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FORM PTO-1596 (Modified)  
(Rev. 03-01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
POBA/REV03

## RECORDATION FORM COVER SHEET

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To the Director of the United States Patent and Trademark Office: Please record the attached original documents or copy thereof.

## 1. Name of conveying party(ies):

Hai Pin Kuo

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

Name: The Nautilus Group, Inc.Address: 1400 NE 136th Avenue

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

## 3. Nature of conveyance:

☒ Assignment☐ Merger☐ Security Agreement☐ Change of Name☐ OtherCity: Vancouver State/Prov.: WACountry: U.S.A. ZIP: 98684Execution Date: September 19, 2004

Additional name(s) &amp; address(es)

☐ Yes ☒ No

## 4. Application number(s) or patent numbers(s):

If this document is being filed together with a new application, the execution date of the application is:

Patent Application No.

Filing date

B. Patent No.(s)

6,461,279

Additional numbers

☐ Yes ☒ No

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

Name: Gregory P. Durbin, Esq.Registration No. 42,503Address: DORSEY & WHITNEY LLP370 Seventeenth Street, Suite 4700City: Denver State/Prov.: COCountry: U.S.A. ZIP: 80202-5647

## 6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 3.41):.....\$ 40.00☐ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☒ Authorized to be charged to deposit account

## 8. Deposit account number:

04-1415

(Attach duplicate copy of this page if paying by deposit account)

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## 9. Statement and signature.

*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*Gregory P. Durbin

Name of Person Signing

Signature

September 16, 2004

Date

Total number of pages including cover sheet, attachments, and

4

Mail documents to be recorded with required cover sheet information to:  
Mail Stop Assignment Recordation Services  
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P.O. Box 1450, Alexandria, VA 22313-1450

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### ASSIGNMENT

This Assignment ("Agreement") is entered into and effective as of the 19th day of September, 2003, by and among Hai Pin Kuo ("Inventor"), an individual residing at No. 11, Gong Huan Road, Tainan City, Taiwan, R.O.C; Sports Art Industrial Company, Ltd., an entity organized under the laws of Taiwan having its principal address at No. 11, Gong Huan Road, Tainan City, Taiwan, R.O.C. ("Sports Art"); and The Nautilus Group, Inc., a Washington corporation ("Nautilus") having a principal address at 1400 N.E. 136<sup>th</sup> Avenue, Vancouver, Washington 98684. Inventor and Sports Art are sometimes referred to collectively herein as "Assignors" and Nautilus is sometimes referred to herein as "Assignee".

WHEREAS, Inventor, either individually or in connection with Sports Art (together "Assignors"), has made a certain new and useful invention relating to a Treadmill Having Dual Treads for Stepping Exercises, for which United States Patent No. 6,461,279 was issued on October 8, 2002, in addition, Inventor, either individually or in connection with Sports Art, has made developments, modifications, concepts and ideas (whether patentable or not) related to many aspects of the dual-deck treadmill technology (the "'279 Patent and Improvements");

WHEREAS, Inventor, either individually or in connection with Sports Art, is the owner or owners of all right, title and interest in the '279 Patent and Improvements and the inventions covered thereby;

WHEREAS, Assignee desires to acquire all right, title and interest in and to the '279 Patent and Improvements, including the invention(s) covered thereby, and any provisional, nonprovisional, continuation, continuation-in-part, divisional, renewal, or substitute application corresponding or related thereto, international and foreign and regional applications and patents corresponding thereto, and the Letters Patent, both domestic and foreign, or any reissue or reexamination thereof, to be obtained therefore (collectively, the "Intellectual Property Rights"); and

WHEREAS, for Assignors' assignment of the Intellectual Property Rights, Assignee is willing to pay Assignors collectively One United States Dollar (US\$1.00).

NOW, THEREFORE, in consideration of the recitals and mutual covenants and agreements contained herein, and for other valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment. Assignors unconditionally sell, assign and set over to Assignee and Assignee's legal representatives, successors and assigns, Assignors' entire right, title and interest in and to the '279 Patent and Improvements and the Intellectual Property Rights.

2. Payment. If it has not already done so by the time this Agreement is executed, Assignee will pay Assignors collectively One United States Dollar (US\$1.00) for the assignment of the entirety of the Assignors' rights in the '279 Patent and Improvements and the Intellectual Property Rights by payment of such sum to Inventor.

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3. Cooperation. Assignors will cooperate with Assignee in order that Assignee may enjoy the benefits of the rights conveyed hereunder to the fullest extent. Assignors will not execute any writing or do any act whatsoever conflicting with this assignment or Assignee's enjoyment of the benefits hereunder, and Assignors will, at any time upon request, without further or additional consideration, but at the expense of the Assignee, execute such additional assignments and other writings and do such additional acts as Assignee may deem necessary or desirable to perfect Assignee's enjoyment of this grant, and render all necessary assistance in making application for and obtaining original, continuation, continuation-in-part, divisional, renewal, reissued or extended Letters Patent of the United States, or of any and all foreign countries, on said inventions, including the '279 Patent and Improvements, and in enforcing any rights or choses in action accruing as a result of such applications or patents, by giving testimony in any proceedings or transactions involving such applications or patents, and by executing preliminary statements and other affidavits, it being understood that the foregoing covenant and agreement shall bind, and inure to the benefit of, the assigns and legal representatives of both parties.

4. Representations and Warranties. Assignors jointly and severally represent and warrant as follows: (a) Inventor has full authority to enter into this Agreement on Sports Art's behalf; (b) Assignors, either individually or together are the lawful owners of the rights in the '297 Patent and Improvements and the Intellectual Property Rights assigned hereunder; (c) Assignors have good title to the '297 Patent and Improvements and the Intellectual Property Rights assigned hereunder and have the right to assign and sell such patent and rights to Assignee; (d) the '297 Patent and Improvements and the Intellectual Property Rights assigned hereunder are free from all liens and encumbrances; (e) Assignors have not heretofore entered into any assignment, contract or understanding which is inconsistent with the provisions hereof; and (f) Inventor has sufficient knowledge of the English language to have read and understood this document in English, and to the extent Inventor has any questions about the language Inventor has had at least those sections translated to him by an interpreter of his choosing.

5. Choice of law. This Agreement is to be construed under the laws of the State of Colorado, USA, without regard to conflicts of laws principles. Venue for any such action under this Agreement shall be in Denver County, Colorado, USA.

6. Acknowledgement of Counsel. Assignors and Assignee each acknowledge and agree that they have been advised, or had the opportunity to seek and be represented in connection with the preparation of this Agreement, by counsel of their own choosing, and that, if Assignors or Assignee has elected not to be represented by counsel in the negotiation and preparation of this Agreement, such election was made freely and voluntarily with full awareness of the consequences of the decision. Assignors and Assignee further acknowledge and agree that they have read and understood this Agreement, and are fully aware of the contents and legal effect of this Agreement, and that they have executed this Agreement after independent investigation and without fraud, duress or undue influence. This Agreement shall be construed as if Assignors and Assignee were jointly and equally responsible for drafting it.

7. Integration and Order of Precedence. The terms and conditions of the Deal Memo (Attached) between Sports Art Industrial Company Limited and Nautilus Group, also known as The Nautilus Group, Inc. are reflected in this Agreement, however the Deal Memo

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is superceded and replaced by the terms and conditions of this Agreement. This Agreement constitutes the entire agreement of the parties and supersedes any prior agreements, written or oral, in their entirety. This Agreement may not be modified, amended or changed without the prior written consent of the parties.

8. Severability. If any provision of this Agreement is adjudicated by a court of competent jurisdiction in the United States of America to violate any law or governmental regulation, that provision shall be stricken and all remaining provisions of this Agreement shall remain in full force and effect.

9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement admissible as evidence and both of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

ASSIGNORS:


  
\_\_\_\_\_  
Hai Pin Kuo, Inventor

Sports Art Industrial Company, Ltd.

By:   
\_\_\_\_\_  
Name: Hai Pin Kuo  
Title: President

ASSIGNEE:

The Nautilus Group, Inc.

By:   
\_\_\_\_\_  
Name: Greg Hammann  
Title: President & CEO

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