

02-14-2001

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



101612789

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

2-1-01

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date
Month Day Year
12 29 00

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year
12 29 00

Formerly

2096422

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

State/Country

Zip Code

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

02/13/2001 6TOM11 00000303 2096422

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02 FC:482

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002235 FRAME: 0001

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,096,422"/>	<input type="text" value="2,155,847"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,054,085"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,108,149"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

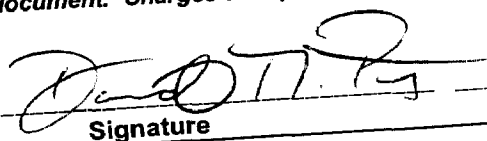
Authorization to charge additional fees:

Yes No

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. Charges to deposit account are authorized, as indicated herein.

David M. Perry, Esquire
Name of Person Signing


Signature

2-1-01
Date Signed

TRADEMARK SECURITY AGREEMENT

(United States Trademarks)

This Trademark Security Agreement ("Agreement") is made this 29th day of December, 2000, by **Fit Group, Inc.** ("Grantor"), a Pennsylvania corporation with its chief executive office at Keystone Drive, Sellersville, PA 18960, and delivered to **PNC Bank, National Association**, having a mailing address at 1600 Market Street, Philadelphia, PA 19103 ("Bank").

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Security Agreement of even date herewith between Grantor, as debtor, and Bank, as secured party (the "Security Agreement"), pursuant to which Grantor has granted a lien on and security interest in certain assets of Grantor associated with or relating to products leased or sold or services provided under Grantor's trademarks and the goodwill associated therewith as security for the payment and performance of all the Obligations (as defined in the Guaranty) under that certain Guaranty and Suretyship Agreement of even date herewith by Grantor in favor of Bank (the "Guaranty" and, together with the Security Agreement, the "Guaranty Documents"), and under which Bank is entitled to foreclose or otherwise deal with such assets, trademarks, service marks and tradenames under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Guaranty Documents.

B. Grantor owns, has adopted, used and is using (i) the trademarks, servicemarks and tradenames set forth on **Schedule A** attached hereto (all such marks or names hereinafter referred to as the "Schedule A Trademarks") and (ii) the applications for registration of trademarks, servicemarks and tradenames described and claimed therein set forth on **Schedule A** attached hereto and any trademarks, servicemarks and tradenames which may be issued upon any of said applications (hereinafter referred to collectively as the "Applications"). In conjunction with the Schedule A Trademarks and Applications, Grantor may use or adopt any reissues, extensions, divisions or continuations of the Trademarks or Applications (such reissues, extension, divisions and continuations being herein referred to collectively as the "Reissued Trademarks"). Furthermore, Grantor has the right under certain license agreements between Grantor and licensors set forth on **Schedule B** hereto (collectively, the "License Agreement") to use certain trademarks, servicemarks and tradenames therein described and further set forth on **Schedule B** hereto (all such marks and names hereinafter referred to as the "Schedule B Trademarks"). The Schedule A Trademarks and all of Grantor's rights under the License Agreement, including without limitation, the right to use the Schedule B Trademarks, are herein referred to collectively as the "Trademark Rights".

C. Pursuant to the Guaranty Documents, Bank is acquiring a lien on, security interest in, and license to use (which license is conditioned upon the occurrence and continuance of an Event of Default) the Trademark Collateral (as herein defined) and the registration thereof, together with all the goodwill of Grantor associated therewith and represented thereby, as security for all of the

Obligations, and Bank desires to have its security interest in such Trademark Collateral confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Guaranty Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the payment and performance of all the Obligations of all Obligors under the Guaranty Documents, Grantor grants a lien and security interest to Bank in all of its present and future right, title and interest in and to the Trademark Rights, together with all the goodwill of Grantor associated with and represented by the Trademark Collateral and the registration thereof, and all proceeds of any of the foregoing, including, without limitation, license royalties and all Grantor's right, title, interest, claims and demands that Grantor has or may have in proceeds and damages for past, present and future infringements of the Trademark Rights (such rights, interest, claims and demand being herein called the "Trademark Claims") (the Trademark Rights and Trademark Claims are collectively referred to as the "Trademark Collateral").

2. Grantor hereby covenants and agrees to maintain the Trademark Collateral in full force and effect and otherwise perform all of its obligations and undertakings under this Agreement until all of the Obligations are indefeasibly paid and satisfied in full and the Guaranty Documents have been terminated.

3. Grantor represents, warrants and covenants to Bank that:

(a) Each of the Schedule A Trademarks and Applications listed on Schedule A constitute all such trademarks and applications owned by Grantor as of the date hereof. Each of the License Agreements and Schedule B Trademarks listed on Schedule B constitute all such trademarks licensed by Grantor as of the date hereof;

(b) All of the Trademark Collateral is subsisting, valid and enforceable;

(c) Grantor is the sole and exclusive owner of the entire unencumbered right, title and interest in and to the Trademark Collateral (excepting the Schedule B Trademarks, but including the Grantor's rights under the License Agreement). Except for Liens permitted under the Guaranty Documents, all of the Trademark Collateral (excepting the Schedule B Trademarks, but including the Grantor's rights under the License Agreement) is free and clear of any liens, charges and encumbrances including, without limitation, pledges, assignments, options, and covenants by Grantor not to sue third persons;

(d) Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Trademark Collateral;

(e) Grantor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(f) Grantor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127, and any other applicable statutes, rules and regulations in connection with its use of the Trademark Collateral; and

(g) Grantor has used and will continue to use for the duration of this Agreement consistent standards of quality in services or products leased or sold under the Trademark Collateral, and hereby grants to Bank and its employees and agents the right (with no obligation of any kind upon Bank to do so) to visit Grantor's affiliates, franchises or management locations and to inspect the use of the Trademark Collateral and quality control records relating thereto at reasonable times during regular business hours to ensure Grantor's compliance with this paragraph 3(g).

4. Grantor further covenants that:

(a) Until all of the Obligations have been indefeasibly paid and satisfied in full and the Guaranty Documents have been terminated, Grantor will not enter into any agreement which is inconsistent with Grantor's obligations under this Agreement or which restrict or impair Bank's rights, interests or priorities hereunder.

(b) If, before the Obligations shall have been indefeasibly paid and satisfied in full and the Guaranty Documents shall have been terminated, Grantor acquires ownership rights to any trademarks, servicemarks and tradenames not listed on Schedule A as of the date hereof, the provisions of this Agreement shall automatically apply thereto and such Trademark Collateral shall be deemed part of the Trademark Collateral. Grantor shall give Bank prompt written notice thereof along with an amended Schedule A. Furthermore, if Grantor acquires rights as a licensee to any new trademarks, servicemarks and tradenames not listed on Schedule B as of the date hereof, the provisions of this Agreement shall automatically apply thereto and such trademarks, servicemarks and/or tradenames shall be deemed part of the Schedule B Trademarks, and any license agreement pursuant to which Grantor acquires such rights shall be deemed to be included in the definition of "License Agreement." Grantor shall give Bank written notice promptly upon its first use thereof along with an amended Schedule B.

5. So long as this Agreement is in effect and so long as Grantor has not received notice from Bank that an Event of Default, or other default or breach, has occurred and is continuing under the Guaranty Documents and that Bank has elected to exercise its rights hereunder (i) Grantor shall continue to have the right to use the Trademark Collateral; and (ii) Bank shall have no right to use

the Trademark Collateral or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademark Collateral to anyone else.

6. Grantor agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Trademark Collateral to any entity or person other than an Obligor without the prior written consent of Bank or as may be expressly permitted under the Guaranty Documents.

7. Anything herein contained to the contrary notwithstanding, if and while Grantor shall be in default hereunder or an Event of Default, or other default or breach, exists under the Guaranty Documents, Grantor hereby covenants and agrees that Bank, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State whose law governs the interpretation of the Guaranty Documents, may take such action permitted under the Guaranty Documents, hereunder or under any law, in its exclusive discretion, to foreclose upon the Trademark Collateral covered hereby. For such purposes, Grantor hereby authorizes and empowers Bank, its successors and assigns to make, constitute and appoint any officer or agent of Bank as Bank may select, in its exclusive discretion, as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, documents, papers and instruments necessary for Bank to use the Trademark Collateral or to grant or issue any exclusive or non-exclusive license under the Trademark Collateral to anyone else, or necessary for Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral to anyone else including, without limitation, the power to execute a Trademark Collateral assignment in the form attached hereto as **Exhibit I**. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Guaranty Documents, and until all of the Obligations of all of the Obligors are indefeasibly paid and satisfied in full and the Guaranty Documents are terminated.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Guaranty Documents and may not be modified without the written consent of the parties hereto.

9. All rights and remedies herein granted to Bank shall be in addition to any rights and remedies granted to Bank under the Guaranty Documents. In the event of an inconsistency between the language contained in this Agreement and the language contained in the Guaranty Documents as such language pertains to the Trademark Collateral, the language of this Agreement shall control.

10. Upon Obligors' performance of all of the obligations under the Guaranty Documents, the full, indefeasible and unconditional satisfaction of all of the Obligations and termination of the Revolving Credit Facility, Bank shall execute and deliver to Grantor all documents reasonably necessary to terminate Bank's security interest in the Trademark Collateral.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Bank in connection with the negotiation, preparation and review of this Agreement and all other documents relating hereto

(including without limitation, any amendments, modifications or supplements hereto) and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademark Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademark Collateral, in each case in accordance with the terms of this Agreement, shall be borne and paid by Grantor on demand by Bank and until so paid shall be added to the principal amount of the Obligations to Bank and shall bear interest at the highest rate applicable to Obligations.

12. Subject to the terms of the Guaranty Documents, until the Obligations shall have been satisfied in full, Grantor shall (a) diligently and promptly prosecute any application with respect to the Trademark Collateral (other than the Schedule B Trademarks or any applications relating thereto) pending as of the date of this Agreement or thereafter, (b) preserve and maintain all rights in the Trademark Collateral and, upon reasonable request of Bank, Grantor shall make federal application regarding Trademark Collateral belonging to Grantor or licensed to Grantor. To the extent that Grantor has the duty or right to make any applications under the License Agreement, Grantor shall have the same duties with respect to the Schedule B Trademarks as stated in the previous sentence. Any expenses incurred in connection with such applications shall be borne exclusively by Grantor. Grantor shall not abandon any Trademark Collateral without the prior written consent of the Bank, which consent shall not be unreasonably withheld.

13. Grantor shall have the right to bring suit in its own name to enforce its Trademark Rights and Trademark Claims, in which event Bank may, if Grantor reasonably deems it necessary, be joined as a nominal party to such suit if Bank shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Grantor shall promptly, upon demand, reimburse and indemnify Bank for all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Bank in the fulfillment of the provisions of this paragraph.

14. Upon the occurrence of an Event of Default, or other default or breach, under the Guaranty Documents or hereunder, Bank may, without any obligation to do so, complete any obligation of Grantor hereunder, in Grantor's name or in Bank's name, but at the expense of Grantor, and Grantor hereby agrees to reimburse Bank in full for all reasonable expenses, including, without limitation, all reasonable attorneys' fees incurred by Bank in protecting, defending and maintaining the Trademark Collateral.

15. No course of dealing between Grantor and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Bank's rights and remedies with respect to the Trademark Collateral, whether established hereunder or under any of the Guaranty Documents, or under any other future agreements between Grantor and Bank or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the Commonwealth of Pennsylvania, without regard to its otherwise applicable principles of conflicts of laws.

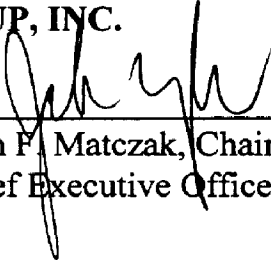
19. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

20. GRANTOR AND LENDER EACH WAIVES ANY AND ALL RIGHTS EITHER MAY HAVE TO A JURY TRIAL ARISING IN CONNECTION WITH ANY PROCEEDING OR CONTROVERSY RELATING TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN GRANTOR AND LENDER.

IN WITNESS WHEREOF, the parties hereto have caused this Trademark Security Agreement to be executed and delivered by their duly authorized officers as of the day and year first above written.

FIT GROUP, INC.

By: _____


John F. Matczak, Chairman and
Chief Executive Officer

{Signature Page to Trademark Security Agreement (Fit)}

PNC BANK, NATIONAL ASSOCIATION

By: Frank P. Devine
Name: FRANK P. DEVINE
Title: Asst. Vice President

{Signature Page to Trademark Security Agreement (Fit)}

SCHEDULE A

	<u>Trademark/name</u>	<u>Registration No.</u>	<u>Issuance Date</u>	<u>Owner</u>
1.	AUTOFLEX	74/719,720	--	Fit Group, Inc.
2.	PRODOFLEX	74/719,721	--	Fit Group, Inc.
3.	AUTOWASH	74/719,722	--	Fit Group, Inc.
4.	AUTOPUMP	74/719,723	--	Fit Group, Inc.

SCHEDULE B

License Agreements:

None.

Trademark/name Registration No. Issuance Date Owner
(for each License Agreement)

None.

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF *Pennsylvania* : SS
COUNTY OF *Philadelphia* :

On this *11* day of *dec*, *2003* before me personally appeared John F. Matczak, to me known and being duly sworn, deposes and says that s/he is Chairman and Chief Executive Officer of **Fit Group, Inc.**, that s/he signed the Agreement thereto as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Carolyn Elliott

Notary Public

My Commission Expires:

NOTARIAL SEAL
CAROLYN ELLIOTT, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Jan. 8, 2004

Exhibit I

TRADEMARK ASSIGNMENT

WHEREAS, **Fit Group, Inc.**, a Pennsylvania corporation ("Grantor") is the registered owner of: (i) the trademarks, servicemarks and tradenames, described and claimed therein set forth on **Schedule A** hereto (hereinafter referred to collectively as the "Trademarks"); (ii) the applications for trademarks, servicemarks and tradenames described and claimed therein set forth on **Schedule A** hereto and any trademarks, servicemarks and tradenames which may be issued upon any of said applications (hereinafter referred to collectively as the "Applications"), which are registered with the United States Patent and Trademark Office.

WHEREAS, in conjunction with the Trademarks and Applications, [Grantor may use or adopt any reissues, extensions, divisions or continuations of the Trademarks or Applications (such reissues, extension, divisions and continuations being herein referred to collectively as the "Reissued Trademarks")]; may be entitled to all future royalties or other fees paid or payments made to Grantor in respect of the Trademarks (hereinafter referred to collectively as the "Royalties"), (the Trademarks, Applications and the Reissued Trademarks and the Royalties being herein referred to collectively as the "Trademark Rights") and may be entitled to profits and damages for past and future infringements of the Trademark Rights (such rights, interest, claims and demand being herein called the "Trademark Claims") (the Trademark Right and Trademark Claims are collectively referred to as the "Trademark Collateral").

WHEREAS, _____ ("Grantee") having a place of business at _____ is desirous of acquiring said Trademarks Collateral;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademark Collateral and all proceeds thereof and all goodwill associated therewith. No rights or duties of any kind are intended to be granted or conferred upon Grantee unless and until this Trademark Assignment is recorded with the United States Patent and Trademark Office.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the ___ day of _____, _____.

FIT GROUP, INC.

By: _____
As Attorney-in-fact

UNITED STATES OF AMERICA :
STATE OF : SS
COUNTY OF :

On this day of , before me, a Notary Public for the said County and State, personally appeared known to me or satisfactorily proven to me to be attorney-in-fact on behalf of **Fit Group, Inc.** ("Grantor") and s/he acknowledged to me that s/he executed the foregoing Trademark Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

POWER OF ATTORNEY

Fit Group, Inc., a Delaware corporation ("Grantor"), hereby authorizes **PNC Bank, National Association**, its successors and assigns, and any officer or agent thereof (collectively, "Bank") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Bank to enforce and effectuate its rights under a certain Trademark Security Agreement (United States Trademarks) between Grantor and Bank dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Trademark Agreement"), including, without limitation, the power to use the Trademark Collateral (as defined in the Trademark Agreement), to grant or issue any exclusive or nonexclusive license under the Trademark Collateral to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral.

This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to a certain Security Agreement bearing even date herewith between Grantor and Bank as it may be hereinafter supplemented, restated, superseded, amended or replaced.

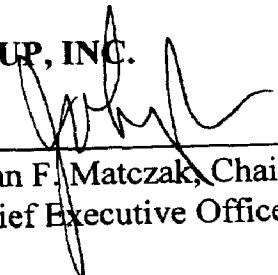
Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall be irrevocable for the life of the Trademark Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, under seal, this 29th day of December, 2000.

FIT GROUP, INC.

By: _____


John F. Matczak, Chairman and
Chief Executive Officer

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF *Pennsylvania* : SS
COUNTY OF *Philadelphia* :

On this *11* day of *dec*, *2000* before me personally appeared John F. Matczak, to me known and being duly sworn, deposes and says that s/he is Chairman and Chief Executive Officer of **Fit Group, Inc.**, the Grantor corporation described in the foregoing Power of Attorney; that s/he signed the Power of Attorney as such officer pursuant to the authority vested in her/him by law; that the within Power of Attorney is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Carolyn Elliott

Notary Public

My Commission Expires:

