

TRADEMARK ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Bankruptcy Order Approving Debtor's Sale of Substantially All of Its Assets Free and Clea of Claims and Encumbrances and relevant Schedule of the Asset Purchase Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
ABN AMRO Bank, N.V.		01/25/2002	Association:

RECEIVING PARTY DATA

Name:	StairMaster Sports/Medical Products, Inc.
Street Address:	12421 Willows Rd. Northeast, Suite 100
City:	Kirkland
State/Country:	WASHINGTON
Postal Code:	98034
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	1460177	SKEECROS

CORRESPONDENCE DATA

Fax Number: (303)629-3450
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 303-629-3400
 Email: johnson.marilyn@dorsey.com
 Correspondent Name: Dorsey & Whitney LLP
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 Address Line 4: Denver, COLORADO 80202-5647

ATTORNEY DOCKET NUMBER:	60634US ~ 461066-389
NAME OF SUBMITTER:	Lisa A. Osman
Signature:	/LAO 3463/

CH \$40.00 1460177

Date:

11/08/2007

Total Attachments: 10

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The Honorable Thomas T. Glover

FILED
U.S. Bankruptcy Court
Western District of Washington
at Seattle

JAN 25 2002

Thomas T. Glover
Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re:

STAIRMASTER SPORTS/MEDICAL
PRODUCTS, INC., a Delaware
corporation,

Debtor.

Case No. 01-19658

Chapter 11

ORDER APPROVING DEBTOR'S
SALE OF SUBSTANTIALLY ALL OF
ITS ASSETS FREE AND CLEAR OF
CLAIMS AND ENCUMBRANCES

THIS MATTER came before the Court on the 25th day of January 2002, on the motion of StairMaster Sports/Medical Products, Inc., Debtor-in-Possession herein ("Debtor"), for an Order (1) authorizing the sale of substantially all of its assets (the "Purchased Assets") free and clear of liens, claims, and encumbrances, pursuant to 11 U.S.C. § 363, to Direct Focus, Inc. (the "Buyer"). The motion for the sale of the Purchased Assets (the "Motion") is presented to the Court pursuant to the Order Approving Timeline and Procedures for Sale, entered on November 16, 2001, and the Ex Parte Amended Order Approving Timeline and procedures for sale, entered on January 4, 2002. Upon considering: (i) the Declaration of Michael R. Quinn In Support of the Debtor's Sale (the "Quinn Declaration"); (ii) the record in this Chapter 11 case; (iii) all objections, if any; and (iv) the arguments of counsel and the evidence presented at the hearing, this Court HEREBY FINDS AND DETERMINES THAT:

A. The Court has jurisdiction to hear and determine the Motion and all related matters pursuant to 28 U.S.C. §§ 1334 and 157 and the "Standing Order of Referral of Cases to Bankruptcy Judges" of the United States District Court for the Western District of

ORDER APPROVING DEBTOR'S SALE OF
SUBSTANTIALLY ALL OF ITS ASSETS, ETC. - 1

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1 Washington. Venue of this proceeding in this district is proper pursuant to 28 U.S.C. § 1409.
2 The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (B), (N) and (O). The
3 statutory predicates for the relief granted herein are Sections 105, 363 and 365 of the
4 Bankruptcy Code, as complemented by Bankruptcy Rules 2002, 6004, 6006 and 9007.

5 B. Notice of the Motion was: timely; properly given in compliance with the
6 Bankruptcy Code and Rules; in accordance with the Order Limiting Notice that was entered
7 in this case on October 19, 2001; and, reasonable and appropriate under the circumstances.

8 C. The Debtor has demonstrated that the sale of the Purchased Assets to Buyer
9 pursuant to the Asset Purchase Agreement (the "Asset Purchase Agreement"), a copy of
10 which is attached to the Quinn Declaration as Exhibit 1, is based on sound business
11 justifications, and such sale is in the best interest of the Debtor's estate.

