

LICENSEE INFORMATION PACKAGE





TABLE OF CONTENTS

STEPS TO BECOMING A SPORTQUEST LICENSEE	1
FREQUENTLY ASKED QUESTIONS	1
MARKETING	2
Market Environment.....	2
Targeted Customers.....	2
Brand Strategy.....	2
Marketing Materials.....	2
Marketing Support	3
EVALUATION PACKAGES	3
LICENSEE TERRITORY	3
LICENSE AGREEMENT TERMS & RENEWAL REQUIREMENTS	3
TERRITORY MARKET POTENTIAL	3
Territories - Canada.....	4
Territories - United States	5
REVENUE POTENTIAL.....	6
Potential Revenue - Canada.....	6
Potential Revenue - United States	7
INITIAL INVESTMENT	8
License Fees	8
Additional Start-Up Costs.....	8
LICENSEE OBLIGATIONS	9
SPORTQUEST'S OBLIGATIONS	9
ADDITIONAL INFORMATION.....	9
CONTACT INFORMATION	10

ENCLOSED MATERIALS

LICENSEE APPLICATION	attached
SAMPLE LICENSEE AGREEMENT	attached



STEPS TO BECOMING A SPORTQUEST LICENSEE

- Review the initial packet of information and fill out the no-obligation application to become a SportQuest Licensee.
- Upon final approval of SportQuest's application to become a SportQuest Licensee, you will be provided with a SportQuest License Agreement.
- Once the SportQuest License Agreement has been signed by you and by SportQuest, and your License Fees have been paid, you will travel to Canada or the U.S. to receive SportQuest's proprietary training and become a Certified SportQuest Evaluator.
- Once your certification is complete, SportQuest will provide you with your SportQuest Evaluation Equipment and the materials outlined in the Marketing section of this package.

FREQUENTLY ASKED QUESTIONS

How do I get rights to my area?

Provided that the territory you are interested in has not already been licensed, you get started by reviewing the initial packet of information and filling out the no-obligation application to become a SportQuest Licensee.

How many Licensees are granted in a state, country or province?

The number of Licensees in any given area is dependent upon the size of the territory and Licensee Level you are interested in. For example, a Master Licensee may elect to license a large state, country or province, which s/he then sublicenses to others to effectively manage the territory.

How much can I make?

Potential revenue is dependent upon many factors including the number of players in a particular territory and the effective management and promotion of the territory. For example, if you have licensed the state of New York, attract 10% of the players registered with USA Hockey and evaluate those players three times a year for \$35/test, your potential revenue is over \$490,000 for that year.

How much is the initial investment?

The initial investment for a Master Licensee is \$20,000 and \$12,500 for a Standard Licensee.

What is the difference between a Master Licensee and a Standard Licensee.

A Master Licensee has a larger base territory that s/he may sub-license to qualified individuals. A Standard Licensee has a smaller base territory that s/he manages independently.

What are they typical prices for evaluations?

Evaluations are typically \$35. Licensees are free to set up evaluation packages and prices with the approval of SportQuest Systems International.

How many evaluations should I conduct each year?

In order to maintain your license, evaluation requirements are dependent upon your territory and outlined in your individual Licensee Agreement.

What is the upload cost for each test?

The upload cost for each test is \$12.50.

Do I get promotional material?

SportQuest will provide you with a starter packet of marketing and promotional items as outlined in the marketing section of this package. To assist you with further marketing and promotion of your territory, SportQuest has contracted to provide its Licensees with a library of marketing materials and services including advertising and website design.



Do I have a format to follow to get things promoted in my area?

SportQuest provides each Licensee with our Kickoff Marketing Guide to help promote SportQuest in his/her territory. For additional information, refer to the marketing section of this package.

MARKETING

Market Environment

Now that its operations and evaluation system have been proven through repeated hands-on testing, SportQuest is asserting its market presence. To this end SportQuest has begun by establishing strong partnerships within the hockey community that include such respected organizations as Hockey Canada, and the Toronto Maple Leafs.

Targeted Customers

SportQuest's primary market for hockey skills evaluation is the youth hockey market, including players, parents, coaches, associations and camps. Secondary markets include high school, junior and college level players as well as those at the professional level. Hockey camps and hockey associations are strong components in bringing the SportQuest Evaluation System to players worldwide.

Brand Strategy

SportQuest's goal is to make a positive contribution to sports by both underlining the importance of skill and fitness development and providing an accurate, unbiased, comparable and comprehensive system of skills measurement.

