

12-31-2002



Form PTO-1595
1-31-92

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

102324896
RECORDATION FORM LET
PATENTS ONLY

To the Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): **12-26-02**
GSP Co., Inc.
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):
Name: 2018409 Ontario Inc.

Internal Address: Suite 2929

Street Address: 390 Bay Street

City: **Toronto** State: Ontario Canada ZIP: M5 H2 Y2

Additional name(s) & address(es) attached? Yes No

3. Nature of Conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other Statutory Declaration Of D. Campbell
Dyment

Execution Date: December 6, 2002

4. Application number(s) or patent number(s):
If this document is being filed with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s) 5897441

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

VIDAS, ARRETT & STEINKRAUS, P.A.
Suite 2000
6109 Blue Circle Drive
Minnetonka, MN 55343-9131

6. Total number of applications and patents involved:

7. Total fee (37 CFR 3.41): \$

Enclosed

Authorized to be charged to deposit account

8. Deposit Account Number: **22-0350**

(Attach duplicate of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Walter J. Steinkraus

(Name of person signing)

Signature

Dec. 18, 2002
Date

Total number of pages including cover sheet, attachments, and document: **37**

OMB No. 0651-011 (exp. 4/94)

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Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
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Washington, D.C. 20231

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PATENT
REEL: 13599 FRAME: 0592

ASSIGNMENT - CANADA

GSP CO. Inc., whose full post office address is 4394 Heatly Drive, Delaware, Ontario Canada N0L 1E0, in consideration of \$1.00, the receipt of which is hereby acknowledged, and other good and valuable consideration, does hereby sell and assign to 1398869 Ontario Limited, whose full post office address is 9 Regency Court, Bradford, Ontario, Canada L3Z 2P9, all its right, title and interest in Canada in and to the invention disclosed in a patent application relating to, and entitled "Golf Swing Practice Device", the Canadian patent application corresponding to PCT patent application serial no. PCT/CA98/01205, filed December 30, 1998, and to all its corresponding right, title and interest in and to any further patent which may be, or has been granted therefor. The Assignor hereby requires that this assignment be drawn in the English language.

Signed at London, Ontario Canada
City or Town Country

this 20th day of March, 2000.

GSP Co. Inc.

By: J.L. Lloyd
Title: President

STATEMENT BY WITNESS

I, Elizabeth Emmerton, whose full post office address is
(name of Witness)

10 Colonial Crescent
London, Ontario N6H 4W5

was personally present and did see George Lloyd
(Signing Officer)

execute the within assignment and who is personally known to me to be the person signing such document.

Elizabeth Emmerton
(Signature of Witness)

STATUTORY DECLARATION

IN THE MATTER OF a general security agreement dated as of April 2, 2002 delivered by Plane Solution Sports Inc. to Cam Dymont, Sheldon Imwentash, David Williams and Julian Baldry, as assigned to 2018409 Ontario Inc.

AND

the *Personal Property Security Act* (Ontario)

TO WIT:

I, D. Campbell Dymont, of the Township of Osprey, in the Province of Ontario,
Canada

SOLEMNLY DECLARE THAT:

1. I am the President of 2018409 Ontario Inc. (the "Creditor") and as such have personal knowledge of the matters herein declared.
2. Plane Solution Sports Inc. (the "Debtor") was indebted to Octagon Industries Inc. ("Octagon") in the amount of CDN\$170,085.26 (the "Indebtedness"). Octagon assigned all of its right, title and interest in and to the Indebtedness to the Creditor as of November 15, 2002. The Debtor remains, as of the date hereof, indebted to the Creditor for the Indebtedness.
3. The Creditor is the assignee of a general security agreement granted by the Debtor as of April 2, 2002 (the "Security Agreement"), which security agreement grants as general and continuing security for all present and future indebtedness of the Debtor to the Creditor, a security interest over all of the present and after acquired property, assets, licences, and privileges of the Debtor of every nature and kind whatsoever and wheresoever situate, all as more specifically set out in the Security Agreement.
4. A true copy of the Security Agreement is attached hereto as Exhibit A.
5. Notice of the security interest granted by the Debtor pursuant to the Security Agreement has been registered pursuant to the *Personal Property Security Act* (Ontario) in the Ontario Personal Property Security Registry.
6. Pursuant to a patent rights purchase agreement between GSP Co. Inc. ("GSP") and the Debtor dated as of March 20th, 2000 (the "Patent Rights Purchase Agreement"), the following patents (the "Patents") were assigned to the Debtor under its former name, 1398869 Ontario Limited:

US Patent No. 5,897,441, issued April 27, 1999, entitled "Golf Swing Practice Device", together with all right, title and interest in and to the patents which may be granted pursuant thereto, and including all its right, title and interest in Canada in and to the invention disclosed in a patent application relating to, and entitled "Golf Swing Practice Device", the Canadian patent application

corresponding to PCT patent application serial no. PCT/CA98/01205 filed December 30, 1998 and any further patent that may or has been granted therefore, and all other rights worldwide relating thereto.

7. A signed copy of the assignment of the Patents by Mark S. Aphorp, the inventor of the Patents, to GSP and the Patent Rights Purchase Agreement, including an executed copy of the assignment of the Patents to be submitted to the United States Patent Office and an assignment of the Patents to be submitted to the Canadian Patent Office, all of which I believe to be true copies of the original executed documents, are attached hereto as Exhibit B.

8. On review of the United States Patent and Trademark Data Base, as of the date hereof, the assignment and transfer of the Patents from GSP to the Debtor has not been registered with the United States Patent Office.

9. On review of the Canadian Patent Office Data Base, as of the date hereof, the assignment and transfer of the Patents from GSP to the Debtor has not been registered with the Canadian Patent Office.

10. The Creditor has made demand on the Debtor for repayment of the Indebtedness. As of the date hereof, the Indebtedness has not been repaid to the Creditor and repayment of the Indebtedness is now past due.

11. The Creditor has commenced realization proceedings against the assets of the Debtor, including the Patents, pursuant to the provisions of the *Personal Property Security Act* (Ontario) and the Security Agreement and claims a security interest in and to the Patents by virtue of the Security Agreement.

AND I MAKE THIS SOLEMN DECLARATION conscientiously believing it to be true, and knowing it is of the same force and effect as if made under oath.

DECLARED before me at the City)
of Toronto, in the Province of)
Ontario, this 6th day of December,)
2002.)

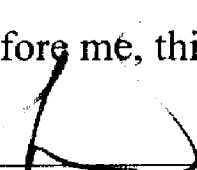
D. Campbell Dymont
D. Campbell Dymont

[Signature]
A Commissioner, etc.

This is Exhibit "A" referred to in the

Statutory Declaration of D. Campbell Dymont

sworn before me, this 6th day of December, 2002.



A Commissioner, etc.

