

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Sport & Health Company, Inc.		12/06/2005	CORPORATION: VIRGINIA
RECEIVING PARTY DATA			
Name:	CIT Lending Services Corporation, acting in its capacity as Administrative Agent and Collateral Agent		
Street Address:	1211 Avenue of the Americas		
Internal Address:	21st Floor		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10036		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	1603238	SPORT & HEALTH CLUBS	
CORRESPONDENCE DATA			
Fax Number:	(202)887-0689		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	202-572-2661		
Email:	bloomm@dsmo.com		
Correspondent Name:	Dickstein Shapiro Morin & Oshinsky		
Address Line 1:	2101 L Street, N.W.		
Address Line 2:	ATTN: Matthew S. Bergman, Esq.		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20037		
ATTORNEY DOCKET NUMBER:	A0070.0005		
NAME OF SUBMITTER:	Marlyss A. Bloom		
Signature:	/Marlyss A. Bloom/		

OP \$40.00 1603238

Date:

12/28/2005

Total Attachments: 15

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is made and entered into as of the 2nd day of December, 2005, by SPORT & HEALTH HOLDINGS, LLC, a Delaware limited liability company, SPORT & HEALTH CLUBS, L.C., a Virginia limited liability company, SPORT AND HEALTH COMPANY, L.C., a Virginia limited liability company, SPORT AND HEALTH VIRGINIA PROPERTIES, L.C., a Virginia limited liability company, SPORT AND HEALTH DISTRICT PROPERTIES, L.C., a Virginia limited liability company, SPORT AND HEALTH MARYLAND PROPERTIES, L.C., a Virginia limited liability company, S&H FREDERICKSBURG (SOUTH), L.C., a Virginia limited liability company, CMC VIRGINIA CLUB PROPERTIES III, L.C., a Virginia limited liability company, OLD TOWN ATHLETIC CLUB, INC., a Virginia corporation, S&H FAIRFAX, L.C., a Virginia limited liability company, S&H CULPEPER, L.C., a Virginia limited liability company, SPORT AND HEALTH, INC., a Virginia corporation, SPORT AND HEALTH CLUB MANAGEMENT, L.C., a Virginia limited liability company, SPORT & HEALTH SPA SERVICES, L.C., a Virginia limited liability company, WASHINGTON SPORT & HEALTH, INC., a Virginia corporation, and each other "Borrower" party hereto from time to time (each, a "Borrower" and collectively, the "Borrowers") in favor of CIT LENDING SERVICES CORPORATION, a Delaware corporation ("CIT"), acting in its capacity as Administrative Agent and Collateral Agent for the hereinafter referenced Lenders (the "Agent"), having offices at 1211 Avenue of the Americas, 21st Floor, New York, New York 10036. Capitalized terms used but not defined herein shall have the meanings attributed to such terms in that certain Credit Agreement of even date herewith (as the same may be modified or amended from time to time, the "Credit Agreement"), by and among (i) the Agent; (ii) CIT, acting in its individual capacity as a lender and other "Lenders" party thereto from time to time (collectively, the "Lenders"); (iii) CIT Capital Securities, LLC, as Arranger, (iv) the Borrowers and (v) Club Properties Company, L.C. ("CPC").

WITNESSETH:

To secure repayment of a credit facility and other financial accommodations (the "Loan") made by the Lender(s) to the Borrowers and CPC pursuant to the Credit Agreement, in the aggregate maximum principal amount of Thirty-Eight Million and No/100 Dollars (\$38,000,000.00), plus all interest, fees and other charges payable in connection with the Loan, which Loan is evidenced by the Notes; and also to secure any other indebtedness or liability of the Borrowers to the Agent and/or Lenders, whether direct or indirect, joint, several, joint and several, absolute or contingent, due or to become due or now existing or hereafter created or arising under the Financing Documents, including without limitation all future advances or loans which may be made to the Borrowers at the option of the Agent and/or Lenders in connection with the Loan or otherwise (all of the foregoing being herein collectively referred to as the "Indebtedness"), the Borrowers hereby grant and convey to the Agent for the ratable benefit of the Lenders, a continuing security interest in all of the Borrowers' right, title and interest in and to the following (the "Collateral"):