SportQuest is the only hockey skills evaluation system that offers both an online program and the most accurate, unbiased, comparable database of hockey skills available. Additionally, SportQuest partners with coaches, associations and camps to promote both individual player and overall team development.

SportQuest's key message is, "To improve a player's performance, key skills inherent to hockey must be isolated through evaluation and compared to the most accurate, unbiased, comparable database of hockey skills available. This evaluation is the first logical step in development."

Marketing Materials

For long term success the most effective form of marketing will be via the relationships that Licensees build within their protected areas. Licensees are responsible for developing a local presence by marketing and advertising within their protected area(s).

SportQuest provides Licensees with a selection of start-up marketing materials that includes SportQuest's Kickoff Marketing Guide, which is an outline of how a Licensee should begin to market within his/her territory.

START-UP MARKETING MATERIALS			
1000 Brochures	Kickoff Marketing Guide	2 Logo Track Suits	2 Logo Polo Shirts
Templates on CD ROM			
Business Card	Small Ad	Letterhead	#10 Envelope
Flyer	Poster	Catalog Envelope (9 x 12)	Introduction Letter
SportsNet Video		Sample Evaluation Packages	
Operations Forms Including: Player Registration Release, Player Data Sheets, On-Ice Evaluation Forms, Player Survey, Coach Survey, Invoice & more.			



Marketing Support

SportQuest has contracted to provide Licensees with complete marketing support on an opt-in basis. SportQuest has partnered with a creative firm to develop an array of marketing materials from web sites to direct mail campaigns to logo apparel. These materials as well as marketing services are provided to SportQuest Licensees at deeply discounted rates. SportQuest provides all Licensees with a packet of information detailing these materials and services.

EVALUATION PACKAGES & PRICING

Although there is no required set of evaluations, we suggest that SportQuest Licensees offer a variety of evaluation “packages” priced at \$35. We recommend that players are evaluated a three times per year so that they have both a baseline evaluation and progress evaluation annually.

We provide Licensees with sample evaluation packages to assist them in determining the best solution for their territory.

LICENSEE TERRITORY

Territory is generally licensed by state or province. However, the size of a Licensee’s territory is dependent upon many factors, the first of which is the License Level that you are interested in. For example, your investment interests may be that of a Master Licensee whose licensed territory is heavily populated with registered hockey players. As a Master Licensee you would then sublicense areas of your territory to qualified individuals in order to effectively manage your territory.

Other factors include the geographical region of the territory, your financial qualifications, and the availability of territory.

To determine the availability and license opportunities for the areas in which you are interested, please contact us at 888.863.9235 (604.899.0801 for callers outside of Canada and the United States) or send an e-mail to contact@sport-quest.com.

Each Licensee has exclusive rights to perform SportQuest Evaluations in his/her defined territory as outlined in the terms of his/her License Agreement.

LICENSE AGREEMENT TERMS & RENEWAL REQUIREMENTS

The term of a Master License Agreement is three years and a Standard License is two years, not affected by any other agreements. If you are in good standing at the end of the initial or applicable renewal term, you can renew for additional terms of two years.

In order to renew or extend your License Agreement, you are required to sign a new agreement and pay a License Fee as determined by the fee schedule active at the time of signing your new agreement.

TERRITORY MARKET POTENTIAL

Both Canada and the United States offer considerable market potential with a combined total of nearly one million players registered with Hockey Canada and USA Hockey. This does not include statistics for pro, college, and other level players.

