

06-08-2001



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**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
06/07/2001

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AK/AITA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

State/Country

Zip Code

- Individual General Partnership Limited Partnership
- Corporation Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment:

Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

The CIT Group/Commercial Services, Inc.
By: James R. Mortimer, Jr., Counsel

Signature

6-7-01

Date Signed

Name of Person Signing

GRANT OF SECURITY INTEREST IN TRADEMARKS

THIS GRANT OF SECURITY INTEREST IN TRADEMARKS (the "Agreement") is made as of this 25 day of May, 2001 by MOVING COMFORT, INC., a Virginia corporation, with its principal place of business at 4500 Southgate Place, Suite 800, Chantilly, Virginia 20151-1714 (the "Company"), and THE CIT GROUP/COMMERCIAL SERVICES, INC., a New York corporation, with offices at Two First Union Center, 25th Floor, 301 South Tryon Street, Charlotte North Carolina 28202 ("CIT").

WITNESSETH:

WHEREAS, the Company and CIT are parties to that certain Purchase and Revolving Inventory Loan and Security Agreement, dated as of November 13, 1996, as amended (as the same may be further amended, modified, restated or supplemented from time to time, the "Loan Agreement"), pursuant to which, among other things, CIT entered into a factoring arrangement with the Company and extended to the Company a revolving loan facility;

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Company agrees as follows:

1. Definitions. Capitalized terms used herein and defined in the Loan Agreement shall have the meanings set forth therein unless otherwise specifically defined herein.
2. Grant of Security Interest. To secure the payment of the Obligations, the Company hereby assigns, grants, transfers and conveys to CIT a security interest, effective immediately, in all of the Company's right, title and interest in and to all of the following described property, whether now owned or existing or hereafter acquired or arising and whether registered and unregistered, and wherever the same may be located (collectively, the "Intellectual Property Collateral"):
 - (i) All state (including common law), federal and foreign trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, domain names, designs and general intangibles of like natures, now existing or hereafter acquired or adopted, and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the United States Patent and Trademark Office, any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including, without limitation, any of the foregoing listed on Schedule A attached hereto and made a part hereof (as the same may be amended, modified or

supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of the Company or CIT for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world;

- (ii) All claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any of the Intellectual Property Collateral and all rights arising therefrom and pertaining thereto;
- (iii) All general intangibles related to or arising out of any of the Intellectual Property Collateral and all goodwill of the Company's business symbolized by the Intellectual Property Collateral or associated therewith; and
- (iv) All cash and non-cash proceeds of any and all of the foregoing, including, without limitation, royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason of or loss or damage to or otherwise with respect to the foregoing Intellectual Property Collateral.

3. CIT's Rights. Upon the occurrence of any Event of Default hereunder, CIT shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal law. CIT will give the Company reasonable notice of the time and place of any public sale of the Intellectual Property Collateral or the time after which any private sale of the Intellectual Property Collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the address of the Company set forth above at least ten (10) days before the date of such sale or disposition. In addition to the foregoing and all other rights and remedies of CIT upon the occurrence of any Event of Default hereunder, CIT shall thereupon have the immediate right to transfer to itself or to sell, assign and transfer to any other person all right, title and interest in and to all or any part of the Intellectual Property Collateral. The Company agrees that, in the event CIT exercises its rights hereunder and/or pursuant to said power of attorney in accordance with its terms, after written notification of such exercise from CIT to the Company, the Company shall never thereafter, without the prior written authorization of the owner or owners of such Intellectual Property Collateral, use any of such Intellectual Property Collateral. The condition of the foregoing provision is such that unless and until there occurs an Event of Default under this Agreement, the Company shall continue to own and use the Intellectual Property Collateral in the normal course of its business and to enjoy the benefits, royalties and profits therefrom; provided, however, that from and after the occurrence of an Event of Default such right will, upon the exercise by CIT of the rights provided by this Agreement, be revoked and the right of the Company to enjoy the uses, benefits, royalties and profits of said Intellectual Property Collateral will wholly cease, whereupon CIT or its transferee(s) shall be entitled to all of the Company's right, title and interest in and to the Intellectual Property Collateral hereby so

assigned. This Agreement will not operate to place upon CIT any duty or responsibility to maintain the Intellectual Property Collateral.

4. Fees. The Company will pay all filing fees with respect to the security interest created hereby which CIT may deem necessary or advisable in order to perfect and maintain the perfection of its security interest in the Intellectual Property Collateral.
5. Representations and Warranties. The Company represents and warrants that: (a) the Company lawfully possesses and owns the Intellectual Property Collateral and that except for the security interest granted hereby and Permitted Encumbrances, the Intellectual Property Collateral will be kept free from all liens, security interests, claims and encumbrances whatsoever; (b) the Company has not made or given any prior assignment, transfer or security interest in the Intellectual Property Collateral or any of the proceeds thereof; (c) the Intellectual Property Collateral is and will continue to be, in all respects, valid and in full force and effect; (d) there are no known infringements of the Intellectual Property Collateral; (e) the Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Intellectual Property Collateral and (f) the Company will maintain the quality of the products associated with the Intellectual Property Collateral generally at a level consistent with the quality as of the effective date of this Agreement, subject to the introduction of new products from time to time, and product modifications in the ordinary course of business.
6. Restrictions on Future Agreements. The Company agrees that, until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated in writing, it will not without CIT's prior written consent, enter into any agreement which is inconsistent with the Company's duties under this Agreement, and the Company further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity and enforcement of the rights granted to CIT under this Agreement.
7. After-Acquired Trademark Rights. If, before the Obligations have been satisfied in full, the Company shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or for any renewal of any trademark, the provisions of Section 2 hereof shall automatically apply thereto, and the Company shall give to CIT prompt notice thereof in writing. The Company authorizes CIT to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications that are Intellectual Property Collateral under Section 2 hereof or this Section 7.
8. Application of Proceeds. The proceeds of any sale, transfer or disposition of the Intellectual Property Collateral shall be applied first to all costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses and court costs, incurred by CIT in connection with such sale and the exercise of CIT's rights and remedies hereunder and under the Loan Agreement; next, such proceeds shall be applied to the payment, in whole or in part, of the Obligations due CIT in such order as CIT may elect; and the balance, if any, shall be paid to the Company or as a court of competent jurisdiction may direct.

9. Defense of Claims. The Company will defend at its own cost and expense any action, claim or proceeding affecting the Intellectual Property Collateral or the interest of CIT therein. The Company agrees to reimburse CIT for all costs and expenses incurred by CIT in defending any such action, claim or proceeding.
10. Rights Cumulative. This Agreement shall be in addition to the Loan Agreement and shall not be deemed to affect, modify or limit the Loan Agreement or any rights that CIT has under the Loan Agreement. The Company agrees to execute and deliver to CIT (at the Company's expense) any further documentation or papers necessary to carry out the intent or purpose of this Agreement including, but not limited to, financing statements under the Uniform Commercial Code.
11. Construction and Invalidity. Any provisions hereof contrary to, prohibited by or invalid under any law or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof.
12. CHOICE OF LAW. THE COMPANY AGREES THAT THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NORTH CAROLINA. THIS AGREEMENT TOGETHER WITH THE LOAN AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE COMPANY AND CIT WITH RESPECT TO THE INTELLECTUAL PROPERTY COLLATERAL, CAN ONLY BE CHANGED OR MODIFIED IN WRITING AND SHALL BIND AND BENEFIT THE COMPANY, CIT AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS. THE COMPANY AND CIT EACH HEREBY EXPRESSLY WAIVES ANY RIGHT OF TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER.
13. Events of Default. Any of the following constitutes an Event of Default under this Agreement:
- (i) The Company fails to perform or observe any agreement, covenant or condition required under this Agreement, unless CIT notifies the Company in writing that such failure shall not constitute an Event of Default hereunder;
 - (ii) Any warranty or representation made by Company, in this Agreement shall be or becomes false or misleading in any material respect; or
 - (iii) The occurrence of any Event of Default under the Loan Agreement which is not waived in writing by CIT.
14. Notices. The Company covenants and agrees that, with respect to the Intellectual Property Collateral, it will give CIT written notice in the manner provided in the Loan Agreement of:


- (i) any claim by a third party that the Company has infringed on the rights of a third party;
- (ii) any suspected infringement by a third party on the rights of the Company; or
- (iii) any Intellectual Property Collateral created, arising or acquired by the Company after the date hereof.

15. Further Assurances; Power of Attorney. The Company will take any such action as CIT may reasonably require to further confirm or protect CIT's rights under this Agreement in the Intellectual Property Collateral. In furtherance thereof, the Company hereby makes, constitutes and appoints CIT and any officer or agent of CIT as CIT may select as the Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Company's name on all applications, documents, papers and instruments necessary for CIT to use the Intellectual Property Collateral, or to grant or issue any exclusive or nonexclusive license under the Intellectual Property Collateral to anyone else as necessary for CIT to assign, pledge, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral to anyone else. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be coupled with an interest and shall be irrevocable until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated in writing.

16. Termination. This Agreement shall terminate upon termination of the Loan Agreement and full, final and indefeasible payment of all Obligations of the Company arising thereunder. Upon the Company's request, CIT shall within a reasonable time after any such termination execute and deliver to the Company (at the Company's expense) such documents and instruments as are reasonably necessary to evidence such termination and release of the security interest granted herein on any applicable public record.

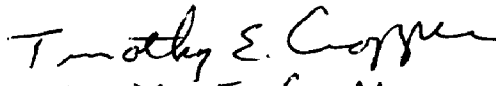
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

MOVING COMFORT, INC.

By: 
Name: Andrew S. Novins
Title: VP

Agreed and Accepted in Charlotte, North Carolina:

THE CIT GROUP/COMMERCIAL SERVICES,
INC.

By: 
Name: Timothy E. Crapper
Title: Vice President

STATE OF Virginia)
COUNTY OF Fairfax)

On 25 May, 2001, before me, the undersigned, a notary public in and for said State, personally appeared Andrew S. Novins known to me to be the VP of MOVING COMFORT, INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws and a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public Mary J. Williams

STATE OF North Carolina)
COUNTY OF Mecklenburg)

On JUNE 4, 2001, before me, the undersigned, a notary public in and for said State, personally appeared TIMOTHY E. CROPPER known to me to be the V.P. of THE CIT GROUP/COMMERCIAL SERVICES, INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws and a resolution of its board of directors.

WITNESS my hand and official seal.

Dorely A. Scott
Notary Public

My commission expires: 9-15-01

SCHEDULE A

TRADEMARKS

<u>Trademark</u>	<u>Jurisdiction</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
Moving Comfort	United States	10/5/93	1,796,384
Fit for Women	United States	4/9/96	1,966,228
A Fit Woman Is A Powerful Woman	United States	7/18/00	2,367,963

44488-2

RECORDED: 06/08/2001

TRADEMARK
REEL: 002310 FRAME: 0757