

02-05-2003

Form PTO-1594

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

SLEEP INNOVATIONS, INC.

1-6-03

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other Rider to Security Agreement

Execution Date: 11/27/2002

2. Name and address of receiving party(ies)

Name: PNC BANK, NATIONAL ASSOCIATION

Internal

Address: _____

Street Address: 70 East 55th Street, 14th Flr

City: New York State: NY Zip: 10022

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☐ Corporation-State _____
☒ Other national banking association

If assignee is not domiciled in the United States, a domestic
 representative designation is attached: ☐ Yes ☐ No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) _____

See Exhibit A attached hereto

B. Trademark Registration No.(s) _____

See Exhibit A attached hereto

Additional number(s) attached ☒ Yes ☐ No

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

Name: Yasmyne C. Lavery, Esq.

Internal Address: _____

Mailing Address: P.O. Box 1945

Morristown, New Jersey 07962-1945

Street Address: 200 Campus Drive

City: Florham Park State: NJ Zip: 07932

6. Total number of applications and

registrations involved: _____

45

7. Total fee (37 CFR 3.41).....\$ 1,140.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number:

501145

DO NOT USE THIS SPACE

9. Signature.

Yasmyne C. Lavery, Esq.

Name of Person Signing

Signature

1/6/03

Date

Total number of pages including cover sheet, attachments, and document: 24

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patent & Trademarks, Box Assignments
 Washington, D.C. 20231

02/05/2003 TDIAZ1

00000027 501145

76416972

01 FC:8521
02 FC:852240.00 CH
1100.00 CHTRADEMARK
REEL: 002664 FRAME: 0154

EXHIBIT A
TO RECORDATION FOR COVER SHEET – TRADEMARKS

Conveying Party: Sleep Innovations, Inc.
Receiving Party: PNC Bank, National Association

	<i>Serial #</i>	<i>Registration #</i>	<i>MARK</i>	<i>Current Status</i>	<i>Filing Date</i>
1.	76416972		HUGGY	Application has been published for opposition 2002-12-03	2002-05-23
2.	76416971		SENSUS	Application has been published for opposition 2002-12-03	2002-05-23
3.	76416970		THE COMFORT SECRET	Application has been published for opposition 2002-12-03	2002-05-23
4.	76416973		TUBBY HUGGY	Final review prior to publication has been completed, application will be published for opposition 2002-11-27	2002-05-23
5.	76284619		MICRO ESSENCE	Final review prior to publication has been completed, application will be published for opposition 2002-11-26	2001-07-03
6.	76416565		SOGNO	An office action suspending further action on the application has been mailed 2002-10-25	2002-05-23
7.	76263285	2640891	TEMPSOMA	Registered 2002-10-22	2001-05-25

8.	76263284		NOVASOMA	Final review prior to publication has been completed, application will be published for opposition 2002-11-06	2001-05-25
9.	76455071		NOVAGEL	Newly filed application, not yet assigned to an examining attorney 2002-10-17	2002-09-25
10.	76416563		PLUSH SUPREME	Final review prior to publication has been completed, application will be published for opposition 2002-10-30	2002-05-23
11.	76385080		PERSONAL EXPRESSIONS	Application has been published for opposition 2002-10-08	2002-03-21
12.	76416568		COMFORT, PURE AND SIMPLE	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23
13.	76416564		WE'VE FOUND THE SECRET	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23

14.	76437508		THE ULTIMATE PILLOW	Newly filed application, not yet assigned to an examining attorney 2002-08-07	2002-08-05
15.	76151526		ORIGINAL RIB CORD	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-28	2000-10-23

16.	76416667		SLEEP SACK	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-09-30	2002-05-23
17.	76170654	2602530	PERSONAL EXPRESSIONS	Registered 2002-07-30	2000-11-26
18.	76416567		NOVALOFT	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-11-04	2002-05-23

19.	76416566		NOVAFIL	A non-final action has been mailed. This is a letter from examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-31	2002-05-23
20.	76336872		THE DIFFERENCE IS UNDENIABLE	Opposition period completed, a Notice of Allowance has been issued 2002-07-30	2001-11-13
21.	76284620		WE SUPPORT THE MOST PAMPERED HEADS IN AMERICA	A request for the first extension of time to file a statement of use has been granted 2002-08-29	2001-07-03
22.	76173089		BATH HUGGY	Opposition period completed, a Notice of Allowance has been issued 2001-11-06	2000-11-26

23.	76116505		THE SCIENCE OF COMFORT	A request for the first extension of time to file a statement of use has been granted 2002-07-16	2000-08-25
24.	75705820	2635863	INNOVA-TEX	Registered 2002-10-15	1999-05-13
25.	75882646	2598671	COMFORT UNIVERSITY	Registered 2002-07-23	1999-12-28
26.	75490476	2591894	DREAMTEK	Registered 2002-07-09	1998-05-23
27.	75696070	2588932	BEACH INNOVATIONS	Registered 2002-07-02	1999-05-03
28.	75490477		DREAM TOP	A non-final refusal of the Statement of Use filed for this application has been mailed 2002-06-21	1998-05-23
29.	75436474		DREAM ZONE	A request for the fifth extension of time to file a statement of use has been granted 2002-08-26	1998-02-18
30.	75705822	2553247	DREAM PILLOW	Registered 2002-03-26	1999-05-13
31.	75824871		BED-IN-A-BOX	Application has been published for opposition 2002-11-25	1999-10-18
32.	75776960	2523215	ULTIMATE SATEEN	Registered 2001-12-25	1999-08-16

33.	75882648		CONFIDANT	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
34.	75882645		BCOOL IN SCHOOL	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
35.	75696351	2449890	DINO DREAMS	Registered 2001-05-08	1999-05-03
36.	75696069		(design only)	Opposition period completed, a Notice of Allowance has been issued 2002-04-02	1999-05-03
37.	75587359	2437669	BEACH PILL-O	Registered 2001-03-20	1998-11-12
38.	75547520	2333863	COMFORT PLUS	Registered 2000-03-21	1998-09-03
39.	75527164	2354111	MEGACRATE	Registered 2000-05-30	1998-07-29
40.	75516292	2383898	HUGGY	Registered 2000-09-05	1998-07-09
41.	75436471	2471859	ABSOLUTE COMFORT SYSTEM	Registered 2001-07-24	1998-02-18
42.	75436427	2486472	NOVAFORM	Registered 2001-09-11	1998-02-18
43.	75306246		LATEX ELITE	Opposition period completed, a Notice of Allowance has been issued 2002-02-19	1997-06-10

44.	75278221	2213871	SLEEP INNOVATIONS	Registered 1998-12-29	1997-04-21
45.	75263932	2293137	WE PUT THE COMFORT BACK IN YOUR BED	Registered 1999-11-16	1997-03-26

RIDER TO SECURITY AGREEMENT - TRADEMARKS

THIS RIDER TO SECURITY AGREEMENT ("**Rider**") is executed as of this 27 day of November, 2002, by and between SLEEP INNOVATIONS, INC. (the "**Grantor**") with an address at 187 Route 36, West Long Branch, New Jersey 07764 and the financial institutions which are now or which hereafter become a party hereto (collectively, the "**Lenders**" and individually a "**Lender**") and PNC BANK, NATIONAL ASSOCIATION ("**PNC**"), as agent for Lenders (PNC, in such capacity, the "**Agent**"). This Rider is incorporated into and made part of that certain Amended and Restated Loan and Security Agreement ("**Security Agreement**") between the Grantor and the Agent dated May 30, 2002, and also into certain other financing documents and security agreements executed by and between the Grantor and the Agent or by and between the Borrower (as defined in the Security Agreement) and the Agent (all such documents including this Rider being collectively referred to as "**Loan Documents**"). All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

The Grantor has adopted, used and is using (or has filed applications, other than intent-to-use applications, for the registration of) the trademarks, service marks and trade names listed in Exhibit A attached hereto and made part hereof (all such marks or names hereinafter referred to as the "**Trademarks**").

