

## **EXHIBIT 8**

LICENSE

THIS AGREEMENT made as of the *31st* day of *March*, 1989.

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 -

PY SMALL BOATS, INC., a Rhode Island corporation incorporated under the laws of the State of Rhode Island having its principal place of business at West Shore Road, Portsmouth, Rhode Island 02871  
(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 10 and ½ inch sailboat pictured in Schedule 1 annexed hereto (hereinafter referred to as the "Licensed Design", which has been manufactured and sold in Canada and in other countries of the world in association with the trade mark "LASER");

AND WHEREAS following the receivership of Les Voiliers Performance Inc./Performance Sailcraft Inc. of Montreal, Canada in January, 1983, all design rights in and to the Licensed Design reverted to Bruce Kirby and Bruce Kirby Inc.;

AND WHEREAS Laser International Holdings (1983) Ltd. has acquired from Peat Marwick Limited, as receiver and manager of Les Voiliers Performance Inc./Performance Sailcraft Inc., and is now the owner of, the trade mark "LASER" for use in association with, inter alia, sailboats;

AND WHEREAS Laser International Holdings (1983) Limited has merged with and into Metcalfe Realty Company Limited;

AND WHEREAS Metcalfe Realty Company Limited has transferred and assigned to Licensee the trade mark "LASER" in the Licensed Territory and the rights of the Trade Mark Owner under the IYRU Agreement in the Licensed Territory, as such terms are hereinafter defined;

AND WHEREAS Licensee desires to obtain from Bruce Kirby and Kirby Inc. an exclusive license to utilize the Licensed Design in the Licensed Territory to manufacture, market and sell sailboats and related products and accessories.

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 and (partially assigned to Kirby Inc.) for the 13 foot 10½ inch sailboat pictured in Schedule 1 annexed hereto;
- (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 November 30, 1983 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.
- (h) "Construction Manual" means the construction manual as defined in the IYRU Agreement which prescribes the material 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 construction of a Kirby Sailboat;
  - iii) the manufacture of the hull, deck, centerboard box, centerboard and rudder for a Kirby Sailboat,
  - iv) 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 prescribed in the Construction Manual;
- (j) "Dealer Wholesale Price" means the total net sales expressed in U.S. dollars, of all Kirby Sailboats sold for the previous year commencing September 1st and ending August 31st less any duties, sales taxes, IYRU fees, National or International Class fees, Royalties, shipping and the actual cost of packaging divided by the number of units sold; 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 Subject to the terms and conditions herein contained, Bruce Kirby and Kirby Inc. hereby give and grant to Licensee during the term of this Agreement, to the exclusion of all others the sole and exclusive right to use the Licensed Design in the territory described in Schedule 2 annexed hereto (hereinafter referred to as the "Licensed Territory") in connection with the production, marketing and sale of Kirby Sailboats and component parts and accessories in accordance with the terms hereof.
- 2.2 Bruce Kirby and Kirby Inc. hereby jointly warrant that neither Bruce Kirby nor Kirby Inc. has granted any license which is now subsisting in respect of the Licensed Design in the Licensed Territory, and that Bruce Kirby and Kirby Inc. are (subject to the IYRU approving of the granting the within license to the Licensee as required under the IYRU Agreement) entitled to grant the within license. Kirby and Kirby Inc. hereby consent to the designation of the Licensee as a "Builder" within the licensed territory under the IYRU Agreement.

- 2.3 Licensee is hereby authorized to sell and market Kirby Sailboats manufactured by Licensee in accordance with the terms and conditions hereof into a territory for which Bruce Kirby and Kirby Inc. shall have granted to another person or corporation a license such as that granted herein provided that Licensee shall have secured the prior written consent of such other person or corporation.
- 2.4 Licensee hereby accepts the aforesaid license and agrees to observe and abide by all the terms and conditions of this Agreement.
- 2.5 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 complete 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 Metcalfe Realty Company Limited has assigned to Licensee the rights to the trade mark "LASER" in association with Kirby Sailboats within the licensed territory and that Licensee has acquired one current and complete copy of the Construction Manual.
- 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 consult with Kirby with regard to any proposed amendment to the Construction Manual.
- 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 manufactured and in the course of manufacture by Licensee to ensure that such sailboats meet the standards herein specified.

- 3.6 Licensee shall not sell Kirby Sailboats save in association with the trade mark "LASER" and the symbol which comprises a representation of a sunburst.

#### ARTICLE 4 - COMPLIANCE WITH GOVERNING LAW AND INDEMNIFICATION

- 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 licensors of the Licensed Design and that Bruce Kirby and Kirby Inc. shall not be represented as making any representation or 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 and component parts and accessories by Licensee or by its servants, dealers or agents.