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made as of the 2nd day of April, 2002

BETWEEN:

PLANE SOLUTION SPORTS INC., a corporation
incorporated under the laws of Ontario

(hereinafter referred to as the "Chargor")

-and-

CAM DYMENT, as trustee on behalf of himself, Sheldon
Imwentash, David Williams and Julian Baldry (each a
"Lender" and collectively, the "Lenders")

(hereinafter referred to as the "Secured Party")

WHEREAS the Lenders have made certain advances in favour of the Chargor;

AND WHEREAS as additional security for all advances now outstanding or hereinafter made by any one or more of the Lenders, the Chargor has agreed to execute and deliver to the Secured Party, among other things, a general security agreement creating a security interest in the property and assets of the Chargor described herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties) the parties hereto covenant and agree as follows:

ARTICLE ONE INTERPRETATION

Section 1.01 In this agreement and in any amendments hereto, the following terms shall have the following meanings:

- (a) "**Act**" means the *Personal Property Security Act* (Ontario), or any legislation that may be substituted therefor, and as the same may be amended from time to time;
- (b) "**agreement**", when referring to this general security agreement, means this agreement as the same may be amended, supplemented, restated or replaced from time to time;

- (c) **“Collateral”** means, subject to Sections 2.04, 2.05 and 2.05 hereof, the undertaking of the Chargor and all its present and after-acquired property, assets, licences, and privileges of every nature and kind whatsoever and wheresoever situate which now are or which may at any time hereafter be owned, held, or acquired by the Chargor or in which the Chargor now has or at any time hereafter acquires any interest, claim, title or right of any nature whatsoever, and whether or not such right, claim, title or interest is in the nature of a property interest, including without in any way limiting the generality of the foregoing:
- (i) all inventory of whatever kind and wherever situated now owned or hereafter acquired by the Chargor (collectively, the **“Inventory”**);
 - (ii) all machinery, equipment, plant, fixtures, vehicles, furniture, tools, apparatus, goods and other tangible personal property of whatsoever nature and kind, now owned or hereafter acquired by the Chargor, and every interest therein which the Chargor now has or hereafter acquires, and wherever situate, other than Inventory (the **“Equipment”**);
 - (iii) all of the Chargor’s present and future accounts, accounts receivable, book debts, claims, dues, contract rights, letters of credit and advices of credit, demands, monies, cheques, deposit accounts, performance bonds, purchase orders and choses in action together with any and all security therefore now due or hereafter to become due to or owned by the Chargor, and all documents now or hereafter held by the Chargor representing, evidencing or securing the Accounts and all other rights and benefits in respect thereof including, without limitation, all rights under and all proceeds of all policies of insurance insuring all of any part of the Collateral, and claims against the Crown and expropriation awards (the **“Accounts”**);
 - (iv) all chattel paper now owned or hereafter acquired by the Chargor;
 - (v) all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now owned or hereafter acquired by the Chargor;
 - (vi) all instruments now owned or hereafter acquired by the Chargor;
 - (vii) all shares, stocks, warrants, bonds, debentures, debenture stock, or other securities now owned or hereafter acquired by the Chargor;
 - (viii) all intangible property now owned or hereafter acquired by the Chargor;
 - (ix) all licences, privileges, permits, consents, leases, policies, approvals, development agreements and permits in favour of the Chargor whether or not the Chargor has property interests therein;

- (x) all rents, present or future, under any lease or agreement to lease any part of the lands of the Chargor or any building, erection, structure or facility now or hereafter constructed or located on such lands, income derived from any tenancy, use or occupation thereof and any other income and profit derived therefrom;
 - (xi) all Proceeds;
 - (xii) with respect to the property and assets described in the above paragraphs (i) to (xi) inclusive, all books, accounts, invoices, letters, papers, documents, deeds, writings, and other records in any form evidencing or relating thereto or by which such are or may hereafter be secured, evidenced, acknowledged or made payable; and
 - (xiii) with respect to the property and assets described in the above paragraphs (i) to (xii) inclusive, all substitutions and replacements thereof, increases, additions, and accessions thereto and any interest of the Chargor therein;
- (d) **“Deficiency”** means, at any time, the difference, if any, between:
- (i) the aggregate of:
 - (A) the amount of the Indebtedness at that time, and
 - (B) the Expenses incurred or accruing prior to that time; and
 - (ii) the proceeds of disposition received by the Secured Party prior to that time from a disposition of the Collateral in accordance with subsection 5.01(g);
- (e) **“Encumbrances”** means security interests, mortgages, charges, pledges, Liens, deemed trusts or other claims or other encumbrances of every nature or kind;
- (f) **“Event of Default”** means the failure by the Chargor to pay the outstanding principal amount of the advances made to the Chargor by the Lenders within 5 Business Days after such advances are due;
- (g) **“Expenses”** means any and all reasonable costs, charges, fees, expenses and commissions incurred from time to time by the Secured Party, or any Receiver in connection with the Indebtedness;
- (h) **“Indebtedness”** means all indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, joint, several or joint and several, at any time owing or remaining unpaid by the Chargor to the Lenders and the Secured Party, or any of them, in any currency, including all principal, interest, commissions, fees and Expenses;
- (i) **“Proceeds”** means property in any form (including fixtures) derived directly or indirectly from any dealing with the Collateral or Proceeds or that indemnifies or

compensates for all or part of any Collateral or Proceeds that is destroyed, damaged or lost (including all products and cash and non-cash proceeds thereof) and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument or security;

(j) **“Receiver”** means a receiver, receiver and manager or any similar person appointed in accordance with subsection Section 5.01(l);

(k) **“Security Interest”** has the meaning ascribed thereto in Section 2.01.

Section 1.02 In this agreement the term “Collateral”, where the context permits, means the whole or any part of the Collateral, and the words “goods”, “inventory”, “equipment”, “chattel paper”, “document of title”, “instrument”, “securities”, “consumer goods” and “accessions” shall have the same meanings as their defined meanings in the Act as in effect on the date hereof; provided that the term “goods” shall not include consumer goods.

Section 1.03 Any reference in this agreement to any item, thing, person, firm or corporation in the singular shall, where the context permits, include a reference to more than one of such item, thing, person, firm or corporation.

Section 1.04 The division of this agreement into sections and the insertion of headings exist only for convenience of reference and shall not affect the construction or interpretation of this agreement.

ARTICLE TWO CREATION OF SECURITY INTEREST

Section 2.01 Subject to Sections 2.04, 2.05 and 2.05, as a general and continuing security for the due and timely payment and satisfaction of the Indebtedness, the Chargor hereby grants to the Secured Party a continuing security interest (the **“Security Interest”**) in the Collateral. For greater certainty, the Security Interest created hereby shall be operative as a present, attached, fixed and specific assignment, mortgage and charge of, and security interest in, any and all of the Collateral now owned by the Chargor and, with respect to any and all of the Collateral acquired by the Chargor after the date hereof, shall be operative as a present, specific assignment, mortgage and charge of, and security interest in, such Collateral which shall attach as a fixed and specific mortgage and charge of, and security interest in, such Collateral as of the moment the Chargor acquires any rights or interests therein.

Section 2.02 The Security Interest shall extend to the Proceeds of the Collateral.

Section 2.03 To the extent that the Act applies to the Security Interest, the Chargor and the Secured Party acknowledge and agree that value has been given and that they intend the Security Interest to attach at the time of execution of this agreement.