12 D. Failure to approve the Motion will cause irreparable damage to the Debtor and
13 its estate.

14 E. The sale of the Purchased Assets, and the assignment of contracts and leases
15 pursuant to the Asset Purchase Agreement (the "Assigned Contracts and Leases"), have been
16 proposed and, if consummated, will have been consummated in good faith in accordance with
17 Section 363(m) of the Bankruptcy Code. Buyer is entitled to the protections afforded under
18 Section 363(m) of the Bankruptcy Code.

19 F. The negotiations between Buyer and the Debtor have been in good faith, and
20 the consideration being paid is fair value for the Purchased Assets.

21 G. The Debtor has demonstrated sufficient justification to sell a substantial portion
22 of its assets without a plan of reorganization.

23 H. The consideration to be received by the Debtor from Buyer is fair and
24 reasonable.

25 I. The Debtor has demonstrated that the assumption and assignment of the
26 Assigned Contracts and Leases to Buyer is based up on sound business justifications.

27 J. Buyer will cure, subject to the terms and conditions of the Asset Purchase
28 Agreement, the existing defaults on the Assigned Contracts and Leases, at the time of closing

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SUBSTANTIALLY ALL OF ITS ASSETS, ETC. - 2

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1 the sale to Buyer ("Closing") (or on such terms as may be agreed to in writing between Buyer
2 and the third parties to the Assigned Contracts and Leases).

3 K. Buyer has provided the requisite adequate assurance of its future performance
4 under the Assigned Contracts and Leases.

5 L. Buyer is only buying the Purchased Assets and is not a successor in interest to
6 Debtor, nor does Buyer's acquisition of the Purchased Assets reflect a substantial continuity
7 of the operations of the Debtors' business. With respect to the possibility of the Buyer being
8 deemed a successor to the Debtor, the cause and circumstances leading to the sale of the
9 Purchased Assets arise out of the Debtor's prefiling events, which are not caused by or related
10 to any act or conduct of the Buyer.

11 M. Consummation of the Asset Purchase Agreement is in the best interests of the
12 Debtor, its estate, all creditors, equity security holders and other parties in interest.

13 Based on the foregoing, and good cause appearing, it is hereby

14 **ORDERED, ADJUDGED AND DECREED:**

15 1. The Motion to sell substantially all of the Debtor's assets to the Buyer, in
16 accordance with the Asset Purchase Agreement, is hereby granted.

17 2. All opposition to the Motion is overruled, and the Debtor is authorized pursuant
18 to Sections 105(a) and 363(b) and (f) of the Bankruptcy Code to sell to the Buyer all of the
19 Debtor's right, title and interest in and to the assets identified to be sold in the Asset Purchase
20 Agreement, all in accordance with the Asset Purchase Agreement and this Order.

21 3. The Asset Purchase Agreement is hereby approved.

22 4. The sale of the Purchased Assets, and assignment of the Assigned Contracts
23 and Leases, is free and clear of all claims, liens and encumbrances of any nature, kind or
24 description, other than the performance obligations under the Assigned Contracts and Leases.

25 5. Any existing claims, liens, encumbrances and interests will attach to the
26 proceeds of the sale in the same priority, validity, and amount in which they attach to the
27 Purchased Assets prior to sale. All such claims, liens, encumbrances and interests shall be
28 released, terminated and discharged as to the Purchased Assets and the Buyer and shall be

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1 satisfied solely from the proceeds of the sale or any assets of the Debtor other than the
2 Purchased Assets.

3 6. The Asset Purchase Agreement: (i) was proposed, negotiated, and entered into
4 in good faith after arms-length bargaining of the parties; and (ii) provides the Debtor with the
5 highest or otherwise best offer received for the Purchased Assets.

6 7. Buyer is a good faith purchaser pursuant to Section 363(m) of the Bankruptcy
7 Code and entitled to the protections thereunder.

8 8. A stay of the Closing, as provided for by Bankruptcy Rule 6004(g), is
9 unnecessary in this instance, shall not apply, and is lifted.

10 9. The Debtor is authorized to assume and assign the Assigned Contracts and
11 Leases to Buyer at the time of Closing, and the Assigned Contracts and Leases shall be
12 effective notwithstanding any provisions therein precluding or impairing the rights of the
13 Debtor to assign them.

