats including:

- a) deck moulds,
- b) hull moulds,
- c) glue jigs,
- d) centerboard box moulds,
- e) deck plugs, and
- f) hull plugs.

3.2 Licensee acknowledges and represents that 124561 Canada Inc. has ~~agreed to~~ grant to Licensee the right to use the trade mark "LASER" in the Licensed Territory in association with Kirby Sailboats and that Licensee has acquired ~~ownership of~~ one current and complete copy of the Construction Manual.

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3.3 In order to maintain and protect the reputation of Bruce Kirby as a designer of sailboats and yachts, the reputation of Kirby Sailboats as quality sailboats and the status of Kirby Sailboats as a recognized international class of sailboats with the IYRU, Licensee undertakes and agrees that Licensee shall manufacture Kirby Sailboats only from the materials and only in accordance with the methods specified

and described in the Construction Manual.

- 3.4 Licensee agrees to maintain strict quality control procedures in the manufacture of Kirby Sailboats and agrees to maintain all tooling, moulds and plugs used in the manufacture of Kirby Sailboats in good condition and to replace all tooling, moulds and plugs in a timely manner to avoid the production of Kirby Sailboats below the standards specified in Article 3.3 hereof.
- 3.5 Licensee agrees to permit Bruce Kirby or a representative of Kirby Inc. who has the prior written approval of Licensee, which approval shall not be unreasonably refused, to inspect Licensee's premises and to inspect Kirby Sailboats being manufactured by Licensee to ensure that such sailboats meet the standards specified in this Article.
- 3.6 Licensee shall not sell Kirby Sailboats save in association with the trade mark "LASER" and the trade mark which comprises a representation of a sunburst.

ARTICLE 4 - INDEMNIFICATION AND INFRINGEMENT

- 4.1 In all aspects of the manufacture, distribution and sale of Kirby Sailboats, Licensee agrees to comply with all local laws governing Licensee. It is agreed that Bruce Kirby and Kirby Inc. are parties to this agreement as the owner of the Licensed Design and that Bruce Kirby and Kirby Inc. shall not be represented as making any warranty to any dealer or purchaser from Licensee. Licensee agrees to indemnify and save harmless Bruce Kirby and Kirby Inc. from any action, suit or claim arising from any alleged faulty manufacture of Kirby Sailboats by Licensee or by its servants, dealers or agents.

4.2 Licensee shall promptly give notice in writing to Bruce Kirby and Kirby Inc. of any infringement of the Copyright in the Licensed Territory or in any territory in which Licensee is selling and marketing Kirby Sailboats pursuant to the provisions of Article 2.4 hereof which shall come to the knowledge of Licensee. Bruce Kirby and Kirby Inc. shall promptly after receipt of such notice take all reasonable steps to bring such infringement to an end. Licensee agrees to cooperate with Bruce Kirby and Kirby Inc. in taking such steps ~~and in the conduct of such proceedings~~ at the cost of Kirby Inc. and at no cost to Licensee. If Bruce Kirby and Kirby Inc. shall not have commenced to take all reasonable steps to bring such infringement to an end within 90 days from the receipt of the aforesaid notice and do not diligently pursue such steps to bring such infringement to an end, Licensee shall have the right, at the sole cost of Licensee, to take such steps in Licensee's own name or in the name of Bruce Kirby and Kirby Inc. including legal proceedings to bring such infringement to an end. In the event that such legal proceedings are instituted by Licensee, any monetary recovery therefrom shall be retained by Licensee as compensation for its costs or loss. Bruce Kirby and Kirby Inc. shall cooperate with Licensee in taking such steps at the cost of Bruce Kirby and Kirby Inc. and at no cost to Licensee.

ARTICLE 5 - MARKETING AND ADVERTISING

5.1 Licensee agrees:

- a) to use reasonable efforts to promote the sale of Kirby Sailboats in the Licensed Territory;
- b) where practical, to identify Bruce Kirby as the designer of the Kirby Sailboat in all brochures, posters, magazine and similar advertisements prepared by or at the direction of Licensee (unless

Bruce Kirby agrees in advance to the contrary);

- c) where practical, to identify the designer of any other watercraft the trade mark of which includes the word "LASER" (such as for example, the trade mark "LASER II" or "LASER SHELL") in all brochures, posters, magazine and similar advertisements relating thereto prepared by or at the direction of Licensee. The intention of this paragraph and the preceding paragraph is to disassociate Bruce Kirby from watercraft which he did not design, particularly in brochures, posters, magazine and similar advertisements for several watercraft products the trade marks of which include the word "LASER"; and
- d) not to publish any misleading or deceptive advertisements relating to Kirby Sailboats or Bruce Kirby or to encourage or authorize any of Licensee's dealers or agents to do so.

