

4/12/04

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)

04-15-2004



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

Tab settings => => => ▼

To the Honorable Commissioner of Patents

102721890

Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
SEALY MATTRESS COMPANY OF MEMPHIS

Individual(s) Association
 General Partnership Limited Partnership
 Corporation- Tennessee
 Other _____

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

2. Name and address of receiving party(ies):
Name: JPMORGAN CHASE BANK,
as Administrative Agent

Street Address: 270 Park Avenue
City: New York State: NY Zip: 10017

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation- New York Banking Corporation
 Other _____

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: April 6, 2004

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)

Additional number(s) attached Yes No

B. Trademark Registration No.(s)
430,037

APR 12 12 M 7:37

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Rhonda DeLeon
Internal Address: Latham & Watkins LLP
Street Address: 650 Town Center Drive, Suite 2000
City: Costa Mesa State: CA Zip: 92626

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number
50-0524

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

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Rhonda DeLeon *Rhonda DeLeon* April 12, 2004
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 33

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

04/14/2004 LUMELLER 00000033 500524 430037
01 FC:0521 40.00 BA

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of April 6, 2004, among SEALY MATTRESS CORPORATION, a Delaware corporation ("Holdings"), SEALY MATTRESS COMPANY, an Ohio corporation (the "Borrower"), each of the subsidiaries of the Borrower listed on Annex A hereto (each such undersigned subsidiary being a "Subsidiary Grantor" and, collectively, the "Subsidiary Grantors"; the Subsidiary Grantors, Holdings and the Borrower are referred to collectively as the "Grantors"), and JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent") for the lenders ("Lenders") from time to time party to the Credit Agreement dated as of the date hereof (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, SEALY CANADA LTD./LTEE, a company organized under the laws of Canada (the "Canadian Borrower" and, together with the Borrower, the "Borrowers"), SEALY CORPORATION, a Delaware corporation ("Parent"), Holdings, the Subsidiary Grantors, the Lenders, the Administrative Agent, J.P. MORGAN SECURITIES INC., as joint lead arranger and joint bookrunner (in such capacities the "Joint Lead Arranger" and "Joint Bookrunner"), GOLDMAN SACHS CREDIT PARTNERS L.P., as joint lead arranger, joint bookrunner, and syndication agent (in such capacities, the "Joint Lead Arranger", "Joint Bookrunner" and "Syndication Agent"), JPMORGAN CHASE BANK, TORONTO BRANCH, as Canadian administrative agent (in such capacity, the "Canadian Administrative Agent"), and GENERAL ELECTRIC CAPITAL CORPORATION and ROYAL BANK OF CANADA, as co-documentation agents (in such capacities, the "Documentation Agents").

W I T N E S S E T H:

WHEREAS, (a) pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrowers and the Letter of Credit Issuer has agreed to issue Letters of Credit for the account of the Borrowers (collectively, the "Extensions of Credit") upon the terms and subject to the conditions set forth therein and (b) one or more Lenders or affiliates of Lenders may from time to time enter into Hedge Agreements with the Borrowers;

WHEREAS, pursuant to the Guarantee (the "Guarantee") dated as of the date hereof, Holdings and each Subsidiary Grantor party thereto has unconditionally and irrevocably guaranteed, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Secured Parties the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations;

WHEREAS, each Subsidiary Grantor is a Domestic Subsidiary of the Borrower;

WHEREAS, the proceeds of the Extensions of Credit will be used in part to enable the Borrowers to make valuable transfers to the Subsidiary Grantors in connection with the operation of their respective businesses;

EXECUTION COPY

TRADEMARK
REEL: 002948 FRAME: 0348

WHEREAS, each Grantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Extensions of Credit; and

WHEREAS, it is a condition precedent to the obligation of the Lenders and the Letter of Credit Issuer to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Security Agreement to the Administrative Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Syndication Agent, the Documentation Agents, the Lenders and the Letter of Credit Issuer to enter into the Credit Agreement and to induce the Lenders and the Letter of Credit Issuer to make their respective Extensions of Credit to the Borrowers under the Credit Agreement and to induce one or more Lenders or affiliates of Lenders to enter into Hedge Agreements with the Borrowers, the Grantors hereby agree with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement and all terms defined in the Uniform Commercial Code from time to time in effect in the State of New York (the "NY UCC") and not defined herein shall have the meanings specified therein.

(b) The following terms shall have the following meanings:

"Administrative Agent" shall have the meaning assigned to such term in the recitals hereto.

"Chattel Paper" shall mean all "chattel paper" as such term is defined in Article 9 of the NY UCC.

"Collateral" shall have the meaning assigned to such term in Section 2.

"Collateral Account" shall mean any collateral account established by the Administrative Agent as provided in subsection 5.1.