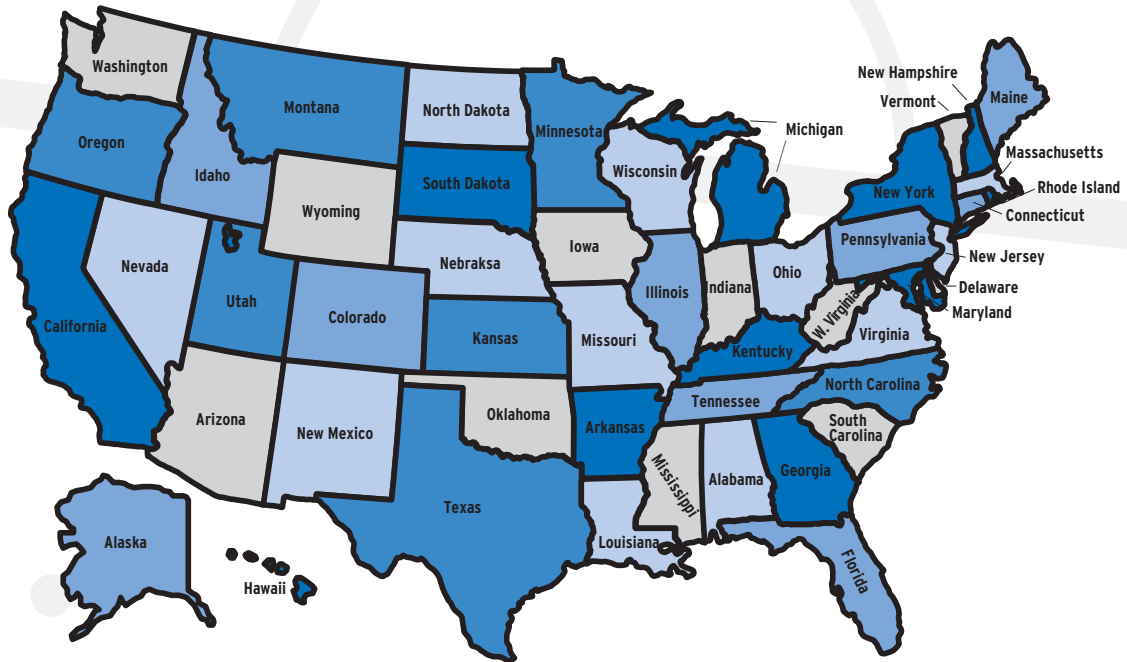


TERRITORIES - CANADA



HOCKEY CANADA 2002 STATISTICS PLAYER REGISTRATION BY PROVINCE

PROVINCE	# PLAYERS
Alberta	58,382
B.C.	44,247
Manitoba	25,392
New Brunswick	16,777
Newfoundland	8685
Northwest Territories	3125
Northwestern Ontario	5,660
Nova Scotia	16,556
Ontario Hockey Federation	198,981
Ottawa District	27,729
Prince Edward Island	5314
Quebec	89,667
Saskatchewan	31,464
TOTAL PLAYERS	531,979


TERRITORIES - UNITED STATES

USA HOCKEY 2002 STATISTICS – PLAYER REGISTRATION BY STATE

STATE	# PLAYERS	STATE	# PLAYERS	STATE	# PLAYERS
Alabama	1070	Louisiana	758	Ohio	11,565
Alaska	7349	Maine	5674	Oklahoma	769
Arizona	5499	Maryland	5868	Oregon	1108
Arkansas	291	Massachusetts	43,600	Pennsylvania	23,776
California	16,539	Michigan	57,862	Rhode Island	4662
Colorado	11,417	Minnesota	43,173	South Carolina	4875
Connecticut	11,627	Mississippi	517	South Dakota	1856
Delaware	1012	Missouri	7716	Tennessee	2002
Florida	7166	Montana	2277	Texas	6259
Georgia	1288	Nebraska	1523	Utah	2804
Hawaii	230	Nevada	1094	Vermont	4470
Idaho	2540	New Hampshire	7592	Virginia	4171
Illinois	20,860	New Jersey	16,622	Washington	5470
Indiana	5199	New Mexico	880	Washington D.C.	167
Iowa	2851	New York	46,697	West Virginia	916
Kansas	2008	North Carolina	3722	Wisconsin	18,281
Kentucky	1021	North Dakota	4051	Wyoming	1695
				TOTAL PLAYERS	442,439



REVENUE POTENTIAL

Based on the average of 10% of registered players being evaluated in a calendar year, potential revenues for each province or state are provided in the tables below.

POTENTIAL REVENUE - CANADA				
PROVINCE	10% OF REGISTERED PLAYERS*	1ST TEST @ \$35 PER PLAYER x 1 Test	2ND TEST @ \$35 PER PLAYER x 2 Tests	3RD TEST @ \$35 PER PLAYER x 3 Tests
Alberta	5,838	\$204,330	\$408,660	\$612,990
B.C.	4,425	\$154,875	\$309,750	\$464,625
Manitoba	2,539	\$88,865	\$177,730	\$266,595
Newfoundland	869	\$30,415	\$60,830	\$91,245
Northwest Territories	313	\$10,955	\$21,910	\$32,865
Northwestern Ontario	566	\$19,810	\$39,620	\$59,430
Ontario Hockey Federation	19,898	\$696,430	\$1,392,860	\$2,089,290
Ottawa District	2,773	\$97,055	\$194,110	\$291,165
New Brunswick	1,678	\$58,730	\$117,460	\$176,190
Nova Scotia	1,656	\$57,960	\$115,920	\$173,880
Prince Edward Island	531	\$18,585	\$37,170	\$55,755
Quebec	8,967	\$313,845	\$627,690	\$941,535
Saskatchewan	3,146	\$110,110	\$220,220	\$330,330
TOTAL	53,199	\$1,861,965	\$3,723,930	\$5,585,895

