



SPINNING® FACILITY LICENSE AGREEMENT

between

MAD DOGG ATHLETICS, INC.

and

LICENSEE

FAX, mail or scan a copy of this agreement with signed original signature to:

FAX: 310.823.7408

Scan: tberlant@maddogg.com or jjulian@maddogg.com

**Via Mail: Mad Dogg Athletics, Inc.
2111 Narcissus Court
Venice, California 90291**

Please retain a copy for your files.

SPINNING® FACILITY LICENSE AGREEMENT

This Agreement is entered into as of _____, 20_____, by and between Mad Dogg Athletics, Inc., (“MDA”) a California corporation headquartered at 2111 Narcissus Court, Venice, California 90291, and _____ (“Licensee”), a company or individual, whose address is _____.

A. MDA owns all rights, title, and interest in the trademarks SPINNING®, SPIN®, SPINNER®, and the Spinning® logo (collectively, the “Marks”) attached hereto as Exhibit A and incorporated herein by reference. MDA is the creator of the exercise program known as “The Spinning® Program (“Program”) which is used with the Spinner® stationary exercise bike manufactured by Star Trac. All rights to the Spinning® Trademarks other than those specifically granted herein are reserved to MDA for its own use and benefit. Licensee shall not use any of the Marks in any other business, corporation or trade name, including, but not limited to, licensee’s own business, facility, corporation or trade name, or internet URL page names or website page names.

B. Licensee operates a facility from which it seeks to offer the Program to its customers/members. The name and address of the Facility is:

C. Subject to the terms and conditions of this Agreement, Licensee desires to use and offer the Program as its exclusive group indoor cycling program at the Facility and seeks a non-exclusive license to use MDA’s Marks in connection with the Program and in the promotional materials in support thereof (collectively “Intellectual Property”).

ARTICLE 1. GRANT OF LICENSE

1.1 ***Grant*** MDA grants to Licensee a non-exclusive license to use and offer the program as its exclusive group indoor cycling program at the Facility, and to include the Marks in all marketing materials used to promote the Program. Licensee is not granted any right to use the Marks on any other products (i.e., t-shirts, towels, etc.) or for any services or for any other commercial exploitation other than the promotion of the Program without MDA’s prior written consent in each instance. Licensee shall not assign, sublicense, or otherwise transfer this Agreement or the right to use the Intellectual Property to any other person or entity without prior express written consent of MDA.

1.2 **Term** This Agreement shall commence on the date is it signed by Licensee and shall continue unless it is terminated pursuant to Article 3 of Agreement.

1.3 **Quality Control**

(a) Licensee agrees to offer the Program under the supervision of a certified Spinning® Instructor trained by MDA and in accordance with the training guidelines set forth in the instruction manual provided by MDA solely to Spinning® instructors. Licensee agrees not to disclose the contents, reproduce, or distribute copies of the instruction manual to anyone except in the ordinary and intended use of such materials by Licensee's trained Program instructors. Licensee also agrees to use the following trademark disclosure notice on all material distributed or published containing the Intellectual Property.

(i) The SPIN®, SPINNING® and SPINNER® trademarks are solely owned by, and used under license from Mad Dogg Athletics, Inc.

1.4 **Licensee Operating From More Than One Location** If Licensee conducts business from a location other than the Facility associated with agreement and desires to offer the Program and use the Intellectual Property at another Facility, Licensee shall first obtain MDA's prior written consent and shall enter into a separate license agreement for the additional Facility.

1.5 **Use of Spinning® Marks and Spinner® Bikes** Licensee agrees to use the Marks precisely as shown in the Exhibit B "Guide To Proper Trademark Use" attached hereto and incorporated herein by reference. Licensee will observe any reasonable directions given by MDA as to the use of the Marks. The Marks shall, where is it reasonable to do so, (a) be accompanied by the words "exercise program" or "exercise class", or (b) accompanied with the registered trademark symbol at the end of the Mark in the first instance of mention on a page or may be accompanied with the registered trademark symbol at all times i.e. Spinning® and (c) be written entirely in capital letters or otherwise distinguished from the accompanying text to make it clear that the words are trademarks. At MDA's request, Licensee agrees to provide samples of promotional materials for the Program to MDA for its approval.

(a) Licensee shall provide MDA with a list of Licensee's current schedule of SPINNING classes and the names of the instructors of said classes to ensure that Licensee is utilizing only certified SPINNING instructors for said classes by completing the Club Information Sheet attached hereto as Exhibit C and incorporated herein by reference.

