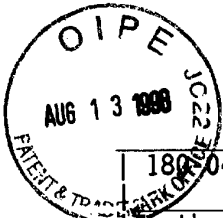


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To the Commissioner of Patents & Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): Craftmatic Industries, Inc. <u>Corporation</u> Nature and citizenship of party (individual, association, partnership, corporation) Additional name(s) of conveying party(ies) attached? Yes () No (x)</p>	<p>2. Name and address of receiving party(ies): Elevation Bed LLC c/o Thomas Perkins, C.P.A. Leon N. Weiner & Associates 4 Denny Road, Wilmington, DE 19809 <u>Limited Liability Company</u> Nature and citizenship of party (individual, association, partnership, corporation, other) Domestic representative designation attached? Yes () No (x)</p>
<p>3. Nature of conveyance (assignment, security agreement, merger, change of name, other): Assignment Execution Date: December 31, 1997</p>	<p>Additional name(s) & address(es) attached? Yes () No (x)</p>
<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 2,173,279 Additional numbers attached? Yes () No (x)</p>	
<p>5. Party to whom correspondence should be mailed: William H. Eilberg, Esq. 820 Homestead Rd., P.O. Box 7 Jenkintown, PA 19046</p>	<p>6. Total number of applications and registrations involved: 1 7. Total fee enclosed: \$40.00 ----- 8. Deposit Account: None</p>
<p>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. Date: <u>8/11/98</u> <u>William H. Eilberg</u> William H. Eilberg Total no. of pages including cover sheet, attachments, and document: 12</p>	

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SALE AND LICENSE AGREEMENT

THIS SALE AND LICENSE AGREEMENT ("Agreement") is effective as of December 31, 1997, by and between **CRAFTMATIC INDUSTRIES, INC.**, a Delaware corporation ("Industries") and **ELEVATION BED LIMITED LIABILITY COMPANY**, a Delaware limited liability company ("ELEVATION BED").

WITNESSETH:

WHEREAS, Industries is engaged in the distribution and sale of the Craftmatic® adjustable bed, an electric adjustable bed specifically designed for residential use and having certain features found in hospital beds (the "Product");

WHEREAS, Industries is the owner of the entire right, title and interest in and to the following United States Trademarks: Craftmatic®, Registration No. 1,324,599, Registration Date March 12, 1985, other trademarks listed on Schedule A attached hereto, and Contour which is the subject of an application for registration filed with the United States Patent and Trademark Office on an intent to use basis (Serial Number 74/649,644; filing date March 21, 1995; and certain common law trademarks and the goodwill associated with each of the foregoing trademarks (collectively, the "Marks");

WHEREAS, Industries is the owner of the technology, know-how, production details, marketing research, customer lists, artwork, literature, emblems and packaging materials specifically related to the Product (collectively, the "Other Intellectual Property");

WHEREAS, Industries under a Licensing Agreement effective as of November 11, 1993 has granted a license to Craftmatic U.K., Limited, a United Kingdom Company ("U.K.") to use the Marks and Other Intellectual Property ("U.K. License") and U.K. has registered the Marks in various countries as listed on Schedule B attached hereto;

WHEREAS, Industries desires to sell to ELEVATION BED all of Industries' right, title and interest in and to the Marks and the Other Intellectual Property, including its entitlements under the U.K. License but with Industries to retain the continued use thereof including its entitlements under the U.K. License, without payment for five years from the date hereof; and

WHEREAS, upon consummation of the sale of the Marks and Other Intellectual Property to ELEVATION BED, Industries desires the right to use and license others to use the Marks and the Other Intellectual Property (the Marks and the Other Intellectual Property are hereinafter collectively referred to as the "Licensed Rights"), pursuant to the provisions contained herein, to identify the Product and services associated with the Product in the United States (the "Business").

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

1. Sale of Marks and Other Intellectual Property.

(a) In consideration of the payments specified in Subsection (b) below and the grant of the License in Section 2, Industries hereby agrees to sell, assign and transfer to ELEVATION BED and its successors and assigns the following assets of Industries:

(i) All of Industries' right, title and interest in and to the Marks, including, but not limited to, (A) all registration rights in respect of such Marks, (B) all variances of such Marks and all logos used in connection therewith, and (C) all goodwill associated therewith, including the right to sue for past infringements; and

(ii) All of Industries' right, title and interest in and to the Other Intellectual Property.

(b) In consideration for the sale, assignment and transfer of the Marks and the Other Intellectual Property, ELEVATION BED shall pay to Industries the aggregate sum of two hundred eighteen thousand Dollars (\$218,000) (the "Purchase Price"). The Purchase Price shall be paid with interest at the rate of eight percent per annum, by annual installments of interest and payment of the full principal balance no later than June 30, 2002.

(c) In connection with the sale, assignment and transfer of the Marks and the Other Intellectual Property, Industries shall execute in favor of ELEVATION BED an Assignment of Trademarks in the form of Exhibit A attached and a Bill of Sale in the form of Exhibit B attached and shall upon request cause U.K. to execute in favor of ELEVATION BED or its designee any documents reasonably requested to evidence ELEVATION BED's ownership of the Marks and other Intellectual Property

2. Grant of License.

ELEVATION BED hereby grants to Industries, subject to the provisions of this Agreement, an exclusive license for a five-year period from the date hereof to (i) use the Licensed Rights, and (ii) sublicense the Licensed Rights to bona fide dealers and distributors in connection with the sale and servicing of the Product (the "License"), at no charge.

3. Industries' Obligations and Undertakings.

(a) Industries agrees that ELEVATION BED shall have full control over the manner in which Industries uses any of the Marks. All use of the Marks, by Industries, shall inure to the benefit of ELEVATION BED, and Industries shall not acquire any ownership rights in the Marks, by reason of such use. Industries agrees that it will not use the Marks in connection with the sale or advertising of any goods which have not been approved by ELEVATION BED.

(b) Industries hereby agrees to operate its Business, and take such reasonable measures to ensure that its dealers and distributors operate their respective businesses, in accordance with reasonable standards of quality as may be established by ELEVATION BED from time to time. Industries shall furnish ELEVATION BED with the then-standard form of agreement which Industries uses in granting dealerships and distributorships for the sale of the Product (the "Dealer Agreement"). Industries may revise and amend such form of Dealer Agreement, at any time and from time to time, and shall promptly furnish ELEVATION BED with a copy of any such revised form of agreement.

Document No. 0543979.01

(c) ELEVATION BED shall have the right to inspect the premises of Industries and Industries' dealers and distributors for the purpose of protecting and maintaining the standards of quality established for goods and services sold under the Marks. Industries shall permit ELEVATION BED to enter Industries' Business premises at all reasonable times, with or without advance notice, for the purpose of inspecting the goods and services sold by Industries under the Marks for the purpose of determining the quality of such goods and services. Industries shall provide ELEVATION BED or its designee in the Dealer Agreement with Industries' dealers and distributors, with the right to enter each such dealer's and distributor's respective business premises at all reasonable times, with or without advance notice.

(d) In the event that any third party makes any claim, by demand, suit or otherwise, against Industries because of or arising out of Industries' use, in accordance with the terms of this Agreement, of the trademarks and service marks licensed hereunder, Industries shall promptly notify ELEVATION BED in writing as to the identity of the claimant and the nature and amount of the claim. Thereupon, Industries shall retain counsel approved by ELEVATION BED to defend against such claim, demand or suit, and Industries shall protect, indemnify and hold ELEVATION BED harmless from any losses, damages, costs, charges, liabilities, or expenses arising out of or relating to such claim, demand or suit.

4. Rights in Marks.

(a) Industries represents and warrants to ELEVATION BED that immediately prior to the execution of this Agreement and at all times contemporaneous thereto that the Marks were the valid and existing trademarks of Industries and that Industries was the sole and exclusive owner of the Marks and that upon execution of this Agreement and delivery of the Assignment of Trademarks that ELEVATION BED will be the sole and exclusive owner of the Marks, that the Marks will be the valid and existing trademarks of ELEVATION BED and that the Marks are free and clear of any and all liens, claims and encumbrances. Nothing contained in this Agreement shall give Industries any right, title or interest in the Marks, except the right to use the Marks in strict accordance with the provisions of this Agreement.

(b) Industries shall promptly notify ELEVATION BED, in writing, of any infringement or potential infringement of the Marks of which it has become aware. Without the express written consent of ELEVATION BED, Industries shall have no right to bring any action or proceeding relating to such infringement or potential infringement or which involves, directly or indirectly, any issue the litigation of which may effect the interest of ELEVATION BED.

(c) On the termination of this Agreement, Industries shall immediately and completely discontinue all use of the Licensed Rights.

5. Indemnification.

(a) Industries agrees to indemnify and hold harmless ELEVATION BED from and against any and all claims, liabilities, expenses, damages and costs (including reasonable attorneys' fees) arising out of or relating to Industries use of the Marks or the breach of any representation or warranty of Industries set forth in this Agreement.

(b) Should any claim covered by the foregoing indemnity be asserted against ELEVATION BED, ELEVATION BED shall notify Industries promptly and give it an opportunity to defend the same, and ELEVATION BED shall extend reasonable cooperation to Industries in

connection with such defense. In the event Industries fails to defend the same within a reasonable time, ELEVATION BED shall be entitled to assume the defense thereof.

6. **Term of Agreement.** The License shall continue for a period of five (5) years from the date hereof unless terminated earlier by any of the following:

(a) If Industries shall breach any obligation under this Agreement, then upon notice as provided in paragraph 7 and failure to cure, this License shall terminate.

(b) If there is any attempt to transfer the rights to this License, any such transfer is null and void, upon notice as provided in paragraph 7 and failure to cure, this License shall terminate.

(c) If Industries ceases to operate the Business for a period in excess of thirty (30) days, except where Industries has entered into a Dealer Agreement with a bona fide dealer or distributor.

(d) If Industries and ELEVATION BED mutually agree to terminate this Agreement.

7. **Notice.** ELEVATION BED, or its successors and assigns, shall give not less than thirty (30) days written notice to Industries of any intent to terminate this License for breach of an obligation hereunder or of an attempt to transfer. Industries shall be permitted to cure such breach or attempt to transfer within such thirty (30) day period, and if the same be cured, no termination of the License shall occur.

8. **Miscellaneous.**

(a) If any provision of this Agreement shall be void as contrary to applicable law, it is agreed that such provision shall be omitted from this Agreement and that the remainder hereof shall be and remain in full force and effect as if such omitted provision had not been included herein.

(b) This Agreement expresses the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and negates all prior understandings and agreements with respect thereto and may not be altered, amended or modified in any manner except by written agreement of the parties.

(c) Nothing contained in this Agreement shall be construed to place ELEVATION BED and Industries in a relationship as partners, joint venturers, employer and employee or principal and agent. Industries shall not have any authority to create or assume in ELEVATION BED's name or in its behalf any obligation, express or implied, or to act or purport to act as ELEVATION BED's agent or legally empowered representative for any purpose whatsoever.

(d) Neither party shall be liable in any respect for failure or delay in fulfillment of performance if such failure or delay is the result of circumstances beyond the party's reasonable control.

(e) The rights and liabilities of this Agreement may be assigned by ELEVATION BED, and this Agreement shall be binding on and inure to the benefit of its

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successors and assigns. The rights and liabilities of this Agreement shall be binding on and inure to the benefit of Industries' successors and assigns, to the extent permissible under these terms.

(f) All notices to be given by either party to the other shall be mailed in writing and shall be deemed given on the date mailed by certified mail, postage prepaid, return receipt requested, to the address of the party to whom given. For purposes of this Agreement, notices to be given to ELEVATION BED shall be delivered to:

Stanley A. Kraftsow
7917 Fisher Island Boulevard
Fisher Island, Florida 33109

and notices to Industries shall be delivered to:

2500 Interplex Drive
Trevose, Pennsylvania 19053
Attn: Mark Rosenfeld

Each address and addressee is subject to change by notice from the other party.

(g) This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware.

(h) A waiver by either of the parties hereto of any breach of any provision of this Agreement by the other party shall not be construed to be a waiver of any succeeding breach or any such provision or waiver of the provision itself.

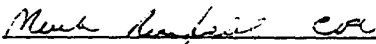
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ELEVATION BED

LIMITED LIABILITY COMPANY

By: 
STANLEY A. KRAFTSOW, Manager

CRAFTMATIC INDUSTRIES, INC.

By: 

Name: Mark Rosenfeld

Title: Chief Financial Officer

SCHEDULE A

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
Design	1,329,636	April 9, 1985
Contour Chair-Lounge	1,329,632	April 9, 1985
Craftmatic	1,324,599	March 12, 1985
Contour Bed	1,252,957	October 4, 1983
Contour	1,184,796	January 5, 1982
Contour Bed	1,252,956	October 4, 1983
Design	1,153,185	May 5, 1981
Design	1,195,215	May 11, 1982
Contoura	754,154	August 6, 1963
Powerslide	760,355	November 19, 1963
Cuddler	746,618	March 12, 1963
Contour Comfort	696,071	April 12, 1960
"Comfort is a thing called Contour"	710,253	January 24, 1961
The Pause that Relaxes	670,784	December 2, 1958
Thermonic	666,943	September 9, 1958
Contour	642,944	March 19, 1957
Contour Chair-Lounge	520,737	February 7, 1950
Design	1,329,636	April 9, 1985
Design	1,153,185	May 5, 1981
Design	1,195,215	May 11, 1982

SCHEDULE B

1. UK Registration No. 1203445. Owner: Craftmatic Industries, Inc. Craftmatic/Contour Organization Inc. has been recorded as a "registered user". This registration is in International Class 10, meaning that the adjustable chairs were characterized as medical products.

2. UK Registration No. 1379636. Owner: Craftmatic Industries, Inc., with Craftmatic/Contour Organization listed as a registered user. This registration is in Class 20, which is the class that covers furniture in general, including beds.

3. French Registration No. 1285612. Owner: Craftmatic U.K. Limited.

4. Benelux Registration No. 556328. Owner: Craftmatic U.K. Limited.

5. Swiss Registration No. 335806. Owner: Craftmatic/Contour Organization, Inc.

6. Austrian Registration No. 109272. Owner: Craftmatic/Contour Organization, Inc.

7. German Registration No. 1080042. Owner: Craftmatic U.K. Limited.

8. Irish Registration No. 173593. Owner: Craftmatic Organization Inc.

9. Irish Registration No. 169915. Owner: Craftmatic Organization Inc.

ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT is made and entered into this 31 day of December, 1997, by and between CRAFTMATIC INDUSTRIES, INC., a Delaware corporation, ("Assignor") and ELEVATION BEDS LIMITED LIABILITY COMPANY, a Delaware limited liability company ("Assignee").

WITNESSETH THAT:

WHEREAS, Assignor is the owner of the entire right, title and interest in and to the United States trademarks set forth on Exhibit A attached, and all of the goodwill associated with each of such trademarks (the "Marks");

WHEREAS, Assignor desires to transfer and assign to Assignee all of Assignor's right, title and interest in and to the Marks, their respective registrations and the right to sue for past infringements of each of the Marks;

WHEREAS, Assignor is the owner of the entire right, title and interest in and to the trademark "Contour," which trademark is the subject of an application for registration filed with the United States Patent and Trademark Office on an intent-to-use basis (Serial Number 74/649,644; Filing Date March 21, 1995(the "Application");

WHEREAS, Assignee desires to acquire all of Assignor's said rights in the Marks and the Application;

NOW, THEREFORE, in consideration of the sum of \$10.00 and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, assigns and transfers to Assignee, its successors and assigns, (i) all of Assignor's right, title and interest in and to each of the Marks, the registrations relating to each of the respective Marks, all variances thereof and logos used in connection therewith, and any and all goodwill associated with the Marks, including, but not limited to, the right to sue and recover damages for past infringements with respect to each of the Marks and (ii) all of Assignor's rights in and to the Application, including, but not limited to, the right to receive the Certificate of Registration therefor upon issuance of the same.

TO HAVE AND TO HOLD by Assignee and its successors and assigns as fully and entirely as the same would have been held and enjoyed by the Assignor had this assignment not been made.

Assignor covenants and agrees that it will, without charge to Assignee, whenever so requested by Assignee, execute and do all things as may be necessary or convenient for vesting in Assignee the full benefit of all of the rights and premises hereby assigned.

The Commissioner of Patents and Trademarks is hereby requested to issue new Certificates of Registration in respect of each of the Marks in the name of Assignee.

EXHIBIT A

TRADEMARK
REEL: 1771 FRAME: 0495

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that Craftmatic Industries, Inc., a Delaware corporation, ("Assignor") in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, assign and transfer unto Elevated Bed Limited Liability Company, a Delaware limited liability company, ("Assignee") all of Assignor's right, title and interest in and to the following assets pertaining to Assignor's Craftmatic® Adjustable Bed product line ("Product Line"), free and clear of all liens and encumbrances, as follows:

- a. All technology, know how, production details, and marketing research relating to the manufacture and sale of the Product Line;
- b. The customer lists of Assignor relating to the product Line, indicating unit volumes sold to each customer;
- c. All artwork, literature, emblems, and packaging materials specific to the Product Line currently used by Assignor in the sale of the Product Line;
- d. All records relating specifically to the Product Line, files, catalogs, reference books, specifications and all manufacturing rights and marketing rights of Assignor with respect to the Product Line, including, but not limited to, all licenses and permits susceptible to transfer.

TO HAVE AND TO HOLD the same unto the said Assignee, its successors and assigns forever.

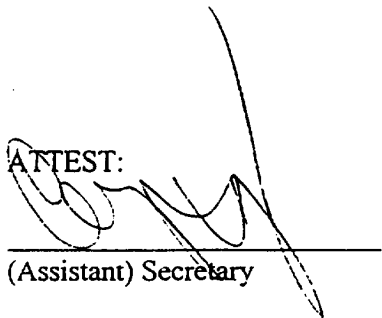
Assignor, for itself, its successors and assigns, covenants and warrants to Assignee that it has good and marketable title to the Assets, free and clear of all liens, claims and encumbrances, and agrees to warrant and defend title of the Assets unto Assignee, its successors and assigns.

IN WITNESS WHEREOF, Assignor has caused these presents to be executed by authority of its Board of Directors this 21 day of December, 1997.

CRAFTMATIC INDUSTRIES, INC.

By: Mark Ruffalo CEO
Duly Authorized

ATTEST:



(Assistant) Secretary

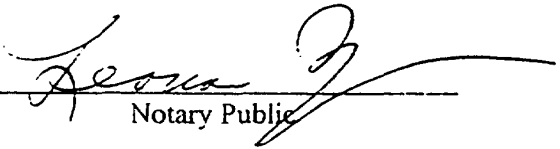
EXHIBIT B

TRADEMARK
REEL: 1771 FRAME: 0497

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF PHILADELPHIA)

Before me, the undersigned, a notary public in and for said County and State, on this day personally appeared Mark Rosenthal, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Craftmatic Industries, Inc., a corporation organized under the laws of the State of Delaware, and that he executed the same as the act of such corporation and for the purposes and the consideration therein expressed and in the capacity therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 31 day of December, 1997.



Notary Public

My Commission Expires:

NOTARIAL SEAL
LEONA ZAWISLAK, Notary Public
Bensalem Twp., Bucks County
My Commission Expires 07/01/1998