*based on Hockey Canada's 2002 statistics


POTENTIAL REVENUE - UNITED STATES

STATE	10% OF REGISTERED PLAYERS*	1ST TEST @ \$35 PER PLAYER x 1 Test	2ND TEST @ \$35 PER PLAYER x 2 Tests	3RD TEST @ \$35 PER PLAYER x 3 Tests
Alabama	107	\$3,745	\$7,490	\$11,235
Alaska	735	\$25,725	\$51,450	\$77,175
Arizona	550	\$19,250	\$38,500	\$57,750
Arkansas	29	\$1,015	\$2,030	\$3,045
California	1654	\$57,890	\$115,780	\$173,670
Colorado	1142	\$39,970	\$79,940	\$119,910
Connecticut	1163	\$40,705	\$81,410	\$122,115
Delaware	101	\$3,535	\$7,070	\$10,605
Florida	717	\$25,095	\$50,190	\$75,285
Georgia	129	\$4,515	\$9,030	\$13,545
Hawaii	23	\$805	\$1,610	\$2,415
Idaho	254	\$8,890	\$17,780	\$26,670
Illinois	2,086	\$73,010	\$146,020	\$219,030
Indiana	520	\$18,200	\$36,400	\$54,600
Iowa	285	\$9,975	\$19,950	\$29,925
Kansas	201	\$7,035	\$14,070	\$21,105
Kentucky	102	\$3,570	\$7,140	\$10,710
Louisiana	76	\$2,660	\$5,320	\$7,980
Maine	568	\$19,880	\$39,760	\$59,640
Maryland	587	\$20,545	\$41,090	\$61,635
Massachusetts	4360	\$152,600	\$305,200	\$457,800
Michigan	5786	\$202,510	\$405,020	\$607,530
Minnesota	4,317	\$151,095	\$302,190	\$453,285
Mississippi	52	\$1,820	\$3,640	\$5,460
Missouri	772	\$27,020	\$54,040	\$81,060
Montana	228	\$7,980	\$15,960	\$23,940
Nebraska	152	\$5,320	\$10,640	\$15,960
Nevada	109	\$3,815	\$7,630	\$11,445
New Hampshire	759	\$26,565	\$53,130	\$79,695
New Jersey	1662	\$58,170	\$116,340	\$174,510
New Mexico	88	\$3,080	\$6,160	\$9,240
New York	4670	\$163,450	\$326,900	\$490,350
North Carolina	373	\$13,055	\$26,110	\$39,165
North Dakota	405	\$14,175	\$28,350	\$42,525
Ohio	1,157	\$40,495	\$80,990	\$121,485
Oklahoma	77	\$2,695	\$5,390	\$8,085
Oregon	111	\$3,885	\$7,770	\$11,655
Pennsylvania	2378	\$83,230	\$166,460	\$249,690
Rhode Island	467	\$16,345	\$32,690	\$49,035
South Carolina	488	\$17,080	\$34,160	\$51,240
South Dakota	186	\$6,510	\$13,020	\$19,530
Tennessee	200	\$7,000	\$14,000	\$21,000
Texas	626	\$21,910	\$43,820	\$65,730
Utah	280	\$9,800	\$19,600	\$29,400
Vermont	447	\$15,645	\$31,290	\$46,935
Virginia	417	\$14,595	\$29,190	\$43,785
Washington	547	\$19,145	\$38,290	\$57,435
Washington, D.C.	17	\$595	\$1,190	\$1,785
West Virginia	92	\$3,220	\$6,440	\$9,660
Wisconsin	1,828	\$63,980	\$127,960	\$191,940
Wyoming	170	\$5,950	\$11,900	\$17,850
TOTAL	44250	\$1,548,750	\$3,097,500	\$4,646,250

*based on USA Hockey's 2002 statistics



INITIAL INVESTMENT

LICENSE FEES

License fees include the cost of the SportQuest License, SportQuest's proprietary timing gear, SportQuest Certification, and SportQuest's Kick-Off Marketing Guide.