(a) all patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses (to the extent assignable and transferable), patent applications, service mark applications, trademark applications and mask work application and other intellectual property, which, in each case, are owned by any Borrower and are now or hereafter filed with the United States Patent and Trademark Office, or, to the extent applicable, any similar office or agency of any state, territory or possession of the United States or any similar office or agency of any other country, or used in the United States, any state, territory or possession thereof or any other country, including, without limitation, the patents, trademarks, trademark registrations, trade names, trademark applications, service

marks, mask works, copyrights, licenses and other intellectual property listed on Schedule 1 attached hereto and made a part hereof, and (i) any and all reissues, renewals, extensions, continuations, continuations-in-part and divisions thereof; (ii) any and all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringement thereof; (iii) the right to sue for past, present and future infringement thereof; and (iv) any and all rights corresponding thereto throughout the world (all of the foregoing patents, trademarks, trademark registrations, trade names, trademark applications, service marks, mask works, copyrights, licenses, and other intellectual property, together with all other items described in the foregoing clauses (i) - (iv) of this subparagraph (a), are sometimes hereinafter referred to, either individually or collectively, as the "Intellectual Property"); and

(b) the goodwill of the Borrowers' business connected with and symbolized by the Intellectual Property.

In connection with the security interest hereby granted and executed, the Borrowers jointly and severally represent, warrant, covenant and agree as follows:

1. License.

(a) Grant of License to the Agent. Each Borrower hereby grants to the Agent, for the ratable benefit of the Lenders, a non-exclusive, assignable right and license (i) under the Intellectual Property to the extent assignable and transferable, to use such Intellectual Property following the occurrence of an Event of Default (as defined in Section 8 of this Agreement) which has continued unremedied beyond any applicable notice and grace period; and (ii) under any license agreements held by any Borrower with respect to Intellectual Property owned by any person or entity other than a Borrower (to the extent permitted under such agreements), to sell Collateral bearing any such Intellectual Property (to the extent that such license is reasonably necessary to permit or to facilitate the collection of any accounts of any Borrower) following the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and grace period, or the disposition of any Collateral following the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and grace period. The right and license granted pursuant to this subparagraph (the "License") shall not require payment by the Lenders and or the Agent of any royalty or other payments or fees, and the permitted use by the Agent and/or the Lenders thereunder shall be (A) worldwide, and (B) limited only by those restrictions to which such Borrower is subject pursuant to the terms of the Intellectual Property.

(b) Term of License. The term of the License (the "License Term") shall continue until the earliest of (i) the expiration of all of the Intellectual Property, or (ii) payment in full of all Indebtedness and the termination of all commitments under the Financing Documents; or (iii) disposition of all Collateral and any proceeds thereof in connection with the enforcement of the Agent's remedies under the Financing Documents and application of the proceeds of such disposition to the satisfaction of the Indebtedness.

2. Restrictions on Future Agreements. Until payment in full of the Indebtedness and termination of all commitments under the Financing Documents, no Borrower will, without the Agent's prior written consent, (a) enter into any agreement (including, without limitation, any license agreement) that is inconsistent with such Borrower's obligations under this Agreement, the Credit Agreement or any other Financing Document to which such Borrower is a party; (b) take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action (including, without limitation, the abandonment of any Intellectual Property material to the operation of such Borrower's

business), that would have a material adverse effect on the validity or enforceability of the rights transferred to the Agent under this Agreement; or (c) enter into any other contractual indebtedness which may restrict or inhibit the Agent's right to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and grace period.

3. New Intellectual Property. Each Borrower represents and warrants that the Intellectual Property listed on Schedule 1 constitutes all of the material registered patents, trademarks, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications and mask work application and other intellectual property which are, as of the date hereof, owned by or pending on behalf of such Borrower in the United States or any State of the United States. If, before the payment in full of the Indebtedness and termination of all commitments under the Financing Documents, any Borrower shall (i) obtain any registration or apply for any registration after the date hereof in the United States Patent and Trademark Office or in any similar office or agency of a state, territory or possession of the United States, or obtain rights to any patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses and other intellectual property used in the United States or any state, territory or possession thereof, or (ii) become entitled to the benefit of any patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications and mask work application and other intellectual property in the United States or any state, territory or possession thereof, then, in any such event, the provisions of Section 1 shall automatically apply thereto and such Borrower shall give to the Agent prompt written notice thereof (but in all events within ten (10) Business Days of any event described in clauses (i) and (ii) above). Each Borrower hereby authorizes the Agent to modify this Agreement by amending Schedule 1 to include any such future patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications and mask work application and other intellectual property that are Intellectual Property, as applicable.