#### 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 the watercraft which he did not design, particularly in brochures, posters, magazines 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, devise, 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 2.3 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 written 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 in full.
- 6.3 Kirby Inc. may designate an agent to issue and assign Hull Numbers subject to the Licensee's consent which consent shall not be unreasonably withheld or delayed.
- 6.4 Subject to Article 6.5 hereof, Licensee agrees to use only those Hull Numbers that are issued by or on the authority of 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.
- 6.5 If Kirby Inc. or its agents are in breach of the obligation to issue Hull Numbers under Article 6.2 hereof, and Licensee is not in breach of any of its obligations

under this Agreement, Licensee may upon written notice to Kirby Inc. require the IYRU 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 IYRU as though such Hull Numbers were issued by Kirby Inc., until such time as the IYRU is satisfied that Kirby Inc. will honour its obligations under Article 6.2 hereof.

#### ARTICLE 7 - RECORDS

- 7.1 Licensee shall at all time keep or cause to be kept clear, accurate and comprehensive records of:
- a) the number of Kirby Sailboats manufactured, sold and delivered or otherwise disposed of by Licensee;
  - b) the average monthly selling 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 Bruce Kirby or 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 Bruce Kirby and Kirby Inc. (with copies to IYRU and ILCA) with a written report giving particulars of:
- a) the number of Kirby Sailboats manufactured, sold and delivered 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 average monthly selling price in force in the area of sale of each Kirby Sailboats 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 shipment from the Licensee premises 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 in the United States Dollars equal to a percentage 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 as follows:
    - (1) for each of the first 300 boats in each calendar year - 2.0%
    - (2) for each boat from number 301 to 1100 in each calendar year - 1.25%
    - (3) for each boat above number 1101 in each calendar year - 2.0%
    - (4) for each boat built by a sublicensee in each calendar year - 2.0%
  - b) to IYRU Holdings an IYRU fee of such amount as is established from time to time.
  - c) to ILCA a fee of such amount as is established from time to time.

Royalty payments and fees hereunder shall be paid to Kirby Inc., IYRU Holdings and the ILCA, as the case may be, monthly within 30 days from the end of each month with respect to all Kirby Sailboats sold or otherwise disposed of 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 Holdings and ILCA as a condition precedent 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 or 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 other licensees of Bruce Kirby and Kirby Inc., it being the intention that such other licensee shall pay such royalty payments and fees.
- 8.3 Notwithstanding any other rights of Bruce Kirby and 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 during the period, from and after the date the royalty payment is due to be paid hereunder to the date the same is actually paid. In the event that royalties are not paid within the 30 day period referenced in 8.1, said royalties shall bear interest as provided herein from the commencement of the 30 day period. For the purposes of this paragraph, royalties shall be deemed paid within the 30 day period if actually received by Kirby Inc. within said period or postmarked in Rhode Island no later than the 28th day of said 30 day period.

8.4 Omitted.

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 Each of Kirby Inc., Kirby and Licensee agree 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 without limiting the generality of the foregoing, 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;
- 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; and
- c) as required by the IYRU Agreement to cause the measurement of Kirby Sailboats to be carried out in accordance with the in-plant procedure set out in the Construction Manual.

#### 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 sole 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 contests in any manner whatsoever the right and interest of Bruce Kirby and Kirby Inc. in and to 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 300 Kirby Sailboats during any of the first five (5) calendar years of this Agreement.
- i) if Licensee is in breach of its obligations under Article 3 or 9.2 hereof;
- 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 or to make the ILCA fee payment as is established from time to time.
- k) if Licensee is not, or ceases to be, licensed to use the trade mark "LASER" in association with Kirby Sailboats;
- l) if IYRU Holdings (with the approval of IYRU) request Bruce Kirby and/or Kirby Inc. to cancel this Agreement pursuant to the provisions of the IYRU Agreement and Bruce Kirby and/or Kirby Inc. are required by the provisions of the IYRU Agreement to cancel this Agreement; and
- m) if Licensee is in breach of its obligations under Article 15 of this Agreement.

10.2 Upon the occurrence of any "default" under subparagraphs d), e), g), or j) of Article 10.1 hereof, and in addition to any other rights, remedies and powers which it might have at law or in equity, 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), l) or m) of Article 10.1 hereof, and in addition to any other rights, remedies and powers which it might have at law or in equity, 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 to the satisfaction of Kirby Inc., this Agreement will 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) or Article 10.1 hereof and in addition to any other rights, remedies and powers which it might have at law or in equity, 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 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 and in addition to any other rights, remedies and powers which it might have at law or in equity, 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 such notice to pay to Kirby Inc. in United States Dollars an amount which shall be equal to an amount calculated to be two (2%) percent of the difference between the number specified in sub-paragraph 10.1(h) hereof for that year and the number of Kirby Sailboats sold or otherwise disposed of 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 with respect to that particular year at issue.
- 10.6 Subject to earlier termination as herein provided, this Agreement shall extend for an initial term commencing on the effective date hereof set out in Article 14.8 hereof and terminating on July 11, 2025, 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 sold, delivered or otherwise disposed of until after such date.
- 10.8 Omitted.
- 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 Construction Manual, production tooling, moulds and plugs particularly associated with the manufacture of Kirby Sailboats and all use of the Licensed Design. 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 to 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 warranty under Article 2.2 hereof;
  - b) if Bruce Kirby while he is living is in breach of warranty under Article 2.2 hereof; and
  - c) if Bruce Kirby or Kirby Inc. is in breach of his or its obligations under Article 15 of this Agreement.
- 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, or if the event of default is one which requires more than thirty (30) days to cure and the curing has not commenced within such period and is not thereafter diligently pursued, Licensee shall be entitled by notice in writing to terminate this Agreement subject to Article 10 hereof.

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 without the express prior written consent of Kirby and Kirby Inc. but may sub-contract the manufacture of, or may purchase from any third party, any of the specified 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 or Corporation shall have sufficient net worth, working capital and bank lines of credit to enable such person to manufacture Kirby Sailboats;
  - b) such person or corporation shall agree to be bound by the terms of this Agreement;
  - c) Licensee shall have granted to such person or Corporation 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 or Corporation to manufacture, sell and market Kirby Sailboats.
- 11.3 Licensee shall have the right to assign to another person or Corporation 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 or Corporation shall have sufficient net worth, working capital and bank lines of credit to enable such person or Corporation to manufacture Kirby Sailboats;
  - d) such person or Corporation shall agree to be bound by the terms of this Agreement;
  - e) Licensee shall have granted to such person or corporation a license to use the trade mark "LASER" in association with Kirby Sailboats in such territory; and

- f) IYRU has approved of such person or Corporation 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 The failure of any party to insist upon strict adherence to any of the terms of this Agreement or of any agreement or covenant delivered pursuant hereto on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this agreement or of any agreement or covenant delivered by writing, signed by the party against which such waiver is sought to be enforced.

#### ARTICLE 13 - SUPPLEMENTARY PROVISIONS

Omitted.

#### ARTICLE 14 - MISCELLANEOUS

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

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

14.3 Any notice or other communication required or permitted to be given by the terms of this Agreement shall be given 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, address:

- a) in the case of Licensee to:

PY SMALL BOATS INC.  
West Shore Road  
Portsmouth, Rhode Island 02871

or

- 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, Inc..

If transmitted by cable or telex, then a confirmation copy shall be mailed by prepaid airmail promptly after transmission by cable or telex.

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 specified, and if cabled or telexed to have been duly given on the 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 post office. A party to this Agreement may, by written notice to the other party hereto, given as aforesaid, designate a changed address for such party.

- 14.4 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 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, 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 14.4 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.
- 14.5 Should any term or provision or part thereof of this Agreement be held unenforceable or in conflict with the law in any governing jurisdiction, the validity of the remaining parts or provisions or parts thereof shall not be effected by such holding.
- 14.6 The validity, construction and enforcement of this Agreement shall be governed in accordance with the laws of the State of Connecticut, U.S.A.
- 14.7 Nothing contained herein or done hereunder shall be construed as constituting a party as the agent or partner for or of the other parties hereto.
- 14.8 This Agreement shall take effect, and the representations and warranties shall take effect as and from the latter of:

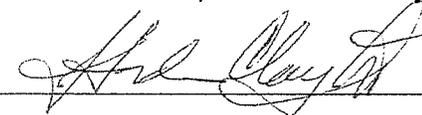
- a) the date on which IYRU approves the designation of the Licensee as a Builder to evidence its approval of granting the subject license to Licensee;
- b) the date on which Licensee is assigned the trade mark "LASER" in association with Kirby Sailboats in the Licensed Territory; and
- c) the date of this Agreement.