Master Licensee

SportQuest's Master Licensees are granted larger territories along with the option to sub-license areas of their territory to qualified individuals. The term of the Master License is three years and provides the Licensee with exclusive rights to perform SportQuest Evaluations in his/her defined territory as outlined in the terms of his/her License Agreement.

MASTER LICENSEE

MASTER LICENSEE	
TOTAL LICENSE COST	\$20,000

Standard Licensee

SportQuest's Standard Licensees are granted exclusive rights to perform SportQuest Evaluations in their defined territories as outlined in the terms of their License Agreement. The term of the License is two years.

STANDARD LICENSEE

STANDARD LICENSEE	
TOTAL LICENSE COST	\$12,500

ADDITIONAL START-UP COSTS

Additional start-up costs include but are not limited to necessary operational costs such as:

- travel and associated expenses while training to obtain SportQuest Certification
- marketing and promotional costs
- miscellaneous operating costs



LICENSEE OBLIGATIONS

Training

SportQuest Licensees are required to attend SportQuest Certification Training and are further required to pass SportQuest's Certification test.

Marketing

Licensees are required to promote the SportQuest System within their territory and to observe the rules and regulations as set forth in SportQuest's License Agreement. Licensees are required to either use SportQuest's marketing materials or adhere to SportQuest's brand marketing standards and have all materials approved by SportQuest prior to use in their territories.

Media & Public Relations

Licensees are required to refer all media, press or other public relations inquiries to SportQuest's headquarters.

Operations

Licensees are expected to operate their territories in accordance with local business practices and to observe all protocol as set forth in SportQuest's On-Ice Manual.

Evaluations

Licensees are required to perform a minimum number of evaluations per contract year at 3% of the total registered players in their total territories. For example, New York has 46,697 registered players, therefore the Licensee for New York would be required to perform 1401 evaluations in the first year of his/her contract.

Further Obligations

Further obligations and requirements are detailed in SportQuest's License Agreement.

SPORTQUEST'S OBLIGATIONS

Training

SportQuest will provide certification training to SportQuest Licensees either in Canada or the U.S. Travel, accommodations and associated expenses are the responsibility of the Licensee.

Technical Support

SportQuest will provide all of the online computer system support for the SportQuest Evaluation System. This includes upgrades, enhancements, individual and team evaluations, as well as support as defined in its License Agreement.

Marketing

SportQuest will provide Licensees with a starter package of marketing materials and SportQuest's Kickoff Marketing Guide. SportQuest has contracted to provide all Licensees with optional additional marketing support.

Operations

SportQuest will provide Licensees with SportQuest's On Ice Manual, SportQuest's Player's Manual, SportQuest's Coaches' Matrix and various forms to assist Licensees with evaluation operations. Though it is expected that Licensees are fully versed in business operations, SportQuest will make every effort to assist Licensees questions and concerns regarding the SportQuest Evaluation System.

Further Obligations

Further obligations and requirements are detailed in SportQuest's License Agreement.

ADDITIONAL INFORMATION

If you have any further questions about SportQuest's Licensing Program, please contact us at 888.863.9235 (604.899.0801 for callers outside of Canada and the United States) or send an e-mail to contact@sportquest.com.



CONTACT INFORMATION

BRENT THURSTON

Director of Operations & Marketing

brent@sport-quest.com

TRACY WARREN

Technical Director

tracy@sport-quest.com

SHERY RICE COX

Brand Manager

shery@sport-quest.com

SportQuest Systems International

P.O. Box 3231 Station Terminal

Vancouver, B.C. V6B3X8

Canada

toll free 888.863.9235

direct 604.899.0801

contact@sport-quest.com

www.sport-quest.com





CONFIDENTIAL LICENSE APPLICATION FORM

To ensure that SportQuest Licenses are provided to only qualified individuals and organizations, we require this application to be completed by every potential SportQuest Licensee. This is not a contract and does not obligate either party in any manner. All information that you provide to SportQuest is completely confidential and will be used solely for the purpose of evaluating you and/or your organization to ensure that you meet the qualifications necessary to be granted a SportQuest License.

Date

Personal Information

First Name		Middle		Last	
Home Phone		Business Phone		Mobile Phone	
E-Mail			SSN/Tax ID/SIN		
Current Address					
City		State/Province		Zip/Postal Code	
Country					
How long at this address?		mm/yy		<input type="checkbox"/> Own	
				<input type="checkbox"/> Rent	
Previous Address					
City		State/Province		Zip/Postal Code	
Country					
Applicant's Current Occupation					
I am a citizen of		<input type="checkbox"/> Canada		<input type="checkbox"/> US	
				<input type="checkbox"/> Other _____	
I am legally entitled to work/ own a business in		<input type="checkbox"/> Canada		<input type="checkbox"/> US	
				<input type="checkbox"/> Other _____	

General Information

Why do you want to obtain a SportQuest License?