"Copyright License" means any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by any Grantor (including all Copyrights) or that any Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including those listed on Schedule 1.

"copyrights" means, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (ii) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office.

"Copyrights" means all copyrights now owned or hereafter acquired by any Grantor, including those listed on Schedule 2.

"Deposit Accounts" shall mean all "deposit accounts," as such term is defined in Article 9 of the NY UCC.

"Documents" shall mean all "documents," as such term is defined in Article 9 of the NY UCC.

"Equipment" shall mean all "equipment," as such term is defined in Article 9 of the NY UCC, now or hereafter owned by any Grantor or to which any Grantor has rights and, in any event, shall include all machinery, equipment, furnishings, movable trade fixtures and vehicles now or hereafter owned by any Grantor or to which any Grantor has rights and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto; but excluding Equipment to the extent it is subject to a Permitted Lien and the terms of the Indebtedness securing such Permitted Lien prohibit assignment of, or granting of a security interest in, such Grantor's rights and interests therein (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law), provided, that immediately upon the repayment of all Indebtedness secured by such Permitted Lien, such Grantor shall be deemed to have granted a Security Interest in all the rights and interests with respect to such Equipment.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Article 9 of the NY UCC and, in any event, including with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guarantee with respect thereto, (c) all claims of such Grantor for damages arising out of any breach of or default under thereunder and (d) all rights of such Grantor to terminate, amend, supplement, modify or exercise rights or options thereunder, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder, in each case to the extent the grant by such Grantor of a Security Interest pursuant to this Security Agreement in its right, title and interest in any such contract, agreement, instrument or indenture is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents), provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a Security Interest pursuant to this Security Agreement in any Account or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

"Guarantors" shall mean each Grantor other than the Borrower.

"Grantor" shall have the meaning assigned to such term in the recitals hereto.

"Instruments" shall mean all "instruments," as such term is defined in Article 9 of the NY UCC.

"Intellectual Property" shall mean all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise now owned or hereafter acquired, including (a) all information used or useful arising from the business including all goodwill, trade secrets, trade secret rights, know-how, customer lists, processes of production, ideas, confidential business information, techniques, processes, formulas and all other proprietary information, and (b) the Copyrights, the Patents, the Trademarks and the Licenses and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, in each case to the extent the grant by such Grantor of a Security Interest pursuant to this Security Agreement in any such rights, priorities and privileges relating to intellectual property is not prohibited by any contract, agreement or other instrument governing such rights, priorities and privileges without the consent of any other party thereto, would not give any other party to any such contract, agreement or other instrument the right to terminate its obligations thereunder or is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the relevant parties (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents).

"Investment Property" shall mean all Securities (whether certificated or uncertificated), Security Entitlements, Securities Accounts, Commodity Contracts and Commodity Accounts of any Grantor, whether now or hereafter acquired by any Grantor, in each case to the extent the grant by a Grantor of a Security Interest therein pursuant to this Security Agreement in its right, title and interest in any such Investment Property is not prohibited by any contract, agreement, instrument or indenture governing such Investment Property without the consent of any other party thereto, would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents).

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which any Grantor is a party.

"NY UCC" has the meaning assigned to such term in Section 1(a).

"Obligations" shall mean the collective reference to (i) the due and punctual payment of (x) the principal of and premium, if any, and interest at the applicable rate provided

in the Credit Agreement (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (y) each payment required to be made by the Borrowers under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (z) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Borrowers or any other Credit Party to any of the Secured Parties under the Credit Agreement and the other Credit Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrowers under or pursuant to the Credit Agreement and the other Credit Documents, (iii) the due and punctual payment and performance of all the covenants, agreements, obligations and liabilities of each other Credit Party under or pursuant to this Security Agreement or the other Credit Documents, (iv) the due and punctual payment and performance of all obligations of each Credit Party under each Hedge Agreement that (x) is in effect on the Closing Date with a counterparty that is a Lender or an affiliate of a Lender as of the Closing Date or (y) is entered into after the Closing Date with any counterparty that is a Lender or an affiliate of a Lender at the time such Hedge Agreement is entered into and (v) the due and punctual payment and performance of all obligations in respect of overdrafts and related liabilities owed to the Administrative Agent or its affiliates arising from or in connection with treasury, depository or cash management services or in connection with any automated clearinghouse transfer of funds.

“Patent License” means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by any Grantor (including all Patents) or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement, including those listed on Schedule 3.

“patents” means, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

“Patents” means all patents now owned or hereafter acquired by any Grantor, including those listed on Schedule 4.

“Proceeds” shall mean all “proceeds” as such term is defined in Article 9 of the NY UCC and, in any event, shall include with respect to any Grantor, any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other person or entity as a result of the

destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include (a) all cash and negotiable instruments received by or held on behalf of the Administrative Agent, (b) any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Grantor, or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by any Grantor, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by any Grantor or licensed under a Copyright License and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Secured Parties" shall mean (i) the Lenders, (ii) the Letter of Credit Issuer, (iii) the Swingline Lender, (iv) the Administrative Agent, (v) the Syndication Agent, (vi) the Documentation Agents, (vii) each counterparty to a Hedge Agreement the obligations under which constitute Obligations, (viii) the beneficiaries of each indemnification obligation undertaken by any Credit Party under any Credit Document and (ix) any successors, indorsees, transferees and assigns of each of the foregoing.

"Security Agreement" shall mean this Security Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Security Interest" shall have the meaning assigned to such term in Section 2.

"Trademark License" means any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark now or hereafter owned by any Grantor (including any Trademark) or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including those listed on Schedule 5.

"trademarks" means, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof (if any), and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, (ii) all goodwill associated therewith or symbolized thereby and (iii) all other assets, rights and interests that uniquely reflect or embody such goodwill.

"Trademarks" means all trademarks now owned or hereafter acquired by any Grantor, including those listed on Schedule 6 hereto.

(c) The words "hereof", "herein", "hereto" and "hereunder" and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole

and not to any particular provision of this Security Agreement, and Section, subsection and Schedule references are to this Security Agreement unless otherwise specified. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

(f) References to "Lenders: in this Security Agreement shall be deemed to include affiliates of Lenders that may from time to time enter into Hedge Agreements with the Borrowers.

2. Grant of Security Interest.

(a) Each Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Administrative Agent, for the ratable benefit of the Secured Parties, and hereby grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest (the "Security Interest") in all of the following property now owned or hereafter acquired by such Grantor or in which such Grantor now has or at any time in future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

- (i) all Accounts;
- (ii) all cash;
- (iii) all Chattel Paper;
- (iv) all Deposit Accounts;
- (v) all Documents;
- (vi) all Equipment;
- (vii) all General Intangibles;
- (viii) all Instruments;
- (ix) all Intellectual Property;
- (x) all Inventory;
- (xi) all Investment Property;
- (xii) all books and records pertaining to the Collateral; and

(xiii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

(b) Each Grantor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements with respect to the Collateral or any part thereof and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner such as "all assets" or "all personal property, whether now owned or hereafter acquired." Each Grantor agrees to provide such information to the Administrative Agent promptly upon request.

Each Grantor also ratifies its authorization for the Administrative Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

The Administrative Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor, without the signature of any Grantor, and naming any Grantor or the Grantors as debtors and the Administrative Agent as secured party.

The Security Interests are granted as security only and shall not subject the Administrative Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral.

3. Representations And Warranties.

Each Grantor hereby represents and warrants to the Administrative Agent and each Secured Party that:

1.1. Title; No Other Liens. Except for the Security Interest granted to the Administrative Agent for the ratable benefit of the Secured Parties pursuant to this Security Agreement, the Liens permitted by the Credit Agreement and any Liens securing Indebtedness which is no longer outstanding or any Liens with respect to commitments to lend which have been terminated, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, pursuant to this Security Agreement or are permitted by the Credit Agreement.

3.1. Perfected First Priority Liens. (a) Subject to the limitations set forth in clause (b) of this subsection 3.1, the Security Interests granted pursuant to this Security Agreement (i) will constitute valid perfected Security Interests in the Collateral in favor of the

Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for the Obligations, upon (A) the filing of all financing statements naming each Grantor as "debtor" and the Administrative Agent as "secured party" and describing the Collateral in the applicable filing offices, (B) delivery of all Instruments, Chattel Paper and certificated Securities, (C) in the case of Equipment that is covered by a certificate of title, the filing with the registrar of motor vehicles or other appropriate authority in the applicable jurisdiction (as specified in the Perfection Certificate (as such information is updated pursuant to Section 9.1(d) of the Credit Agreement)) of an application requesting the notation of the Security Interest created hereunder on such certificate of title and (D) completion of the filing, registration and recording of a fully executed agreement in the form hereof (or a supplement hereto) and containing a description of all Collateral constituting Intellectual Property in the United States Patent and Trademark Office within the three-month period (commencing as of the date hereof) or, in the case of Collateral constituting Intellectual Property acquired after the date hereof, thereafter pursuant to 35 USC §261 and 15 USC §1060 and the regulations thereunder with respect to United States Patents and United States registered Trademarks and in the United States Copyright Office within the one-month period (commencing as of the date hereof) or, in the case of Collateral constituting Intellectual Property acquired after the date hereof, thereafter with respect to United States registered Copyrights pursuant to 17 USC §205 and the regulations thereunder and otherwise as may be required pursuant to the laws of any other necessary jurisdiction to the extent that a security interest may be perfected by such filings, registrations and recordings, and (ii) are prior to all other Liens on the Collateral other than Liens permitted pursuant to Section 10.2 of the Credit Agreement.

(b) Notwithstanding anything to the contrary herein, no Grantor shall be required to perfect the Security Interests granted by this Security Agreement (including Security Interests in cash, cash accounts and Investment Property) by any means other than by (i) filings pursuant to the Uniform Commercial Codes of the relevant State(s), (ii) filings with the registrars of motor vehicles or other appropriate authorities in the relevant jurisdictions, (iii) filings approved by United States government offices with respect to Intellectual Property or (iv) in the case of Collateral that constitutes Tangible Chattel Paper, Instruments, Certificated Securities or Negotiable Documents, possession by the Administrative Agent in the United States. No Grantor shall be required to complete any filings or other action with respect to the perfection of Security Interests in any jurisdiction outside the United States.

(c) It is understood and agreed that the Security Interests in cash, Deposit Accounts and Permitted Investments created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses.

4. Covenants.

Each Grantor hereby covenants and agrees with the Administrative Agent and the Secured Parties that, from and after the date of this Security Agreement until the Obligations under the Credit Documents are paid in full, the Commitments are terminated and no Letter of Credit remains outstanding:

4.1. Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the Security Interest created by this Security Agreement as a perfected Security Interest having at least the priority described in subsection 3.1 and shall

defend such Security Interest against the claims and demands of all Persons whomsoever, in each case subject to subsection 3.1(b).

(b) Such Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request. In addition, within 30 days after the end of each calendar quarter, such Grantor will deliver to the Administrative Agent (i) copies of all such certificates of title issued during such calendar quarter with the notation thereon of the Administrative Agent's Security Interest created hereunder in the items of Equipment covered hereby and (ii) a written supplement hereto substantially in the form of Annex 2 hereto with respect to any additional Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses acquired by such Grantor after the date hereof, all in reasonable detail.

(c) Subject to clause (d) below and subsection 3.2(b), each Grantor agrees that at any time and from time to time, at the expense of such Grantor, it will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Administrative Agent or the Required Lenders may reasonably request, in order (x) to grant, preserve, protect and perfect the validity and priority of the Security Interests created or intended to be created hereby or (y) to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, including the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Security Interests created hereby, all at the expense of such Grantor.

(d) Notwithstanding anything in this subsection 4.1 to the contrary, (i) with respect to any assets acquired by such Grantor after the date hereof that are required by the Credit Agreement to be subject to the Lien created hereby or (ii) with respect to any Person that, subsequent to the date hereof, becomes a Subsidiary of the Borrower that is required by the Credit Agreement to become a party hereto, the relevant Grantor after the acquisition or creation thereof shall promptly take all actions required by the Credit Agreement or this subsection 4.1.

4.2. Changes in Locations, Name, etc. Each Grantor will furnish to the Administrative Agent prompt written notice of any change (i) in its legal name, (ii) in its jurisdiction of incorporation or organization, (iii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it (including the establishment of any such new office), (iv) in its identity or type of organization or corporate structure or (v) in its Federal Taxpayer Identification Number or organizational identification number. Each Grantor agrees promptly to provide the Administrative Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. Each Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral having at least the priority described in subsection 3.2. Each Grantor also agrees promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

4.3. Notices. Each Grantor will advise the Administrative Agent and the Lenders promptly, in reasonable detail, of any Lien of which it has knowledge (other than the Security Interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect, in any material respect, the ability of the Administrative Agent to exercise any of its remedies hereunder.

4.4. Special Covenants with Respect to Equipment. (a) Each Grantor shall, promptly after the acquisition by such Grantor of any item of Equipment that is covered by a certificate of title under a statute of any jurisdiction under the law of which indication of a Security Interest on such certificate is required as a condition of perfection thereof, execute and file with the registrar of motor vehicles or other appropriate authority in such jurisdiction an application or other document requesting the notation or other indication of the Security Interest created hereunder on such certificate of title.

(b) Upon the occurrence and during the continuation of any Event of Default, all insurance payments in respect of such Equipment shall be paid to and applied by Administrative Agent as specified in subsection 5.4 hereof.

(c) At the Administrative Agent's request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Administrative Agent the certificates of title covering each item of Equipment the perfection of which is governed by the notation on the certificate of title of the Administrative Agent's Security Interest created hereunder.

5. Remedial Provisions.

5.1. Certain Matters Relating to Accounts. (a) At any time after the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the right to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may require in connection with such test verifications. The Administrative Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Accounts and the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required in writing by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Secured Parties only as provided in subsection 5.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Administrative Agent's request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, including all original orders, invoices and shipping receipts.

(d) Upon the occurrence and during the continuance of an Event of Default, a Grantor shall not grant any extension of the time of payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof, or allow any credit or discount whatsoever thereon if the Administrative Agent shall have instructed the Grantors not to grant or make any such extension, credit, discount, compromise, or settlement under any circumstances during the continuance of such Event of Default.

5.2. Communications with Obligors; Grantors Remain Liable. (a) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default, after giving reasonable notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Accounts. The Administrative Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) Upon the written request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Accounts that the Accounts have been assigned to the Administrative Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Secured Party shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Administrative Agent or any Secured Party of any payment relating thereto, nor shall the Administrative Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.3. Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and the Secured Parties specified in subsection 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing and the Administrative Agent so requires by notice in writing to the relevant Grantor (it being understood that the exercise of remedies by the Secured Parties in connection with an Event of Default under Section 11.5 of the Credit Agreement shall be deemed to constitute a request by the Administrative Agent for the purposes of this sentence and in such circumstances, no such

written notice shall be required), all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control and on terms and conditions reasonably satisfactory to the Administrative Agent. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in subsection 5.4.

5.4. Application of Proceeds. The Administrative Agent shall apply the proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt as follows:

(i) first, to the payment of all reasonable and documented costs and expenses incurred by the Administrative Agent in connection with such collection or sale or otherwise in connection with this Security Agreement, the other Credit Documents or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent hereunder or under any other Credit Document on behalf of any Grantor and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document;

(ii) second, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any distribution, and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of any one over any other) to such Secured Parties in proportion to the unpaid amounts thereof; and

(iii) third, any surplus then remaining shall be paid to the Grantors or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Upon any sale of the Collateral by the Administrative Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Administrative Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Administrative Agent or such officer or be answerable in any way for the misapplication thereof.

5.5. Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the NY UCC or any other applicable law and also may without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange broker's board or at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, at such price or prices and upon such other terms as are commercially reasonable irrespective of the

impact of any such sales on the market price of the Collateral. The Administrative Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Administrative Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Administrative Agent or any Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, and the Administrative Agent or such Secured Party may subject to (x) the satisfaction in full in cash of all payments due pursuant to subsection 5.4(i), and (y) the ratable satisfaction of the Obligations in accordance with subsection 5.4(ii) pay the purchase price by crediting the amount thereof against the Obligations. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, each Grantor hereby waives any claim against the Administrative Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Administrative Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this subsection 5.5 in accordance with the provisions of subsection 5.4.

5.6. Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Secured Party to collect such deficiency.

5.7. Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, (a) any demand for payment of any of the Obligations made by the Administrative Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents, the Letters of Credit and any other documents executed and delivered in connection therewith and the Hedge Agreements and any other documents executed and

delivered in connection therewith and any documents entered into with the Administrative Agent or any of its affiliates in connection with treasury, depository or cash management services or in connection with any automated clearinghouse transfer of funds may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Hedge Agreement or documents entered into with the Administrative Agent or any of its affiliates in connection with treasury, depository or cash management services or in connection with any automated clearinghouse transfer of funds, the party thereto) may deem advisable from time to time, and (d) any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Security Agreement or any property subject thereto. When making any demand hereunder against any Grantor, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on the Borrower or any Grantor or grantor, and any failure by the Administrative Agent or any other Secured Party to make any such demand or to collect any payments from the Borrower or any Grantor or grantor or any release of the Borrower or any Grantor or grantor shall not relieve any Grantor in respect of which a demand or collection is not made or any Grantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any other Secured Party against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

6. The Administrative Agent.

6.1. Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, effective upon and during occurrence of an Event of Default, the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, either in the Administrative Agent's name or in the name of such Grantor or otherwise, without assent by such Grantor, to do any or all of the following, in each case after and during the occurrence of an Event of Default and after written notice by the Administrative Agent of its intent to do so:

(i) take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Account or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the

Administrative Agent may request to evidence the Administrative Agent's and the Secured Parties' Security Interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral;

(iv) execute, in connection with any sale provided for in subsection 5.5, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(v) obtain and adjust insurance required to be maintained by such Grantor or paid to the Administrative Agent pursuant to subsection 4.4; and

(vi) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct;

(vii) ask or demand for, collect and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(viii) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral;

(ix) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral;

(x) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xi) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xii) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine and

(xiii) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the

Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Secured Parties' Security Interests therein and to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do.

Anything in this subsection 6.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this subsection 6.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this subsection 6.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Security Agreement are coupled with an interest and are irrevocable until this Security Agreement is terminated and the Security Interests created hereby are released.

6.2. Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the NY UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property. Neither the Administrative Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Secured Parties hereunder are solely to protect the Administrative Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Secured Party to exercise any such powers. The Administrative Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

6.3. Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Security Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the

Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as between the Administrative Agent and the Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

6.4. Security Interest Absolute. All rights of the Administrative Agent hereunder, the security interest and all obligations of the Grantors hereunder shall be absolute and unconditional.

6.5. Continuing Security Interest; Assignments Under the Credit Agreement; Release. (a) This Security Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Grantor and the successors and assigns thereof and shall inure to the benefit of the Administrative Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until all Obligations under the Credit Documents and the obligations of each Grantor under this Security Agreement shall have been satisfied by payment in full, the Commitments shall be terminated and no Letters of Credit shall be outstanding, notwithstanding that from time to time during the term of the Credit Agreement and any Hedge Agreement the Credit Parties may be free from any Obligations.

(b) A Subsidiary Grantor shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Subsidiary Grantor shall be automatically released upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subsidiary Grantor ceases to be a Domestic Subsidiary of the Borrower.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreement, or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 14.1 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released and such Collateral sold free and clear of the Lien and Security Interests created hereby.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c), the Administrative Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this subsection 6.5 shall be without recourse to or warranty by the Administrative Agent.

6.6. Reinstatement. This Security Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any other Credit Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any other Credit Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

7. Administrative Agent As Agent.

(a) JPMorgan Chase Bank has been appointed to act as Administrative Agent under the Credit Agreement by the Lenders and, by their acceptance of the benefits hereof, the other Secured Parties. The Administrative Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Collateral), solely in accordance with this Security Agreement and the Credit Agreement, provided that the Administrative Agent shall exercise, or refrain from exercising, any remedies provided for in Section 5 in accordance with the instructions of Required Lenders. In furtherance of the foregoing provisions of this subsection 7(a), each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Administrative Agent for the ratable benefit of the Lenders and Secured Parties in accordance with the terms of this subsection 7(a).

(b) The Administrative Agent shall at all times be the same Person that is the Administrative Agent under the Credit Agreement. Written notice of resignation by the Administrative Agent pursuant to subsection 12.9 of the Credit Agreement shall also constitute notice of resignation as Administrative Agent under this Security Agreement; removal of the Administrative Agent shall also constitute removal as Administrative Agent under this Security Agreement; and appointment of a successor Administrative Agent pursuant to subsection 12.9 of the Credit Agreement shall also constitute appointment of a successor Administrative Agent under this Security Agreement. Upon the acceptance of any appointment as Administrative Agent under subsection 12.9 of the Credit Agreement by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent under this Security Agreement, and the retiring or removed Administrative Agent under this Security Agreement shall promptly (i) transfer to such successor Administrative Agent all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under this Security Agreement, and (ii) execute and deliver to such successor Administrative Agent or otherwise authorize the filing of such amendments to financing statements and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the Security Interests created hereunder, whereupon such retiring or removed Administrative Agent shall be discharged from its duties and obligations under this Security Agreement. After any retiring or removed Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Security Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Security Agreement while it was Administrative Agent hereunder.

(c) The Administrative Agent shall not be deemed to have any duty whatsoever with respect to any Secured Party that is a counterparty to a Hedge Agreement the obligations under which constitute Obligations, until it shall have received written notice in form and substance satisfactory to the Administrative Agent from a Grantor or any such Secured Party as to the existence and terms of the applicable Hedge Agreement.

8. Miscellaneous.

8.1. Amendments in Writing. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Grantor and the Administrative Agent in accordance with Section 14.1 of the Credit Agreement.

8.2. Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Grantor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

8.3. No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Secured Party shall by any act (except by a written instrument pursuant to subsection 8.1 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or such other Secured Party would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4. Enforcement Expenses; Indemnification. (a) Each Grantor agrees to pay any and all expenses (including all reasonable fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Grantor under this Security Agreement.

(a) Each Grantor agrees to pay, and to save the Administrative Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Security Agreement.

(b) Each Grantor agrees to pay, and to save the Administrative Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Security Agreement to the extent either of the Borrowers would be required to do so pursuant to subsection 12.7 of the Credit Agreement.

(c) The agreements in this subsection 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Credit Documents.

8.5. Successors and Assigns. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Grantor may assign, transfer or delegate any of its rights or obligations under this Security Agreement without the prior written consent of the Administrative Agent except pursuant to a transaction permitted by the Credit Agreement.

8.6. Counterparts. This Security Agreement may be executed by one or more of the parties to this Security Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Security Agreement signed by all the parties shall be lodged with the Administrative Agent and the Borrower.

8.7. Severability. Any provision of this Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

8.8. Section Headings. The Section headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.9. Integration. This Security Agreement represents the agreement of each of the Grantors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Administrative Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

1.2. GOVERNING LAW. THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.10. Submission To Jurisdiction Waivers. Each Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Security Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or

proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in subsection 8.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of the Administrative Agent or any other Secured Party to effect service of process in any other manner permitted by law or shall limit the right of the Administrative Agent or any Secured Party to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection 8.11 any special, exemplary, punitive or consequential damages.

8.11. Acknowledgments. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Security Agreement and the other Credit Documents to which it is a party;

(b) neither the Administrative Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Security Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and


(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders and any other Secured Party or among the Grantors and the Lenders and any other Secured Party.

8.12. Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Security Agreement pursuant to Section 9.11 of the Credit Agreement shall become a Grantor, with the same force and effect as if originally named as a Grantor herein, for all purposes of this Agreement upon execution and delivery by such Subsidiary of a Supplement substantially in the form of Annex 1 hereto. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.


1.3. WAIVER OF JURY TRIAL. EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

SEALY MATTRESS COMPANY

By: 
Name: KENNETH LI WALKER
Title: VICE PRESIDENT, GENERAL
COUNSEL + SECRETARY

SEALY MATTRESS CORPORATION

By: 
Name: KENNETH LI WALKER
Title: VICE PRESIDENT, GENERAL
COUNSEL + SECRETARY

SUBSIDIARY GRANTORS:

SEALY MATTRESS COMPANY OF PUERTO RICO
OHIO-SEALY MATTRESS MANUFACTURING CO., INC.
OHIO-SEALY MATTRESS MANUFACTURING CO.
SEALY MATTRESS COMPANY OF KANSAS CITY, INC.
SEALY MATTRESS COMPANY OF MEMPHIS
SEALY MATTRESS COMPANY OF ILLINOIS
SEALY MATTRESS COMPANY OF ALBANY, INC.
SEALY OF MARYLAND AND VIRGINIA, INC.
SEALY OF MINNESOTA, INC.
NORTH AMERICAN BEDDING COMPANY
SEALY, INC.
MATTRESS HOLDINGS INTERNATIONAL LLC
THE OHIO MATTRESS COMPANY LICENSING AND COMPONENTS GROUP
SEALY MATTRESS MANUFACTURING COMPANY, INC.
SEALY TECHNOLOGY LLC
SEALY KOREA, INC.
SEALY REAL ESTATE, INC.
SEALY TEXAS MANAGEMENT, INC.
SEALY TEXAS HOLDINGS LLC
SEALY TEXAS L.P.
WESTERN MATTRESS COMPANY

Executing this Agreement on behalf of and so as to
bind each of the persons named above under the
caption "Subsidiary Grantors"

By:

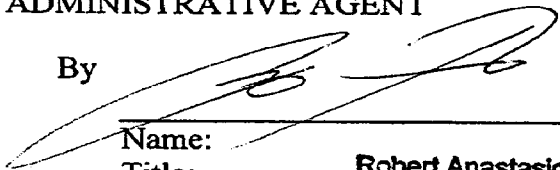


Name: KENNETH L. WALKER
Title: VICE PRESIDENT, GENERAL
COUNSEL + SECRETARY

[Security Agreement]

JPMORGAN CHASE BANK, AS
ADMINISTRATIVE AGENT

By



Name:

Title:

Robert Anastasio
Vice President

[Security Agreement]

**ANNEX A TO THE
SECURITY AGREEMENT**

SUBSIDIARY GRANTORS

• **Subsidiary Grantors**

SEALY MATTRESS COMPANY OF PUERTO RICO
OHIO-SEALY MATTRESS MANUFACTURING CO., INC.
OHIO-SEALY MATTRESS MANUFACTURING CO.
SEALY MATTRESS COMPANY OF KANSAS CITY, INC.
SEALY MATTRESS COMPANY OF MEMPHIS
SEALY MATTRESS COMPANY OF ILLINOIS
SEALY MATTRESS COMPANY OF ALBANY, INC.
SEALY OF MARYLAND AND VIRGINIA, INC.
SEALY OF MINNESOTA, INC.
NORTH AMERICAN BEDDING COMPANY
SEALY, INC.
MATTRESS HOLDINGS INTERNATIONAL LLC
THE OHIO MATTRESS COMPANY LICENSING AND COMPONENTS GROUP
SEALY MATTRESS MANUFACTURING COMPANY, INC.
SEALY TECHNOLOGY LLC
SEALY KOREA, INC.
SEALY REAL ESTATE, INC.
SEALY TEXAS MANAGEMENT, INC.
SEALY TEXAS HOLDINGS LLC
SEALY TEXAS L.P.
WESTERN MATTRESS COMPANY

• **Notice Address for All Grantors**

One Office Parkway
Trinity, NC 27370
Attention: Kenneth C. Walker
Fax: (336) 861-3786