14 10. Upon payment of the cure amounts as established in the Order Authorizing
15 Assumption or Rejection of Executory Contracts and/or Leases, entered on January 11, 2002,
16 and pursuant to the Supplemental Order on Assumption of Contracts and/or Leases, entered
17 on January 25, 2002, the non-debtor parties to the Assigned Contracts and Leases are forever
18 barred from asserting claims against the Debtor (except for post-petition service provided to
19 the Debtor prior to Closing) arising under or related to the subject contracts or leases, and
20 each of the subject contracts or leases shall be deemed in full force and effect on its
21 assignment to Buyer.

22 11. The cure payments referenced in the preceding paragraph, when made, shall
23 satisfy the requisites of 11 U.S.C. § 365(b)(1)(A).

24 12. All parties to the Assigned Contracts and Leases are forever barred and
25 enjoined from raising or asserting against the Debtor or Buyer any default or breach under, or
26 any claim or pecuniary loss, or condition to assignment, arising under or related to, the
27 Assigned Contracts or Leases existing as of the Closing or arising by reason of the Closing
28 unless such default, breach, claim, pecuniary loss or condition was timely raised or asserted

ORDER APPROVING DEBTOR'S SALE OF
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1 prior to the entry of this Order. All liens of record against the Purchased Assets shall, upon
2 Closing, be removed and stricken as against the Purchased Assets, and all parties and other
3 entities, including filing agents and officers, title agents and companies, recorders of
4 mortgages and deeds of trust, administrative agencies, governmental units and other state,
5 federal and local officers are authorized and specifically directed to strike all recorded liens
6 against the Purchased Assets from their records without the presentation of any affidavits,
7 instruments, or returns otherwise required for recording, other than this Order.

8 13. The Debtor is authorized to take such further actions as may be necessary to
9 implement, close and consummate the sale of the Purchased Assets, including (i) executing
10 any documents necessary to consummate such sale and to assume and assign the Assigned
11 Contracts and Leases to Buyer pursuant to the terms and conditions of the Asset Purchase
12 Agreement without further order of this Court; (ii) take any action to strike or remove any
13 liens of record against the Purchased Assets; and (iii) making minor modifications to the
14 Asset Purchase Agreement prior to Closing so long as those modifications do not reduce the
15 consideration to be paid to the Debtor.

16 14. Except as expressly provided in the Asset Purchase Agreement, Buyer has not
17 assumed or otherwise become obligated for any of the Debtor's liabilities. Consequently,
18 after closing of the sale to Buyer, all creditors of the Debtor, whether known or unknown, are
19 hereby enjoined from asserting or prosecuting any claim or cause of action against Buyer or
20 the Purchased Assets to recover on account of any liability owed by the Debtor.

21 15. Rights of the Debtor to executory contracts, unexpired leases, and other
22 property excluded from the sale to the Buyer, remain the property of the Debtor and the
23 Debtor's rights, if any, to assume and assign those executory contracts and unexpired leases,
24 shall not be limited by this Order.

25 16. Among the property excluded from the Purchased Assets being sold to Buyer
26 are: (i) the Debtor's inventory of RevMaster stationary bicycles; (ii) the Debtor's contracts
27 and license agreements with LeMond Cycling, Inc. (including, without limitation, the
28 Sublicense and Endorsement Agreement dated August 9, 1999), Peloton Fitness, Inc., and

ORDER APPROVING DEBTOR'S SALE OF
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and \$17,000,000 shall be disbursed to an "Existing Debtor" to satisfy obligations of the Debtor to the "Existing Lenders" under the "Existing Credit Agreement" as such terms are

1 Exersmart, LLC; (iii) all prototypes of the Exersmart home gym (in any and all states of
2 assembly); (iv) all drawings, tooling, dies, equipment, materials, and other documents or
3 instruments related to the design and manufacture of the RevMaster stationary bicycle and the
4 Exersmart home gym; and (v) all home gym units and accessories, if any, provided to Debtor
5 by Exersmart.