How did you hear about SportQuest's License Program?

What level of License are you interested in?

Master License

Standard License

What territory are you interested in?

When are you interested in establishing your territory?

Immediately

Within 6 Months

Within the Next Year

Have you ever owned or managed a business?

Yes

No

If yes, what type(s) of business and for how long?

Please rate your skill level for the following from 1 to 10 (10 being the highest):

<input type="checkbox"/> Customer Service	<input type="checkbox"/> Developing Sales Partnerships	<input type="checkbox"/> Public/Community Relations	<input type="checkbox"/> Marketing/Advertising
<input type="checkbox"/> Accounting	<input type="checkbox"/> Administration	<input type="checkbox"/> Personnel Management	<input type="checkbox"/> Training
<input type="checkbox"/> Computer Skills	<input type="checkbox"/> On-Ice Skating	<input type="checkbox"/> In-Line Skating	<input type="checkbox"/> Hockey Skills
<input type="checkbox"/> Other Sport(s) Skills	Please Describe		



General Information (continued)

Would running your SportQuest Licensed Territory be your full time job? (full time is not a requirement) Yes No

If not, please list your other obligations:

Have you, or a business owned by you, ever declared bankruptcy or been compromised with creditors? Yes No

If yes, please explain:

Are you involved in litigation against you or a company you own? Yes No

If yes, please describe:

Are you current in your (& your business') tax obligations? Yes No

Partnership Information

Will you operate your SportQuest Licensed Territory with a partner(s)? Yes No

Partner #1 First Name

Last Name

Relationship

% of Partnership Investment

Will this partner be involved in the business full time? Yes No

Partner #2 First Name

Last Name

Relationship

% of Partnership Investment

Will this partner be involved in the business full time? Yes No

Any person other than your spouse who will join you in this venture must complete a separate application. Please send his/her accompanying Confidential License Application Form with yours.

Professional History

Feel free to attach your resume/CV if you prefer.

From	To	Employer Name & Address	Position Held	Annual Income



Financial Information

Bank References

Bank Name	Address	Phone	Account Number

Credit References

Creditor Name	Address	Phone	Account Number

Depending upon the level of license you are interested in and/or qualify for, the initial license cost is \$12,500 or \$20,000. An additional \$5,000 to \$10,000 is required to establish and begin marketing within your territory.

How much are you prepared to invest in a SportQuest License and the start-up operation of your territory?

What is the source of these funds?

Will any portion of your investment be borrowed?

If yes, please state the amount:

What are your expectations for revenue from your SportQuest License? Year 1 _____ Year 2 _____

References

Personal References

Name & Title	Address	Phone	Relationship

Professional References

Name & Title	Address	Phone	Relationship

The undersigned certifies that the information furnished in this SportQuest Confidential License Application is true and correct and may be verified by SportQuest Systems, Inc. prior to granting licensed territory. I hereby grant permission to SportQuest Systems, Inc. to contact the financial institutions and other references listed to verify any of the information contained herein. I understand that this application is not a contract and does not obligate either party in any manner.

Signature

Date



THIS AGREEMENT is made:

BETWEEN

1. SportQuest Systems International, Inc., a company incorporated under the laws of Canada having its registered office at P.O. Box 3231 Station Terminal, Vancouver B.C. V6B 3X8, Canada (hereinafter called the “Licensor”)

2. Master Licensee or Licensee, a company incorporated under the laws of _____ having its registered office at _____ (hereinafter called the “Licensee”).

WHEREBY IT IS AGREED by and between the parties hereto as follows.

1. Definitions

In this Agreement the following terms shall have the following meanings:

- “Knowledge” means the specialized software, data and technical information relating to SportQuest Services;
- “SQ Timing Gear” means a set of special equipments to use in SportQuest System, which include:
- (1) 1 speedlight timer;
 - (2) 2 dual beam light gates/reflectors;
 - (3) 5 tripods;
 - (4) cables and joiners;
 - (5) 1 battery charger;
 - (6) 1 carry case; and
 - (7) 1 booklet of instructions
- “Intellectual Property” means the right to use the SportQuest System for providing hockey skills evaluation, training services, on-ice promotion and demonstrations and the name of “SportQuest System”;
- “SportQuest System” means a system for providing hockey skills evaluation and training services belong to the Licensor;
- “Legal Requirements” means applicable laws, regulations, rules, administrative orders, and decrees of B.C. Canada and its local government authorities, agencies or departments;
- “Licensee Account” means an account provided by the Licensor to the Licensee and the Licensor will provide the Licensee with a password and user login name.
- “Notice” means notice in writing served in accordance with the provisions of Clause 13.4.

“Territory” The Regional of:



2. Recitals

- 2.1 The Licensor represents that it is the sole owner of the Intellectual Property.
- 2.2 The Licensor represents that it has the right to grant licenses on the Intellectual Property in order to provide hockey skills evaluation and training services.
- 2.3 The Licensee has requested the Licensor to grant a license to use the Intellectual Property and to act as exclusive Licensee in Territory.**
- 2.4 The Licensor has agreed to grant such a license to the Licensee on the terms set out in this Agreement.

3. Grant

In consideration of the obligations undertaken by the Licensee under this Agreement the Licensor:

3.1 Grants to the Licensee a license to:

- 3.1.1. use the Intellectual Property to provide hockey skills evaluation and training services.
- 3.1.2. **to act as an exclusive licensee within the Territory in accordance with the specifications and instructions given or approved by the Licensor under the terms of this Agreement.**

4. Reservation

The Licensor reserves the right to grant licenses on the Intellectual Property outside of the Territory to other licensees.

5. Term

- 5.1 The License, which includes certification, shall be valid for _____ in connection with the Maintenance Support Agreement as outlined in Schedule A.**

6. Considerations

- 6.1 In consideration of the rights now granted by the Licensor, the Licensee shall pay to the Licensor the following sums:
 - 6.1.1 on the signing of this Agreement a license fee for the sum of ___ Canadian Dollars/USD due _____. Certification to take place prior to _____ and marketing material to be provided on an agreed upon date by both Licensee and Licensor but not later than _____. (Applicable taxes will apply.) Ice and travel costs not included.**
 - 6.1.2 The Licensor will provide 2 sets of SQ Timing Gear (shipping and handling expenses not included). SQ Timing Gear becomes sole property of Licensee.**
 - 6.1.3 in addition a royalty fee of \$12.50 USD/CDN Dollars for each on-ice player report generated by the Licensee. The royalties shall be remitted to the Licensor monthly.**
- 6.2 The Licensee shall during this Agreement deliver on a monthly basis to the Licensor a statement giving particulars of all players' reports generated by SportQuest System or *for* on-ice players' report generated by the Licensee during the month and showing the total royalty fee payable to the Licensor and at the same time deliver to the Licensor a remittance for the full amount of that royalty fee.



7. Equipment

7.1 The Licensee shall purchase 2 sets of SQ Timing Gear from the Licensor at the regular retail price at the time of purchase which is included in the license fee in paragraph 6.1.1.

7.2 The Licensee shall:

7.2.1 observe all protocol as set forth in SportQuest On-Ice Manual,

7.2.2 ensure quality control and

7.2.3 ensure that all the knowledge and information provided to the Licensee from the SportQuest System is confidential and should not be used or made available anywhere else without any prior written consent of the Licensor.

7.3 The Licensee shall use SQ Timing Gear for SportQuest System according to the specifications as the Licensor may from time to time substitute and at all times ensure the quality of the evaluations or trainings generated, and will not use them in any other forms or facilities directly or indirectly.

7.4 The Licensee shall be responsible for its own advertising within the Territory and all advertising materials shall be submitted to the Licensor for approval which shall not be unreasonably withheld or delayed. If no response is given within 7 business days, approval shall be deemed to have been given. The Licensee shall use the artwork provided by the Licensor for brochures and posters and the Licensee shall produce brochures and posters at its own costs or the Licensee can order brochures and posters from Licensor at cost. Licensee may create it's own marketing pieces and web site incorporating SportQuest artwork and logo's.

7.5 The Licensee shall be responsible to upload all data from tests it performs in the Territory.

7.6 The Licensee shall keep all proprietary information in relation to SportQuest Systems, Knowledge, products, and proprietary information confidential during the term of this Agreement and 24 months thereafter.

7.7 The Licensee shall not at anytime during this agreement conduct any business that is competitive to that of the Licensor's SQ system.

7.8 The Licensee is not an employee, partner or agent of the Licensor.

7.9 The Licensee shall at all time comply with all government laws and regulations.

8. Action Against Third Parties

8.1 The Licensor shall have the sole right to take action against third parties in respect of breach of Intellectual Property in connection with the SportQuest System and SQ Timing Gear. If required to do so by the Licensor the Licensee shall co-operate fully with the Licensor in any such action, with the Licensee's expenses incurred in so doing being borne by the Licensor.

8.2 The Licensee shall in no circumstances settle any claim or action relating to the Intellectual Property, and SQ Timing Gear against third parties without the prior written consent of the Licensor.

8.3 All damages recovered from third parties shall be the exclusive property of the Licensor provided that the Licensee shall be entitled to set off any expenses, which it is able to claim from the Licensor under this Clause 8 against damages recovered by itself.

9. Termination

9.1 Termination for breach

The following breaches are fundamental and shall entitle a party to forthwith to give Notice terminating this Agreement and thereupon this Agreement shall absolutely terminate and cease to have effect but without



prejudice to the rights and remedies of the party in respect of the breach or antecedent breach by the other party of any of its obligations under this Agreement:

- 9.1.1 failure on the part of a party to perform any of its obligations under this Agreement, which failure is not cured within 14 days notice.
- 9.1.2 the voluntary or compulsory liquidation of a party or the appointment of receiver of its assets.

9.2 Termination of Licensor of rights

9.2.1 If at any time the Licensor and its successors shall cease to have the right described in recital 2.2 to grant licenses of the use of the SportQuest System the Licensor may forthwith terminate this Agreement by giving Notice to the Licensee and returning the initial license fee prorated to the date of termination and its licensed marketing and other expenses which are thrown away.

10. Termination consequences

10.1 Upon the termination of this Agreement whether by effluxion of time or by Notice, the Licensee shall forthwith:

- (a) immediately cease to use the SQ Timing Gear for SportQuest evaluations both directly and indirectly or use the SQ Timing Gear on-ice promotion or demonstrations;
- (b) provide a statement of all outstanding players' report generated by SQ Timing Gear or on-ice plyers report to the Licensor and to remit the outstanding royalties to the Licensor within 7 days from the date of termination and
- (c) return all unpaid, rented or borrowed SQ Timing Gear to the Licensor within 7 days from the date of termination

10.2 Termination of this Agreement does not affect the accrued rights of each party under this Agreement.

11. Indemnity

11.1 Licensor's right to indemnity

The Licensee shall indemnify the Licensor against all actions claims costs damages and expenses which it may suffer or sustain as a result of wrongful actions of the Licensee.

11.2 Licensee's right to be indemnified

The Licensor shall indemnify the Licensee against all actions claims costs damages and expenses arising out of the Licensee's use of the Intellectual Property in accordance with the terms of this Agreement.

12. Inspection

The Licensee shall permit the Licensor at all reasonable times and on reasonable notice to inspect the Licensee's facilities in order to satisfy itself that the Licensee is complying with its obligations under this Agreement.

13. Miscellaneous

13.1 No waiver by a party of any of the other party's obligations under this Agreement shall be deemed effective unless made by the party in writing nor shall any waiver by a party in respect of any breach be deemed to constitute a waiver of or consent to any subsequent breach by the Licensee of its obligations

13.2 Severance

In the event that any provision of this Agreement is declared by any judicial or other competent authority to be void voidable or illegal the remaining provisions shall continue to apply.



13.3 No agency

The Licensee is not entitled to act as the Licensor's agent.

13.4 Notices

13.4.1 All notices required to be served shall be served at the following addresses:

SportQuest Systems International Inc.

ADDRESS:

P.O. Box 3231 Station Terminal, Vancouver B.C. V6B 3X8, Canada

Phone: 604-899-0801 Fax: 604-899-0286

Attention: Manager

New Licensee

Phone:

Attention: Manager

or to such other address as may be notified from time to time by one party to the other.

Any notice sent by hand to such address, or by fax to the number of the party on record with a confirmation, shall be deemed to have been served on the day of service if before 5:00pm.

13.5 Governing law

This Agreement shall be governed by and construed in accordance with the laws of British Columbia.

SIGNED by:

For and on behalf of: SportQuest Systems International Inc.

By: _____

Name: _____

Title: _____

I/we have the authority to bind the company.

For and on behalf of: New Licensee

By: _____

Authorized Signing Officer

Title: _____

By: _____

Authorized Signing Officer

Title: _____

I/we have the authority to bind the company.