Section 2.04 The Security Interest shall not extend or apply to the last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Chargor. As further continuing security for the due and timely payment and performance by the

Chargor of the Indebtedness, the Chargor agrees that it will stand possessed of the reversion of one day remaining in the Chargor in respect of such term, respectively, upon trust to assign and dispose of the same in the manner as the Secured Party may from time to time direct in writing and upon any sale of any such leasehold premises by the Secured Party as provided herein, the Secured Party shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser or any other person, firm, or corporation, be entitled by deed or other written instrument to appoint such purchaser or other person, firm or corporation as a new trustee of the aforesaid residue of any such term in place of the Chargor and to vest the same accordingly in the new trustee freed and discharged from any obligation whatsoever respecting the same.

Section 2.05 The Security Interest shall not extend or apply to any licence, contract, intellectual property or other rights pursuant to which a consent is required to be obtained to the granting of the Security Interest therein or thereon (hereinafter called the "**Restricted Assets**") until such time as such consent is obtained. The Chargor agrees to use its best efforts to obtain any such required consents. Until such time as such consents have been obtained, the Restricted Assets shall be held in trust by the Chargor for the benefit of the Secured Party. The Chargor represents and warrants to the Secured Party that it has identified in writing to it all Restricted Assets in existence on the date hereof that either individually or collectively are material or could reasonably be expected to be material to the rights and remedies of the Secured Party, and it agrees to give prompt written notice to the Secured Party upon acquiring any Restricted Assets at any time hereafter that either individually or collectively together with any Restricted Assets in existence at that time are material or could reasonably be expected to be material to the rights and remedies of the Secured Party.

Section 2.06 The Security Interest created and secured hereby shall not constitute, extend or apply to any consumer goods.

Section 2.07 Unless and until an Event of Default shall occur and be continuing, the Chargor shall be permitted to possess, manage, develop, operate and enjoy the Collateral and freely to control the conduct of its business and to take and use any income, rents, issues and profits thereof, all to the extent not inconsistent with the express terms hereof, in the same manner and to the same extent as if this agreement had not been executed, and, without limiting the generality of the foregoing, all Inventory may be sold by the Chargor in the ordinary course of its business and for the purpose of carrying on the same.

ARTICLE THREE COVENANTS

Section 3.01 The Chargor hereby covenants and agrees with the Secured Party as follows:

- (a) the Chargor shall forthwith on written request furnish to the Secured Party in writing all information requested by the Secured Party, acting reasonably, relating to the Collateral (including reports, statements and schedules further identifying and describing the Collateral), forthwith on written request furnish to the Secured Party accurate descriptions of any material Collateral acquired after this agreement is executed, and the Secured Party shall be entitled from time to time, upon reasonable notice, to inspect the Collateral and to take temporary custody of

and make copies of all documents relating to the Collateral and for such purposes the Secured Party shall, upon reasonable notice, have access to all premises occupied by the Chargor or where the Collateral or any of it may be found;

- (b) the Chargor shall from time to time forthwith on the Secured Party's written request do, make and execute all such financing statements, further assignments or agreements, documents, schedules to this agreement, acts, matters and things as may be required by the Secured Party, acting reasonably, of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents;
- (c) the Chargor will not change its chief executive office (as provided in the Act) or the location of the Collateral, or the location of the office where it keeps its records respecting the Accounts, without providing written notice thereof to the Secured Party;
- (d) the Chargor agrees to immediately notify the Secured Party, if any person, firm or corporation has the right to go into, collect or seize possession of the Collateral by means of execution, garnishment or other legal process.

ARTICLE FOUR DELIVERY AND COLLECTION OF PROCEEDS

Section 4.01 After the occurrence of an Event of Default, the Secured Party may notify all or any account debtors of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Chargor acknowledges that any payments on or other proceeds of Collateral received by the Chargor from account debtors, whether before or after notification of this Security Interest to account debtors shall be received and held in trust for the Secured Party and, subject to Section 2.07, shall be delivered to the Secured Party upon request.

ARTICLE FIVE DEFAULT AND THE SECURED PARTY'S REMEDIES

Section 5.01 Upon the occurrence of an Event of Default, the Security Interest shall immediately become enforceable and the Secured Party may, in its sole discretion and in addition to all other rights and remedies which it may have, forthwith or at any time thereafter and without notice to the Chargor or any other action whatsoever (except as provided in this agreement), all of which are hereby waived by the Chargor:

- (a) declare any or all of the Indebtedness not then due and payable to be immediately due and payable by giving notice in writing thereof to the Chargor and, in such event, such Indebtedness shall be forthwith due and payable to the Lenders;
- (b) commence legal action to enforce payment or performance of the Indebtedness;

- (c) require the Chargor, by notice in writing given by the Secured Party to the Chargor, to disclose to the Secured Party the location or locations of the Collateral and the Chargor agrees to make such disclosure when so required by the Secured Party;
- (d) require the Chargor, at the Chargor's expense, to assemble the Collateral at a place or places designated by notice in writing given by the Secured Party to the Chargor, and the Chargor agrees to so assemble the Collateral;
- (e) without notice to the Chargor or legal process, enter any premises where the Collateral may be situate and take possession of the Collateral by any method permitted by law;
- (f) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Chargor or otherwise;
- (g) seize, collect, realize or dispose of the Collateral by private sale, public sale, lease, or otherwise upon such terms and conditions as the Secured Party may determine and whether or not the Secured Party has taken possession of the Collateral or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and of such times as may seem to the Secured Party advisable;
- (h) carry on all or any part of the Business or businesses of the Chargor and may, to the exclusion of all others including the Chargor, enter upon, occupy and use all or any of such premises, buildings, plant, undertaking and other property of or used by the Chargor for such time and in such manner as the Secured Party sees fit, free of charge, and other than for acts of gross negligence, wilful misconduct or fraud the Secured Party shall not be liable to the Chargor for any act, omission, or negligence in so doing or for any rent, charges, depreciation, damages or other amount in connection therewith or resulting therefrom and any sums expended by the Secured Party shall bear interest at the rate of 5% per annum until payment thereof;
- (i) file such proofs of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Chargor;
- (j) borrow money for the purpose of carrying on the Business of the Chargor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment of any money so borrowed;
- (k) where the Collateral has been disposed of by the Secured Party as provided in subsection 5.01(g), commence legal action against the Chargor for the Deficiency;

- (l) appoint, by an instrument in writing delivered to the Chargor, a Receiver of the Collateral, and remove any Receiver so appointed and appoint another or others in his stead, or institute proceedings in any court of competent jurisdiction for the appointment of a Receiver, it being understood and agreed that:
 - (i) such appointment may be made at any time either before or after the Secured Party shall have taken possession of the Collateral;
 - (ii) the Secured Party may from time to time fix the remuneration of the Receiver and direct the payment thereof out of the Collateral; and
 - (iii) the Receiver shall be deemed to be the agent of the Chargor for all purposes and, for greater certainty, the Secured Party shall not be, in any way, responsible for any actions, whether wilful, negligent or otherwise, of any Receiver;
- (m) pay or discharge any Encumbrance claimed by any person, firm or corporation in the Collateral and the amount so paid shall be added to the Indebtedness and shall be secured hereby and shall bear interest at a rate of 5% per annum in respect of any part of the Indebtedness until payment thereof; and
- (n) take any other action, suit, remedy or proceeding authorized or permitted by this agreement, the Act or by law or equity.