6 17. With respect to any RevMaster stationary bicycles sold by the Debtor or third
7 parties: (i) the Buyer shall have no liabilities or responsibilities, including but not limited to
8 warranty or personal injury claims; and (ii) the Debtor shall use commercially reasonable
9 efforts to remove or cover all StairMaster names and logos that appear on the RevMaster
10 stationary bicycles that were manufactured prior to closing, and the Debtor will not have any
11 products manufactured after closing that display any StairMaster names or logos.

12 18. The sales proceeds received from the sale of the Purchased Assets, net of any
13 commissions, taxes, cure amounts, and other closing costs, required to be paid by the Debtor
14 in accordance with the Asset Purchase Agreement, plus other proceeds, if any, received after
15 Closing pursuant to the terms of the Asset Purchase Agreement, shall be used and distributed
16 at Closing as follows:

17 a. \$900,000 shall be paid to Houlihan Lokey Howard ^S Zukin Capital, as a
18 Transaction Fee, in accordance with the Order Authorizing Debtor in Possession to Retain
19 Houlihan Lokey, that was entered on October 15, 2001;

20 b. Sufficient funds shall be disbursed to ABN AMRO Bank N.V. as the
21 "DIP Agent," to fully satisfy all obligations of the Debtor to the "DIP Lenders" under the
22 "DIP Facility" ~~as more fully~~ defined in the Final Order Granting Motion For Authority to Use
23 Cash Collateral, and Obtain Post-Petition Financing, entered by this Court on September 25,

24 2001; and

The Unsecured Creditors' Committee and Existing Lenders have agreed upon a term sheet for a consensual plan of reorganization dated as of January 25, 2002 (the "Plan Term Sheet")

25 c. The balance of all funds generated from the closing, plus any other funds
26 received after Closing pursuant to the terms of the Asset Purchase Agreement, shall be
27 deposited into an interest-bearing account at ABN AMRO Bank, N.V., and shall be disbursed

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ORDER APPROVING DEBTOR'S SALE OF
SUBSTANTIALLY ALL OF ITS ASSETS, ETC. - 6

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Plan Term Sheet and subsequent order of this Court.

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in accordance with the provisions of the ~~term sheet attached hereto as Exhibit A and~~
~~Asset Purchase Agreement~~

19. Pursuant to Section 1146(c) of the Bankruptcy Code, the making, delivery, filing or recording of any and all other instruments of conveyance or transfer of the Purchased Assets (the "Conveyances"), are exempt from and shall not be taxed under any federal, state or local law imposing a recording tax, stamp tax, transfer tax or similar tax (collectively, "Transfer Taxes"). All filing and recording officers are hereby authorized and directed to accept for recording or filing, and to record or file immediately upon presentation thereof, the Conveyances, without the payment of any such Transfer Taxes and without the requirement or presentation of any affidavit or form with respect to any Transfer Tax regarding the Conveyances. All governmental authorities or taxing authorities shall be permanently enjoined from commencing or maintaining any action to collect from the Debtor, the Buyer or the Purchased Assets any Transfer Taxes arising from the transfers to be effectuated pursuant to the Asset Purchase Agreement, and this Court retains jurisdiction to enforce the foregoing.

20. This Order shall be binding upon and inure to the benefit of any successors and assigns of the Buyer and the Debtor, including without limitation, any trustee appointed in the Debtor's Chapter 11 case or subsequent Chapter 7 case.

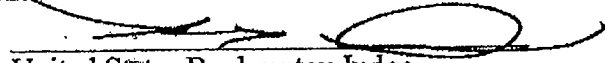
21. The sale of the Purchased Assets approved by this Order is not subject to avoidance under Section 363(n) of the Bankruptcy Code.

22. Information available to the Debtor under the Asset Purchase Agreement shall be made available to the ~~Court~~ *Creditors' Comm. Hec.*

23. The Court shall retain sole and exclusive jurisdiction over all matters arising from or related to the Purchased Assets, Assigned Contracts and Leases, the Motion, the implementation thereof, the account established in the preceding paragraph of this Order, and enforcement of this Order.

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DATED this 25 day of January, 2002.


United States Bankruptcy Judge

ORDER APPROVING DEBTOR'S SALE OF
SUBSTANTIALLY ALL OF ITS ASSETS, ETC. - 7

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Presented by:

HELLER EHRMAN WHITE & McAULIFFE LLP

By: Frederick P. Corbit JPC
Frederick P. Corbit, WSBA #10999
Attorneys for Debtor, StairMaster
Sports/Medical Products, Inc.

Approved as to Form; Notice of
Presentation Waived:

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By: Ragan L. Powers
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BUSH STROUT & KORNFIELD

By: Gayle E. Bush
Gayle E. Bush, WSBA #0718
Attorneys for The Official Committee of
Unsecured Creditors

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ORDER APPROVING DEBTOR'S SALE OF
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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made and entered into as of this 17th day of January 2002 (the "Execution Date"), by and between Direct Focus, Inc., a Washington corporation and its permitted assignees hereunder (the "Buyer"), on the one hand, and StairMaster Sports/Medical Products, Inc., dba StairMaster Health & Fitness Products, a Delaware corporation and Debtor and Debtor in Possession (the "Seller") under Case No. 01-19658 (the "Case") in the United States Bankruptcy Court for the Western District of Washington at Seattle (the "Bankruptcy Court").

RECITALS.

- A. Seller is engaged in the fitness equipment business, (the "Business").
- B. Seller wishes to sell to Buyer substantially all the assets it uses in connection with the Business at the price and on the other terms and conditions specified in detail below and Buyer wishes to so purchase and acquire such assets from Seller.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Transfer of Assets

1.1 Purchase and Sale of Assets. On the Closing Date, as hereinafter defined, in consideration of the covenants, representations and obligations of Buyer hereunder, and subject to the conditions hereinafter set forth, Seller shall sell, assign, transfer, convey and deliver to Buyer free and clear of all liens, interests and encumbrances of any kind or nature whatsoever, and Buyer shall purchase from Seller, free and clear of all liens, interests and encumbrances of any kind or nature whatsoever, all of Seller's right, title and interest as of the Closing Date in and to the following assets, wherever located (collectively, the "Property").

1.1.1 Leases and Contracts. Seller's rights, title and interest to the following leases and contracts which are assumed by Seller and assigned to Buyer pursuant to a final order of the Bankruptcy Court assuming and assigning the lease or contract (the "Assignment Order"), or if post-petition, to the extent transferable at no cost to Seller: wherein Seller is lessee or party (a) under a real property lease (the "Real Property Leases"), (b) under an equipment, personal property or intangible property lease, rental agreement, license, contract, agreement or similar arrangement (the "Other Leases") and (c) a party to other contracts, leases, orders, purchase orders, licenses, contracts, agreements and similar arrangements (the "Other Contracts") (all collectively the "Assumed Contracts"). Buyer initially designates the list of leases and contracts that Seller shall assume and assign to Buyer as set forth in Exhibit A-1 (Real Property Leases), Exhibit A-2 (Other Leases) and Exhibit A-3 (Other Contracts). Buyer shall have the option to add to or exclude from the list of designated leases and contracts on Exhibits A-1, A-2 and A-3, and to make such added designated leases and contracts Assumed Contracts, so long as Buyer notifies Seller of the lease or contract to be added or excluded from the list before the Auction (as such term is defined below).

1.1.2 Improvements. Any improvements located on the real property (collectively, the "Real Property") occupied by Seller under the Real Property Leases, but in all events only to the extent, if any, of Seller's interest in the same (collectively, the "Improvements").

1.1.3 Personal Property. All of those items of equipment and tangible personal property owned by Seller (including those listed in Exhibit "B" attached to this Agreement) and any other tangible personal property acquired by Seller after the date hereof but prior to the Closing Date

TrademarkName SIDE
CountryName United States of America
CaseNumber 740054-20173
AppNumber 74/385,648
FileDate 5/3/93
Goods

Class Status Abandoned
RegNumber
RegDate

TrademarkName SKEECROS
CountryName United States of America
CaseNumber 740054-20323
AppNumber 646,889
FileDate 2/27/87
Goods Exercise equipment simulating cross country skiing.

Class Status Closed
RegNumber 1,460,177
RegDate 10/6/87