

MEMO
4-27-99

05-12-1999



101035505

Docket No.:

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please receive the attached original documents or copy thereof.

1. Name of conveying party(ies):

Fitness Acquisitions, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

Additional names(s) of conveying party(ies) Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 4/16/99

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

Name: Congress Financial Corporation (New England)

Internal Address:

Street Address: One Post Office Square

City: Boston State: MA ZIP: 02109

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, domestic designation is Yes No
(Designations must be a separate document from Additional name(s) & address(es) Yes No

TRADEMARK RECEIVED
US PATENT & TRADEMARK OFFICE
APR 27 1999 1:20 P

4. Application number(s) or registration numbers(s):

A. Trademark Application No.(s)

See attached Schedule A

B. Trademark Registration No.(s)

See attached Schedule A

Additional numbers Yes No

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

Name: Andrew P. Strehle, Esquire

Internal Address: BROWN, RUDNICK, FREED & GESMER, P.C.

Street Address: One Financial Center

City: Boston State: MA ZIP: 02111

6. Total number of applications and registrations involved:.....

80

7. Total fee (37 CFR 3.41):.....\$ 2,015.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:



04-27-1999

U.S. Patent & TMO/TM Mail Rcpt Dt. #11

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05/11/1999 DNGUYEN 00000176 73616423

01 FC:481 40.00 DP
02 FC:482 1975.00 DP

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.

Andrew P. Strehle

4/21/99

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and

TRADEMARK

REEL: 001901 FRAME: 0829

SCHEDULE A

Mark

Application Number

Registration Number

#805734 v1 - STREHLAP - H9P\$011.DOC - 15906/7

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TRADEMARK DOCKET OF CSA, INC.

April 6, 1999

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Docket	Mark	Country	Filing Date	Serial No	Reg. Date	Reg. No	Goods/Services	Status
36573	AIR CLOUD	US	08/25/86	73/616423	06/02/87	1,441,228	inflatable mattress	Registered
36604	PUFFIN PRODUCTS	US	03/23/87	73/650935	06/28/88	1,494,122	inflatable boats; inflatable air mattresses for recreational purposes	Registered
36605	PUFFIN AND DESIGN	US	03/23/87	73/650957	01/05/88	1,471,374	inflatable boats; inflatable air mattresses for recreational purposes	Registered
36606	CANDYMAT	US	03/23/87	73/650970	12/29/87	1,470,762	inflatable air mattresses for recreational purposes	Registered
36740	OMNIBAG	US	01/07/81	73/292097	09/14/82	1,208,368	an imported leather bag to be used as a combination briefcase, portfolio, and pocketbook	Registered
36841	ALPINE CLIMBER	US	03/27/89	73/789439	12/12/89	1,571,101	exercise equipment, namely; resistance type exercise equipment	Registered
36848	CSA	US	06/09/89	73/805613	11/20/90	1,623,531	20 - inflatable mattresses for camping 28 - exercise equipment, namely, fitness machines, and inflatable mattresses for recreation	Registered
36870	AIR CLOUD	TAIWAN	10/09/89	(78) 045888	04/01/90	480890	inflatable mattress	Registered
36871	PUFFIN	TAIWAN	10/09/89	(78) 045889	04/01/90	480891	inflatable boats and mattresses, for recreational...	Registered
36872	ALPINE CLIMBER	TAIWAN	10/09/89	(78) 045890	04/01/90	480892	exercise equipment	Registered
36875A	CSA	TAIWAN	10/09/89	78/045887	04/01/90	480889	inflatable boats, inflatable mattress, exercise equip	Registered
36875B	CSA	TAIWAN	10/09/89	78045886	05/01/90	483094	back packs, duffel bags, travel bags and sport bags	Registered
36928	THE LUMBAR JACK	TAIWAN	03/08/90	(79) 9597	02/15/91	514868	exercise equipment	Registered
36929	X-COUNTRY CHALLENGE	TAIWAN	03/26/90	(79) 12638	12/01/90	507391	computers	Registered
36930	CYCLE CHALLENGE	TAIWAN	03/26/90	(79) 12639	12/01/90	507413	computer for exercise equipment	Registered
36950	EXERSYSTEM AND DESIGN	US	03/19/90	74/039440	01/15/91	1,631,728	exercise equipment; namely, exercise apparatus simulating stair climbing, exercise apparatus simulating cross-country skiing, stationary exercise cycle, and weight benches	Registered
37012	CSA AND DESIGN	US	10/29/90	74/110117	10/06/92	1,721,949	20-inflatable mattresses for camping 28-inflatable mattresses for recreation and exercise equipment; namely	Registered