4. Additional Representations and Warranties. The Borrowers, jointly and severally hereby represent, warrant, covenant and agree that:

(a) Each Borrower is and will continue to be the owner of all rights, title and interests in and to the Collateral that is owned by such Borrower so long as the Intellectual Property shall continue in force, free from any lien in favor of any person or entity (other than Liens permitted pursuant to the Credit Agreement).

(b) Each Borrower has the full right, power and authority to grant the security interest and license in the Collateral made hereby.

(c) No Borrower has made any previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer or encumbrance of any of the Collateral.

(d) To the best of the Borrowers' knowledge, no material infringement or unauthorized use presently is being made of any Intellectual Property which would adversely affect the fair market value of the Collateral or the benefits of this Agreement, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of the Agent and/or the Lender(s) hereunder, and the Borrowers will continue to maintain such monitoring and enforcement practices as may be necessary to fully and adequately protect the Collateral. The Borrowers have advised the Agent of their intellectual property monitoring and enforcement practices, and will not materially

modify such practices without the prior written consent of the Agent, which consent shall not be unreasonably withheld or delayed.

5. The Agent's Right to Maintain Quality. Each Borrower agrees that from and after the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and cure period, the Agent shall have the right to establish such additional quality controls as the Agent, in its judgment, may deem necessary to assure maintenance of the quality of services sold by such Borrower under the Intellectual Property. Each Borrower agrees (i) not to sell or assign any of its interest in, or to grant any license under, any Intellectual Property without the prior written consent of the Agent if such sale or assignment is (a) to an affiliated or related party, (b) not on market terms; or (c) prohibited by any provision of the Credit Agreement; (ii) to maintain the quality of any and all services in connection with which the Intellectual Property are used, consistent with the quality of such services as of the date hereof; and (iii) to provide the Agent, upon request, with a certificate of an officer of such Borrower certifying such Borrower's compliance with the foregoing.

6. Duties of the Borrowers. Each Borrower shall (i) to the extent such actions are commercially reasonable, prosecute diligently any patent application, service mark application, trademark application and mask work application that is now or hereafter material to such Borrower's business operations and part of the Intellectual Property pending as of the date hereof or thereafter until payment in full of the Indebtedness and termination of all commitments under the Financing Documents; (ii) make application on patents, trademarks, trade names, service marks, mask works and copyrights, as appropriate, which are or may hereafter be material to such Borrower's business operations; (iii) preserve and maintain all rights in patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications, mask work applications and other intellectual property that are part of the Intellectual Property and material to such Borrower's business operations; (iv) not abandon any right to file a material patent application, service mark application, trademark application and mask work application nor any pending material patent application, service mark application, trademark application or mask work application without the prior written consent of the Agent if the value thereof could reasonably be expected to justify the cost of obtaining such patent, service mark, trademark or mask work; and (v) not abandon any material Intellectual Property. Any expenses incurred in connection with the applications referred to in this Section 6 shall be borne by such Borrower.

If any Borrower fails to comply with any of the foregoing duties after notice and/or the opportunity to cure such failure as set forth in Section 8 hereof, the Agent may so comply in such Borrower's name to the extent permitted by law, but at such Borrower's expense, and each Borrower hereby agrees to reimburse the Agent in full for all expenses, including the reasonable fees and disbursements of attorneys and paralegals (including charges for inside or outside counsel) incurred by the Agent in protecting, defending and maintaining the Collateral and/or the Agent's security interest therein.

In the event that any Borrower shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien or encumbrance prohibited hereby, or shall fail to comply with any other duty hereunder after notice and/or the opportunity to cure such failure as set forth in Section 8 hereof, the Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of such Borrower, and all moneys so paid out shall be Indebtedness of such Borrower repayable within ten (10) Business Days of demand, with interest after demand at the default rate (as specified in Section 2.11 of the Credit Agreement).

Each Borrower shall take all action necessary to preserve and maintain the validity, perfection and first priority of the Agent's security interest granted herein in the Collateral.

So long as no Event of Default has occurred and is continuing, the Borrowers shall be entitled to use and otherwise deal with the Intellectual Property in the ordinary course of their business, subject to the restrictions set forth herein.

7. The Agent's Right to Sue. From and after the occurrence of an Event of Default which has continued unremedied beyond any applicable notice or grace period, the Agent shall have the right, but shall in no way be obligated, to bring suit in its own name or in any Borrower's name to enforce the Collateral (or its security interest therein), and any licenses thereunder, and if the Agent shall commence any such suit, such Borrower shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement, and such Borrower shall indemnify and, within ten (10) Business Days of demand, promptly reimburse the Agent for all reasonable costs and expenses incurred by the Agent in the exercise of its rights under this Section 7.

8. Default; Remedies.

(a) For purposes of this Agreement, each of the following shall constitute an "Event of Default" hereunder:

(i) An Event of Default under the Credit Agreement; or

(ii) If any representation or warranty made or given by a Borrower in connection with this Agreement shall prove to have been incorrect or misleading or breached in any material respect when made; or

(iii) If any Borrower fails to observe or perform any of the covenants and agreements set forth in this Agreement and such failure continues unremedied for a period of twenty (20) days after written notice from the Agent of such default; or

(iv) If all or any part of the Collateral, with a value in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) is subject to levy of execution or other judicial process.

(b) Upon the occurrence of any Event of Default which has continued unremedied beyond any applicable notice or grace period, the Agent shall be entitled to exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the Credit Agreement and other Financing Documents or otherwise available to it, all of the rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of New York (the "UCC"), whether or not the UCC applies to the affected Collateral, and also may (i) require each Borrower, and each Borrower hereby agrees that, in order to facilitate a foreclosure sale and subsequent transfer, it will, upon the request of the Agent, forthwith, execute and deliver an assignment, substantially in the form of Exhibit A hereto, of all of its right, title and interest in and to the Collateral, and take such other action as the Agent may request to effectuate the outright assignment of such Collateral or to exercise, register or further perfect and/or protect the Agent's rights and remedies with respect to such assigned Collateral; provided, however, that to the extent that any Collateral remains after such foreclosure sale, and there is no longer an Event of Default, the Agent will assign back to the applicable Borrower such remaining Collateral; (ii) without notice (except as specified below) sell the Intellectual Property and the goodwill of the businesses related thereto or any part thereof in one or more parcels at public or private sale, at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such terms as the Agent may deem

commercially reasonable; (iii) require such Borrower to cease its use of any Intellectual Property for any purpose whatsoever; and/or (iv) grant such general, special or other license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as the Agent shall in its sole discretion deem appropriate. Each Borrower agrees that at least ten (10) days' notice to such Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Subject to the applicable provisions of the UCC, the Agent may purchase all or any part of the Collateral at public or private sale and, in lieu of actual payment of the purchase price, may set-off the amount of such price against the Indebtedness. The proceeds realized from the sale of any Collateral shall be applied first to the reasonable costs, expenses and attorneys and paralegal fees and expenses of collection and/or for acquisition, protection and sale of the Collateral; second to interest due upon any of the Indebtedness; and third to the principal of the Indebtedness. If any deficiency shall remain, the Borrowers shall remain liable to the Agent therefor. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect the Agent's security interest in the Collateral until the Indebtedness is fully paid. Each Borrower agrees that the Agent has no obligation to preserve rights to Collateral against any other parties.

9. Miscellaneous Provisions.

(a) Notice. Any notice, approval, consent or other communication shall be in the form and manner, and to the addresses, as set forth in the Credit Agreement.

(b) Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

(c) Amendments. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall be effective unless the same shall be in writing and signed and delivered by the Agent and Borrowers.

(d) No Waiver. No delay in enforcing or failure to enforce any right under this Agreement by the Agent shall constitute a waiver by the Agent of such right. No waiver by the Agent of any default hereunder shall be effective unless in writing, nor shall any waiver operate as a waiver of any other default or of the same default on a future occasion.

(e) Interpretation of Agreement. Time is of the essence with respect to each provision of this Agreement of which time is an element. If any provision of this Agreement should be found to be invalid or unenforceable, all of the other provisions shall nonetheless remain in full force and effect to the maximum extent permitted by law. To the extent a term or provision of this Agreement conflicts with the Credit Agreement and is not dealt with more specifically herein, the Credit Agreement shall control with respect to such term or provision. Unless the context clearly indicates to the contrary, determinations regarding the materiality of any Intellectual Property or of act, event, condition or circumstance shall be in the reasonable judgment of the Agent.

(f) Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Indebtedness and termination of all commitments under the Financing Documents; (ii) be binding upon each Borrower, the Agent, the Lenders and their successors and assigns; and (iii) inure, together with the

rights and remedies of the Agent and Lenders hereunder, to the benefit of the Agent and the Lenders and its respective successors, transferees and assigns.

(g) Reinstatement. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Agent in respect of the Indebtedness is rescinded or must otherwise be restored or returned by the Agent upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or upon the appointment of any intervenor or conservator of, or trustee or similar official for, such Borrower or any substantial part of its assets, or otherwise, all as though such payments had not been made.

(h) Final Expression. This Agreement, together with the Credit Agreement, the Financing Documents and any other agreement executed in connection herewith, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof with respect to the subject matter thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

(i) Survival of Provisions. All representations, warranties and covenants of the Borrowers contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by the Borrowers of the Indebtedness and all other obligations secured hereby.

(j) Power of Attorney. Each Borrower hereby appoints and constitutes the Agent as such Borrower's attorney-in-fact, upon and at any time after the occurrence of an Event of Default which has continued unremedied beyond any applicable notice or grace period, for purposes of (i) endorsing such Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Agent in connection with the use of the Collateral, including, without limitation, the assignment substantially in the form of Exhibit A hereto; (ii) take any other action with respect to the Collateral as the Agent deems in its best interest; (iii) grant or issue any exclusive or non-exclusive license under the Collateral to anyone; or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone, and to take any other actions arising from or incident to the powers granted to the Agent in this Agreement. This power of attorney is coupled with an interest and is irrevocable.

(k) Authority of the Agent. The Agent shall have and be entitled to exercise all powers hereunder which are specifically granted to the Agent by the terms hereof, together with such powers as are reasonably incident thereto. The Agent may perform any of its duties hereunder or in connection with the Collateral by or through agents or employees, and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Neither the Agent nor any director, officer, employee, attorney of the Agent shall be liable to any Borrower for any action taken or omitted to be taken by it or them hereunder, except for its or their own gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction, nor shall the Agent be responsible for the validity, effectiveness or sufficiency hereof or of any document or security furnished pursuant hereto. The Agent and its directors, officers, employees, attorneys shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons.

(l) Termination of Agreement. The Agent shall, at the request and expense of the Borrowers, following the payment in full of all of the Indebtedness and termination of all commitments

under the Financing Documents, reassign and redeliver to the Borrowers all of the Collateral hereunder which has not been sold, disposed of, retained or applied by the Agent in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to the Agent, and shall be at the expense of the Borrowers.

(m) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement.

(n) Governing Law. The validity, interpretation and enforcement of this agreement and any dispute arising out of or in connection with this agreement, whether sounding in contract, tort, equity or otherwise, shall be governed by the internal laws (as opposed to the conflicts of laws provisions) and decisions of the State of New York.

(o) Submission to Jurisdiction. All disputes among any Borrower, Agent and the Lenders, whether sounding in contract, tort, equity or otherwise, may be resolved by state and federal courts located in the State of New York, and the courts to which an appeal therefrom may be taken, and each Borrower hereby consents to the service of process in the manner set forth in Section 9.9 of the Credit Agreement. In addition, each Borrower hereby irrevocably waives any objection which it may now or hereafter have to the laying of the venue with respect to any action or proceeding brought in any of the courts referred to above and each Borrower hereby irrevocably waives and agrees not to plead or claim that any such action or proceeding has been brought in an inconvenient forum. In addition, the Agent shall have the right, to the extent permitted by applicable law, to proceed against any Borrower and/or its property in any location reasonably selected by the Agent in good faith to enable the Agent to realize on such property, or to enforce a judgment or other court order in favor of the Agent.

(p) JURY TRIAL. THE BORROWERS, THE AGENT AND THE LENDERS HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY. INSTEAD, ANY DISPUTES WILL BE RESOLVED IN A BENCH TRIAL.

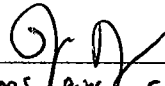
(q) Joint and Several. The representations, covenants and warranties contained herein and the liability of the Borrowers hereunder shall be joint and several.

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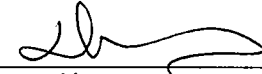
IN WITNESS WHEREOF, the Borrowers have duly executed and delivered this Agreement as of the day and year first above written.