The Agent desires to acquire a lien and security interest on the Trademarks and the registration thereof, together with all the goodwill of the Grantor associated therewith and represented thereby, as security for all of the Obligations (as defined in the Security Agreement) to the Agent, and the Agent desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure payment and performance of the Obligations, the Grantor grants a lien and security interest to the Agent in all its present and future right, title and interest in and to the Trademarks, together with all the goodwill and other tangible assets of the Grantor associated with and represented by the Trademarks, and the non-intent-to-use applications for and registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. **Representations and Warranties.** The Grantor represents, warrants and covenants that: (a) the Trademarks are subsisting and have not been abandoned, suspended, voluntarily terminated or canceled by the Grantor, have not been adjudged invalid or unenforceable, and to

the best of the Grantor's knowledge, there is no reason why the Trademarks should be adjudged invalid or unenforceable; (b) each of the Trademarks is valid and enforceable; (c) the Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by the Grantor not to sue third persons; (d) the Grantor has the unqualified right to enter into this Rider and perform its terms; (e) the Grantor has used, and will continue to use for the duration of this Rider, proper notice, as required by 15 U.S.C. §§ 1051-1127 in connection with its use of the Trademarks; (f) the Grantor has used, and will continue to use for the duration of this Rider, consistent standards of quality in products leased or sold under the Trademarks; and (g) the Grantor will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any of the Trademarks may become invalidated, abandoned, unenforceable, avoided, avoidable or otherwise diminished in value, and shall notify the Agent immediately if it knows of any reason or has any reason to know of any grounds under which any of the foregoing may occur.

3. Verification of Quality Control. The Grantor hereby grants to the Agent and its employees and agents the right to visit the Grantor's locations which lease, sell, or store products under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure the Grantor's compliance with paragraph 2(f).

4. Covenants. The Grantor further covenants that until all of the Obligations have been satisfied in full: (a) the Grantor shall in its discretion maintain the Trademarks in full force and effect; (b) the Grantor will not enter into any agreement which is inconsistent with the Grantor's obligations under this Rider or which restrict or impair the Agent's rights hereunder; and (c) if the Grantor acquires rights to any new non-intent-to-use Trademarks, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Agent prompt written notice thereof along with an amended Exhibit A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Grantor shall have the right to enter into agreements in the ordinary course of business with respect to the Trademarks.

5. Exclusive Use of Trademarks. So long as this Rider is in effect and so long as the Grantor has not received notice from the Agent that an Event of Default has occurred under the Loan Documents and that the Agent has elected to exercise its rights to assignment hereunder, the Grantor shall continue to have the exclusive right to use the Trademarks including licenses thereof, and the Agent shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Negative Pledge. The Grantor agrees not to sell, assign (by operation of law or otherwise) or further encumber its rights and interest in the Trademarks without prior written consent of the Agent. The Grantor shall, in its discretion, defend the Trademarks against and shall take other action as is necessary to remove any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, and will defend the right, title and interest of the Agent in and to any of the Grantor's rights under the Trademarks against the

claims or demands of all persons whatsoever. If the Grantor decides not to defend the Trademarks or take any action necessary to remove any lien, security interest, claim, right or other encumbrance in or to the Trademarks due to the Grantor's belief that the Trademark has insufficient value, or for any other reason, Grantor will give Agent prior written notification of same.

7. No Additional Trademarks. As of the date hereof, the Grantor does not own any Trademarks, or have any Trademarks registered in or the subject of pending applications in the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, other than those grants, registrations or applications for registrations listed on Exhibit A annexed hereto and made a part hereof.

8. Pledge of Additional Trademarks. In the event the Grantor, either itself or through any agent, employee, licensee or designee shall:

(a) file or record an application for the registration of any Trademark with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof; or

(b) file or record any assignment of any Trademark which the Grantor may acquire, own or license from a third party, with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof;

the Grantor shall promptly, but in no event more than fifteen (15) days subsequent to such filing, notify the Agent thereof, and, upon request of the Agent shall promptly, but in no event more than twenty (20) days subsequent to such notice, execute and deliver any and all assignments, agreements, instruments, documents and papers as the Agent may reasonably request to evidence the Agent's interest in such Trademark and the goodwill of the Grantor associated thereto or represented thereby. The Grantor hereby grants the Agent a power of attorney, irrevocable until the Obligations are fully paid and satisfied, to modify this Rider by amending Exhibit A, as applicable, to include any future Trademarks or Licenses, including, without limitation, registrations or applications appurtenant thereto, covered by this Rider.

9. Remedies Upon Default. (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, the Grantor hereby covenants and agrees that the Agent, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Trademarks covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, the Grantor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent as the Agent may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all

applications, documents, papers and instruments necessary for the Agent to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, the Grantor shall also execute and deliver to the Agent such documents as the Agent shall reasonably request to permanently assign all rights in the Trademarks to the Agent, which documents shall be held by the Agent, until the occurrence of an Event of Default hereunder or under the Loan Documents. After such occurrence, the Agent may, at its sole option, record such documents with the Patent and Trademark Office.

10. Subject to Security Agreement. This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

11. Inconsistent with Security Agreement. All rights and remedies herein granted to the Agent shall be in addition to any rights and remedies granted to the Agent under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

12. Termination of Agreement. Upon payment and performance of all Obligations under the Loan Documents, the Agent shall execute and deliver to the Grantor all documents necessary to re-vest all rights in and to the Trademarks in the Grantor and/or terminate any interest of the Agent therein.

13. Prosecution of Trademark Applications. (a) Subject to the terms of the Loan Documents, the Grantor shall, in its discretion, prosecute any trademark application with respect to the Trademarks pending as of the date of this Rider or thereafter, until the Obligations shall have been satisfied in full, to preserve and maintain all rights in the registration and grant of the Trademarks, to halt any infringement of the Trademarks, and upon reasonable request of the Agent, the Grantor shall make federal application on registrable but unregistered trademarks belonging to the Grantor. Any reasonable expenses incurred in connection with such applications or defense of said Trademarks shall be borne by the Grantor. The Grantor shall not abandon any Trademark without the prior written consent of the Agent.

(b) The Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event the Agent may, if the Grantor deems it necessary or after an Event of Default under the Loan Documents, be joined as a nominal party to such suit if the Agent shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Grantor shall promptly, upon demand, reimburse and indemnify the Agent for all damages,

reasonable costs and reasonable expenses, including attorneys' fees, incurred by the Agent in the fulfillment of the provisions of this paragraph.

14. Responsibility and Liability. The Grantor assumes all responsibility and liability arising from the use of the Trademarks, and hereby indemnifies and holds the Agent and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by the Grantor in connection with any of the Trademarks or otherwise arising out of the Grantor's operation of its business from the use of the Trademarks. In any suit, proceeding or action brought by the Agent under any License for any sum owing thereunder, or to enforce any provisions of such License, the Grantor will indemnify and keep the Agent harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach of the Grantor of any obligation thereunder or arising out of any agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Grantor, and all such Obligations of the Grantor shall be and remain enforceable against and only against the Grantor and shall not be enforceable against the Agent.

15. Agent's Rights. The Agent may pay any amount or do any act required of the Grantor hereunder or requested by the Agent to preserve, defend, protect, maintain, record or enforce the Grantor's obligations contained herein, the Obligations of the Grantor to the Agent, the Trademarks, or the right, title and interest granted the Agent herein, and which the Grantor fails to do or pay, and any such payment shall be deemed an advance by the Agent to the Grantor and shall be payable on demand together with interest thereon at the default rate specified in the Loan Documents.

16. Protection of the Trademarks. The Grantor agrees that if it learns of any use by any person or any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, the Grantor shall promptly notify the Agent of such use, lien, security interest, claim, right or other encumbrance and, if requested by the Agent, shall join with the Agent, at the Grantor's expense, in such action as the Agent, in its reasonable discretion, may deem advisable for the protection of the Agent's interest in and to the Trademarks, it being understood that the foregoing shall not preclude the Grantor from bringing an action against a person for the protection of the Grantor's interest in and to such Trademarks.

17. Additional Remedies. Upon the occurrence of an Event of Default under the Loan Documents, the Agent may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Agent's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Agent in protecting, defending and maintaining the Trademarks.

18. Governing Law. THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE

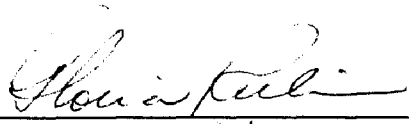
STATE OF NEW YORK, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

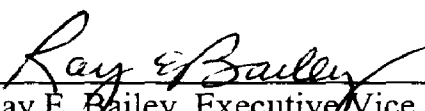
19. **Counterparts.** This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: Gloria F. B. D.
Title: Secretary

By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION,
as Lender and as Agent

By: 
Karen Grexa, Vice President

TRADEMARK ASSIGNMENT

WHEREAS, Sleep Innovations, Inc. (the "**Grantor**") is the owner of the entire right, title and interest in and to the United States trademarks, trade names and registrations listed on Exhibit A attached hereto and made a part hereof (collectively, the "**Trademarks**"), which are registered in the United States Patent and Trademark Office or which are subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION, as agent for the financial institutions which are now or which hereafter become a party to that certain Rider to Security Agreement - Trademarks (the "**Rider**") of even date herewith (the "**Grantee**") is desirous of acquiring said Trademarks;

WHEREAS, the Grantee has a security interest in the assets of the Grantor adequate to carry on the business of the Grantor; and

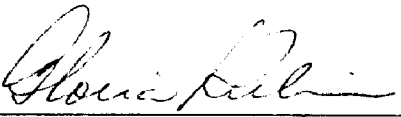
WHEREAS, the Rider provides that this Trademark Assignment shall become effective upon the occurrence of an Event of Default as defined in the Amended and Restated Loan and Security Agreement dated as of May 30, 2002 by and between the Grantor and the Grantee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, for itself and its successors and assigns does hereby collaterally transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks, the goodwill of the business associated with such Trademarks and all proceeds thereof and all rights and proceeds associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed by its duly authorized officer on this 27 day of November, 2002.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: GLORIA RUBIN
Title: SECRETARY


By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

EXHIBIT A
TO RIDER TO SECURITY AGREEMENT – TRADEMARKS

	<i>Serial #</i>	<i>Registration #</i>	<i>MARK</i>	<i>Current Status</i>	<i>Filing Date</i>
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12.	76416568		COMFORT, PURE AND SIMPLE	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23
13.	76416564		WE'VE FOUND THE SECRET	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23

14.	76437508		THE ULTIMATE PILLOW	Newly filed application, not yet assigned to an examining attorney 2002-08-07	2002-08-05
15.	76151526		ORIGINAL RIB CORD	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-28	2000-10-23

16.	76416667		SLEEP SACK	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-09-30	2002-05-23
17.	76170654	2602530	PERSONAL EXPRESSIONS	Registered 2002-07-30	2000-11-26
18.	76416567		NOVALOFT	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-11-04	2002-05-23

19.	76416566		NOVAFIL	A non-final action has been mailed. This is a letter from examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-31	2002-05-23
20.	76336872		THE DIFFERENCE IS UNDENIABLE	Opposition period completed, a Notice of Allowance has been issued 2002-07-30	2001-11-13
21.	76284620		WE SUPPORT THE MOST PAMPERED HEADS IN AMERICA	A request for the first extension of time to file a statement of use has been granted 2002-08-29	2001-07-03
22.	76173089		BATH HUGGY	Opposition period completed, a Notice of Allowance has been issued 2001-11-06	2000-11-26

23.	76116505		THE SCIENCE OF COMFORT	A request for the first extension of time to file a statement of use has been granted 2002-07-16	2000-08-25
24.	75705820	2635863	INNOVA-TEX	Registered 2002-10-15	1999-05-13
25.	75882646	2598671	COMFORT UNIVERSITY	Registered 2002-07-23	1999-12-28
26.	75490476	2591894	DREAMTEK	Registered 2002-07-09	1998-05-23
27.	75696070	2588932	BEACH INNOVATIONS	Registered 2002-07-02	1999-05-03
28.	75490477		DREAM TOP	A non-final refusal of the Statement of Use filed for this application has been mailed 2002-06-21	1998-05-23
29.	75436474		DREAM ZONE	A request for the fifth extension of time to file a statement of use has been granted 2002-08-26	1998-02-18
30.	75705822	2553247	DREAM PILLOW	Registered 2002-03-26	1999-05-13
31.	75824871		BED-IN-A-BOX	Application has been published for opposition 2002-11-25	1999-10-18
32.	75776960	2523215	ULTIMATE SATEEN	Registered 2001-12-25	1999-08-16

33.	75882648		CONFIDANT	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
34.	75882645		BCOOL IN SCHOOL	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
35.	75696351	2449890	DINO DREAMS	Registered 2001-05-08	1999-05-03
36.	75696069		(design only)	Opposition period completed, a Notice of Allowance has been issued 2002-04-02	1999-05-03
37.	75587359	2437669	BEACH PILL-O	Registered 2001-03-20	1998-11-12
38.	75547520	2333863	COMFORT PLUS	Registered 2000-03-21	1998-09-03
39.	75527164	2354111	MEGACRATE	Registered 2000-05-30	1998-07-29
40.	75516292	2383898	HUGGY	Registered 2000-09-05	1998-07-09
41.	75436471	2471859	ABSOLUTE COMFORT SYSTEM	Registered 2001-07-24	1998-02-18
42.	75436427	2486472	NOVAFORM	Registered 2001-09-11	1998-02-18
43.	75306246		LATEX ELITE	Opposition period completed, a Notice of Allowance has been issued 2002-02-19	1997-06-10

44.	75278221	2213871	SLEEP INNOVATIONS	Registered 1998-12-29	1997-04-21
45.	75263932	2293137	WE PUT THE COMFORT BACK IN YOUR BED	Registered 1999-11-16	1997-03-26

RIDER TO SECURITY AGREEMENT - PATENTS

THIS RIDER TO SECURITY AGREEMENT ("**Rider**") is executed as of this 27 day of November, 2002, by and between SLEEP INNOVATIONS, INC. (the "**Grantor**") with an address at 187 Route 36, West Long Branch, New Jersey 07764 and the financial institutions which are now or which hereafter become a party hereto (collectively, the "**Lenders**" and individually a "**Lender**") and PNC BANK, NATIONAL ASSOCIATION ("**PNC**"), as agent for Lenders (PNC, in such capacity, the "**Agent**"). This Rider is incorporated into and made part of that certain Amended and Restated Loan and Security Agreement ("**Security Agreement**") between the Grantor and the Agent dated May 30, 2002, and also into certain other financing documents and security agreements executed by and between the Grantor and the Agent or by and between the Borrower (as defined in the Security Agreement) and the Agent (all such documents including this Rider being collectively referred to as "**Loan Documents**"). All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

As collateral security for the Obligations (as defined in the Security Agreement) under the Loan Documents, the Grantor has agreed to grant a security interest in and to assign to the Agent the Patent Collateral (as hereinafter defined). The Agent desires to have its lien and security interest in such Patent Collateral confirmed by a document identifying such security interest and in such form as may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Security Agreement and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the Obligations, the Grantor does hereby assign and grant to the Agent a lien and security interest in (a) all of the Grantor's right, title and interest in and to (i) the United States Letters Patent and the inventions described and claimed therein set forth on Exhibit A hereto and any future patents of Grantor (hereinafter referred to collectively as the "**Patents**"); (ii) the applications for Letters Patent and the inventions described and claimed therein set forth on Exhibit A hereto and any United States Letters Patent which may be issued upon any of said applications and any future patent applications of Grantor (hereinafter referred to collectively as the "**Applications**"); (iii) any reissue, extension, division or continuation of the Patents or the Applications (such reissues, extensions, divisions and continuations being herein referred to collectively as the "**Reissued Patents**"); (iv) all future royalties or other fees paid or payment or payments made or to be made to the Grantor in respect of the Patents; and (v) proceeds of any and all of the foregoing (the Patents, Applications, Reissued Patents and Royalties and proceeds being herein referred to collectively as the "**Patent Rights**"); and (b) all rights, interests, claims and demands that the Grantor has or may have in existing and future profits and damages for past and future infringements of the Patent Rights (such rights, interests, claims and demands being herein called the "**Claims**") (the Patent Rights and Claims collectively referred to as the "**Patent Collateral**").