TRADEMARK

REEL: 001901 FRAME: 0831

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37027	CSA AND DESIGN	CANADA	12/07/90	672097	08/26/94	432145	exercise apparatus simulating stair climbing, exercise equipment simulating cross-country skiing, stationary exercise cycle, exercise apparatus simulating rowing and weight benches	Registered
37030	ALPINE TRACKER	CANADA	12/07/90	672024	12/11/92	406103	back packs, duffel bags, tote bags, all-purpose sport bags, and travel bags; inflatable mattresses for camping; exercise equipment namely, steppers, cycles, upright skiers, trackers; inflatable mattresses for recreation	Registered
37031	ALPINE CLIMBER	CANADA	07/12/90	672022	03/26/93	TMA410,008	exercise apparatus; stair climbing stimulator	Registered
37033	ALPINE TRAINER	CANADA	07/12/90	672072	01/22/93	407104	resistance type exercise equipment, namely, exercise equipment simulating stair climbing and cross-country skiing	Registered
37034	MOUNTAIN CHALLENGE	CANADA	07/12/90	672074	05/08/92	398060	computers sold as an integral component of exercise equipment	Registered
37035	CYCLE CHALLENGE	CANADA	07/12/90	672075	05/29/92	398749	computer sold as an integral component of exercise equipment	Registered
37036	X-COUNTRY CHALLENGE	CANADA	07/12/90	672073	09/18/92	402825	computer sold as an integral component of exercise equipment	Registered
37061	ROWER CHALLENGE	US	03/22/91	74/150056	06/08/93	1,775,324	computer sold as an integral component of exercise equipment	Registered
37075	POWER STATION	US	05/06/91	74/164062	12/13/94	1,867,705	exercise equipment; namely, weight benches, curl boards, crunch boards and slant boards	Registered
37080	ALPINE ROMER	CANADA	05/30/91	683267	09/17/93	TMA416,926	exercise equipment, namely; exercise equipment that simulates rowing	Registered
37081	ROWER CHALLENGE	CANADA	05/30/91	683269	10/20/95	448967	Exercise equipment, namely; computer sold as an integral component of exercise equipment	Registered
37082	ALPINE CYCLE	CANADA	05/30/91	683268	12/24/93	421387	exercise equipment; namely stationary exercise bicycles	Registered
37155	GET ON THE RIGHT TRACKER	US	03/04/92	74/253894	08/17/93	1,788,598	wholesale distributorship services in the field of exercise equipment	Registered
37247	SPRING DREAMS	US	09/02/92	74/310156	11/02/93	1,802,858	inflatable air beds and air mattresses for recreational use	Registered
37286	MINI-MAX	US	01/19/93	74/349647	02/15/94	1,822,064	resistance exercise equipment	Registered

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Docket	Mark	Country	Filing Date	Serial No	Reg. Date	Reg. No	Goods/Services	Status
37307	ALPINE	US	03/29/93	74/372506	12/14/93	1,810,908	manually operated exercise equipment	Registered
37325	ALPINE XC SKIER	US	06/08/93	74/399447	11/29/94	1,865,339	manually operated exercise equipment	Registered
37327	ALPINE XC SKIER	CANADA	06/25/93	731850	11/11/94	435365	exercise apparatus, namely skiing simulator	Registered
37328	ALPINE	CANADA	07/29/93	TMO 733,919	02/23/96	TMA 454568	manually operated resistance exercise equipment, namely, stair climbers, steppers, skiers, rowers, stationary bicycles and treadmills	Registered
37329	EXERSOUND	US	06/07/93	74/398502	12/27/94	1,870,678	manually operated exercise equipment	Registered
37358	POWER TOWER	US	10/18/93	74/447847	08/23/94	1,850,793	manually operated exercise equipment	Registered
37376	MINI-MAX	CANADA	01/05/94	744684	02/02/96	453,366	resistance exercise equipment, namely, portable resistance type exerciser and training bench	Registered
37377	MINI-MAX	UK	01/04/94	1557922	01/04/94	1557922	exercise apparatus; resistance exercise apparatus; body building apparatus; body-training apparatus; dumb-bells; exercisers; exercise bicycles; appliances for gymnastics; parts and fittings for all the aforesaid goods	Registered
37379	RECUMBIKE	US	12/21/93	74/473016	07/04/95	1,903,667	manually operated exercise equipment	Registered
37419	RECUMBIKE	CANADA	05/25/94	755538	10/20/95	449115	Manually operated exercise equipment, namely, stationary bicycles	Registered
37434	ROMMAX	US	05/31/94	74/531281	01/09/96	1,947,618	manually operated exercise equipment	Registered
37499	E-FORCE	US	01/10/95	74/619646	01/20/98	2,129,681	manually operated exercise equipment	Registered
37515	QUATTRO	US	12/29/94	74/616400	10/29/96	2,012,609	weight benches	Registered
37540	AUTOGLIDE	US	05/11/95	74/672360			bicycles, bicycle parts, components and accessories, namely, transmissions	Allowed
37547	CSA	US	06/05/95	74/684186	04/30/96	1,971,422	wholesale distributorships featuring exercise equipment, namely manually operated exercise equipment, weight lifting exercise equipment and accessories; bicycles and air mattresses	Registered

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37548	CSA AND DESIGN	US	06/05/95	74/684192	05/28/96	1,976,535	wholesale distributorships featuring exercise equipment, namely manually operated and weight lifting exercise equipment and accessories, bicycles and air mattresses	Registered
37556	KEEPING THE WORLD IN MOTION	US	06/19/95	74/690697	05/20/97	2,062,564	wholesale distributorships featuring exercise equipment, namely, manually operated resistance exercise equipment, wholesale distributorships featuring weight lifting exercise equipment and accessories; wholesale distributorships featuring bicycles; and wholesale distributorships featuring air mattresses	Registered
37567	METROPOLITAN	US	07/13/95	74/702718	03/18/97	2,046,585	bicycles	Registered
37568	E-FORCE	UK	07/07/95	2026276	07/07/95	2026276	Gymnastic articles; manually operated exercise equipment; parts and fittings for all the aforesaid goods	Registered
37569	E-FORCE	GERMANY	07/10/95	395 28 272.1	06/20/96	395 28 272	manually operated exercise equipment	Registered
37570	E-FORCE	BENELUX	07/07/95	851562	07/07/95	583105	Games and playthings; gymnastic and sporting articles not included in other classes; manually operated exercise equipment	Registered
37574	CSA AND DESIGN	GERMANY	07/27/95	395 30 894.1	07/22/96	395 30 894	apparatuses for physical exercising and physical training, parts of the apparatuses mentioned before; bicycles; inflatable mattresses	Registered
37575	CSA AND DESIGN	BENELUX	07/24/95	852499	07/24/95	578373	exercise equipment; professional advise with respect to the purchase of exercise equipment	Registered
37577	MINI-MAX	GERMANY	07/24/95	395 30 327.3	07/22/96	395 30 327	exercise goods for power training purposes; sporting goods for power training purposes	Registered
37585	CYCLETRON	US	08/10/95	74/713884	01/07/97	2,029,335	Bicycle exercise stand for the purpose of using a bicycle as a stationary exerciser	Registered
37619	STRATO WALKER	US	12/18/95	75/033520			manually operated exercise equipment	Allowed
37621	HEALTH RUNNER	US	12/22/95	75/035687	07/14/98	2,173,379	exercise machines	Registered
37623	HEALTHFIT	US	01/18/96	75/045285			exercise machines	Published

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37627	MILLENNIA	US	01/25/96	75/048518	06/10/97	2,070,818	weight lifting exercise machines	Registered
37628	ABTNER	US	01/25/96	75/048520	11/11/97	2,113,142	manually operated resistance exerciser	Registered
37657	ABMAX	US	07/17/96	75/135410	08/12/97	2,087,467	manually operated exercise equipment, namely, an abdominal exercise device	Registered
37661	HEALTHFIT	EC	07/12/96	000288589	03/02/99	000288589	exercise equipment, namely: treadmills	Registered
37662	HEALTHFIT	CANADA	07/18/96	TMO 818,303				Allowed
37690	STOWAWAY	US	11/20/96	75/200752	07/14/98	2,173,811	exercise equipment, namely, weight lifting machines; weight lifting benches and bench accessories	Registered
37691	POWERPAGE	US	11/20/96	75/200753	08/04/98	2,179,375	exercise equipment, namely, weight lifting machines; weight lifting benches and bench accessories	Registered
37693	T-REX	US	11/20/96	75/200755	07/14/98	2,173,812	exercise equipment, namely, weight lifting machines; weight lifting benches and bench accessories	Registered
37694	HIGHROLLER	US	11/20/96	75/200756	06/30/98	2,170,335	exercise equipment, namely, weight lifting machines; weight lifting benches and bench accessories	Registered
37695	VERSABENCH	US	11/20/96	75/200757			exercise equipment, namely, weight lifting machines; weight lifting benches and bench accessories	Allowed
37696	COMPETITOR	US	11/20/96	75/200751	12/09/97	2,119,634	exercise equipment, namely, weight lifting machines; weight lifting benches	Registered
37697	DYNAMAX	US	11/20/96	75/201245	08/11/98	2,181,353	exercise equipment, namely, weight lifting machines; weight lifting benches and bench accessories	Registered
37729	AUTOTRIKE	US	06/11/97	75/306919			tricycles	Allowed
37741	BODY BEAUTIFUL	US	09/25/97	75/362977			exercise machines and manually operated exercise equipment	Allowed
37749	HEALTHGYM	US	01/14/98	75/417981			manually operated exercise equipment	Allowed
CSA-100	CSA AND DESIGN	UK	10/31/94		10/31/94	B1523462	sportswear; leisure wear; footwear; arm bands; wrist bands; head bands	Registered

TRADEMARK

REEL: 001901 FRAME: 0835

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CSA-200	CSA AND DESIGN	UK	01/07/93		01/07/93	B1523463	gymnastic and sporting articles; exercise apparatus and devices; bags adapted for carrying sports articles; parts and fittings for all the aforesaid goods	Registered
CSA-300	CSA AND DESIGN	UK	01/07/93		01/07/93	B1523461	furniture; beds; airbeds; camp beds; mattresses, bedding; pillows, cushions; sleeping bags; parts and fitting for all in the aforesaid goods	Registered

37751 HEALTH CYCLE License agreement with Battle Creek Equipment Company Exercise bicycle

TRADEMARK SECURITY AGREEMENT

AGREEMENT dated as of April 16, 1999 made by Fitness Acquisitions, Inc., a Massachusetts corporation with chief executive office at 131 Clarendon Street, Boston, Massachusetts 02116 ("Borrower"), in favor of Congress Financial Corporation (New England), a Massachusetts corporation with a place of business at One Post Office Square, Boston, Massachusetts 02109, and its successors, assigns, and other legal representatives ("Secured Party").