Section 5.02 For the purposes of Sections 5.01 and 5.03, a reference to the "Secured Party" shall, where the context permits, include any Receiver appointed in accordance with subsection Section 5.01(l).

Section 5.03 The Chargor and the Secured Party acknowledge and agree that any sale referred to in subsection 5.01(g) may be either a sale of all or any portion of the Collateral and may be by way of public auction, public tender, private contract or otherwise. The Secured Party may sell the Collateral for consideration payable by instalments either with or without taking security for the payment of such instalments and may make and deliver to any purchaser thereof good and sufficient deeds, assurances and conveyances of the Collateral and give receipts for the purchase money, and any such sale shall be a perpetual bar, both at law and in equity, against the Chargor and all those claiming an interest in Collateral by, from, through or under the Chargor.

Section 5.04 The amount of the Expenses shall be paid by the Chargor to the Secured Party from time to time forthwith after demand therefore is given by the Secured Party to the Chargor together with interest thereon at a rate of 5% per annum and payment of such Expenses together with such interest shall be secured by the Security Interest.

Section 5.05 Where the Collateral has been disposed of by the Secured Party as provided herein, the Deficiency shall be paid by the Chargor to the Secured Party forthwith after demand therefor has been given by the Secured Party to the Chargor together with interest thereon at the rate of 5% per annum.

Section 5.06 The Secured Party's rights and remedies, whether provided for in this agreement or otherwise, are not mutually exclusive and are, to the fullest extent possible in law, cumulative and not alternative.

Section 5.07 The Secured Party shall not be bound to collect, dispose of, realize or enforce any of the Chargor's right, title and interest in and to the Collateral and shall not be under any obligation to institute proceedings for any of such purposes nor shall it be liable for any damage which may ensue in consequence of its misconduct or negligence or the misconduct or negligence of any officer, servant, agent, solicitor, counsel or other attorney or substitute employed by it in the collection, disposition, realization or enforcement of the Chargor's right, title and interest in and to the Collateral.

Section 5.08 All monies collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the Indebtedness as to the Secured Party seems best or may be held unappropriated in a collateral account or in the discretion of the Secured Party may be released to the Chargor, all without prejudice to the Secured Party's claims upon the Chargor.

ARTICLE SIX POSSESSION OF COLLATERAL BY THE SECURED PARTY

Section 6.01 Where any Collateral is in the possession of the Secured Party:

- (a) the Secured Party shall have no duty of care whatsoever with respect to such Collateral other than to use reasonable care in the custody and preservation thereof, provided that the Secured Party need not take any steps of any nature to defend or preserve the rights of the Chargor therein against the claims or demands of others or to preserve rights therein against prior parties;
- (b) the Secured Party may, at any time following the occurrence and during the continuance of an Event of Default, grant or otherwise create a security interest in such Collateral upon any terms whether or not such terms impair the Chargor's right to redeem such Collateral; and
- (c) the Secured Party may, at any time following the occurrence of an Event of Default, use such Collateral in any manner and to such extent as it, in its sole discretion, deems necessary or desirable.

ARTICLE SEVEN CONTINUING OBLIGATIONS

Section 7.01 Notwithstanding any other term or condition of this agreement, this agreement shall not relieve the Chargor from the observance or performance of any term, covenant, condition, or agreement on its part to be observed or performed in any other agreement or from any liability to any other party or parties thereto or impose any obligation on the Secured Party or any of the Lenders to observe or perform any such term, covenant, condition or agreement to be so observed or performed or impose any liability on the Secured Party or any of the Lenders

for any act or omission on its part relative. The Secured Party may at its option perform any term, covenant, condition or agreement on the part of the Chargor to be performed under or in respect of the Collateral (and/or enforce any of the rights of the Chargor thereunder) without thereby waiving any rights to enforce this agreement. Nothing contained in this paragraph shall be deemed to constitute the Secured Party a mortgagee in possession of the Collateral or the lessee under any lease or agreement to lease unless the Secured Party has agreed to become such a mortgagee in possession or to be such a lessee.

ARTICLE EIGHT ACKNOWLEDGMENTS BY THE CHARGOR

Section 8.01 The Chargor:

- (a) acknowledges receipt of an executed original of this agreement;
- (b) acknowledges there is no agreement to postpone the time of attachment of the Security Interest;
- (c) to the extent permitted by law, waives all rights to receive from the Secured Party a copy of any financing statement or financing change statement filed or verification statement created pursuant to the Act; and
- (d) will reimburse the Secured Party for its costs incurred in connection with any disclosure requirements pursuant to the Act.

ARTICLE NINE GENERAL

Section 9.01 Any notice or other communication which may be or is required to be given or made pursuant to this agreement shall be given in accordance with the terms of the Trust Indenture.

Section 9.02 To the extent not prohibited by law, the Chargor hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner adversely affect the Secured Party's rights or remedies hereunder.

Section 9.03 The Secured Party may, in whole or in part, waive any breach of any of the provisions of this agreement by the Chargor, any default by the Chargor in the payment or performance of any of the Indebtedness or any of its rights and remedies whether provided for hereunder or otherwise provided that no such waiver shall be considered to have been given unless given expressly by the Secured Party to the Chargor in writing.

Section 9.04 No waiver given in accordance with Section 9.03 shall be a waiver of any other or subsequent breach by the Chargor of any of the provisions of this agreement, of any other or subsequent default by the Chargor in the payment or performance of any of the Indebtedness or any of the other rights and remedies of the Secured Party whether provided for herein or otherwise.

Section 9.05 The Secured Party may take and give up securities, at any time, grant extensions of time or other indulgences to, accept compositions from or grant releases and discharges to the Chargor or others or in respect of the Collateral, or otherwise deal with the Chargor or others or with the Collateral and other security held by the Secured Party, all as the Secured Party may see fit, and the Chargor agrees that any such act or any failure by the Secured Party to exercise any of its rights or remedies, whether provided for hereunder or otherwise, shall in no way affect or impair the Security Interest or the rights or remedies of the Secured Party, whether provided for in this agreement or otherwise.

Section 9.06 This agreement shall become effective according to its terms immediately upon the execution hereof by the Secured Party and the Chargor. This agreement and the Security Interest are in addition to and not in substitution for any other agreement made between the Secured Party and the Chargor or any other security granted by the Chargor to the Secured Party whether before or after the execution of this agreement. The Security Interest shall be a general and continuing security notwithstanding that the Indebtedness shall at any time or from time to time be fully satisfied or performed and shall continue in full force and effect until terminated as provided in Section 9.07.

Section 9.07 The Chargor shall be entitled to a release and discharge of this agreement and the Secured Party shall, at the request of the Chargor, make and do all such acts and things and execute and deliver all such releases, financing statements, instruments, agreements and documents as the Chargor reasonably considers necessary or desirable to discharge the Security Interest, to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record on the earliest of the following dates:

- (a) the date on which the closing of the merger contemplated in a Letter of Intent dated November 29, 2001 between the Chargor and Octagon Industries Inc. is completed;
- (b) the date on which all Indebtedness owing as of such date is repaid in full; and
- (c) the date on which the parties hereto agree in writing to terminate this agreement.