BORROWERS:


SPORT & HEALTH HOLDINGS, LLC, a Delaware limited liability company

By: 
Name: Thomas A. W. Raupien
Title: Manager

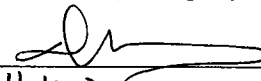
SPORT & HEALTH CLUBS, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO


SPORT AND HEALTH COMPANY, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO

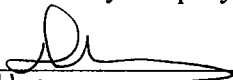
SPORT AND HEALTH VIRGINIA PROPERTIES, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO

SPORT AND HEALTH DISTRICT PROPERTIES, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO

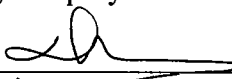
SPORT AND HEALTH MARYLAND PROPERTIES, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO


S&H FREDERICKSBURG (SOUTH), L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO


CMC VIRGINIA CLUB PROPERTIES III, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO


OLD TOWN ATHLETIC CLUB, INC., a Virginia corporation

By: 
Name: Donald Konz
Title: CEO

S&H FAIRFAX, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO


S&H CULPEPER, L.C., a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO

SPORT AND HEALTH, INC., a Virginia corporation

By: 
Name: Donald Konz
Title: CEO

SPORT AND HEALTH CLUB MANAGEMENT, L.C.,
a Virginia limited liability company

By: 
Name: Donald Konz
Title: CEO

SPORT & HEALTH SPA SERVICES, L.C., a Virginia limited
liability company

By: 
Name: Donald Konz
Title: CEO

WASHINGTON SPORT & HEALTH, INC., a Virginia
corporation

By: 
Name: Donald Konz
Title: CEO

By acceptance hereof as of the ____ day of _____, 2005, the Agent (for itself
and as agent for the Lenders) agrees to be bound by the applicable provisions hereof.

AGENT:

CIT LENDING SERVICES CORPORATION, as Agent

By: _____
Name:
Title:

SPORT AND HEALTH, INC., a Virginia corporation

By: _____
Name:
Title:

SPORT AND HEALTH CLUB MANAGEMENT, L.C.,
a Virginia limited liability company

By: _____
Name:
Title:

SPORT & HEALTH SPA SERVICES, L.C., a Virginia limited
liability company

By: _____
Name:
Title:

WASHINGTON SPORT & HEALTH, INC., a Virginia
corporation

By: _____
Name:
Title:

By acceptance hereof as of the 2nd day of December, 2005, the Agent (for itself
and as agent for the Lenders) agrees to be bound by the applicable provisions hereof.

AGENT:

CIT LENDING SERVICES CORPORATION, as Agent

By: Marshall McFeeters
Name: Marshall McFeeters
Title: Authorized signatory

SCHEDULE 1

TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT
Dated as of December 2, 2005
Intellectual Property Owned by the Borrowers

<u>INTELLECTUAL PROPERTY</u>	<u>REGISTRATION NUMBER (OR APPLICATION SERIAL NUMBER)</u>	<u>REGISTRATION (OR FILING DATE)</u>
Trademark-Sport & Health Clubs	Registration # 1603238, Serial #73811921	6/19/1990

EXHIBIT A
[Form of Assignment]

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT OF INTELLECTUAL PROPERTY ("Assignment") is made as of _____, _____ by _____ (the "Assignor"), in favor of CIT LENDING SERVICES CORPORATION, a Delaware corporation, as Agent (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings attributed to such term in the hereinafter defined Agreement.

Recitals

WHEREAS, Assignor and Assignee are parties to that certain Intellectual Property Security Agreement dated as of _____, 2005 from Assignor to Assignee (the "Agreement"), providing that under certain conditions specified therein Assignor shall execute this Agreement; and

WHEREAS, the aforementioned conditions have been fulfilled;

NOW THEREFORE, the Assignor hereby agrees as follows:

1. **Assignment of Intellectual Property.** Subject to the terms of the Agreement, the Assignor hereby grants, assigns and conveys to Assignee its entire right, title and interest in and to (a) the Intellectual Property listed on **Schedule 1** hereto and made a part hereof, and all renewals thereof, all income, royalties, damages, payments and other proceeds now and hereafter due or payable with respect thereto, including without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter referred to, either individually or collectively, as the "Intellectual Property"), and (b) the goodwill of the Assignor's business connected with and symbolized by the Intellectual Property. The Intellectual Property and such goodwill are collectively referred to herein as the "Collateral".

2. **Representations and Warranties.** The Assignor represents and warrants that it has the full right and power to make the assignment of the Collateral made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment or encumbrance of any or all of the Collateral, except pursuant to the Agreement.

3. **Modification.** This Assignment cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

4. **Binding Effect; Governing Law.** This Assignment shall be binding upon the Assignor and its successors and shall inure to the benefit of Assignee and its successors and assigns. This Assignment shall, except to the extent that federal law or laws of another state apply to the Collateral or any part thereof, be governed by and construed in accordance with the internal (as opposed to the conflict of laws provisions) laws of the State of New York.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed and delivered as of the date first above written.

Assignor:

By: _____

Name:

Title: