
APPENDIX J

LICENCE AGREEMENT—AGREEMENT RELATING TO THE ETCHELLS CLASS YACHT

DATED 1st July 1974/Amended 1st July 1980/Amended 1st January 1998

PARTIES:

1. The E22 CLASS ASSOCIATION (U.S.A.) of 300 Park Avenue, 12th Floor, New York, NY 10022, U.S.A. [now: The U.S. Etchells Class Association, Box 676, Jamerstown, RI 02835 U.S.A.] acting by (" the U.S. Association").
2. E.W. ETHELLS of 35 Meadowbank Road, Old Greenwich, Connecticut 06870 U.S.A. [now: 7760 Bloomfield Rd., Easton, MD 21601 U.S.A.] (" Mr. Etchells").
3. IYRU HOLDINGS LIMITED whose registered office is at Victoria Way, Woking, Surrey, GU21 1EQ [now: ISAF Ltd., Ariadne House, Town Quay, Southampton, Hampshire SO14 2AQ Great Britain] (" the Company")
4. THE INTERNATIONAL E22 CLASS ASSOCIATION of 300 Park Avenue, 12th Floor, New York NY 10022, U.S.A. [now: International Etchells Class Association, Box 534 Wall Street Station, New York, NY 10268 U.S.A.] acting by (" the International Association")

INTRODUCTION

1. By an agreement dated 22nd September 1970, Mr. Etchells granted to the U.S. Association the sole right to grant building licences in respect of the Etchells yacht and to make alterations and additions to the deletions from the plans and specifications relating to the Etchells class yacht (" the Drawing").
2. The copyright in the Drawing is vested in Mr. Etchells and the copyright in the Etchells Class rules and measurement forms (" the Rules") is vested in the International Association.
3. The parties to this agreement have agreed to grant to the Company the rights set out in this agreement and Mr. Etchells and the U.S. Association have agreed to grant to the International Association the right of reproducing and publishing the Drawings.

AGREEMENT

1. LICENCE

- 1.1 The U.S. Association and Mr. Etchells hereby jointly and separately grant to the International Association the sole and exclusive right of reproducing in any material form and publishing the Drawings throughout the world and the licence hereby granted shall not be assigned except in accordance with this agreement.
- 1.2 The International Association hereby grants to the Company the exclusive sublicense to reproduce and publish the Drawings and the right to administer the copyright in the Rules in accordance with this agreement.

2. ALTERATIONS TO RULES

- 2.1 If the International Association shall wish to make any alteration in the Rules or the Drawings it shall notify the Company in sufficient detail for such alteration to be enacted by the Company and prior to any such alteration becoming effective it shall be approved in writing by the International Sailing Federation and by the International Association in accordance with its rules

for the time being in force.

- 2.2** If the Company shall wish to make any alteration in the Rules or the Drawings it shall notify the International Association in sufficient detail for such alteration to be enacted by the International Association and prior to any such alteration becoming effective, it shall be approved in writing by the International Sailing Federation and by the International Association in accordance with its rules for the time being in force. Provided that if a properly designated committee of the International Sailing Federation shall determine in its reasonable judgement that an alteration to the Rules or Drawings is necessary in the interests of the physical safety of crews or yachts, it shall have power to declare such alteration effective prior to receiving the written approval of the International Association.

3. BUILDING LICENCES

The right to grant building licences in respect of the Etchells class yacht and to amend or terminate any such licence shall be exercised jointly by the International Association and the Company. All such building licences shall be granted by the Company after consultation with the International Association which shall not unreasonably withhold its consent to the grant, amendment or termination of any such building licences.

4. PAYMENT OF BUILDING FEES

- 4.1** The Company shall include in all building licences issued by it, provision for payment to the parties hereto of fees for each new boat in an amount specified under the Etchells Class Rules for the time being in force and shall use its best endeavours to collect and enforce payment. The fees are comprised of an initiation fee to the International Association, a plaque fee to the Company, and a royalty to Mr. Etchells of a minimum of U.S. Two Hundred Dollars. The International Association and the Company shall mutually reconcile their accounts on a quarterly basis.
- 4.2** The Company's plaque fee shall be equivalent to 0.4 percent of the average retail price (as decided annually by the Company or the ISAF) of a new boat without sails. [Effective 1 January 1998]
- 4.3** The Company may be required by Mr. Etchells and the International Association to institute any reasonable proceedings for the recovery by action or other process of any such building fees or any part thereof or to prove therefore in any liquidation or bankruptcy but not unless and until it shall have received a fully secured indemnity from either or both of Mr. Etchells and the International Association in respect of all costs and expenses that may be incurred by or on behalf of the Company, its officers, employees or agents in instituting and prosecuting any such action or proving in any such liquidation or bankruptcy.

5. MEASUREMENT AND CONSTRUCTION

The Company shall include in all building licences issued by it a covenant by the builder that all boats shall be well made and structurally sound and that the builder shall procure that before a boat is sold or leaves his yard it shall be measured by an official measurer appointed by the Company.

6. INFRINGEMENT OF COPYRIGHT

The Company and the International Association may be required by Mr. Etchells to institute or take part in any reasonable actions or other proceedings in respect of the alleged infringement of any copyright relating to the Etchells class yacht

but not unless and until they shall have received a fully secured indemnity in respect of costs and liabilities that may be incurred by them, their officers, employees or agents in or as a result of instituting or taking part in any such actions or other proceedings.

7. TERM OF AGREEMENT

This agreement shall commence on the date hereof and shall continue for so long as the Etchells class yacht shall be recognized by the International Sailing Federation as an International Class and termination of this agreement shall not affect the rights or liabilities of the parties hereto accrued at the date of termination.

8. ASSIGNMENT

It is hereby agreed that the International Association shall be entitled to assign its rights and obligations under this agreement to third parties with the prior written consent of Mr. Etchells, the Company and the International Sailing Federation provided that such assignment will not adversely affect the rights and obligations of Mr. Etchells or the Company under this agreement.

9. NOTICES

Any notice required or permitted to be given hereunder may be given by sending the same by pre-paid post in the case of the Company to its registered office address and in the case of the other parties hereto to their respective last known addresses and any notice so sent shall be deemed to have been given at the time when the same would have reached its destination in the ordinary course of airmail post.

10. PROPER LA W

This agreement shall be governed by English law and the parties hereby agree to submit to the jurisdiction of the English courts.