Section 9.08 The Chargor hereby irrevocably constitutes and appoints the Secured Party and each of its employees and officers holding office from time to time as the true and lawful attorney of the Chargor with power of substitution in the name of the Chargor to do any and all such acts and things or execute and deliver all such agreements, documents and instruments as the Secured Party, acting reasonably, considers necessary or desirable to carry out the provisions and purposes of this agreement or to exercise any of its rights and remedies hereunder, and to do all acts or things necessary to realise or collect the Proceeds, and the Chargor hereby ratifies and agrees to ratify all acts of any such attorney taken or done in accordance with this Section 9.08. This power of attorney, being a power coupled with an interest, shall not be revoked or terminated by any act or thing other than the termination of this agreement in accordance with Section 9.07.

Section 9.09 The Chargor will, from time to time at the request of the Secured Party, make and do all such acts and things and execute and deliver all such instruments, agreements, and

documents as the Secured Party reasonably requests by notice in writing given to the Chargor in order to create, preserve, perfect, validate or otherwise protect the Security Interest, to enable the Secured Party to exercise and enforce its rights and remedies hereunder and generally to carry out the provisions and purposes of this agreement.

Section 9.10 Any and all payments made by the Chargor to the Secured Party in respect of the Indebtedness from time to time and any and all monies realized by the Secured Party whether hereunder or otherwise may be applied by the Secured Party to such part or parts of the Indebtedness as the Secured Party shall, in its sole discretion, determine. The Secured Party shall at all times and from time to time have the right to change any application so made.

Section 9.11 If any provision herein is determined to be void, voidable, or unenforceable, in whole or in part, such determination shall not affect or impair or be deemed to affect or impair the validity of any other provision hereof and all the provisions hereof are hereby declared to be separate, severable and distinct.

Section 9.12 Time shall be of the essence hereof.

Section 9.13 This agreement is governed by and shall be construed in accordance with the laws of the Province of British Columbia, and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of such Province.

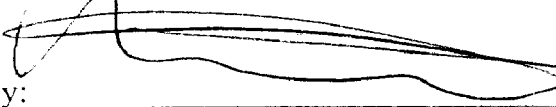
Section 9.14 This agreement shall enure to the benefit of and shall be binding upon each of the parties hereto and their respective heirs, executors, successors and assigns.

Section 9.15 This agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Secured Party or any of the Lenders in respect of the Chargor, the Indebtedness or the Collateral.

Section 9.16 The Chargor hereby acknowledges that the Security Interest granted pursuant to this agreement and any Collateral delivered in accordance with the terms hereof is held by the Secured Party in trust for the benefit of each of the Lenders and the Security Interest granted in favour of the Secured Party hereunder is and shall be held by the Secured Party for their benefit.

IN WITNESS WHEREOF the undersigned has duly executed this agreement as of the date first written above.

PLANE SOLUTION SPORTS INC.

By: 

Name: Brian Ablett

Title: Chief Executive Officer

This is Exhibit "B" referred to in the

Statutory Declaration of D. Campbell Dymont

sworn before me, this 6th day of December, 2002.



A Commissioner, etc.

Our Reference No.: GAG/1052/SL2033
ASSIGNMENT

WHEREAS, Mark S. APHORP

whose full post office address is: 2403 Main Street, London, Ontario, Canada N6P 1A7

has invented certain new and useful improvements in

"Golf Swing Practice Device"

as fully set forth and described in the specification submitted for the obtention of a patent in Canada,

AND WHEREAS, GSP Co. Inc.

having its full post office address at 4394 Heatly Drive, Delaware, Ontario, Canada N0L 1E0 is desirous of acquiring in and for Canada and all countries foreign thereto, the entire right, title and interest in and to the said invention and any Letters Patent to be obtained therefor.

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, I have sold, assigned and transferred and by these presents do hereby sell, assign and transfer unto the said

GSP Co. Inc.

the entire right, title and interest in and to the said invention, in and for Canada and all countries foreign thereto, and any Letters Patent which may be granted therefor, the same to be held and enjoyed by the said

GSP Co. Inc.

its successors, assigns and legal representatives to the full end of the term for which the Letters Patent may be granted, as fully and entirely as the same would have been held and enjoyed by me if this assignment and sale had not been made; and I hereby request the commissioner of Patents to issue the Patent to

GSP Co. Inc.

in accordance with this assignment.

The parties to this assignment have agreed that the same be drawn up in the English language only - Les parties a cette cession ont convenu que cette derniere soit redigee uniquement en anglais.

IN WITNESS WHEREOF, We have hereunto set our hands

this 20th day of March , 2000.


APTHORP, Mark S.

DECLARATION

I, Elizabeth Emmerton

whose full post office address is: 10 Colonial Crescent
London, Ontario N6H 4W5
Canada

hereby declare that I was personally present and did see

Mark S. APTHORP

who is personally known to me to be the person named in the attached assignment, duly sign and execute the same.

Dated this 20th day of March , 2000.


Signature of Witness

PCT

POWER OF ATTORNEY

(for an international application filed under the Patent Cooperation Treaty)

(PCT Rule 90.4)

The undersigned applicant(s) (Names should be indicated as they appear in the request):

1398869 Ontario Limited
9 Regency Court
Bradford, Ontario
Canada L3Z 2P9

hereby appoints (appoint) the following person as:

agent

common representative

Name and address

(Family name followed by given name, for a legal entity, full official designation. The address must include postal code and name of country.)

GOWAN, Gerald A.

627 Lyons Lane
Suite 204
Oakville, Ontario
Canada L6J 5Z7

to represent the undersigned before

all the competent International Authorities

the International Searching Authority only

the International Preliminary Examining Authority only

in connection with the international application identified below:

Title of the invention: "GOLF SWING PRACTICE DEVICE"

Applicant's or agent's file reference: GAG/1052/SL2033

International application number (if already available): PCT/CA98/01205

filed with the following Office Canada
and to make or receive payments on behalf of the undersigned

as receiving Office

Signature of the applicant(s) (where there are several applicants, each of them must sign; next to each signature indicate the name of the person signing and the capacity in which the person signs, if such capacity is not obvious from reading the request or this form)

Name:
Title:

Date

PATENT RIGHTS PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 20th day of March, 2000

BETWEEN:

GSP co. inc., a company existing under the laws of the Province of Ontario

(the "**Vendor**")

- and -

1398869 ONTARIO LIMITED, a company existing under the laws of the Province of Ontario

(the "**Purchaser**").