W I T N E S S E T H:

WHEREAS, Borrower and Secured Party are parties to a Loan and Security Agreement, dated as of the date hereof (as further amended, modified or supplemented from time to time, the "Loan Agreement"), and certain supplements, agreements and instruments entered into pursuant thereto as such may be amended, modified or supplemented from time to time (collectively, with the Loan Agreement, the "Loan Documents"), pursuant to which Secured Party may make certain loans and credit accommodations to Borrower; and

WHEREAS, Secured Party's willingness to enter into the First Amendment to the Loan Agreement and make the loans and credit accommodations available thereunder is subject to the condition, among others, that Borrower execute and deliver this Trademark Collateral Assignment and Security Agreement;

NOW, THEREFORE, in consideration of the premises and for one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in addition to, and not in limitation of, any rights of the Secured Party under the Loan Documents, Borrower hereby agrees for the benefit of Secured Party as follows:

1. DEFINITIONS.

1.1 All capitalized terms used herein shall have the respective meanings provided therefor in the Loan Documents. In addition, the following terms shall have the meanings set forth in this Section 1 or elsewhere in this Security Agreement referred to below:

"Associated Goodwill" shall mean all goodwill of the Borrower or its business, products and services appurtenant to, associated with or symbolized by the Trademarks and/or the use thereof.

"Code" shall mean the Uniform Commercial Code, as adopted by the Commonwealth of Massachusetts.

"Proceeds" shall mean any consideration received from the sale, exchange, license, lease or other transfer or disposition of any right, interest, asset or property which constitutes Trademark Collateral, any value received as a consequence of the ownership,

possession, or use of any Trademark Collateral, and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes Trademark Collateral.

“PTO” shall mean the United States Patent and Trademark Office.

“Related Assets” shall mean all assets, rights and interests of the Borrower which uniquely reflect or embody the Associated Goodwill, including but not limited to the following: all patents, inventions, copyrights, trade secrets, confidential information, formulae, algorithms, methods, processes, compounds, know-how, operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision, licensing and sale of goods or services under or in association with any of the Trademarks, and all books and records describing or used in connection with any or all of the foregoing.

“Trademarks” shall mean all of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and/or other source and/or product or service identifiers, and general intangibles of like nature, used or associated with or appurtenant to the products, services and business of the Borrower, which (i) are set forth on Schedule A attached hereto, or (ii) have been adopted, acquired, owned, held or used by the Borrower and are now owned, held or used by the Borrower, in the Borrower's business, or with the Borrower's products and services, or in which the Borrower has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and/or used by the Borrower in the Borrower's business or with the Borrower's products and services, or in which the Borrower in the future acquires any right, title or interest.

“Trademark Collateral” shall mean all of the Borrower's right, title and interest (to the extent Borrower has any such right, title or interest) in and to all of the Trademarks, the Trademark Registrations, the Trademark Rights, the Associated Goodwill, the Related Assets, and all additions, improvements and accessions to, substitutions for, replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing.

“Trademark Registrations” shall mean all past, present or future federal, state, local and foreign registrations of the Trademarks (and all renewals and extensions of such registrations), all past, present and future applications for any such registrations of the Trademarks (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Borrower or the Secured Party, and to take any and all actions necessary or appropriate to maintain such registrations in effect and/or renew and extend such registrations.

“Trademark Rights” shall mean any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including but not limited to the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Borrower or the Secured Party for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury.

“Use” of any Trademark shall include all uses of such Trademark by, for or in connection with the Borrower or its business or for the direct or indirect benefit of the Borrower or its business, including but not limited to all such uses by the Borrower itself, by any of the affiliates of the Borrower, or by any licensee or contractor of the Borrower.

2. GRANT OF SECURITY; COLLATERAL ASSIGNMENT.

2.1 Grant of Security Interest. As collateral security for the complete and timely payment, performance and satisfaction of all Obligations, the Borrower hereby unconditionally grants to the Secured Party, a continuing security interest in and first priority lien on the Trademark Collateral, and pledges, mortgages and hypothecates (but does not transfer title to) the Trademark Collateral to the Secured Party.

2.2 Collateral Assignment.

(a) In addition to, and not by way of limitation of, the grant, pledge, mortgage and hypothecation of the Trademark Collateral provided in Section 2.1, the Borrower hereby grants, assigns, transfers, conveys and sets over to the Secured Party, its entire right, title and interest in and to the Trademark Collateral, including, without limitation, as provided under an Assignment of Interest in Trademarks and Trademark Applications in the form of Exhibit 1 hereto; provided, however, that such grant, assignment, transfer and conveyance shall be and become of force and effect only at the election of the Secured Party upon or following an Event of Default under the Loan Documents. The foregoing grant, assignment, transfer and conveyance shall be referred to from time to time herein as the “Section 2.2 Assignment.”

(b) The Borrower acknowledges and agrees that, upon the effectiveness of the Section 2.2 Assignment, the Secured Party shall have the cumulative rights in and to the Trademark Collateral as are provided in this Security Agreement and in the other Loan Documents.