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2. Representations and Warranties. The Grantor warrants and represents to the Agent that: (a) the Grantor is the true and lawful exclusive owner of the Patent Rights set forth on Exhibit A, including all rights and interests herein granted; (b) the Patent Collateral is valid and enforceable; (c) the Grantor has full power and authority to execute and deliver this Rider; (d) the Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Patent Rights and the interests granted herein; and (e) the Patent Rights and all interests granted herein are so granted free from all liens, charges, claims, options, licenses, pledges and encumbrances of every kind and character.

3. Covenants. The Grantor further covenants that: (a) until all of the Obligations have been satisfied in full, the Grantor will not enter into any agreement, including without limitation, license agreements, which are inconsistent with the Grantor's obligations under this Rider; and (b) if the Grantor acquires rights to any new Patent Collateral, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Agent prompt written notice thereof along with an amended Exhibit A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Grantor shall have the right to enter into agreements in the ordinary course of business with respect to the Patent Collateral.

4. Maintenance of Patent Collateral. The Grantor further covenants that: until all of the Obligations have been satisfied in full, it will (i) not enter into any agreement, including without limitation, license agreements, which are inconsistent with the Grantor's undertakings and covenants under this Rider or which restrict or impair the Agent's rights hereunder and (ii) maintain the Patent Collateral in full force and effect.

5. Negative Pledge. The Grantor shall not sell, assign or further encumber its rights and interest in the Patent Collateral without prior written consent of the Agent.

6. Remedies Upon Default. (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, the Grantor hereby covenants and agrees that the Agent, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Patent Collateral covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, the Grantor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent as the Agent may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Agent to use the Patent Collateral or to grant or issue any exclusive or non-exclusive license under the Patent Collateral to anyone else, or necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral itself or to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross

negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, the Grantor shall also execute and deliver to the Agent such documents as the Agent shall reasonably require to permanently assign all rights in the Patent Collateral to the Agent, which documents shall be held by the Agent, in escrow, until the occurrence of an Event of Default hereunder or under the Loan Documents. After such occurrence, the Agent may, at its sole option, record such escrowed documents with the Patent and Trademark Office.

7. Prosecution of Patent Applications. (a) The Grantor shall in its discretion and at its own expense maintain all patents and file and prosecute all patent applications relating to the inventions described and claimed in the Patent Collateral in the United States Patent and Trademark Office, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith. If the Grantor decides to abandon any such application or disclaim or dedicate any Patent or abandon any Patent Collateral, it will give Agent prior written notification of same.

(b) The Grantor shall have the right to bring suit in the name of the Grantor to enforce the Patent Collateral, in which case the Agent may, at the Agent's option, be joined as a nominal party to such suit if the Agent shall be satisfied that such joinder is necessary and that the Agent is not thereby incurring any risk of liability by such joinder.

8. Subject to Security Agreement. This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. Inconsistent with Security Agreement. All rights and remedies herein granted to the Agent shall be in addition to any rights and remedies granted to the Agent under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

10. Termination of Agreement. Upon payment and performance of all Obligations under the Loan Documents, the Agent shall execute and deliver to the Grantor all documents necessary to terminate the Agent's security interest in the Patent Collateral.

11. Fees and Expenses. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Agent in connection with the preparation of this Rider and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Patent Collateral, or in defending or prosecuting any actions or

proceedings arising out of or related to the Patent Collateral, in each case in accordance with the terms of this Rider, shall be borne and paid by the Grantor on demand by the Agent and until so paid shall be added to the principal amount of the Obligations to the Agent and shall bear interest at the contract rate therefor.

12. Additional Remedies. Upon the occurrence of an Event of Default under the Loan Documents, the Agent may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Agent's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Agent in protecting, defending and maintaining the Patent Collateral.

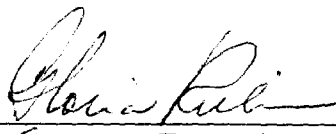
13. Governing Law. THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

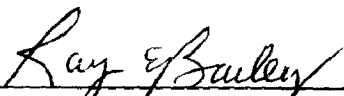
14. Counterparts. This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Rider by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: Gloria Rubin
Title: SECRETARY

By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION,
as Lender and as Agent

By: 
Karen Grexa, Vice President

PATENT ASSIGNMENT

WHEREAS, Sleep Innovations, Inc. (the "**Grantor**") is the owner of the entire right, title and interest in and to the United States patents and patent applications listed on Exhibit A attached hereto and made a part hereof, the inventions described therein and all rights associated therewith (collectively, the "**Patent Collateral**"), which are registered in the United States Patent and Trademark Office or which are subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION, as agent for the financial institutions which are now or which hereafter become a party to that certain Rider to Security Agreement - Patents (the "**Rider**") of even date herewith (the "**Grantee**") is desirous of acquiring said Patent Collateral;

WHEREAS, the Grantee has a security interest in the assets of the Grantor adequate to carry on the business of the Grantor; and

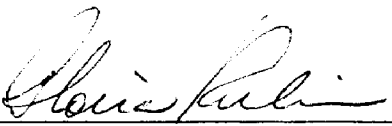
WHEREAS, the Rider provides that this Patent Assignment shall become effective upon the occurrence of an Event of Default as defined in the Amended and Restated Loan and Security Agreement dated as of May 30, 2002 by and between the Grantor and the Grantee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, for itself and its successors and assigns does hereby collaterally transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Patent Collateral, the goodwill of the business associated with such Patent Collateral and all proceeds thereof and all rights and proceeds associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patent Assignment to be executed by its duly authorized officer on this 27 day of November, 2002.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: GLORIA RUBIN
Title: SECRETARY

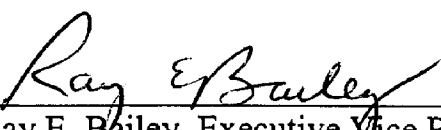
By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

EXHIBIT A
TO RIDER TO SECURITY AGREEMENT – PATENTS

Issued Patents:

<i>Patent No.</i>	<i>Date</i>	<i>Description</i>	<i>Core Terms</i>
D 445,311	April 9, 2002	Foam pillow for sleeping	
D 450,779	November 20, 2001	Foldable game board with fastener for Chinese checkers Ko, Wendy, Ontario, California, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Fastener, foldable, checkers, game, mirror image, perspective view, new design, embodying
D 450,351	November 13, 2001	Foldable game board with fastener for checkers Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Foldable, fastener, checkers, game, perspective view, new design, embodying
D 450,093	November 6, 2001	Foldable game board with fastener for backgammon Elliott, Freda, West Long Branch, New Jersey Ko, Wendy, Ontario, California, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Backgammon, fastener, foldable, game, perspective view, new design, embodying
D 449,656	October 23, 2001	Foldable game board with fastener for dominoes Elliott, Freda, West Long Branch, New Jersey, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Foldable, fastener, dominoes, game, perspective view, new design, embodying
D 449,350	October 16, 2001	Foldable game board with fastener and moveable game pieces Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Game, foldable, fastener, moveable, perspective view, new design, embodying

D 449,349	October 16, 2001	Foldable game board with fastener for tic tac toe Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Tic tac toe, fastener, foldable, game, perspective view, new design, embodying
D 449,348	October 16, 2001	Foldable game board with fastener for chess Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Foldable, fastener, chess, game, perspective view, new design, embodying

Patent Applications:

<i>Application No.</i>	<i>Filing Date</i>	<i>Description</i>	<i>Status</i>
20020105143	August 8, 2002	Foldable game boards having a fastener Elliott, Freda (US); Fong, Bruce (Kowloon Bay, HK); Ko, Wendy (Ontario, CA) Assignee Name: Sleep Innovations, Inc. Serial No. 779432 Series Code: 09 Filed February 8, 2001	

RIDER TO SECURITY AGREEMENT - TRADEMARKS

THIS RIDER TO SECURITY AGREEMENT ("**Rider**") is executed as of this 27 day of November, 2002, by and between SLEEP INNOVATIONS, INC. (the "**Grantor**") with an address at 187 Route 36, West Long Branch, New Jersey 07764 and the financial institutions which are now or which hereafter become a party hereto (collectively, the "**Lenders**" and individually a "**Lender**") and PNC BANK, NATIONAL ASSOCIATION ("**PNC**"), as agent for Lenders (PNC, in such capacity, the "**Agent**"). This Rider is incorporated into and made part of that certain Amended and Restated Loan and Security Agreement ("**Security Agreement**") between the Grantor and the Agent dated May 30, 2002, and also into certain other financing documents and security agreements executed by and between the Grantor and the Agent or by and between the Borrower (as defined in the Security Agreement) and the Agent (all such documents including this Rider being collectively referred to as "**Loan Documents**"). All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

The Grantor has adopted, used and is using (or has filed applications, other than intent-to-use applications, for the registration of) the trademarks, service marks and trade names listed in Exhibit A attached hereto and made part hereof (all such marks or names hereinafter referred to as the "**Trademarks**").