ARTICLE 15 - MUTUAL RESTRICTIVE COVENANT

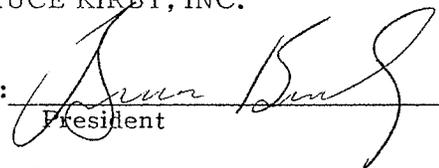
15.1 Commencing upon the signing of this Agreement and for five (5) years thereafter, Licensee and Kirby shall be at all times free to design other boats of any size or design and shall be free to enter into any agreements with any party or parties for the building of sailboats, and none of such activities shall be deemed a breach of any duty owed to Licensee or Kirby, provided that, within the Licensed territory Licensee and Kirby will not, alone or with others, design, manufacture, sell or contract for the commercial series production [three (3) or more boats] and sale of any sailboat from 13'6" - 14'6" in overall length that is a fiberglass, monohull, single sail (Cat boat), centerboard or daggerboard design. This limitation shall not apply to the designs of Licensee and Kirby existing prior to the signing of this Agreement.

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

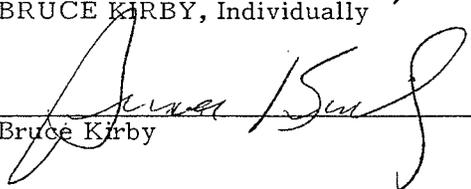
PY SMALL BOATS, INC.

By:  \_\_\_\_\_

BRUCE KIRBY, INC.

By:  \_\_\_\_\_  
President

BRUCE KIRBY, Individually

 \_\_\_\_\_  
Bruce Kirby

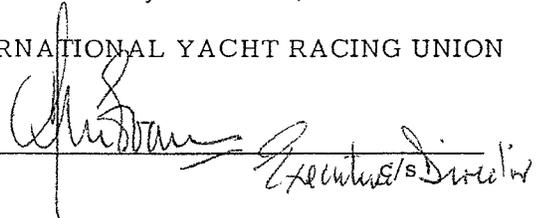
The IYRU, pursuant to the IYRU Agreement, signs this Agreement to evidence its approval and recommendation to Kirby Inc. to grant the subject license to Licensee.

Signed at

, this            day of            , 1989.

INTERNATIONAL YACHT RACING UNION

By:

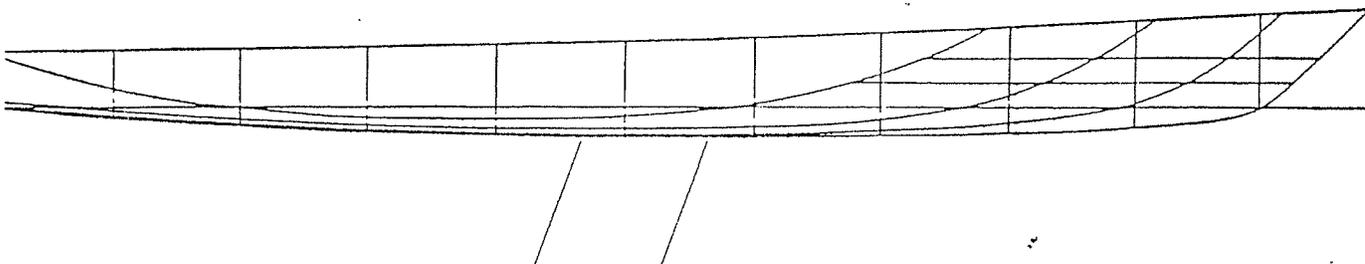
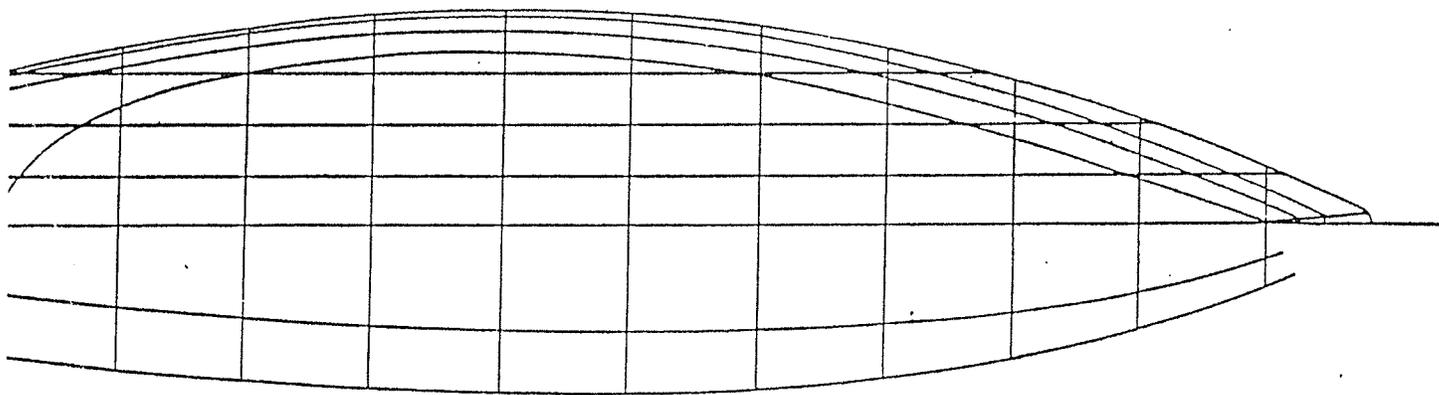
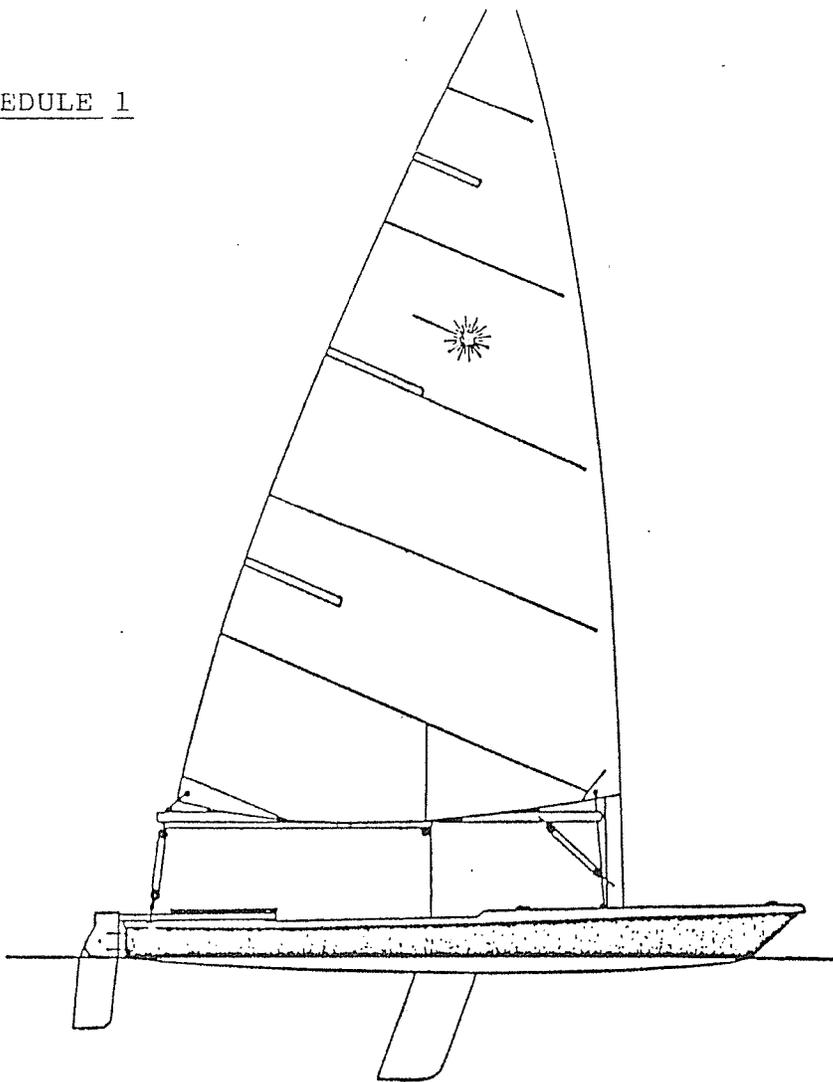
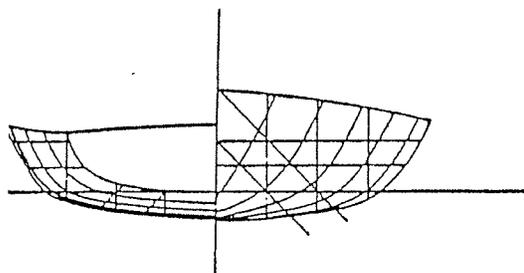
  
Secretary/President

By: \_\_\_\_\_

SCHEDULE 1

Designed by Bruce Kirby

length overall	4,23 m	13'10½"
length waterline	3,81 m	12'6"
beam	1,37 m	4'6"
sail area	7,06 m <sup>2</sup>	76 sq ft



SCHEDULE 2

LICENSED TERRITORIES

Canada, the United States of America, Venezuela, Bermuda, Bahamas, the Caribbean Islands, Greater Antilles, Lesser Antilles, Trinidad, Tabago, Barbados, Panama, Honduras, Costa Rica, Belize, El Salvadore, Guatamala and Mexico.