2.3 Supplemental to Loan Documents. The parties expressly acknowledge to the Secured Party and agree that on the date of this Security Agreement the Borrower delivered the Loan Documents pursuant to which the Borrower unconditionally granted to the Secured Party, a continuing security interest in and first priority lien on the Collateral (including the

Trademark Collateral). In no event shall this Security Agreement, the Section 2.2 Assignment of the Trademark Collateral hereunder, or the recordation of this Security Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Loan Documents, the security interest of the Secured Party in the Collateral (including the Trademark Collateral) pursuant to the Loan Documents, the attachment and perfection of such security interest under the Code, or the present or future rights and interests of the Secured Party in and to the Collateral under or in connection with the Loan Documents, this Security Agreement and/or the Code. Any and all rights and interests of the Secured Party in and to the Trademark Collateral (and any and all obligations of the Borrower with respect to the Trademark Collateral) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Secured Party (and the obligations of the Borrower) in, to or with respect to the Collateral (including the Trademark Collateral) provided in or arising under or in connection with the other Loan Documents.

2.4 Effect of Section 2.2 Assignment. Upon the effectiveness of the Section 2.2 Assignment, the Secured Party shall own the entire right, title and interest in and to the Trademark Collateral, free and clear of any lien, charge, encumbrance or claim of the Borrower or any other party (other than ownership and other rights reserved by owners of Licensed Trademarks or other Trademark Collateral licensed to the Borrower). Upon such effectiveness, in addition to all other rights and remedies of the Secured Party, whether under law, the Loan Documents or otherwise (all such rights and remedies being cumulative, not exclusive, and enforceable alternatively, successively or concurrently, without notice to or consent by the Borrower except as expressly provided otherwise herein), the Secured Party's rights and remedies with respect to the Trademark Collateral, shall include but not be limited to the following, without payment of royalty or compensation of any kind to the Borrower except as expressly provided otherwise herein:

(a) The Secured Party may exercise, in respect of the Trademark Collateral, all the rights and remedies of a secured party upon default under the Uniform Commercial Code (whether or not such Code applies to the affected Trademark Collateral) or other law applicable to any part of the Trademark Collateral.

(b) The Secured Party may operate the business of the Borrower using the Trademark Collateral.

(c) The Secured Party may, to the same extent that the Borrower has the right to do so immediately prior to the effectiveness of the Section 2.2 Assignment, license or sublicense, whether general, special or otherwise and whether on an exclusive or nonexclusive basis, any of the Trademark Collateral, throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Party shall in its sole discretion determine.

(d) In general, the Secured Party may exercise, in respect of the Trademark Collateral, all rights and remedies provided under the other Loan Documents, or

otherwise including, without limitation, all rights and remedies of a secured party on default under the Code (whether or not the Code applies to the Trademark Collateral).

(e) In addition to the foregoing, in order to implement the assignment, sale, transfer or other disposition of any of the Trademark Collateral, the Secured Party may, pursuant to the authority granted in the power of attorney provided in Section 5 hereof (such authority becoming effective upon the occurrence and during the continuation of an Event of Default), execute and deliver on behalf of the Borrower one or more instruments of assignment of the Trademark Collateral, in form suitable for filing, recording or registration in any jurisdiction or country.

2.4 Effect of Section 2.2 Assignment - Borrower's Obligations.

(a) Upon the effectiveness of the Section 2.2 Assignment provided herein, the Borrower shall have no right, title or interest in or to any of the Trademark Collateral, and the Borrower shall immediately cease and desist in the use of the Trademarks or any colorable imitation thereof, and shall, upon written demand of the Secured Party, deliver to the Secured Party (or the Secured Party's designee) all unused or unsold goods bearing the Trademarks.

(b) In addition, upon the effectiveness of the Section 2.2 Assignment provided herein, upon the written demand of the Secured Party, the Borrower shall execute and deliver to the Secured Party an assignment or assignments of the Trademark Collateral and such other documents as are necessary or appropriate to carry out the intent and purposes of this Security Agreement; provided that the failure of the Borrower to comply with such demand will not impair or affect the validity of the Section 2.2 Assignment. The Borrower agrees that any such assignment (including a Section 2.2 Assignment) and/or any recording thereof shall be applied to reduce the Obligations outstanding only to the extent that the Secured Party actually receives cash proceeds in respect of the assignment, sale, license, transfer or disposition of, or other realization upon, the Trademark Collateral.

(c) In the event of any such license, assignment, sale, transfer or other disposition of the Trademark Collateral, or any of it, after the occurrence and during the continuation of an Event of Default, whether to or by the Secured Party, the Borrower shall supply to the Secured Party (or the Secured Party's designee) the Borrower's know-how and expertise relating to the products and services sold and provided under the Trademarks, and other records relating to the Trademark Collateral and to the production, marketing, delivery and sale of said products and services.

2.5 No Obligations of Secured Party. Nothing herein contained shall be construed as obligating the Secured Party to take any of the foregoing actions at any time.