WHEREAS the Vendor is the sole owner of all right, title and interest in and to the Patent Rights (as defined below); and

WHEREAS the Vendor has agreed to sell the Patent Rights to the Purchaser, and the Purchaser has agreed to purchase the Patent Rights from the Vendor;

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

**ARTICLE ONE
INTERPRETATION**

Section 1.01 **Defined Terms:** In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings:

- (a) "**Agreement**" means this agreement, and all schedules and exhibits attached hereto, and all amendments, supplements, restatements and replacements hereof from time to time that are made in accordance with the terms hereof;
- (b) "**Closing**" means the closing of the transactions contemplated in this Agreement;
- (c) "**Closing Date**" means the date hereof or such other date as is agreed upon by the Vendor and the Purchaser;
- (d) "**Closing Time**" means 2:00 p.m. (Toronto time) on the Closing Date or such other time as is agreed upon by the Vendor and the Purchaser;
- (e) "**Documents**" means this Agreement, the Patent Assignment Agreement, the Note and the Royalty Agreement;

- (f) **“Encumbrances”** means all encumbrances of any kind or nature whatsoever and includes a mortgage, charge, pledge, security interest, lien, action, claim, demand, adverse interest, trust or deemed trust, whether contractual, statutory or otherwise, however arising, or any other right or claim of any person of any kind or nature whatsoever and any restrictive covenant or other agreement, restriction or limitation, registered or unregistered;
- (g) **“Note”** means the promissory note in the amount of US\$200,000 executed by the Purchaser in favour of the Vendor, in the form attached hereto as exhibit A;
- (h) **“Patent Assignment Agreement”** means the patent assignment agreement executed by the Vendor in favour of the Purchaser, in the form attached hereto as exhibit B;
- (i) **“Patent Rights”** means the patent and patent application described on schedule A attached hereto, together with all further patent applications, filings and other intellectual property rights relating thereto, and all future variations or modifications thereto;
- (j) **“person”** means any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental or regulatory agency or board or commission or authority, unincorporated association, unincorporated syndicate, unincorporated organization and other form of entity or organization of any kind or nature whatsoever;
- (k) **“Product”** means the golf swing training apparatus described on Schedule A attached hereto;
- (l) **“Purchase Price”** means the aggregate amount of US\$200,000;
- (m) **“Royalty Agreement”** means a royalty agreement executed by the Vendor and the Purchaser, in the form attached hereto as exhibit C.

Section 1.02 **Schedules:** The following schedules and exhibits are attached to and incorporated into this Agreement by reference and are deemed to be a part hereof:

Schedule A	Patent Rights
Schedule B	Allocation of Purchase Price
Exhibit A	Promissory Note
Exhibit B	Patent Assignment Agreement
Exhibit C	Royalty Agreement

**ARTICLE TWO
PURCHASE AND SALE OF PATENT RIGHTS**

Section 2.01 **Purchase and Sale of Patent Rights**: Subject to the terms and conditions hereinafter contained, the Purchaser hereby agrees to purchase from the Vendor, and the Vendor hereby agrees to sell to the Purchaser, the Patent Rights.

Section 2.02 **Payment of Purchase Price**: The Purchaser shall satisfy payment of the Purchase Price at the Closing Time by delivering to the Vendor the Note and the Royalty Agreement.

Section 2.03 **Allocation of Purchase Price**: The Purchase Price shall be allocated between the Patent Rights and the Royalty Agreement as set out in schedule B hereto, and the Vendor and the Purchaser agree to report the purchase and sale of the Patent Rights and the Royalty in any returns required to be filed under the *Income Tax Act* (Canada) and other taxation statutes in accordance with the provisions of schedule B hereto.

Section 2.04 **Closing**: The Closing shall be completed at the Closing Time at the offices of the Purchaser's legal counsel, Smith Lyons, Suite 5800, Scotia Plaza, 40 King Street West, Toronto, Ontario or at such other place as is agreed upon by the Purchaser and the Vendor.

**ARTICLE THREE
CONDITIONS OF CLOSING**

Section 3.01 **Purchaser's Conditions**: The Purchaser may refuse without liability to complete the purchase of the Patent Rights unless at the Closing Time:

- (a) **Warranties and Covenants**: The Vendor's representations and warranties in Section 4.01 shall be true and correct in all material respects, all covenants to be carried out or to be complied with in all material respects at or before the Closing Time for the benefit of the Purchaser contained in herein shall have been carried out or complied with, and the Vendor shall have delivered to the Purchaser a certificate of a senior officer of the Vendor certifying thereto;
- (b) **Proceedings**: All corporate and other action on the part of the Vendor shall have been taken to authorize the entering into, and the performance of the Vendor's obligations under, this agreement, the Patent Assignment Agreement, the Royalty Agreement and all other agreements contemplated herein and therein, and the Vendor shall have delivered to the Purchaser a certificate of a senior officer of the Vendor certifying thereto;
- (c) **Patent Assignment**: The Vendor shall have executed and delivered to the Purchaser the Patent Assignment Agreement and all other documentation necessary to assign the Patent Rights to the Purchaser, with good and marketable title thereto, free and clear of all Encumbrances;

- (d) **Legal Opinion:** The Purchaser shall have received a favourable legal opinion of legal counsel for the Vendor, addressed to the Purchaser, in form and content satisfactory to the Purchaser's legal counsel, acting reasonably;
- (e) **Consents:** The Purchaser shall have received or reviewed, as applicable, all necessary consents to the assignment of the Patent Rights;
- (f) **Injunctions:** No injunctive proceeding shall have been commenced restricting or prohibiting any transaction contemplated by this Agreement; and
- (g) **Further Documents:** The Vendor shall have executed such further documents as are reasonably requested by the Purchaser to effectively transfer the Patent Rights.

Section 3.02 **Vendor's Conditions:** The Vendor may refuse without liability to complete the sale of the Patent Rights unless at the Closing Time:

- (a) **Warranties and Covenants:** The Purchaser's representations and warranties in Section 4.02 shall be true and correct in all material respects, all covenants to be carried out or complied with at or before the Closing Time contained herein for the benefit of the Vendor shall be carried out or complied with in all material respects, and the Purchaser shall have delivered to the Vendor a certificate of a senior officer of the Purchaser certifying thereto;
- (b) **Proceedings:** All corporate and other action on the part of the Purchaser shall have been taken to authorize the entering into, and performance of the Purchaser's obligations under this Agreement, the Patent Assignment Agreement and the Royalty Agreement and the agreements contemplated herein and therein;
- (c) **Consents:** The Vendor shall have received or reviewed, as applicable, all consents necessary for the completion of the transactions contemplated herein;
- (d) **Injunctions:** No injunctive proceeding shall have been commenced restricting or prohibiting any transaction contemplated by this agreement;
- (e) **Purchase Price:** The Vendor shall have received the Note and the Royalty Agreement;
- (f) **Legal Opinion:** The Vendor shall have received a favourable legal opinion of legal counsel for the Purchaser, in form and content satisfactory to the Vendor's legal counsel, acting reasonably.

Section 3.03 **Waiver:** If any condition referred to in this Article Three is not fulfilled or performed, the party in whose favour such condition is made may rescind this Agreement by notice to the other party and in such event the rescinding party shall be released from all obligations and liabilities arising pursuant hereto. Any one or more of such conditions may be waived in whole or in part by the party in whose favour the condition exists, without prejudice to the waiving party's right of rescission in the event of the non-fulfilment of any other condition or

part thereof, or of any other remedy that such party may have as a result of any other conditions not being fulfilled.

ARTICLE FOUR REPRESENTATIONS AND WARRANTIES

Section 4.01 **Representations and Warranties of the Vendor:** The Vendor hereby makes the following representations and warranties to the Purchaser and acknowledges that the Purchaser is relying upon such representations and warranties in agreeing to enter into and consummate the transactions contemplated by this Agreement:

- (a) **Status:** The Vendor is a corporation duly continued and validly subsisting and in good standing under the laws of the Province of Ontario;
- (b) **Corporate Capacity:** The Vendor has all necessary corporate power, authority and capacity to own the Patent Rights and to enter into and carry out the transactions contemplated by this Agreement.
- (c) **Authorization:** The execution and delivery of this Agreement and each of the other Documents and the consummation of the transactions contemplated herein and therein have been duly authorized by all necessary corporate proceedings of the Vendor;
- (d) **Conflicts:** Neither the execution of this Agreement, any of the other Documents, nor the consummation of the transactions contemplated herein and therein, violates, conflicts with or results in, or will violate, conflict with or result in, a breach by the Vendor of the terms, conditions or provisions, as applicable, of its articles or other charter documents or by-laws or of any deed of trust, debt instrument or any other agreement to which it is a party or by which it is bound, or any applicable law, regulation, by-law, ordinance or order of any jurisdiction applicable to the Vendor;
- (e) **Description of Patent Rights:** The Patent Rights are fully and accurately disclosed on schedule A to this Agreement and the Vendor does not own or use any other patents or other intellectual property rights pertaining to the Product.
- (f) **Title to Patent Rights:** At the Closing Time, the Vendor shall own, possess and have a good title to the Patent Rights free and clear of any Encumbrances, and shall have the full right to assign and sell such Patent Rights to the Purchaser, and at the Closing Time the Purchaser shall acquire good and marketable title to the Patent Rights free and clear of any Encumbrances;
- (g) **Infringement:** To the best of the knowledge of the Vendor, the Patent Rights do not infringe upon or interfere with any patents, patent applications or other intellectual property rights of any other person and do not include any activity which does or may constitute passing off and there is no claim pending or

threatened by any person that relates to all or any part of the Patent Rights, including without limitation any pending or threatened claim relating to infringement or interference or otherwise alleging that all or any part of the Patent Rights are or may be, invalid or unenforceable;

- (h) **Binding Obligation:** This Agreement constitutes a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium, reorganization and other laws relating to or affecting the enforcement of creditors' rights generally, and (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court;
- (i) **No Other Purchase Agreements:** No person other than the Purchaser has any direct or indirect agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment, for the purchase or other acquisition from the Vendor of all or any part of the Patent Rights, or any rights or interest therein whatsoever;
- (j) **Third Party Approvals:** There are no approvals, consents or waivers required to be obtained, or applications required to be filed, from or with governmental authorities or any other person in order to permit the transactions contemplated herein;

Section 4.02 **Representations and Warranties of the Purchaser:** The Purchaser makes the following representations and warranties in favour of the Vendor and acknowledges that the Vendor is relying upon such representations and warranties in agreeing to sell the Patent Rights to the Purchaser:

- (a) **Status:** The Purchaser is a corporation that has been incorporated and has not been dissolved under the laws of the Province of Ontario;
- (b) **Corporate Capacity:** The Purchaser has all necessary corporate power, authority and capacity to enter into and carry out the transactions contemplated by this Agreement and the other Documents.
- (c) **Authorization:** The execution and delivery of this Agreement and the other Documents and the consummation of the transactions contemplated herein and therein have been duly authorized by all necessary corporate proceedings by the Purchaser;
- (d) **Binding Obligation:** This Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium, reorganization and other laws relating to or affecting the enforcement of creditors' rights generally, and (ii) the fact that equitable remedies, including the remedies

6

of specific performance and injunction, may only be granted in the discretion of a court;

- (e) **Conflicts:** Neither the execution of this Agreement or any other Document, nor the consummation of the transactions contemplated herein or therein, violates, conflicts with or results in, or will violate, conflict with or result in, a breach by the Purchaser of the terms, conditions or provisions, as applicable, of its articles or other charter documents or by-laws or of any deed of trust, debt instrument or any other material agreement to which it is a party or by which it is bound, or any applicable law, regulation, by-law, ordinance or order of any jurisdiction applicable to the Purchaser.

Section 4.03 **Warranties True at Closing:** The representations and warranties contained in Section 4.01 and Section 4.02 hereof and in any certificate or document delivered in connection with the transaction contemplated herein shall be true at the Closing Time as if such representations and warranties were made as of the Closing Time and shall survive for a period of two years after the Closing Date; provided, however, that any representation and warranty made by the Vendor, which is based upon or relates to the title to the Patent Rights shall continue in full force and effect for the benefit of the Purchaser for a period of ten years, and any claim for indemnity made by the Purchaser pursuant to Section 5.02 which is based upon or relates to the title to the Patent Rights or which is based upon intentional misrepresentation or fraud by the Vendor may be made or brought by the Purchaser at any time.

ARTICLE FIVE INDEMNITIES

Section 5.01 **Indemnity by Vendor:** The Vendor shall be responsible for and shall indemnify and save the Purchaser harmless from and against all losses, debts (including reasonable legal fees) and liabilities arising from:

- (a) all misrepresentations or material omissions from any certificate, instrument or schedule prepared by or on behalf of the Vendor and delivered to the Purchaser pursuant to this Agreement;
- (b) all breaches of warranty, covenant or agreement by the Vendor made or contained in this Agreement or the other agreements provided for herein;
- (c) all claims relating to or affecting the Patent Rights that relate to circumstances or events that arose prior to the Closing Time;
- (d) all claims made against the Purchaser for brokerage commission or finders' fees that may be made by any person who has been engaged or has alleged to have been engaged by the Vendor in connection with this transaction.

Section 5.02 **Indemnity by Purchaser:** The Purchaser shall be responsible for and shall indemnify and save the Vendor harmless with respect to all Claims arising from:

- (a) all misrepresentations or material omissions from any certificate, instrument or schedule prepared by or on behalf of the Purchaser and delivered to the Vendor pursuant to this Agreement;
- (b) all breaches of warranty, covenant or agreement by the Purchaser made or contained in this Agreement or the other agreements provided for herein;
- (c) all claims relating to or affecting the Patent Rights that relate to circumstances or events that arose after the Closing Time;
- (d) all claims made against the Vendor for brokerage commission or finders' fees that may be made by any person who has been engaged or has alleged to have been engaged by the Purchaser in connection with this transaction.

ARTICLE SIX

ADDITIONAL COVENANTS

Section 6.01 **Confidentiality**: At all time after the date hereof, the Vendor shall keep confidential all information and documents which relate to the Patent Rights and to the business and affairs of the Purchaser, except for such information and documents as are available to the public through no wrongful disclosure by the Vendor and except to the extent that any such information or document is required to be disclosed by applicable law.

Section 6.02 **Transfer of Patent Rights**: All right, title and interest in and to the Patent Rights shall be transferred to the Purchaser at the Closing Time.