5.2 Licensee agrees:

- a) not to use the trade mark "LASER" in association with watercraft other than Kirby Sailboats unless another word, numeral, character, device, prefix or suffix such as, for example, "LASER II", "LASER BLADE" or "LASER SHELL" is used with said trade mark;
- b) save insofar as it shall be contrary to law, not, save as provided in Article 2.4 hereof, to distribute, sell or market, directly or indirectly, Kirby Sailboats to customers outside the Licensed Territory, which prohibition shall include, without limitation, the sale of Kirby Sailboats to others knowing the same are for purposes of resale outside Licensed Territory; and
- c) not to offer, sell or deliver a Kirby Sailboat unless such sailboat meets the specifications described in the Construction Manual and has an authorized Hull Number attached to or impressed on it. Only those Hull Numbers that are issued pursuant to Article 6 hereof shall be authorized Hull Numbers for the purpose of this Agreement.

ARTICLE 6 - HULL NUMBERS

- 6.1 Kirby Inc. shall be responsible for issuing and assigning Hull Numbers to Licensee for use by Licensee in connection with Kirby Sailboats.
- 6.2 Kirby Inc. shall, within seven days of receipt of a request, issue to Licensee such quantity of Hull Numbers as Licensee shall from time to time reasonably request. Licensee acknowledges that Kirby Inc. may refuse to issue Hull Numbers to Licensee if any royalties due to Kirby Inc.

for Kirby Sailboats manufactured by Licensee are unpaid on the date payment is due hereunder and have not subsequently been paid.

6.3 Kirby Inc. may designate an agent to issue and assign Hull Numbers.

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Subject to Article 6.5 hereof ✓

6.4 Licensee agrees to use only those Hull Numbers that are issued by Kirby Inc. to Licensee and to cause the appropriate Hull Number to be attached to or impressed on each Kirby Sailboat hull manufactured by Licensee. Each Kirby Sailboat hull shall have a separate and not previously used Hull Number.

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- SEE RIDER 6.5 ATTACHED ON PAGE 9A ✓ (H)

ARTICLE 7 - RECORDS

7.1 Licensee shall at all times keep or cause to be kept clear, accurate and comprehensive records of:

- a) the number of Kirby Sailboats delivered by Licensee to direct purchasers and to dealers;
- b) the Dealer Wholesale Price of each Kirby Sailboat sold by Licensee in sufficient detail to enable the payments due hereunder to be correctly calculated and verified; and
- c) the Hull Number of each Kirby Sailboat sold by Licensee.

Such records shall be available on the premises of Licensee for inspection at all reasonable times to chartered or similarly qualified accountants appointed by Kirby Inc. and consented to by Licensee which consent shall not be unreasonably withheld.

7.2 Within 30 days from the end of each calendar month during the term of this Agreement (and thereafter until all inventory of Kirby Sailboats has been sold), Licensee shall provide Kirby Inc. (with copies to IYRU and ILCA) with a written report giving particulars of:

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6.5 If Kirby Inc. or its agent are in breach of the obligation to issue hull numbers under Article 6.2 hereof, and licensee is not in breach of its obligations under this agreement, licensee may upon notice to Kirby Inc. require the I.Y.R.U. to nominate a person to issue hull numbers as agent for Kirby Inc. If Kirby Inc. does not cure such breach within seven (7) days of licensee giving said notice, licensee shall be entitled to use hull numbers issued thereafter by said nominee of the I.Y.R.U. as though such hull numbers were issued by Kirby Inc., until such time as the I.Y.R.U. is satisfied that Kirby Inc. will honour its obligations under Article 6.2 hereof.

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- a) the number of Kirby Sailboats sold or otherwise disposed of by Licensee (whether to direct purchasers, distributors, dealers or other licensees of Kirby Inc.) and the number of credits and returns during the previous month; and
 - b) the Dealer Wholesale Price in force in the area of sale at the time of sale of each Kirby Sailboat sold by Licensee.

If no Kirby Sailboats were sold by Licensee during the previous month, the report shall so state. For the purpose of this agreement, the time of sale or other disposition shall mean the time of raising of an invoice rather than the time an order is taken or signed.

ARTICLE 8 - ROYALTY PAYMENTS

8.1 In consideration of the grant of the license herein, subject to Article 8.2 hereof, Licensee shall pay:

- a) to Kirby Inc. a royalty payment of two (2%) percent of Licensee's Dealer Wholesale Price for each Kirby Sailboat manufactured and sold or otherwise disposed of by Licensee after deducting the value of any returns or credits. When the Dealer Wholesale Price is in other than United States Dollars the royalty payment shall be converted into and paid in United States Dollars using the best exchange rate available in London, England at the date when payment is made or when payment falls due, whichever is earlier;
- b) to IYRU Holdings an IYRU fee of such amount as is established from time to time. Such fee is presently 4 dollars Canadian for each Kirby Sailboat sold by Licensee. Licensee shall be entitled to pay such fee in pounds Sterling on consent of IYRU Holdings; and
- c) to ILCA a fee of such amount as is established from time to time. Such fee is presently 17 pounds Sterling for each Kirby Sailboat sold by Licensee.

Royalty payments hereunder shall be paid to Kirby Inc.

monthly within 30 days from the end of each calendar month with respect to all Kirby Sailboats sold [✓] by Licensee during such month. In the event that the payment of royalties or the statements required by Article 7 hereof are not maintained on a current basis, Kirby Inc. shall be entitled to require prepayment of royalties to Kirby Inc. and/or fees to IYRU

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OR OTHERWISE DISPOSED OF ✓

Holdings and ILCA as a condition to Hull Numbers being assigned under Article 6 hereof until such time as Kirby Inc. shall be reasonably satisfied that the royalties and/or fees will be paid by Licensee when due hereunder.

- 8.2 Licensee shall pay royalty payments and fees in respect of any Kirby Sailboat that Licensee sells to another licensee of Bruce Kirby and Kirby Inc. Licensee shall not be responsible to pay royalty payments and fees in respect of Kirby Sailboats that it purchases from such other licensee, it being the intention that such other licensee shall pay such payments and fees.
- 8.3 Notwithstanding any other rights of Kirby Inc. hereunder, Licensee agrees to pay interest to Kirby Inc. on any overdue royalty payment at the rate of twelve per cent (12%) per annum calculated and compounded monthly during the period, from and after the date the royalty is due to be paid hereunder to the date the same is actually paid.
- 8.4 If any law or regulation is imposed in the Licensed Territory restricting or limiting the right of Licensee to make payment to Kirby Inc. as provided herein, Licensee shall immediately notify Kirby Inc. of such restrictions or limitations and shall use its best efforts to register or qualify this Agreement and the payment obligations herein contained under such laws and regulations in order to allow Licensee to make full payment to Kirby Inc. as provided in this Agreement. Licensee agrees to supply Kirby Inc. at the expense of Kirby Inc. with the opinion of legal counsel in the Licensed Territory explaining the operation of the subject law or regulation and the exceptions

which are or might be available to Kirby Inc. During any period when payment is so limited, Licensee shall hold all monies owing hereunder to Kirby Inc. in trust for Kirby Inc. in a separate bank account, and shall give Kirby Inc. particulars of such bank account. At the request of Kirby Inc., Licensee also agrees to attempt to negotiate modifications of any terms of this Agreement if such modifications are necessary and reasonable in order to allow royalty payments in full to be made to Kirby Inc. as aforesaid. If the agreement cannot be modified to the satisfaction of both parties so as to allow Licensee to obtain sufficient foreign exchange to make the required payments hereunder, then in that event Kirby Inc. shall have the option of accepting payment in any other authorized currency acceptable to Kirby Inc. and designated by Kirby Inc. to Licensee in writing.

8.5 All payments to Kirby Inc. hereunder shall be made without deduction of any kind except for withholding taxes, if any, exigible on the payments hereunder provided the same are transmitted to the proper authorities by Licensee. Licensee agrees to provide Kirby Inc. with particulars of all withholding tax payments so withheld, and to take all reasonable steps at the expense of Kirby Inc. to assist Kirby Inc.:

- a) to obtain the benefit of any applicable double taxation agreement relating to the payments hereunder; and
- b) to minimize the impact of any taxation in respect of such payments.

ARTICLE 9 - INTERNATIONAL STATUS

9.1 Licensee agrees to use its reasonable efforts to maintain the Kirby Sailboat as a recognized international class of sailboat with the IYRU.

9.2 Licensee agrees to comply with and be bound by each of the terms and conditions of the IYRU agreement to the same extent as if Licensee was a party thereto. In particular Licensee agrees:

- a) as required by the IYRU agreement, to cause the manufacture of the plugs, production tooling and the Kirby Sailboat, including the sail, mast, boom, rudder, centerboard and fittings, to be in strict accordance with the Construction Manual and with the highest degree of uniformity in every respect; and
- b) as required by the IYRU agreement, to permit reasonable access to the Chief Measurer of the IYRU or his duly authorized nominee, to carry out such investigations, for the purpose of compliance with the IYRU agreement, as the Chief Measurer shall see fit.

ARTICLE 10 - EVENTS OF DEFAULT

10.1 The occurrence of any of the following events or circumstances shall constitute a "default" under this Agreement, namely:

- a) if Licensee makes any assignment or composition for the benefit of creditors;
- b) if Licensee takes the benefit of any Act that may be available for bankrupt or insolvent debtors;
- c) if a receiver or similar officer is appointed either by a court of competent jurisdiction or under any indenture or instrument with respect to all or a substantial part of Licensee's property or business;
- d) if Licensee fails to give an accounting as provided for in Article 7 hereof, or if such accounting deliberately understates the quantity of Kirby sailboats sold or otherwise disposed of, or the Dealer Wholesale Price thereof;
- e) if Licensee fails to pay when due any royalty payment owed by Licensee to Kirby Inc. hereunder;
- f) if Licensee ^{Bevco Kirby Inc} contests in any manner whatsoever the validity of Kirby Inc.'s exclusive and complete ~~Copyright in the Licensed Design;~~ ✓
- g) if Licensee knowingly sells or distributes any Kirby Sailboat which does not have attached to or impressed on it, its authorized Hull Number;
- h) if Licensee sells fewer than 1000 Kirby Sailboats in any of the calendar years 1984, 1985, 1986, 1987 and 1988;
- i) if Licensee is in breach of its obligations under Article 9.2 hereof;

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- j) if Licensee is in breach of its obligations to make payments under the provisions of the IYRU agreement while the IYRU agreement is in full force and effect;
- k) if Licensee is not, or ceases to be, licensed to use the trade mark "LASER" in association with Kirby Sailboats; and
- l) if IYRU Holdings (with the approval of IYRU) request Kirby Inc. to cancel this Agreement pursuant to the provisions of the IYRU agreement and Kirby Inc. is required by the provisions of the IYRU agreement to cancel this Agreement.

10.2 Upon the occurrence of any "default" under subparagraphs d), e), g), or j) of Article 10.1 hereof, Kirby Inc. may at its option give written notice to Licensee of such event of default, and if Licensee does not cure such default within 30 days of the giving of said notice, this Agreement shall terminate upon Kirby Inc. giving to Licensee written notice of termination on the expiry of such 30 day period.

10.3 Upon the occurrence of any "default" under subparagraphs i) or l) of Article 10.1 hereof, Kirby Inc. may at its option give written notice to Licensee of such event of default, and if Licensee does not cure such default within 30 days of the giving of said notice or if the event of default is one which requires more than 30 days to cure, and the curing has not commenced within such period and is not thereafter diligently pursued, this Agreement shall terminate upon Kirby Inc. giving to Licensee written notice of termination on the expiry of such 30 day period.

10.4 Upon the occurrence of any "default" under subparagraphs a), b), c), f) or k) of Article 10.1 hereof, Kirby Inc. may at its option give written notice to Licensee specifying the event of default and of the intent of Kirby Inc. to terminate this Agreement, and upon the giving of such notice, this Agreement shall automatically terminate.

10.5 Upon the occurrence of any "default" under subparagraph h) of Article 10.1 hereof, Kirby Inc. may at its option, within 60 days from the end of the year of default, give written notice to Licensee of such event of default. Licensee shall have 60 days after the giving of said notice to pay to Kirby Inc. an amount which shall be equal to an amount calculated to be two (2%) percent of the difference between 1000 and the number of Kirby Sailboats sold by Licensee in the year of default multiplied by the average Dealer Wholesale Price in force in the Licensed Territory at the end of said year, and if no Dealer Wholesale Price is so in force, the Dealer Wholesale Price last in force in the Licensed Territory. If Licensee does not pay to Kirby Inc. said amount within 60 days of the giving of said notice, Kirby Inc. may at its option give written notice to Licensee specifying the intent of Kirby Inc. to terminate this Agreement and upon the giving of such notice, this Agreement shall automatically terminate. If Licensee pays to Kirby Inc. the said amount prior to such automatic termination, the right of Kirby Inc. to terminate this Agreement as a result of such specific event of default shall cease.

10.6 Subject to earlier termination as herein provided, this Agreement shall extend for an initial term of 21 years from the effective date hereof, and shall be automatically renewed on an annual basis thereafter on the same terms and conditions as herein specified except if the parties hereto agree to the contrary, unless either of Licensee or Kirby Inc. by notice in writing at least 60 days before the expiration of the initial term of this Agreement or any

renewal term thereof shall advise the other party of its desire to terminate.

Agreement of Licensee on Termination

- 10.7 Licensee agrees that termination of this Agreement for any reason shall not relieve Licensee of the obligation to pay the royalty payments and fees as provided herein which have accrued up to the effective date of termination hereof and the obligation to pay the royalty payments and fees for all Kirby Sailboats manufactured prior to the effective date of termination hereof but not delivered until after such date.
- 10.8 Licensee agrees that in the event of termination of this Agreement for any reason, Licensee shall attempt in good faith to negotiate a sale to Kirby Inc., or to negotiate a sale to another licensee of Kirby Inc., all plugs, moulds and tooling then owned by Licensee relating to the manufacture of Kirby Sailboats at fair market value not to exceed replacement cost.
- 10.9 Upon termination of this Agreement for any reason, Licensee shall forthwith discontinue manufacturing Kirby Sailboats and shall discontinue the use of and shall refrain from using the production tooling, moulds and plugs particularly associated with the manufacture of Kirby Sailboats. Notwithstanding the foregoing, Licensee shall be permitted (against a letter of credit or other similar assurance that royalties and fees shall be fully paid) to complete the manufacture, subject to all the terms and conditions of this Agreement, of all Kirby Sailboats in the course of manufacture, and sell all such sailboats, together with any Kirby Sailboats in

a finished state at the effective date of termination hereof provided that in each case Licensee pays all royalty payments and fees with respect to such Kirby Sailboats at the rate, time and manner provided for in Article 8 hereof.

Agreement of Kirby Inc. on Default

10.10 The occurrence of any of the following events or circumstances shall constitute a "default" under this Agreement:

- a) if Kirby Inc. is in breach of its obligations under Article 4.2 hereof or of its warranty under Articles 2.1 or 2.2 hereof or any of the other terms hereof or its obligations hereunder; and
- b) if Bruce Kirby is in breach of its obligations under Article 4.2 hereof or of his warranty under Articles 2.1 or 2.2 hereof or any of the other terms hereof or his obligations hereunder.

10.11 Upon the occurrence of any "default" under subparagraphs

a) or b) of Article 10.10 hereof, Licensee may at its option give written notice to Kirby Inc. of such event of default, and if Kirby Inc. does not cure said default within 30 days of giving said notice, Licensee shall be entitled by notice in writing either to be released from its obligations to pay royalty payments to Kirby Inc. under the provisions of Article 8 hereof in respect of Kirby Sailboats sold by Licensee after the date of said notice until the date that Kirby Inc. shall have cured said default and provided Licensee with written notice that said default has been cured or to terminate this Agreement.

In the event Licensee shall ^{have} decided to be released from its obligation to pay royalties it may by notice in writing ^{at any time thereafter} given hereunder (but before Kirby Inc. shall have provided Licensee with written notice that such default has been cured) be entitled to terminate this Agreement.

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ARTICLE 11 - ASSIGNMENT AND SUB-LICENSING

- 11.1 Licensee acknowledges and agrees that Licensee does not have the power to and shall not grant sublicensees hereof but may sub-contract the manufacture of, or purchase from any third party, any parts for Kirby Sailboats.
- 11.2 Subject to Article 11.3 hereof, Licensee acknowledges and agrees that this license is not assignable in whole or in part to any person including any corporation which is a successor corporation of Licensee without the prior written consent of Kirby Inc., which consent shall not be unreasonably withheld, provided that:
- a) such person shall have sufficient net worth, working capital and bank lines of credit to enable such person to manufacture Kirby Sailboats;
 - b) such person shall agree to be bound by the terms of this Agreement;
 - c) 124561 Canada Inc. shall agree to grant to such person a license to use the trade mark "LASER" in association with Kirby Sailboats in the Licensed Territory; and
 - d) IYRU has approved of such person to manufacture, sell and market Kirby Sailboats.
- 11.3 Licensee shall have the right to assign to another person its rights under this Agreement for an area within the Licensed Territory provided that:
- a) Licensee agrees to restrict Licensee's Licensed Territory to exclude such area;
 - b) Kirby Inc. provides its prior written consent, which consent shall not be unreasonably withheld;
 - c) such person shall have sufficient net worth, working capital and bank lines of credit to enable such person to manufacture Kirby Sailboats;
 - d) such person shall agree to be bound by the terms of this Agreement;
 - e) 124561 Canada Inc. shall agree to grant to such person a license to use the trade mark "LASER" in association with Kirby Sailboats in such territory; and
 - f) IYRU has approved of such person to manufacture, sell and market Kirby Sailboats.

11.4 Neither Bruce Kirby nor Kirby Inc. shall assign any rights in the Licensed Design save to an assignee who shall enter into an agreement with Licensee on terms and conditions identical with the terms and conditions of this Agreement.

ARTICLE 12 - OMISSION OR DELAY

12.1 Failure or delay of either Kirby Inc. or Licensee to claim "default" hereunder or to take any permitted action hereunder shall not constitute abandonment of the right to do so, or any waiver by it of its right hereunder, and notwithstanding any such forbearance, it shall have the right at any time to require the due and punctual fulfillment of any of its rights hereunder and to seek any and all remedies.

ARTICLE 13 - MISCELLANEOUS

13.1 The headings contained in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

13.2 Licensee shall promptly give notice to Kirby Inc. of any change of Licensee's corporate name.

13.3 Any notice or other communication required or permitted by the terms of this Agreement shall be in writing and shall be well and sufficiently given if personally delivered, if transmitted by cable or Telex, or if sent by pre-paid registered airmail, addressed:

a) in the case of Licensee to:

BROOK SHAW MOTOR SERVICES LTD.
196 Gibraltar,
Sheffield, England

Attention: Tim Coventry, Esq.,

with a copy to

124561 Canada Inc.
 1250 Tessier Blvd.
 Hawkesbury, Ontario, Canada
 Attention: Robert Kruyt, Esq.

and if transmitted by cable or Telex or ^{✓ THEN ✓}
 if send by pre-paid registered airmail, with
 a confirmation copy to a nominee, ~~transmitted~~ ^{✓ WHO MAY BE ✓}
~~by cable, Telex or sent by prepaid registered~~
 airmail, as may be designated by Licensee by
 notice to Bruce Kirby and Kirby Inc. given as
 aforesaid.

b) in the case of Bruce Kirby and Kirby Inc. to:

Bruce Kirby, Inc.
 213 Rowayton Avenue
 Rowayton, Connecticut
 06853 U.S.A.

Attention: Bruce Kirby, Esq.

Any such notice, or other communication shall be deemed
 to have been duly given when personally delivered to an
 adult person during normal business hours at the address ^{✓ ON ✓}
 specified, and if cabled or telexed to have been given [✓]
 second business day following transmission, and if mailed,
 to have been given on the fourteenth business day following
 the day on which it was registered in a post office. Any
 party to this agreement may, by written notice to another
 party hereto, given as aforesaid, designate a changed
 address for such party.

13.4 Time shall be of the essence of this Agreement, provided,
 however, that the time or times within which moneys may or
 shall be expended hereunder or rights may be exercised here-
 under or obligations shall be performed hereunder shall be
 extended by a period of time equal to the total of all periods
 of time during which any party hereto or its representatives,
 agents, contractors or employees are prevented from or
 seriously impeded in doing work hereunder by reason of fire,

power shortage, strike, lockout or other labour dispute, inability to obtain adequate or suitable machinery, equipment or labour, war, acts of God or enemies of the state, governmental regulation, requirement or policy, inability to obtain or the non-issuance of any governmental approval, license, permit, undertaking or consent, or any other cause (whether or not similar to any of the foregoing) beyond the control of such party or its said representatives, agents, contractors or employees, it being agreed that the settling of any labour dispute is beyond the control of a party hereto and nothing herein contained shall obligate any party hereto, its representatives, agents, contractors or employees to settle any such dispute. The party hereto claiming the occurrence and duration of any event contemplated under the provisions of this paragraph 13.4 shall notify the other parties hereto accordingly, such notice to be prima facie evidence of the existence of such event and of the duration thereof. Upon the termination of such occurrence such party shall forthwith notify the other parties hereto accordingly.

13.5 Should any part or provision of this Agreement be held unenforceable or in conflict with the law in any jurisdiction, the validity of the remaining parts or provisions shall not be effected by such holding.

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13.6 The validity, construction and enforcement of this Agreement shall be governed in accordance with the laws of the Province of Ontario, Canada.

13.7 Nothing contained herein or done hereunder shall be construed as constituting a party as the agent or partner for or of the other party hereto.

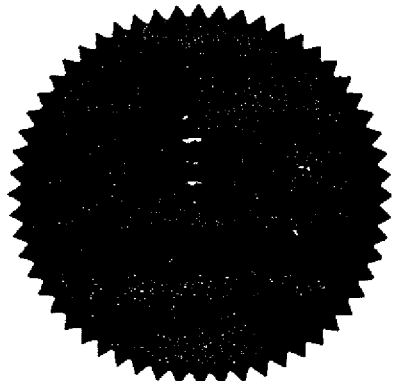
13.8 This Agreement shall take effect, and the representations and warranties shall speak as and from, the latter of:

- a) the date on which IYRU signs this Agreement to evidence its approval of granting the subject license to Licensee;
- b) the date on which Licensee enters into an agreement with 124561 Canada Inc. to use the trade mark "LASER" in association with Kirby Sailboats;
- c) the date of this Agreement; ⁽¹⁵⁾
- d) the date on which Licensee acquires substantially all of the ^{moveable} tangible assets of Performance Sailcraft (Ireland) Ltd. ^{FAOM} by its receiver and manager Deloitte, Haskins & Sells; and
- e) the date on which Licensee acquires substantially all of the ^{tangible moveable} assets of Performance Sailcraft (U.K.) Ltd. by its receiver and manager Touche Ross & Co.

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tangible moveable

IN WITNESS WHEREOF the parties hereto have signed this agreement as of the date and year first above written.



BROOK SHAW MOTOR SERVICES LTD.

By: [Signature]

By: [Signature] c/s

BRUCE KIRBY, INC.

By: [Signature]
PRES

By: [Signature]
VICE PRES

[Signature]
BRUCE KIRBY

WITNESS

The IYRU, pursuant to the IYRU agreement, signs this agreement to evidence its approval and recommendation in Kirby Inc. granting the subject license to Licensee.

SIGNED AT to Knightsbridge, this 14th day of July, 1988
London

INTERNATIONAL YACHT RACING UNION

By: [Signature] c/s

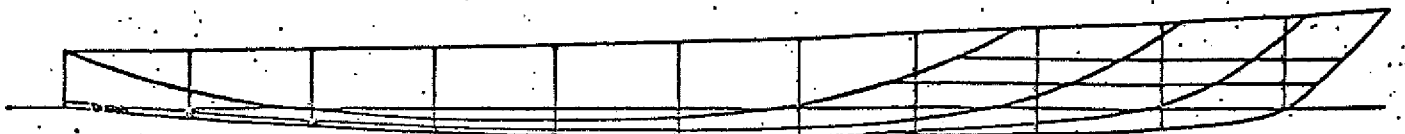
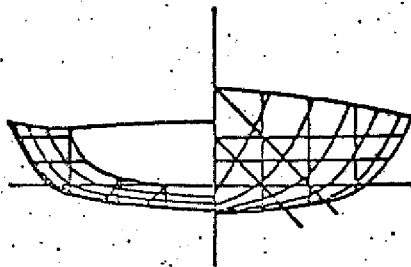
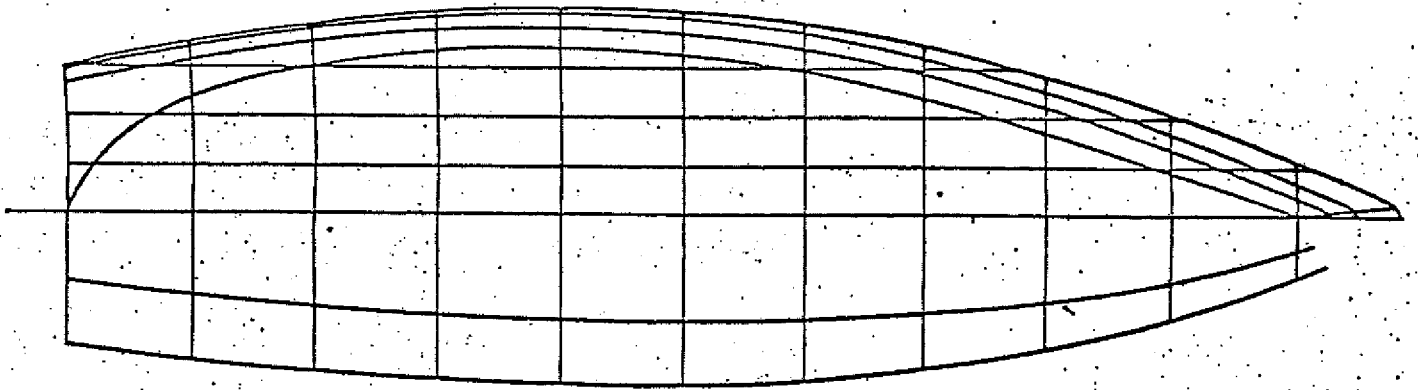
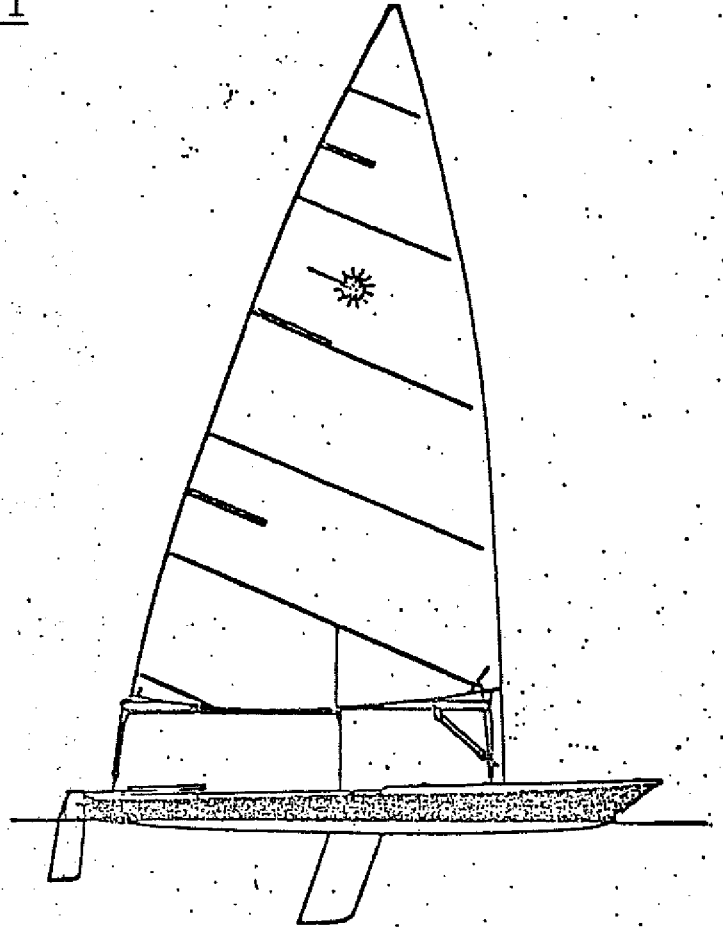
SCHEDULE 1

Designed by Bruce Kirby

LOA	4.23 m	13'10½"
DWL	3.81 m	12'6"
Beam	1.37 m	4'6"
Sail area	7.06 m ²	76 sq ft

Weight	56.7 kg	125 lb
Positive flotation	158.7 kg	350 lb foam

Handwritten marks: a checkmark, the letters "BS", and an upward-pointing arrow.



SCHEDULE 2

Continental Europe including in particular:

United Kingdom	Northern Ireland
Republic of Ireland	Spain
France	Federal Republic of Germany
Italy	German Democratic Republic
Yugoslavia	Greece
Portugal	Finland
Norway	Sweden
Denmark	Switzerland
✓ Benelux ✓	Austria
Czechoslovakia	Hungary
Rumania	Russia
Bulgaria	Poland

The Middle Eastern Countries, in particular:

Turkey	Lebanon
Syria	Jordan
Israel	Iraq
Kuwait	Saudi Arabia
Oman	United Arab Emuates
Yemen	South Yemen
Qatar	Bahrain
Iran	

The countries of the Continent of Africa north of Gabon, Congo, Zaire, Uganda and Kenya.

The Channel Islands, Azores, Canary Islands, Madeira, Gibraltar, Mediterranean Islands, Iceland, Seyschelles, Isle of Man, Reunion, Falkland Islands.

Any new country created out of the above existing countries shall be included within the countries listed above.