The Agent desires to acquire a lien and security interest on the Trademarks and the registration thereof, together with all the goodwill of the Grantor associated therewith and represented thereby, as security for all of the Obligations (as defined in the Security Agreement) to the Agent, and the Agent desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. Grant of Security Interest. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure payment and performance of the Obligations, the Grantor grants a lien and security interest to the Agent in all its present and future right, title and interest in and to the Trademarks, together with all the goodwill and other tangible assets of the Grantor associated with and represented by the Trademarks, and the non-intent-to-use applications for and registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Representations and Warranties. The Grantor represents, warrants and covenants that: (a) the Trademarks are subsisting and have not been abandoned, suspended, voluntarily terminated or canceled by the Grantor, have not been adjudged invalid or unenforceable, and to

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the best of the Grantor's knowledge, there is no reason why the Trademarks should be adjudged invalid or unenforceable; (b) each of the Trademarks is valid and enforceable; (c) the Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by the Grantor not to sue third persons; (d) the Grantor has the unqualified right to enter into this Rider and perform its terms; (e) the Grantor has used, and will continue to use for the duration of this Rider, proper notice, as required by 15 U.S.C. §§ 1051-1127 in connection with its use of the Trademarks; (f) the Grantor has used, and will continue to use for the duration of this Rider, consistent standards of quality in products leased or sold under the Trademarks; and (g) the Grantor will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any of the Trademarks may become invalidated, abandoned, unenforceable, avoided, avoidable or otherwise diminished in value, and shall notify the Agent immediately if it knows of any reason or has any reason to know of any grounds under which any of the foregoing may occur.

3. Verification of Quality Control. The Grantor hereby grants to the Agent and its employees and agents the right to visit the Grantor's locations which lease, sell, or store products under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure the Grantor's compliance with paragraph 2(f).

4. Covenants. The Grantor further covenants that until all of the Obligations have been satisfied in full: (a) the Grantor shall in its discretion maintain the Trademarks in full force and effect; (b) the Grantor will not enter into any agreement which is inconsistent with the Grantor's obligations under this Rider or which restrict or impair the Agent's rights hereunder; and (c) if the Grantor acquires rights to any new non-intent-to-use Trademarks, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Agent prompt written notice thereof along with an amended Exhibit A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Grantor shall have the right to enter into agreements in the ordinary course of business with respect to the Trademarks.

5. Exclusive Use of Trademarks. So long as this Rider is in effect and so long as the Grantor has not received notice from the Agent that an Event of Default has occurred under the Loan Documents and that the Agent has elected to exercise its rights to assignment hereunder, the Grantor shall continue to have the exclusive right to use the Trademarks including licenses thereof, and the Agent shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Negative Pledge. The Grantor agrees not to sell, assign (by operation of law or otherwise) or further encumber its rights and interest in the Trademarks without prior written consent of the Agent. The Grantor shall, in its discretion, defend the Trademarks against and shall take other action as is necessary to remove any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, and will defend the right, title and interest of the Agent in and to any of the Grantor's rights under the Trademarks against the

claims or demands of all persons whatsoever. If the Grantor decides not to defend the Trademarks or take any action necessary to remove any lien, security interest, claim, right or other encumbrance in or to the Trademarks due to the Grantor's belief that the Trademark has insufficient value, or for any other reason, Grantor will give Agent prior written notification of same.

7. No Additional Trademarks. As of the date hereof, the Grantor does not own any Trademarks, or have any Trademarks registered in or the subject of pending applications in the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, other than those grants, registrations or applications for registrations listed on Exhibit A annexed hereto and made a part hereof.

8. Pledge of Additional Trademarks. In the event the Grantor, either itself or through any agent, employee, licensee or designee shall:

(a) file or record an application for the registration of any Trademark with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof; or

(b) file or record any assignment of any Trademark which the Grantor may acquire, own or license from a third party, with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof;

the Grantor shall promptly, but in no event more than fifteen (15) days subsequent to such filing, notify the Agent thereof, and, upon request of the Agent shall promptly, but in no event more than twenty (20) days subsequent to such notice, execute and deliver any and all assignments, agreements, instruments, documents and papers as the Agent may reasonably request to evidence the Agent's interest in such Trademark and the goodwill of the Grantor associated thereto or represented thereby. The Grantor hereby grants the Agent a power of attorney, irrevocable until the Obligations are fully paid and satisfied, to modify this Rider by amending Exhibit A, as applicable, to include any future Trademarks or Licenses, including, without limitation, registrations or applications appurtenant thereto, covered by this Rider.

9. Remedies Upon Default. (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, the Grantor hereby covenants and agrees that the Agent, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Trademarks covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, the Grantor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent as the Agent may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all

applications, documents, papers and instruments necessary for the Agent to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, the Grantor shall also execute and deliver to the Agent such documents as the Agent shall reasonably request to permanently assign all rights in the Trademarks to the Agent, which documents shall be held by the Agent, until the occurrence of an Event of Default hereunder or under the Loan Documents. After such occurrence, the Agent may, at its sole option, record such documents with the Patent and Trademark Office.

10. Subject to Security Agreement. This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

11. Inconsistent with Security Agreement. All rights and remedies herein granted to the Agent shall be in addition to any rights and remedies granted to the Agent under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

12. Termination of Agreement. Upon payment and performance of all Obligations under the Loan Documents, the Agent shall execute and deliver to the Grantor all documents necessary to re-vest all rights in and to the Trademarks in the Grantor and/or terminate any interest of the Agent therein.

13. Prosecution of Trademark Applications. (a) Subject to the terms of the Loan Documents, the Grantor shall, in its discretion, prosecute any trademark application with respect to the Trademarks pending as of the date of this Rider or thereafter, until the Obligations shall have been satisfied in full, to preserve and maintain all rights in the registration and grant of the Trademarks, to halt any infringement of the Trademarks, and upon reasonable request of the Agent, the Grantor shall make federal application on registrable but unregistered trademarks belonging to the Grantor. Any reasonable expenses incurred in connection with such applications or defense of said Trademarks shall be borne by the Grantor. The Grantor shall not abandon any Trademark without the prior written consent of the Agent.

(b) The Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event the Agent may, if the Grantor deems it necessary or after an Event of Default under the Loan Documents, be joined as a nominal party to such suit if the Agent shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Grantor shall promptly, upon demand, reimburse and indemnify the Agent for all damages,

reasonable costs and reasonable expenses, including attorneys' fees, incurred by the Agent in the fulfillment of the provisions of this paragraph.

14. Responsibility and Liability. The Grantor assumes all responsibility and liability arising from the use of the Trademarks, and hereby indemnifies and holds the Agent and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by the Grantor in connection with any of the Trademarks or otherwise arising out of the Grantor's operation of its business from the use of the Trademarks. In any suit, proceeding or action brought by the Agent under any License for any sum owing thereunder, or to enforce any provisions of such License, the Grantor will indemnify and keep the Agent harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach of the Grantor of any obligation thereunder or arising out of any agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Grantor, and all such Obligations of the Grantor shall be and remain enforceable against and only against the Grantor and shall not be enforceable against the Agent.

15. Agent's Rights. The Agent may pay any amount or do any act required of the Grantor hereunder or requested by the Agent to preserve, defend, protect, maintain, record or enforce the Grantor's obligations contained herein, the Obligations of the Grantor to the Agent, the Trademarks, or the right, title and interest granted the Agent herein, and which the Grantor fails to do or pay, and any such payment shall be deemed an advance by the Agent to the Grantor and shall be payable on demand together with interest thereon at the default rate specified in the Loan Documents.

16. Protection of the Trademarks. The Grantor agrees that if it learns of any use by any person or any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Trademarks, the Grantor shall promptly notify the Agent of such use, lien, security interest, claim, right or other encumbrance and, if requested by the Agent, shall join with the Agent, at the Grantor's expense, in such action as the Agent, in its reasonable discretion, may deem advisable for the protection of the Agent's interest in and to the Trademarks, it being understood that the foregoing shall not preclude the Grantor from bringing an action against a person for the protection of the Grantor's interest in and to such Trademarks.

17. Additional Remedies. Upon the occurrence of an Event of Default under the Loan Documents, the Agent may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Agent's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Agent in protecting, defending and maintaining the Trademarks.

18. Governing Law. THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE

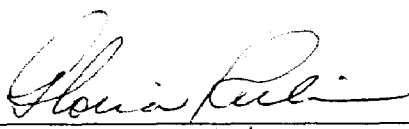
STATE OF NEW YORK, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

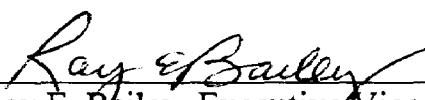
19. **Counterparts.** This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: GLORIA RUBIN
Title: SECRETARY

By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION,
as Lender and as Agent

By: 
Karen Grexa, Vice President

TRADEMARK ASSIGNMENT

WHEREAS, Sleep Innovations, Inc. (the "**Grantor**") is the owner of the entire right, title and interest in and to the United States trademarks, trade names and registrations listed on Exhibit A attached hereto and made a part hereof (collectively, the "**Trademarks**"), which are registered in the United States Patent and Trademark Office or which are subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION, as agent for the financial institutions which are now or which hereafter become a party to that certain Rider to Security Agreement - Trademarks (the "**Rider**") of even date herewith (the "**Grantee**") is desirous of acquiring said Trademarks;

WHEREAS, the Grantee has a security interest in the assets of the Grantor adequate to carry on the business of the Grantor; and


WHEREAS, the Rider provides that this Trademark Assignment shall become effective upon the occurrence of an Event of Default as defined in the Amended and Restated Loan and Security Agreement dated as of May 30, 2002 by and between the Grantor and the Grantee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, for itself and its successors and assigns does hereby collaterally transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks, the goodwill of the business associated with such Trademarks and all proceeds thereof and all rights and proceeds associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed by its duly authorized officer on this 27 day of November, 2002.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: GLORIA RUBIN
Title: SECRETARY

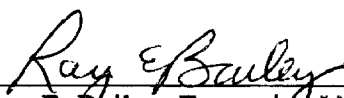
By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

EXHIBIT A
TO RIDER TO SECURITY AGREEMENT – TRADEMARKS

	<i>Serial #</i>	<i>Registration #</i>	<i>MARK</i>	<i>Current Status</i>	<i>Filing Date</i>
1.	76416972		HUGGY	Application has been published for opposition 2002-12-03	2002-05-23
2.	76416971		SENSUS	Application has been published for opposition 2002-12-03	2002-05-23
3.	76416970		THE COMFORT SECRET	Application has been published for opposition 2002-12-03	2002-05-23
4.	76416973		TUBBY HUGGY	Final review prior to publication has been completed, application will be published for opposition 2002-11-27	2002-05-23
5.	76284619		MICRO ESSENCE	Final review prior to publication has been completed, application will be published for opposition 2002-11-26	2001-07-03
6.	76416565		SOGNO	An office action suspending further action on the application has been mailed 2002-10-25	2002-05-23
7.	76263285	2640891	TEMPSOMA	Registered 2002-10-22	2001-05-25

8.	76263284		NOVASOMA	Final review prior to publication has been completed, application will be published for opposition 2002-11-06	2001-05-25
9.	76455071		NOVAGEL	Newly filed application, not yet assigned to an examining attorney 2002-10-17	2002-09-25
10.	76416563		PLUSH SUPREME	Final review prior to publication has been completed, application will be published for opposition 2002-10-30	2002-05-23
11.	76385080		PERSONAL EXPRESSIONS	Application has been published for opposition 2002-10-08	2002-03-21
12.	76416568		COMFORT, PURE AND SIMPLE	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23
13.	76416564		WE'VE FOUND THE SECRET	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23

14.	76437508		THE ULTIMATE PILLOW	Newly filed application, not yet assigned to an examining attorney 2002-08-07	2002-08-05
15.	76151526		ORIGINAL RIB CORD	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-28	2000-10-23

16.	76416667		SLEEP SACK	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-09-30	2002-05-23
17.	76170654	2602530	PERSONAL EXPRESSIONS	Registered 2002-07-30	2000-11-26
18.	76416567		NOVALOFT	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-11-04	2002-05-23

19.	76416566		NOVAFIL	A non-final action has been mailed. This is a letter from examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-31	2002-05-23
20.	76336872		THE DIFFERENCE IS UNDENIABLE	Opposition period completed, a Notice of Allowance has been issued 2002-07-30	2001-11-13
21.	76284620		WE SUPPORT THE MOST PAMPERED HEADS IN AMERICA	A request for the first extension of time to file a statement of use has been granted 2002-08-29	2001-07-03
22.	76173089		BATH HUGGY	Opposition period completed, a Notice of Allowance has been issued 2001-11-06	2000-11-26

23.	76116505		THE SCIENCE OF COMFORT	A request for the first extension of time to file a statement of use has been granted 2002-07-16	2000-08-25
24.	75705820	2635863	INNOVA-TEX	Registered 2002-10-15	1999-05-13
25.	75882646	2598671	COMFORT UNIVERSITY	Registered 2002-07-23	1999-12-28
26.	75490476	2591894	DREAMTEK	Registered 2002-07-09	1998-05-23
27.	75696070	2588932	BEACH INNOVATIONS	Registered 2002-07-02	1999-05-03
28.	75490477		DREAM TOP	A non-final refusal of the Statement of Use filed for this application has been mailed 2002-06-21	1998-05-23
29.	75436474		DREAM ZONE	A request for the fifth extension of time to file a statement of use has been granted 2002-08-26	1998-02-18
30.	75705822	2553247	DREAM PILLOW	Registered 2002-03-26	1999-05-13
31.	75824871		BED-IN-A-BOX	Application has been published for opposition 2002-11-25	1999-10-18
32.	75776960	2523215	ULTIMATE SATEEN	Registered 2001-12-25	1999-08-16

33.	75882648		CONFIDANT	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
34.	75882645		BCOOL IN SCHOOL	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
35.	75696351	2449890	DINO DREAMS	Registered 2001-05-08	1999-05-03
36.	75696069		(design only)	Opposition period completed, a Notice of Allowance has been issued 2002-04-02	1999-05-03
37.	75587359	2437669	BEACH PILL-O	Registered 2001-03-20	1998-11-12
38.	75547520	2333863	COMFORT PLUS	Registered 2000-03-21	1998-09-03
39.	75527164	2354111	MEGACRATE	Registered 2000-05-30	1998-07-29
40.	75516292	2383898	HUGGY	Registered 2000-09-05	1998-07-09
41.	75436471	2471859	ABSOLUTE COMFORT SYSTEM	Registered 2001-07-24	1998-02-18
42.	75436427	2486472	NOVAFORM	Registered 2001-09-11	1998-02-18
43.	75306246		LATEX ELITE	Opposition period completed, a Notice of Allowance has been issued 2002-02-19	1997-06-10

44.	75278221	2213871	SLEEP INNOVATIONS	Registered 1998-12-29	1997-04-21
45.	75263932	2293137	WE PUT THE COMFORT BACK IN YOUR BED	Registered 1999-11-16	1997-03-26

RIDER TO SECURITY AGREEMENT - PATENTS

THIS RIDER TO SECURITY AGREEMENT ("**Rider**") is executed as of this 27 day of November, 2002, by and between SLEEP INNOVATIONS, INC. (the "**Grantor**") with an address at 187 Route 36, West Long Branch, New Jersey 07764 and the financial institutions which are now or which hereafter become a party hereto (collectively, the "**Lenders**" and individually a "**Lender**") and PNC BANK, NATIONAL ASSOCIATION ("**PNC**"), as agent for Lenders (PNC, in such capacity, the "**Agent**"). This Rider is incorporated into and made part of that certain Amended and Restated Loan and Security Agreement ("**Security Agreement**") between the Grantor and the Agent dated May 30, 2002, and also into certain other financing documents and security agreements executed by and between the Grantor and the Agent or by and between the Borrower (as defined in the Security Agreement) and the Agent (all such documents including this Rider being collectively referred to as "**Loan Documents**"). All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

As collateral security for the Obligations (as defined in the Security Agreement) under the Loan Documents, the Grantor has agreed to grant a security interest in and to assign to the Agent the Patent Collateral (as hereinafter defined). The Agent desires to have its lien and security interest in such Patent Collateral confirmed by a document identifying such security interest and in such form as may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Security Agreement and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the Obligations, the Grantor does hereby assign and grant to the Agent a lien and security interest in (a) all of the Grantor's right, title and interest in and to (i) the United States Letters Patent and the inventions described and claimed therein set forth on Exhibit A hereto and any future patents of Grantor (hereinafter referred to collectively as the "**Patents**"); (ii) the applications for Letters Patent and the inventions described and claimed therein set forth on Exhibit A hereto and any United States Letters Patent which may be issued upon any of said applications and any future patent applications of Grantor (hereinafter referred to collectively as the "**Applications**"); (iii) any reissue, extension, division or continuation of the Patents or the Applications (such reissues, extensions, divisions and continuations being herein referred to collectively as the "**Reissued Patents**"); (iv) all future royalties or other fees paid or payment or payments made or to be made to the Grantor in respect of the Patents; and (v) proceeds of any and all of the foregoing (the Patents, Applications, Reissued Patents and Royalties and proceeds being herein referred to collectively as the "**Patent Rights**"); and (b) all rights, interests, claims and demands that the Grantor has or may have in existing and future profits and damages for past and future infringements of the Patent Rights (such rights, interests, claims and demands being herein called the "**Claims**") (the Patent Rights and Claims collectively referred to as the "**Patent Collateral**").

2. Representations and Warranties. The Grantor warrants and represents to the Agent that: (a) the Grantor is the true and lawful exclusive owner of the Patent Rights set forth on Exhibit A, including all rights and interests herein granted; (b) the Patent Collateral is valid and enforceable; (c) the Grantor has full power and authority to execute and deliver this Rider; (d) the Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Patent Rights and the interests granted herein; and (e) the Patent Rights and all interests granted herein are so granted free from all liens, charges, claims, options, licenses, pledges and encumbrances of every kind and character.

3. Covenants. The Grantor further covenants that: (a) until all of the Obligations have been satisfied in full, the Grantor will not enter into any agreement, including without limitation, license agreements, which are inconsistent with the Grantor's obligations under this Rider; and (b) if the Grantor acquires rights to any new Patent Collateral, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Agent prompt written notice thereof along with an amended Exhibit A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Grantor shall have the right to enter into agreements in the ordinary course of business with respect to the Patent Collateral.

4. Maintenance of Patent Collateral. The Grantor further covenants that: until all of the Obligations have been satisfied in full, it will (i) not enter into any agreement, including without limitation, license agreements, which are inconsistent with the Grantor's undertakings and covenants under this Rider or which restrict or impair the Agent's rights hereunder and (ii) maintain the Patent Collateral in full force and effect.

5. Negative Pledge. The Grantor shall not sell, assign or further encumber its rights and interest in the Patent Collateral without prior written consent of the Agent.

6. Remedies Upon Default. (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, the Grantor hereby covenants and agrees that the Agent, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Patent Collateral covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, the Grantor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent as the Agent may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Agent to use the Patent Collateral or to grant or issue any exclusive or non-exclusive license under the Patent Collateral to anyone else, or necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral itself or to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross

negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, the Grantor shall also execute and deliver to the Agent such documents as the Agent shall reasonably require to permanently assign all rights in the Patent Collateral to the Agent, which documents shall be held by the Agent, in escrow, until the occurrence of an Event of Default hereunder or under the Loan Documents. After such occurrence, the Agent may, at its sole option, record such escrowed documents with the Patent and Trademark Office.

7. Prosecution of Patent Applications. (a) The Grantor shall in its discretion and at its own expense maintain all patents and file and prosecute all patent applications relating to the inventions described and claimed in the Patent Collateral in the United States Patent and Trademark Office, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith. If the Grantor decides to abandon any such application or disclaim or dedicate any Patent or abandon any Patent Collateral, it will give Agent prior written notification of same.

(b) The Grantor shall have the right to bring suit in the name of the Grantor to enforce the Patent Collateral, in which case the Agent may, at the Agent's option, be joined as a nominal party to such suit if the Agent shall be satisfied that such joinder is necessary and that the Agent is not thereby incurring any risk of liability by such joinder.

8. Subject to Security Agreement. This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. Inconsistent with Security Agreement. All rights and remedies herein granted to the Agent shall be in addition to any rights and remedies granted to the Agent under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

10. Termination of Agreement. Upon payment and performance of all Obligations under the Loan Documents, the Agent shall execute and deliver to the Grantor all documents necessary to terminate the Agent's security interest in the Patent Collateral.

11. Fees and Expenses. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Agent in connection with the preparation of this Rider and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Patent Collateral, or in defending or prosecuting any actions or

proceedings arising out of or related to the Patent Collateral, in each case in accordance with the terms of this Rider, shall be borne and paid by the Grantor on demand by the Agent and until so paid shall be added to the principal amount of the Obligations to the Agent and shall bear interest at the contract rate therefor.

12. Additional Remedies. Upon the occurrence of an Event of Default under the Loan Documents, the Agent may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Agent's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Agent in protecting, defending and maintaining the Patent Collateral.

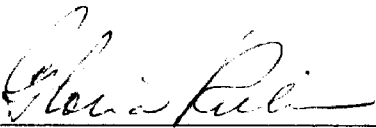
13. Governing Law. THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

14. Counterparts. This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Rider by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: GLORIA RUBIN
Title: SECRETARY

By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION,
as Lender and as Agent

By: 
Karen Grexa, Vice President

PATENT ASSIGNMENT

WHEREAS, Sleep Innovations, Inc. (the "**Grantor**") is the owner of the entire right, title and interest in and to the United States patents and patent applications listed on Exhibit A attached hereto and made a part hereof, the inventions described therein and all rights associated therewith (collectively, the "**Patent Collateral**"), which are registered in the United States Patent and Trademark Office or which are subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION, as agent for the financial institutions which are now or which hereafter become a party to that certain Rider to Security Agreement - Patents (the "**Rider**") of even date herewith (the "**Grantee**") is desirous of acquiring said Patent Collateral;

WHEREAS, the Grantee has a security interest in the assets of the Grantor adequate to carry on the business of the Grantor; and

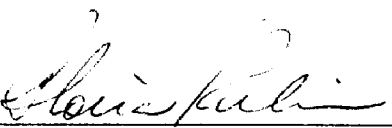
WHEREAS, the Rider provides that this Patent Assignment shall become effective upon the occurrence of an Event of Default as defined in the Amended and Restated Loan and Security Agreement dated as of May 30, 2002 by and between the Grantor and the Grantee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, for itself and its successors and assigns does hereby collaterally transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Patent Collateral, the goodwill of the business associated with such Patent Collateral and all proceeds thereof and all rights and proceeds associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patent Assignment to be executed by its duly authorized officer on this 27 day of November, 2002.

ATTEST:

SLEEP INNOVATIONS, INC.

By: 
Name: GLORIA ROBIN
Title: SECRETARY

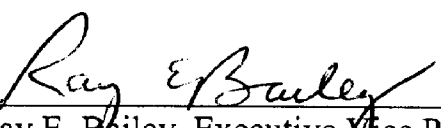
By: 
Ray E. Bailey, Executive Vice President
and Chief Financial Officer

EXHIBIT A
TO RIDER TO SECURITY AGREEMENT – PATENTS

Issued Patents:

<i>Patent No.</i>	<i>Date</i>	<i>Description</i>	<i>Core Terms</i>
D 445,311	April 9, 2002	Foam pillow for sleeping	
D 450,779	November 20, 2001	Foldable game board with fastener for Chinese checkers Ko, Wendy, Ontario, California, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Fastener, foldable, checkers, game, mirror image, perspective view, new design, embodying
D 450,351	November 13, 2001	Foldable game board with fastener for checkers Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Foldable, fastener, checkers, game, perspective view, new design, embodying
D 450,093	November 6, 2001	Foldable game board with fastener for backgammon Elliott, Freda, West Long Branch, New Jersey Ko, Wendy, Ontario, California, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Backgammon, fastener, foldable, game, perspective view, new design, embodying
D 449,656	October 23, 2001	Foldable game board with fastener for dominoes Elliott, Freda, West Long Branch, New Jersey, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Foldable, fastener, dominoes, game, perspective view, new design, embodying
D 449,350	October 16, 2001	Foldable game board with fastener and moveable game pieces Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Game, foldable, fastener, moveable, perspective view, new design, embodying

D 449,349	October 16, 2001	Foldable game board with fastener for tic tac toe Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Tic tac toe, fastener, foldable, game, perspective view, new design, embodying
D 449,348	October 16, 2001	Foldable game board with fastener for chess Fong, Bruce, Kowloon Bay, Republic of China, The, Sleep Innovations Inc., West Long Branch, New Jersey [02] United States Company or Corporation	Foldable, fastener, chess, game, perspective view, new design, embodying

Patent Applications:

<i>Application No.</i>	<i>Filing Date</i>	<i>Description</i>	<i>Status</i>
20020105143	August 8, 2002	Foldable game boards having a fastener Elliott, Freda (US); Fong, Bruce (Kowloon Bay, HK); Ko, Wendy (Ontario, CA) Assignee Name: Sleep Innovations, Inc. Serial No. 779432 Series Code: 09 Filed February 8, 2001	

EXHIBIT A
TO RECORDATION FOR COVER SHEET – TRADEMARKS

Conveying Party: Sleep Innovations, Inc.
Receiving Party: PNC Bank, National Association

	<i>Serial #</i>	<i>Registration #</i>	<i>MARK</i>	<i>Current Status</i>	<i>Filing Date</i>
1.	76416972		HUGGY	Application has been published for opposition 2002-12-03	2002-05-23
2.	76416971		SENSUS	Application has been published for opposition 2002-12-03	2002-05-23
3.	76416970		THE COMFORT SECRET	Application has been published for opposition 2002-12-03	2002-05-23
4.	76416973		TUBBY HUGGY	Final review prior to publication has been completed, application will be published for opposition 2002-11-27	2002-05-23
5.	76284619		MICRO ESSENCE	Final review prior to publication has been completed, application will be published for opposition 2002-11-26	2001-07-03
6.	76416565		SOGNO	An office action suspending further action on the application has been mailed 2002-10-25	2002-05-23
7.	76263285	2640891	TEMPSOMA	Registered 2002-10-22	2001-05-25

8.	76263284		NOVASOMA	Final review prior to publication has been completed, application will be published for opposition 2002-11-06	2001-05-25
9.	76455071		NOVAGEL	Newly filed application, not yet assigned to an examining attorney 2002-10-17	2002-09-25
10.	76416563		PLUSH SUPREME	Final review prior to publication has been completed, application will be published for opposition 2002-10-30	2002-05-23
11.	76385080		PERSONAL EXPRESSIONS	Application has been published for opposition 2002-10-08	2002-03-21
12.	76416568		COMFORT, PURE AND SIMPLE	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23
13.	76416564		WE'VE FOUND THE SECRET	Final review prior to publication has been completed, application will be published for opposition 2002-10-28	2002-05-23

14.	76437508		THE ULTIMATE PILLOW	Newly filed application, not yet assigned to an examining attorney 2002-08-07	2002-08-05
15.	76151526		ORIGINAL RIB CORD	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-28	2000-10-23

16.	76416667		SLEEP SACK	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-09-30	2002-05-23
17.	76170654	2602530	PERSONAL EXPRESSIONS	Registered 2002-07-30	2000-11-26
18.	76416567		NOVALOFT	A non-final action has been mailed. This is a letter from the examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-11-04	2002-05-23

19.	76416566		NOVAFIL	A non-final action has been mailed. This is a letter from examining attorney requesting additional information and/or making an initial refusal. However, no final determination as to the registrability of the mark has been made 2002-10-31	2002-05-23
20.	76336872		THE DIFFERENCE IS UNDENIABLE	Opposition period completed, a Notice of Allowance has been issued 2002-07-30	2001-11-13
21.	76284620		WE SUPPORT THE MOST PAMPERED HEADS IN AMERICA	A request for the first extension of time to file a statement of use has been granted 2002-08-29	2001-07-03
22.	76173089		BATH HUGGY	Opposition period completed, a Notice of Allowance has been issued 2001-11-06	2000-11-26

23.	76116505		THE SCIENCE OF COMFORT	A request for the first extension of time to file a statement of use has been granted 2002-07-16	2000-08-25
24.	75705820	2635863	INNOVA-TEX	Registered 2002-10-15	1999-05-13
25.	75882646	2598671	COMFORT UNIVERSITY	Registered 2002-07-23	1999-12-28
26.	75490476	2591894	DREAMTEK	Registered 2002-07-09	1998-05-23
27.	75696070	2588932	BEACH INNOVATIONS	Registered 2002-07-02	1999-05-03
28.	75490477		DREAM TOP	A non-final refusal of the Statement of Use filed for this application has been mailed 2002-06-21	1998-05-23
29.	75436474		DREAM ZONE	A request for the fifth extension of time to file a statement of use has been granted 2002-08-26	1998-02-18
30.	75705822	2553247	DREAM PILLOW	Registered 2002-03-26	1999-05-13
31.	75824871		BED-IN-A-BOX	Application has been published for opposition 2002-11-25	1999-10-18
32.	75776960	2523215	ULTIMATE SATEEN	Registered 2001-12-25	1999-08-16

33.	75882648		CONFIDANT	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
34.	75882645		BCOOL IN SCHOOL	A request for the first extension of time to file a statement of use has been granted 2002-05-20	1999-12-28
35.	75696351	2449890	DINO DREAMS	Registered 2001-05-08	1999-05-03
36.	75696069		(design only)	Opposition period completed, a Notice of Allowance has been issued 2002-04-02	1999-05-03
37.	75587359	2437669	BEACH PILL-O	Registered 2001-03-20	1998-11-12
38.	75547520	2333863	COMFORT PLUS	Registered 2000-03-21	1998-09-03
39.	75527164	2354111	MEGACRATE	Registered 2000-05-30	1998-07-29
40.	75516292	2383898	HUGGY	Registered 2000-09-05	1998-07-09
41.	75436471	2471859	ABSOLUTE COMFORT SYSTEM	Registered 2001-07-24	1998-02-18
42.	75436427	2486472	NOVAFORM	Registered 2001-09-11	1998-02-18
43.	75306246		LATEX ELITE	Opposition period completed, a Notice of Allowance has been issued 2002-02-19	1997-06-10

44.	75278221	2213871	SLEEP INNOVATIONS	Registered 1998-12-29	1997-04-21
45.	75263932	2293137	WE PUT THE COMFORT BACK IN YOUR BED	Registered 1999-11-16	1997-03-26

EXHIBIT A
TO RECORDATION FORM COVER SHEET – PATENTS

Conveying Party: Sleep Innovations, Inc.
Receiving Party: PNC Bank, National Association

Issued Patents:

<i>Patent No.</i>	<i>Date</i>	<i>Description</i>	<i>Core Terms</i>
D 445,311	April 9, 2002	Foam pillow for sleeping	
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