2.6 Costs and Application of Proceeds. The Borrower agrees to pay when due all costs incurred in any license, assignment, sale, transfer or other disposition of all or any portion of the Trademark Collateral to or by the Secured Party, including any taxes, fees and

reasonable attorneys' fees, and all such costs shall be added to the Obligations. The Secured Party may apply the Proceeds actually received from any such license, assignment, sale, transfer, other disposition or other collection or realization, to the out-of-pocket costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred or paid by the Secured Party in protecting or enforcing its rights upon or under this Security Agreement, the Trademark Collateral, the Collateral or the Obligations, and any proceeds remaining shall be held by the Secured Party as collateral for, and/or then or at any time thereafter applied to the Obligations, in accordance with the Loan Documents; and the Borrower shall remain liable and will pay the Secured Party on demand any deficiency remaining, together with interest thereon at a rate equal to the highest rate then payable on the Obligations and the balance of any expenses unpaid.

2.7 License. In addition to, and not by way of limitation of, all other rights of the Secured Party and obligations of the Borrower pursuant to this Security Agreement and the other Loan Documents, upon the effectuation of a Section 2.2 Assignment, the Secured Party shall hold an exclusive fully paid-up, irrevocable and perpetual, worldwide right and license to make use, practice and sell (or license or otherwise transfer to third persons) the Trademark Collateral, for the exclusive purpose of (and to the extent necessary and sufficient for) the full and complete enjoyment and exercise of and realization upon the rights, remedies and interests of the Secured Party pursuant to this Security Agreement and the other Loan Documents.

3. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to, and covenants and agrees with, Secured Party, as follows:

3.1 Schedules of Trademarks. Set forth on Schedule A hereto is a true and complete list of all present Trademarks and Trademark Registrations of the Borrower. All licenses and other agreements applicable to the Trademarks are the valid and binding obligations of all of the parties thereto, enforceable against each of such parties in accordance with their respective terms (provided that, with respect to any such parties other than the Borrower and its affiliates, such representation and warranty is made to the best of the Borrower's knowledge and belief).

3.2 Title. The Borrower is and will continue to be the sole and exclusive owner of the entire legal and beneficial right, title and interest in and to the Trademarks (except for licenses and rights granted in the ordinary course of business) and sufficient Trademark Collateral to preserve the Borrower's rights in its Trademarks, free and clear of any lien, charge, security interest or other encumbrance, except for the security interest and conditional assignment created by this Security Agreement and the other Loan Documents, and except for liens and encumbrances explicitly permitted pursuant to the Loan Documents. The Borrower will defend its right, title and interests in and to the Trademarks and the Trademark Collateral against any and all claims of any third parties.

3.3 Validity and Enforceability. The Trademarks and the Trademark Registrations and Trademark Rights related thereto are subsisting, and have not been adjudged invalid or unenforceable; all of the Trademarks and the Trademark Registrations and Trademark

Rights related thereto are valid and enforceable; the Borrower has not received any written claim by any third party that any of the Trademarks and the Trademark Registrations and Trademark Rights related thereto are invalid or unenforceable.

3.4 Exclusive Right to Use. To the best of the Borrower's knowledge and belief except as otherwise disclosed on Schedule A, the Borrower has, and shall continue to have, the exclusive right to use all the Trademarks in the manner in which they are now used, with the goods and services with which they are now used (and, in the case of registered Trademarks, for which they are registered), and throughout the geographic areas in which they are now used (and, in the case of registered Trademarks, throughout the jurisdictions in which they are registered), free and clear of any liens, charges, encumbrances, claims or rights of any third party, or restrictions on the rights of the Borrower to protect or enforce any of its Trademark Rights against any third party.

3.5 After-Acquired Trademark Collateral. The Borrower agrees that, upon its commencement of use of or acquisition of any right, title or interest in or to any Trademark, Trademark Registration or Trademark Right other than the Trademarks, Trademark Registrations and Trademark Rights set forth on Schedule A hereto (including any variations or new versions of such scheduled Trademarks, Trademark Registrations and Trademark Rights), or upon commencement of use of any Trademark with (or the addition to any Trademark Registration of) any new class of goods or services, the provisions of this Security Agreement shall automatically apply thereto. The Secured Party shall be authorized to amend Schedule A, as appropriate, to include such additional Trademarks, Trademark Registrations and Trademark Rights, without the necessity for the Borrower's approval of or signature to such amendment, and the Borrower shall do all such other acts (at its own expense) deemed necessary or appropriate by the Secured Party to implement and preserve the Secured Party's interest therein (including but not limited to executing and delivering, and recording in all places where this Security Agreement or notice hereof is recorded, an appropriate counterpart of this Security Agreement). Such additional Trademarks, Trademark Registrations and Trademark Rights shall be automatically included in the "Trademarks," "Trademark Registrations" and "Trademark Rights" as defined herein. Upon the use of a new mark, the Borrower shall provide to the Secured Party a new Schedule A which shall amend, supplement or otherwise modify and update the prior Schedule to the then current date, and such updated Schedule A shall automatically be deemed to be a part of this Security Agreement.

3.6 Maintenance of Trademark Collateral. The Borrower shall take any and all such actions (including but not limited to institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care properly for and enforce the Trademarks and the Trademark Registrations, Trademark Rights and Associated Goodwill relating thereto and sufficient Related Assets to preserve the Borrower's rights in the Trademarks. Without limiting the generality of the foregoing, the Borrower shall pay when due all fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of such Trademark Collateral.

3.7 Manner of Use of Trademarks. Subject to Section 3.8 hereof, the Borrower shall continue to use the Trademarks in its business in the same or similar manner as it has in the past, for registered Trademarks shall continue to use each Trademark in each jurisdiction of registration (and in interstate commerce for federally registered Trademarks in each and every class of goods or services for which it is registered), and in general shall continue to use the Trademarks in each and every class of goods and services applicable to the Borrower's current use of the Trademarks in its business as reflected in its current catalogs, brochures, advertising and price lists, all in order to maintain the Trademarks in full force, free from any claim or risk of abandonment for non-use.

3.8 Trademark Symbols and Notices; No Abandonment. The Borrower has in the past used, and shall in the future use, the Trademarks with the statutory and other appropriate symbols, notices or legends of the registrations and ownership thereof consistent with past practice or as deemed necessary or appropriate by the Borrower in its reasonable judgment. The Borrower shall not abandon any of the Trademarks, Trademark Registrations or Trademark Rights, nor do any act nor omit to do any act if such act or omission is of a character that tends to cause or contribute to the abandonment of any Trademark, Trademark Registration or Trademark Right or loss of or adverse effect on any rights in any Trademark, Trademark Registration or Trademark Right, provided, however, that if Borrower determines, in its reasonable business judgment, that a Trademark or Trademark Registration is no longer used or useful in the Borrower's business, the Borrower may, on prior written notice to Lender, act to abandon such Trademark or Trademark Registration. Prohibited acts of the Borrower shall include but not be limited to "assignments in gross" of any Trademark or the license of any Trademark without both appropriate contractual use and quality control provisions and proper monitoring, supervision and enforcement by the Borrower of the quality of the licensed goods or services. The Borrower shall take all necessary and appropriate actions to insure that none of the Trademarks shall become generic or merely descriptive.

3.9 Enforcement of Licenses. The Borrower shall do all things which are necessary or appropriate to insure that each licensee of any Trademark, in its use of the Trademarks in its business, shall (i) comply fully with all applicable license agreements and (ii) satisfy and perform all the same standards and obligations set forth herein (with respect to the Borrower's use of the Trademarks) as fully as though such standards and obligations were set forth with respect to such licensee's use of the Trademarks.

3.10 No Infringements. To the best of the Borrower's knowledge and belief, there is at present no material infringement or unauthorized or improper use of the Trademarks or the Trademark Registrations or the Trademark Rights related thereto. In the event any such infringement or unauthorized or improper use by any third party has been reasonably established by the Borrower, the Borrower shall promptly notify the Secured Party and shall have the right to sue and recover therefor and to retain any and all damage so recovered or obtained.

3.11 Further Assurances. Without limiting the obligations of Borrower under the Loan Documents, Borrower shall take such actions as are necessary to preserve and maintain its rights in and to the Trademark Collateral. Upon the request of Secured Party, Borrower shall

execute, acknowledge and deliver all documents and instruments and take such other actions, including without limitation testifying in any legal or administrative proceedings, as may be necessary or desirable to preserve or enforce Borrower's rights in and to the Trademark Collateral or to accomplish the purposes of this Security Agreement or the Loan Documents.

4. RIGHTS OF AND LIMITATIONS ON SECURED PARTY.

4.1 Borrower to Remain Liable. It is expressly agreed by Borrower that Borrower shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it relating to the Trademark. Secured Party shall not have any obligation or liability under or in relation to the Trademark Collateral by reason of, or arising out of, this Security Agreement and Secured Party's rights hereunder, or the assignment by Borrower to Secured Party of, or the receipt by Secured Party of, any payment relating to any Trademarks, nor shall Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of Borrower relating to the Trademark Collateral or be liable to any party on account of Borrower's use of the Trademark Collateral, and Borrower will save, indemnify and keep Secured Party harmless from and against all expense, loss or damage (including reasonable attorneys fees and expenses) suffered in connection with such obligations or use or suffered in connection with any suit, proceeding or action brought by Secured Party in connection with any Trademark Collateral.

4.2 Secured Party's Actions. If Borrower fails to perform or comply with any of its agreements contained herein and Secured Party, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of Secured Party incurred in connection with such performance or compliance shall be paid by Borrower on demand and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the same rate as the Obligations under the Loan Documents.

4.3 Indemnification. The Borrower shall indemnify and hold harmless the Secured Party from and against, and shall pay to the Secured Party on demand, any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations or liabilities of any kind or nature (except those resulting from the Secured Party's gross negligence or willful misconduct) arising in any way out of or in connection with this Security Agreement, the Trademark Collateral, custody, preservation, use, operation, sale, license (or other transfer or disposition) of the Trademark Collateral, any alleged infringement of the intellectual property rights of any third party, the production, marketing, delivery and sale of the goods and services provided under or in connection with any of the Trademarks or the Trademark Collateral, the sale of, collection from or other realization upon any of the Trademark Collateral, the failure of the Borrower to perform or observe any of the provisions hereof, or matters relating to any of the foregoing. The Borrower shall also indemnify and hold harmless the Secured Party from and against any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations or liabilities arising out of or in connection with any fault, negligence, act or omission of the Borrower (regardless of whether such fault, negligence, act or omission occurred or occurs prior to or after such effectiveness).

The Borrower shall make no claim against the Secured Party for or in connection with the exercise or enforcement by the Secured Party of any right or remedy granted to it hereunder, or any action taken or omitted to be taken by the Secured Party hereunder (except for the gross negligence or willful misconduct of the Secured Party).

4.4 Specific Enforcement. Due to the unique nature of the Trademark Collateral, and in order to preserve its value, the Borrower agrees that the Borrower's agreements, duties and obligations under this Security Agreement shall be subject to specific enforcement and other appropriate equitable orders and remedies.

5. SECURED PARTY'S APPOINTMENT AS ATTORNEY-IN-FACT.

5.1 Appointment of Secured Party. Borrower hereby irrevocably constitutes and appoints Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Borrower and in the name of Borrower or in its own name, from time to time in Secured Party's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives Secured Party the power and right, on behalf of Borrower without notice to or assent by Borrower to do the following:

(a) to apply for and prosecute any applications for recording or registrations of any Trademark Collateral, and to file any affidavits or other documents necessary or desirable to preserve, maintain or renew any such registrations;

(b) to record with the PTO the Assignment of Interest in Trademarks and Trademark Applications executed in connection with Section 2.2. hereof;

(c) at any time that an Event of Default has occurred and is continuing, to assign, sell or otherwise dispose of all or any part of Borrower's right, title and interest in and to the Trademark Collateral, including without limitation the Trademarks listed on Schedule A, and all registrations and recordings thereof and pending applications therefor;

(d) at any time that an Event of Default has occurred and is continuing, to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Trademark; to defend any suit, action or proceeding brought against Borrower with respect to any Trademark Collateral; to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate;

(e) at any time that an Event of Default has occurred and is continuing, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Trademarks as fully and completely as though Secured Party were the absolute owner thereof for all purposes;

(f) to do, at Secured Party's option and Borrower's expense, at any time or from time to time, all acts and things that Secured Party deems necessary to protect, preserve or realize upon the Trademark Collateral and Secured Party's security interests therein, in order to effect the intent of this Security Agreement; and

(g) to execute any and all documents, statements, certificates or other writings necessary or advisable in order to effect the purposes described above as Secured Party may in its sole discretion determine.

Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

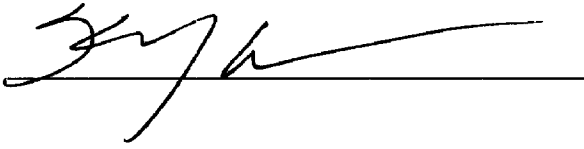
5.2 No Duty or Obligation. The powers conferred on Secured Party hereunder are solely to protect the interests of Secured Party in the Trademark Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Borrower for any act or failure to act, except for its own willful misconduct taken or omitted in bad faith.


6. GENERAL PROVISIONS. This Security Agreement is supplemental to the Loan Agreement, the terms of which, including, without limitation, the notice and governing law provisions, the waiver of jury trial, consent to service of process and jurisdiction and prohibitions on non-written waivers, the Borrower expressly accepts, confirms and acknowledges are incorporated herein by reference. In the event of any irreconcilable conflict between the provisions of this Security Agreement and the Loan Agreement, the provisions of the Loan Agreement shall govern.

IN WITNESS WHEREOF, Borrower has caused this Security Agreement to be executed by its duly authorized officer as of the date first written above.

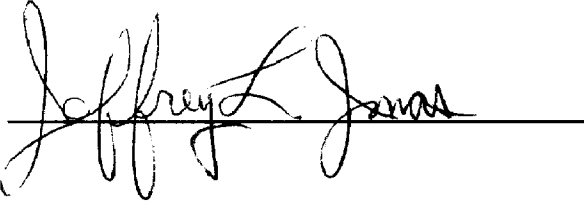
WITNESS:


FITNESS ACQUISITIONS, INC.



By: 
Name: Leonard Snyderman
Title: President

CONGRESS FINANCIAL CORPORATION
(NEW ENGLAND)



By: 
Name: MARC E. SWARTZ
Title: SR VICE PRESIDENT

COMMONWEALTH OF MASSACHUSETTS
COUNTY: SUFFOLK

April 16, 1999

Then personally appeared the above-named Leonard Snyderman and stated that he is the duly authorized President of Fitness Acquisitions, Inc. (the "Corporation") and acknowledged the foregoing instrument to be his free act and deed, and the free act and deed of said Corporation, before me,

Barbara J. Cassidy
Notary Public
My Commission Expires: 11/25/05

COMMONWEALTH OF MASSACHUSETTS
COUNTY: SUFFOLK

April 16, 1999

Then personally appeared the above-named Marc E. Swartz and stated that he is a duly authorized Service President of Congress Financial Corporation (New England) (the "Secured Party") and acknowledged the foregoing instrument to be his free act and deed, and the free act and deed of said Secured Party, before me,

Barbara J. Cassidy
Notary Public
My Commission Expires: 11/25/05