(b) Licensee agrees to solely use, as the only indoor cycling bike in connection with the Program, Spinner® bikes manufactured by Star Trac® (with an exception made for the older Johnny G. Spinner®).

1.6 **Ownership Of Intellectual Property** Licensee hereby acknowledges and agrees that MDA is the sole and exclusive owner of the Intellectual Property and all the goodwill associated therewith. Licensee further agrees that it will never challenge the validity or ownership of the Intellectual Property or assist or induce a third party to do so. Licensee shall not apply to register any of the Marks, or claim any rights in any of the Intellectual Property, in any country of the world.

ARTICLE 2. TRAINING, INDEMNIFICATION AND INSURANCE

2.1 **Training** MDA shall provide a one-day training session to Licensee's employees in the use of the Program pursuant to the training guidelines set forth in the instruction manual provided by MDA. Licensee's instructors for the Program shall also complete the six (6) month training program set forth in the instruction manual. Licensee shall pay, or cause the payment of, a non-refundable training fee for such training.

2.2 **Limitation Of Liability** MDA shall not be responsible for damages resulting from loss of use of the Program, lost profits from offering the Program, or for any other special or consequential damages resulting from a breach of any of MDA's obligations provided in this Agreement. This limitation of liability is not intended to apply to general damages resulting from MDA's negligent or grossly negligent acts or omissions hereunder.

2.3 **Licensee's Indemnification** Licensee hereby indemnifies MDA against liabilities and costs, including reasonable attorney's fees, based on and arising from Licensee's use or marketing of the Intellectual Property and in the offering and use of the Program, except insofar as any such claim may be found to arise from any failure on the part of MDA.

2.4 **Insurance** For the Term, Licensee shall maintain liability insurance of such scope and with such coverage's as are customary in the industry, naming MDA as an additional insured. Such policy shall cover any and all claims, demands, and causes of action arising out of Licensee's use and promotion of the Program.

ARTICLE 3. TERMINATION

3.1 **Termination of Agreement** :

(a) Either party may terminate this Agreement at any time giving written notice to the other Party at least thirty (30) days prior to the effective date if such termination.

(b) If Licensee commits any breach of any provision of this Agreement, regardless of whether such breach is minor or material, MDA may terminate the Agreement upon written notice, unless Licensee cures the breach within ten (10) days of receiving such notice.

(c) If Licensee becomes insolvent, exercises an assignment for the benefit of creditors, goes into liquidation, or a receiver or trustee is appointed for the benefit of creditors, whether any of these events be the outcome of a voluntary act of Licensee or otherwise, MDA may terminate this Agreement.

(d) If MDA commits a material breach of this agreement that is not cured within thirty (30) days from the date of written notification of such breach by Licensee to MDA, Licensee may terminate this Agreement by sending written notice of such termination to MDA.

3.2 **Licensee's Obligations Upon Termination** If this Agreement is terminated for any reason and by any party:

(a) Licensee shall immediately stop all use of the Program and the Intellectual Property; and

(b) Licensee shall not thereafter distribute or publish any marketing materials relating to the Program.

ARTICLE 4. GENERAL PROVISIONS

4.1 **Entire Agreement And Binding Effect** This Agreement constitutes the entire Agreement between Licensee and MDA with respect to the use of the Program and the Intellectual Property, and no change, modification or alteration of the Agreement shall be effective unless in writing and signed by both parties. This Agreement shall be binding upon and be to the benefit of the parties and their respective transferees, successors, and assigns.

4.2 **Severability and Waiver** If all or any part of this Agreement is found invalid or unenforceable by court of law, the rest of this Agreement shall remain valid and enforceable according to its terms. A waiver of any provision of this Agreement, or of the rights and obligations of the parties, must be in writing and signed by both parties.

4.3 **Notices** Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given on the date of personal delivery, or on the third day after mailing by United States mail, registered or certified, postage pre-paid, to the addresses set forth on page 1.

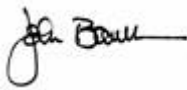
4.4 **Governing Law, Jurisdiction and Forum** This Agreement shall be governed by and construed in accordance with the State of California. The parties agree that if there is any dispute regarding this Agreement, it shall be resolved in a court of competent jurisdiction in the State of California. The parties agree to the personal jurisdiction of California courts.

4.5 **Attorney's Fees** If any litigation is commenced concerning this Agreement, the prevailing party shall be entitled to its costs and attorney's fees, including all appeals.

4.6 **Advice of Counsel** All parties have been given an opportunity to consult with independent counsel of their own choice prior to executing this Agreement.

The parties have signed this Agreement by persons having authority to bind each party.

Regards,



LICENSEE:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Facility Name: _____

Facility Address: _____

Facility Website: _____

Facility Phone: _____

Email: _____

EXHIBIT "A"

GUIDE TO PROPER TRADEMARK USE

If a company's trademark becomes generic, anyone can use it without fear of a claim of trademark infringement from the trademark owner. This is because the word or symbol no longer indicates to the public that the products or services bearing the trademark originate from one source, namely, the trademark owner. Loss of a trademark not only denies consumers the opportunity to identify preferred brands and repeat satisfactory purchases, it also destroys the owner's investment in its valuable asset.

The Spin[®], Spinner[®] and Spinning[®] trademarks are important business assets of Mad Dogg Athletics, Inc. and should be treated with the care due something so valuable. We rely on our trademarks to identify our products and services and to distinguish them from those of our competitors. As the creators of the Spinning[®] brand of indoor cycling, and the worldwide leader in providing indoor cycling classes, equipment, clothing and accessories, we take tremendous pride in our products and programs and work tirelessly to improve our performance. We believe that our passion for perfection is unrivaled in the industry.

We respectfully ask you to support our efforts to enforce our trademarks and take the steps necessary to use them properly. If you have any questions concerning the proper use of the Spin[®], Spinner[®] and Spinning[®] trademarks, please feel free to contact us at info@spinning.com for North America, South America and Asia Pacific, and at infoeurope@spinning.com for Europe, Middle East and Africa.

THE SPIN[®], SPINNER[®] AND SPINNING[®] TRADEMARKS

Spin[®], Spinner[®] and Spinning[®] are registered trademarks of Mad Dogg Athletics, Inc., a California corporation.

WHAT IS SPINNING® AND WHAT IS A SPINNER®?

The word “Spinning” as it pertains to indoor cycling was coined by our company, and is an arbitrary word we selected to distinguish our stationary bicycle exercise program from others. We also coined the word “Spinner” to distinguish our stationary exercise bicycles from those produced by our competitors. Our Spinner® brand is the leading brand of indoor cycle in the world.

The Spinning® indoor cycling program is a comprehensive program that includes features that take advantage of the patented Spinner® stationary bicycle, heart rate training, general exercises, different exercise sets directed at various goals, and motivational materials. Most importantly, Spinning® is the brand name of our particular indoor cycling program and should not be used to refer to any program that is not offered by Mad Dogg Athletics.

THE MARKS ARE REGISTERED FOR THE FOLLOWING USES:

In addition to the program and bicycle, we also use and own trademark rights in the trademark Spinning® for sports instruction, health education, nutritional supplements, sports drinks, pre-recorded videos, DVDs, music CDs, computer software for physical analysis, clothing and exercise equipment. Additionally, we own the trademarks Spin® and Spinner® for exercise equipment and other indoor cycling products and accessories.

WHAT IS THE PURPOSE OF THE SPIN®, SPINNER® AND SPINNING® TRADEMARKS?

Trademark Offices around the world provide our company with additional legal means for protecting consumers, licensees, distributors and our company from imitation or counterfeit products and programs. These rights include the exclusive right to use our trademarks in the countries in which they are registered and a presumption of validity and enforceability of the registered trademarks.

Proper use of the marks serves to distinguish our Spinning® brand products and services from the products and services of other companies and helps prevent damage to our marks. To help prevent the misuse of our marks, Mad Dogg Athletics sets forth various guidelines to assist you in the proper use of the Spin®, Spinner® and Spinning® trademarks.

Proper trademark use identifies a particular brand of a product or service and is not the name or description of a general product or service. Accordingly, it is important to use the trademarks together with the common name or description of the product or service.

For example, it would be proper to say or use “the Spinning indoor cycling program” or “the Spinner stationary exercise bike.” Using the trademarks properly clearly informs the public that they are purchasing goods or services offered by Mad Dogg Athletics, not by others, and that they will receive the highest quality indoor cycling instruction and products when they purchase the goods and services offered under our marks. Similarly, and by way of example, a person buying a car will look to the brand name, such as Ford, BMW or Lexus, as an indicator of the quality and reliability of the brand they are purchasing. When you buy indoor cycling goods and services offered by Mad Dogg Athletics under its Spin®, Spinner® and Spinning® marks, you may be confident that you will enjoy the finest such goods and services in the world.

WHO MAY USE OUR TRADEMARKS AND LOGOS?

Licensed Spinning® Facilities, authorized dealers and anyone licensed by Mad Dogg Athletics has the right to promote and use the Spin®, Spinner® and Spinning® trademarks so long as such advertising follows the method of use outlined in this guide.

We ask that our licensed Spinning® facilities, dealers or licensees contact us immediately by sending an email to trademarks@maddogg.com if they become aware of any unauthorized or improper use of the Spin®, Spinner® and Spinning® trademarks.

PLEASE OBSERVE THE FOLLOWING RULES:

- » Use special typography: The Spin[®], Spinner[®] and Spinning[®] trademarks should be either capitalized completely (e.g., SPIN, SPINNER, SPINNING) or with initial capitalized letters (e.g., Spin, Spinner, Spinning).
- » Use the generic name after the trademark: This is the first and most important rule. At a minimum, use the generic term after the trademark at least once in each written communication and, in broadcast matter, the first time the mark appears or is used.

Examples:

The Spinning[®] indoor cycling program

Spinning[®] indoor cycling class

Spinning[®] group cycling class

Spinner[®] stationary bicycle

SPIN[®] membership program

Spinner[®] indoor cycle

Spinner[®] bike

- » Use a trademark notice: Mad Dogg Athletics requires the use of the ® trademark registration notice one or more times in all printed materials and advertising.

Example:

Spinning®

Spinner®

Spin® (for our indoor cycling classes or indoor cycles)

SPIN® (to indicate the Spinning Program Instructor Network)

- » Use the following trademark designation: Spin[®], Spinner[®] and Spinning[®] and the Spinning logo are registered trademarks of Mad Dogg Athletics, Inc.

- » avoid variations: Do not change the spelling, insert hyphens or combine two words into one.
- » avoid incorrect grammatical use: Never use the Spin[®], Spinner[®] and Spinning[®] trademarks as nouns or verbs. For example, never use the word “spin” as a verb to describe an exercise program, class, physical activity or an exercise bicycle. The proper use is to say or use “the Spinning[®] indoor cycling program” or “the Spinner[®] bike.”
- » avoid using the spinning trademark as a trade name: It is incorrect to use or refer to our trademarks as a trade name (e.g., company name or facility name).

THE SPIN[®], SPINNER[®] AND SPINNING[®] TRADEMARKS SHOULD NOT BE USED IN ANY OF THE FOLLOWING WAYS:

- » With the letter “S” not capitalized—For example, spinning or spinner.
- » Misspelled—For example, spining or spinnerz.
- » As a verb—For instance, “Come spin with us”.
- » As a noun—For example, “a spin class.”
- » As part of a trade name—For instance, “The New York Spinning Center.”
- » As a generic term—For example, a “spin class” or a “spinning class.”
- » To advertise bikes, programs or products that are not affiliated with Mad Dogg Athletics.

USE OF THE SPINNING[®] LOGO

The Spinning[®] logo was designed to designate products and services developed by Mad Dogg Athletics and may be used by licensees in its exact form to advertise and promote the Spinning program. Under no circumstances may the Spinning logo be used, without Mad Dogg Athletics’ express written consent, to manufacture and sell products such as clothing, water bottles or any other merchandise.

The correct format of the Spinning® logo is indicated as shown below. The logo is not to be used in any form that varies from the sample below and must not be used in combination with any other trade name or logo.



EXHIBIT "B"

CLUB INFORMATION SHEET

Program Coordinator: _____

Phone: _____ Fax: _____

Email: _____

Website: _____

Have you requested to host a workshop? **NO** _____ **Yes, date is** _____

List the *Make and Model* of your bikes: _____

List how many bikes are on the premises: _____

How large is your facility (in Sq, ft)? _____

Do you offer other group ex.? **NO** _____ **YES, programs include:** _____

Would you like to offer a *FREE Spinning Class Pass* online? **YES** _____ **NO** _____

Please list each Spinning instructor and his or her MDA instructor number. Use a separate sheet of paper if needed:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____