Section 6.03 **Dividends and Other Distributions to Shareholders**: The Purchaser shall not pay any cash dividends or other cash distributions to any of its shareholders in respect of their shares of the Purchaser, at any time prior to the payment in full by the Purchaser to the Vendor of all amounts owing under the Note.

Section 6.04 **Third Parties**: From the date hereof until the Closing Time or July 31, 2000, whichever is earlier, the Vendor agrees that it will not engage in any discussions or negotiations with any third party with respect to the sale or disposition of the Patent Right or the sale of the shares of the Vendor.

Section 6.05 **Expenses**: Except as otherwise provided herein, the Purchaser and the Vendor shall bear their own expenses incurred in connection with this Agreement and the transactions contemplated herein.

Section 6.06 **Termination**: This Agreement may be terminated at any time prior to the Closing Date by the mutual consent of the Purchaser and the Vendor. If the transactions contemplated by this Agreement are not closed on or before July 31, 2000 through no fault of either party, then this Agreement and the rights and obligations of the parties hereunder shall terminate unless otherwise agreed, except the obligations pursuant to Section 5.01(d) and Section 6.05.

Section 6.07 **Currency**: All amounts referred to herein shall be deemed to be expressed in United States of America dollar amounts, unless otherwise indicated.

Section 6.08 **Further Assurances**: The parties shall execute and deliver such further documents and instruments and do all such acts and things as may be reasonably necessary or requisite to carry out the full intent and meaning of this Agreement and to effect the transaction contemplated herein.

Section 6.09 **Governing Law**: This Agreement shall be governed by and construed in accordance with the laws of Ontario and the parties hereto hereby irrevocably attorn to the exclusive jurisdiction of the courts of Ontario.

Section 6.10 **Entire Agreement**: This Agreement, together with the agreements and other documents to be delivered pursuant hereto, contains the entire agreement of the parties hereto and supersedes all prior agreements and understandings, negotiations and discussions, whether oral or written, between the parties hereto or their respective representatives with respect to the matters herein and shall not be modified or amended except by written agreement signed by the parties to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provisions nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 6.11 **Time of the Essence**: Time shall be of the essence of this Agreement.

Section 6.12 **Notices**: All notices, requests, demands or other communications required to be given or made hereunder shall be in writing and shall be deemed to be well and sufficiently given if hand delivered or sent by prepaid courier or by means of printed electronic or printed telephonic communication:

if to the Vendor:

GSP co. inc.
4394 Heatly Drive
Delaware, Ontario
N0L 1E0

Attention: T. George Lloyd

with a copy to:

Jean Apthorp
649 Winblest Avenue
London, Ontario
N6C 3C6

Telecopier: (519) 652-2854

and with a copy to:

McCarthy Tetrault
Suite 2000
One London Place
255 Queens Avenue
London, Ontario
N6A 5R8

Attention: F. Glenn Jones

Telecopier: (514) 660-3599

if to the Purchaser:

1398869 Ontario Limited
9 Regency Court
Bradford, Ontario
L3Z 2P9

Attention: Christopher R. Hudson

Telecopier: (905) 778-9084

with a copy to:

Smith Lyons
Suite 5800, Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Z7

Attention: Elizabeth Breen

Telecopier: (416) 369-7250

Such notice shall be deemed to have been given on the date of delivery or transmission. Any party may change its address for notice by written communication, mailed or delivered as aforesaid.

Section 6.13 **Partial Invalidity:** In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated herein to be unreasonable.

Section 6.14 **Execution in Counterparts:** This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement, and shall become a binding agreement when one or more counterparts have been signed by each of the parties and delivered to each of the other parties.

Section 6.15 **Article and Section Headings:** The Article and Section headings contained herein are included for convenience of reference only, are not intended to be full or accurate descriptions of the content thereof and shall not be considered to be part of this Agreement.

Section 6.16 **Accounting Terms:** All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Canadian generally accepted accounting principles, and all financial information disclosed to a party pursuant to this Agreement shall be prepared in accordance with generally accepted accounting principles.

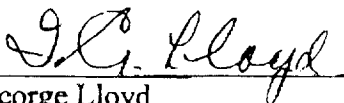
Section 6.17 **Tender:** Any tender of documents or money hereunder may be made upon the parties or their respective counsel and money may be tendered by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque or by wire transfer payable in US funds and certified by a Canadian chartered bank or trust company.

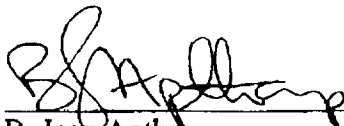
Section 6.18 **Successors and Assigns:** This Agreement shall be binding upon the Vendor and its successors and assigns and shall enure to the benefit of the Vendor and its successors and permitted assigns. This Agreement shall be binding upon the Purchaser and its successors and assigns. The Vendor shall not assign all or any part of its rights and obligations pursuant to this Agreement and the other Documents without the prior written consent of the Purchaser, which may be withheld for any reason whatsoever.

Section 6.19 **Gender and Number:** In this Agreement, words importing the singular include the plural and vice versa, and words importing one gender include other genders, as the context requires.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement, by the hands of their respective officers duly authorized in that behalf, on the day and year first above written.

GSP co. inc.

By: 
T. George Lloyd
President and Director

By: 
B. Jean Apthorp
Shareholder

By: Anita M. Lloyd
Anita M. Lloyd
Shareholder

By: Mark A. Apthorp
Mark Apthorp
General Manager and Director

By: Robert G. Crampton
Robert G. Crampton
Secretary-Treasurer and Director

1398869 ONTARIO LIMITED

By: Christopher R. Hudson
Christopher R. Hudson

SCHEDULE A

PATENT RIGHTS

US Patent No. 5,897,441 issued April 27, 1999, entitled "Golf Swing Practice Device", together with all right, title and interest in and to patents which may be granted pursuant thereto, and including all its right, title and interest in Canada in and to the invention disclosed in a patent application relating to, and entitled "Golf Swing Practice Device", the Canadian patent application corresponding to PCT patent application serial no. PCT/CA98/01205 filed December 30, 1998 and any further patent that may or has been granted therefor and all other rights worldwide relating thereto.

SCHEDULE B

ALLOCATION OF PURCHASE PRICE

14

UNITED STATES PATENT OFFICE

ASSIGNMENT

This assignment is made between

- (1) GSP Co. Inc., having a business at 4394 Heatly Drive,
Delaware, Ontario, Canada NOL 1E0; and
- (2) 1398869 Ontario Limited, having a business at 9 Regency Court,
Bradford, Ontario, Canada L3Z 2P9

GSP Co. Inc. hereby assigns to 1398869 Ontario Limited, its entire right, title and interest in and to United States Patent No. 5,897,441 issued April 27, 1999, entitled "Golf Swing Practice Device", together with its entire right, title and interest in and to any patents which may be granted pursuant thereto, the same to be held and enjoyed by 1398869 Ontario Limited to the full end of term for which the said Letters Patent are granted, as fully and entirely as the same could have been held and enjoyed by GSP Co. Inc. if this assignment had not been made.

Executed in the city of LONDON, Ontario, Canada
 this 20th day of March, 2000.

For and on behalf of GSP Co. Inc.

George Lloyd
 Name: George Lloyd
 Title: President

March 20, 2000
 Date: