

EXHIBIT 3

DATED 30 th November

1983

THE INTERNATIONAL YACHT RACING UNION
INTERNATIONAL LASER CLASS ASSOCIATION
IYRU HOLDINGS LIMITED
BRUCE KIRBY, INC.
BRUCE KIRBY
LASER INTERNATIONAL HOLDINGS (1983) LIMITED

AGREEMENT

relating to

THE INTERNATIONAL LASER CLASS BOAT

throughout the world by certain licensees.

4. The Association has been formed by owners of said sailboats, who have passed and adopted a Constitution for the Laser Class, a copy of which is annexed as Schedule 3 to this Agreement.

5. Performance Sailcraft International Company Limited and the Association made application to the IYRU for International Status to be granted in respect of the said sailboat.

6. The IYRU granted provisional International Status to the Laser Class on November 9, 1973 and final approval by agreement dated July 8, 1974 among the IYRU, Performance Sailcraft International Company Limited, the Association and Holdings (hereinafter referred to as the "Original Agreement").

7. Bruce Kirby and Kirby Inc. together own the copyright in and to the design of the said sailboat, Kirby Inc. having acquired its interest therein from Bruce Kirby.

8. Trade Mark Owner is the owner of the trade mark "LASER" for use in association with the said sailboat which it acquired from Peat Marwick Limited, the receiver and manager of Performance Sailcraft Inc.

AGREEMENT

1. In this Agreement:

"Laser class boat" means the sailboat pictured in Schedule 1 annexed hereto designed by Bruce Kirby, the copyright in and to the design of which is owned by Bruce Kirby and Kirby Inc.

"Builder" means any manufacturer::

- (a) approved by the IYRU to manufacture the Laser class boat;
- (b) licensed by Bruce Kirby and Kirby Inc. to manufacture, sell and market Laser class boats in a specified territory; and
- (c) licensed by Trade Mark Owner to use the trade mark "LASER" in association with such boats in such specified territory.

For the purpose of this Agreement, Builder may include Trade Mark Owner.

"Advisory Council" means the advisory council established
Article Constitution of the Association
president and- rice president Of the

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"Construction Manual" means the manual which prescribes the materials to be used in the construction of a Laser class boat and prescribes the method to be used in the manufacture thereof including:

- a) the specifications for the materials to be used in the construction of a Laser class boat, including sailcloth, fittings and raw materials,
- b) the method for production of tooling, moulds and plugs used in the construction of a Laser class boat,
- c) the manufacture of the hull, deck, centerboard box, centerboard and rudder for a Laser class boat,
- d) the method of cutting the sailcloth and finishing the sails for a Laser class boat, and
- e) the assembly of the parts necessary to make the mast, boom and spars for a Laser class boat,

as amended, revised or reconstituted from time to time in the manner prescribed by this Agreement.

"Master Tooling" means a master hull mould and a master deck mould owned by Trade Mark Owner for use in the manufacture of the Laser class boat and which is in compliance with the specifications therefor as set out in the Construction Manual.

"Master Plug" means reversals produced from Master Tooling.

"Production Tooling" means hull moulds and deck moulds produced from the Master Plugs by a Builder to the specifications of the Construction Manual.

"Licensed Territory" means a territory in which a Builder is licensed by Bruce Kirby and Kirby Inc. to manufacture and market Laser class boats and by Trade Mark Owner to use the trade mark "LASER" in association therewith.

2. This Agreement shall be in substitution for the Original Agreement which shall terminate upon the coming into force of this Agreement.

3. With effect from the date of this Agreement, the Laser class boat shall continue to be accredited with International Status within Category 2 of the By-Laws of the IYRU, and shall hold such status unless and until it shall be revoked in accordance with the Constitution and By-Laws of the IYRU.

4. With effect from the date of this Agreement, the administration and management of the Association shall be subject to the approval of the IYRU in respect of the following matters:



- (a) any amendments to the Class Rules, being By-law 1 of the Association annexed as Schedule e hereto notwithstanding any provision to the contrary contained in the Class Rules;
- (b) the enforcement of the Measurement By-law being By-law 3 of the Association, a copy of which is annexed as Schedule 5 hereto; and
- (c) the approval of any amendments to the Measurement By-law notwithstanding any provision to the contrary contained in the Measurement By-law.

5.1 With effect from the date of this Agreement, the IYRU, through its Chief Measurer shall have the right:

- (a) to inspect and measure all Master Tooling used by Trade Mark Owner in the manufacture of Master Plugs;
- (b) to inspect the method of manufacture of all Production Tooling to satisfy the Chief Measurer that such method is in accordance with the Construction Manual a copy of which has been delivered to the Chief Measurer;
- (c) to make such periodic investigations as in the opinion of the Chief Measurer are necessary to satisfy the Chief Measurer that the manufacture of the Laser class boat is in accordance with the Construction Manual;

and it is understood and agreed by all parties hereto that Laser class boats shall continue to be manufactured in accordance with the highest possible degree of uniformity in every respect.

5.2 The IYRU acknowledges that the Construction Manual contains confidential information of Trade Mark Owner and that it contains information with respect to Bruce Kirby's and Kirby Inc.'s copyright interest. The IYRU shall keep the information contained in the Construction Manual secret and confidential, provided that such information is not in the public domain, shall not disclose such information to any other person without the prior written consent of Trade Mark Owner and Bruce Kirby and Kirby Inc. as the case may be and shall not use such information for any purpose other than for the purpose of this Agreement. The IYRU shall require each of its officers, employees or representatives including its Chief Measurer to whom the IYRU discloses the contents of the Construction Manual to be bound by the obligations of secrecy and confidence contained in this Agreement.

6.1 With effect from the date of this Agreement, the Association, through its Chief Measurer, shall have the right:

- (a) to inspect and measure all Master Tooling used by Trade Mark Owner in the manufacture of Master Plugs;

- (b) to inspect the method of manufacture of all Production Tooling to satisfy the Chief Measurer that such Method - is in accordance with the Construction Manual, a copy of which has been delivered to the Chief Measurer;
- (c) to make such periodic investigations as in the opinion of the Chief Measurer are necessary to satisfy the Chief Measurer that the manufacture of the Laser class boat is in accordance with the Construction Manual;

and it is understood and agreed by all parties hereto that Laser class boats shall continue to be manufactured in accordance with the highest possible degree of uniformity in every respect.

6.2 The Association acknowledges that the Construction Manual contains confidential information of Trade Mark Owner and that it contains information with respect to Bruce Kirby's and Kirby Inc.'s copyright interest. The Association shall keep the information contained in the Construction Manual secret and confidential, provide that such information is not in the public domain, shall not disclose such information to any other person without the prior written consent of Trade Mark Owner and shall not use such information for any purpose other than for the purpose of this Agreement. The Association shall require each of its officers, employees or representatives, including its Chief Measurer to whom the Association discloses the contents of the Construction Manual, to be bound by the obligations of secrecy and confidence contained in this Agreement.

7. Trade Mark Owner on behalf of the Builders set forth in Schedule 2, as amended from time to time; undertakes and agrees to cause the manufacture of Master Tooling, Production Tooling and the Laser class boat, including the sail, mast, boom, rudder, centerboard and all fittings, to be in strict accordance with the Construction Manual and with the highest possible degree or uniformity in every respect and agrees:

- (a) to cause measurement of Laser class boats of each Builder to be carried out in accordance with the in-plant procedure set out in the Construction Manual;
- (b) to permit the Chief Measurer of the IYRU and the Chief Measurer of the Association at any and all reasonable times to have free access to any manufacturing facility to inspect the Production Tooling, the Laser class boat or any part thereof including the sail; and
- (c) to comply with all reasonable requirements or directions of the Chief Measurer to ensure the conditions set out in this Agreement are fully complied with.

8. The parties agree that any revisions or amendments to the Construction Manual shall not be made unless prior written approval has been obtained for such revisions or amendments of each of the Chief Measurer of the IYRU, the Chief Measurer of the Association, and the Advisory Council. Each of the Chief Measurer of the IYRU,



the Chief Measurer of the Association and the Advisory Council shall consider any revisions or amendments to the Construction Manual and, if satisfied, shall approve such revisions or amendments, but shall not approve any amendments to the Construction Manual that may adversely affect the one-design character of the Laser class boat.

9.1 It is understood and agreed by IYRU and Holdings that the Builders set forth in Schedule 2 as amended from time to time are authorized to manufacture the Laser class boat and to distribute the same within a Licensed Territory and that further Builders may only be appointed with the prior written approval of Kirby Inc., Trade Mark Owner and the IYRU in accordance with the following principles, unless otherwise agreed:

- (a) the proposed marketing territory shall not at such time be adequately served by any Builder
- (b) the market potential shall be sufficient to sustain minimum production of not less than 300 Laser class boats per year for a minimum of five years;
- (c) all contractual agreements are entered into as are necessary to permit the control of manufacture in accordance with Clauses 5, 6 and 7 hereof, the payment of all royalties and fees and the protection of the Licensed Territories of other Builders;
- (d) the proposed Builder has an established ability to manufacture, sell and market first quality watercraft; and
- (e) the proposed Builder has sufficient net worth, working capital and bank lines of credit to enable such Builder to manufacture Laser class boats.

9.2 It is expressly understood that nothing shall preclude a Builder from establishing additional manufacturing facilities within its Licensed Territory subject only to the prior written approval of the IYRU, Holdings, Kirby Inc. and Trade Mark Owner, which approval shall not be unreasonably withheld. Sub-licenses are neither contemplated nor permitted.

9.3 It is expressly understood and agreed that Trade Mark Owner in conjunction with Kirby Inc., may without the consent of the IYRU, Holdings or the Association vary or amend the Licensed Territory of any duly Licensed Builder with the consent of such Builder.

10. It is understood and agreed that Holdings (with the approval of the IYRU) may request Bruce Kirby, and Kirby Inc. to take reasonable steps to suspend or cancel any license granted by Bruce Kirby and Kirby Inc. to a Builder listed in Schedule 2 as

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amended from time to time to manufacture, sell and market Laser class boats and may request Trade Mark Owner to take reasonable steps to suspend or cancel any license granted by Trade Mark owner to a Builder listed in Schedule 2 as amended from time to time to use the trade mark "LASER" in association with the Laser class boat for a violation of Clauses 5, 6, 7 hereof provided that the violation shall not have been remedied by such Builder within 30 days of the giving of written notice by Bruce Kirby and Kirby Inc. or Trade Mark Owner to such Builder of the violation, or if the violation is one which requires more than 30 days to remedy, and the remedying has not commenced within such period and is not thereafter diligently pursued

11. It is expressly understood and agreed that the sail for the Laser class boat may only be manufactured in accordance with the Construction Manual and finished by such sail makers as are approved by the Trade Mark Owner.

12.. The IYRU acknowledges that under certain license agreements among Bruce Kirby, Kirby Inc. and a Builder, the IYRU might be called upon in default of Kirby Inc. or its agent to appoint a nominee to issue hull numbers to Licensees for Laser class boats all as contemplated in Article 6.5 of said agreements. The IYRU agrees to act promptly to appoint a nominee upon the occurrence of the circumstances described in the said Article 6.5.

13.1 In consideration of the services to be performed by the IYRU herein set forth, there shall be paid to Holdings by each builder manufacturing the Laser class boat, a fee of such amount as is established from time to time with the approval of all the parties hereto, such fee is presently \$e.00 Canadian for each Laser class boat manufactured by such Builder. Such payments shall be computed monthly. Payment of all sums due shall be made by the Builder within 30 days from the end of the month with respect to all Laser class boats sold or otherwise disposed of during such month.

13.2 In consideration of the services to be performed by the Association as herein set forth, there shall be paid to the Association by each Builder manufacturing the Laser class boat a fee of such amount as is established from time to time with the approval of the Association and such Builder and the said fee shall be at least equal to the Association's International subscription prevailing at the time. Such payments shall be computed monthly. Payment of all sums due shall be made by the Builder within 30 days from the end of the month with respect to all Laser class boats sold or otherwise disposed of during such month.

13.3 Trade Mark Owner on behalf of the Builders set forth in Schedule 2 as amended from time to time undertakes and agrees to cause each such Builder to submit to Holdings and the Association within 30 days from the end of each calendar month, a written report giving particulars of the number of Laser class boats sold or otherwise disposed of by it (whether to direct purchasers, distributors, dealers or other Builders) during the previous month.

Holdings and the Association shall have the right, through its duly appointed agents, to cause any audit or other investigation to be

undertaken as may be necessary from time to time to verify any such written report.

1e. Any dispute arising out of or by virtue of this Agreement shall be submitted to a single arbitrator to be appointed in default of agreement by Lloyds Register of Shipping and this shall be a submission to arbitration under the provisions of the Arbitration Act 1979 or any reenactment, modification or extension thereof for the time being in force. The parties hereto agree that the right of appeal under Section 1 of the Arbitration Act 1979 and the right to apply to the High Court under Section 2 of said Act are hereby excluded in accordance-with the provisions of Section 3 of said Act.

15. This Agreement may be amended at any time upon agreement of all the parties hereto.


16. This Agreement shall be construed in accordance with the laws of England.

17. This Agreement shall continue to be to the benefit of and be binding upon the parties hereto, their successors and assigns, provided that none of Kirby Inc., Trade Mark Owner or the Builders set forth in Schedule 2 as amended from time to time, may assign their rights and obligations under this Agreement without the prior written approval of the IYRU and the Association, which approval shall not be unreasonably withheld.

18. This Agreement shall continue in force so long as International Status shall be accredited to the Laser Class boat by the Iyru.

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

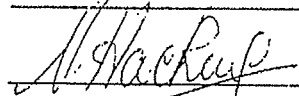
SIGNED for and on behalf of
INTERNATIONAL YACHT RACING
UNION



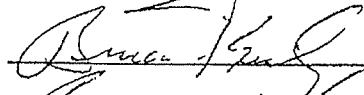
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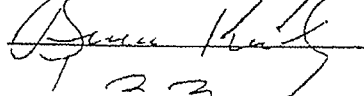
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(1983) LIMITED, -