EXECUTION COPY

TRADEMARK
REEL: 002948 FRAME: 0373

**SCHEDULE 6 TO THE
SECURITY AGREEMENT**

TRADEMARKS

Domestic Trademarks

Registered Owner/Grantor	Trademark	Registration No./Serial No.
Sealy Technology LLC	ADVANCED GENERATION	2,678,874
Sealy Technology LLC	AN ADVANCED STATE OF COMFORT	2,038,308
Sealy Technology LLC	BABY POSTUREPEDIC	688,300
Sealy Technology LLC	BACK SAVER	642,347
Sealy Technology LLC	BAREBACK GIRL DESIGN	619,059
Sealy Technology LLC	BEDDY BYE (Stylized)	435,867
Sealy Technology LLC	BETTER SLEEP ON A SEALY	1,693,030
Sealy Technology LLC	BODYFOAM	1,995,317
Sealy Technology LLC	BRANFORD	1,910,757
Sealy Technology LLC	BUCKINGHAM	995,630
Sealy Technology LLC	CELESTIAL	1,289,058
Sealy Technology LLC	COIL DESIGN	1,956,467
Sealy Technology LLC	COMFORT CREST	1,450,847
Sealy Technology LLC	COMFORT GUARD (Stylized)	654,458
Sealy Technology LLC	COMFORT LIFE	2,763,184
Sealy Technology LLC	COMFORT SERIES	1,817,452
Sealy Technology LLC	CORONATION	1,289,059
Sealy Technology LLC	CORRECT COMFORT (Stylized)	437,773
Sealy Technology LLC	CORRECT CONTOUR	2,290,388
Sealy Technology LLC	CROWN JEWEL	1,422,873
Sealy Technology LLC	CUSHION FIRM	1,845,626
Sealy Technology LLC	DANBURY	1,912,558
Sealy Technology LLC	DATAMAN	1,433,931
Sealy Technology LLC	DOMINION	1,912,557
Sealy Technology LLC	DREAMEDGE	2,804,189
Sealy Technology LLC	DREAM THREE	2,573,460
Sealy Technology LLC	DUAL SUPPORT SYSTEM (Supplemental Register)	2,586,713
Sealy Technology LLC	DURAFIBER	2,319,967
Sealy Technology LLC	DURA-GARD	766,372
Sealy Technology LLC	DUROLIFE	648,273
Sealy Technology LLC	DYNA-GRID	1,332,218
Sealy Technology LLC	DYNASTY	723,310
Sealy Technology LLC	EDGEGUARD	1,887,925
Sealy Technology LLC	EDINBURGH	1,912,559
Sealy Technology LLC	ENCORE	1,279,871
Sealy Technology LLC	EVEREDGE	2,175,533

Sealy Technology LLC	EXECUTIVE	661,050
Sealy Technology LLC	FIBERLUX (Class 22)	1,929,900
Sealy Technology LLC	FIRM-TOUCH	1,298,834
Sealy Technology LLC	FLAWLESS FOAM ENCASEMENT (Supplemental Register)	2,739,033
Sealy Technology LLC	FLIP IT IF YOU WANT 2	2,525,188
Sealy Technology LLC	GOLDEN DREAM	1,076,458
Sealy Technology LLC	GRAND MASTER	1,518,932
Sealy Technology LLC	HEALTH-FLEX (Stylized)	372,691
Sealy Technology LLC	HEALTH-GUARD	629,078
Sealy Technology LLC	HERALD SQUARE	2,605,764
Sealy Technology LLC	HUMIDGUARD (Class 32)	727,707
Sealy Technology LLC	INFINILUX	2,262,140
Sealy Technology LLC	INNER QUILT	719,078
Sealy Technology LLC	INSPIRATION (Stylized)	810,775
Sealy Technology LLC	INTEGRA-LOK	1,731,151
Sealy Technology LLC	KNIGHTSBRIDGE	1,912,560
Sealy Technology LLC	LADYFAIRE	257,935
Sealy Technology LLC	LIKE SLEEPING ON A CLOUD	803,417
Sealy Technology LLC	LITE LINK	2,522,978
Sealy Technology LLC	LOGO (Butterfly Design)	688,757
Sealy Technology LLC	MARVELUX	840,464
Sealy Technology LLC	METROPOLITAN	1,419,216
Sealy Technology LLC	MICROSPAN	2,635,701
Sealy Technology LLC	MICROTEK	2,494,685
Sealy Technology LLC	MICROTEK ULTRA	2,683,811
Sealy Technology LLC	MID-SUPPORT ZONE	1,863,393
Sealy Technology LLC	MONTEREY	796,742
Sealy Technology LLC	MY FIRST POSTUREPEDIC	2,357,623
Sealy Technology LLC	NATURAL REST	438,677
Sealy Technology LLC	NO MORNING BACKACHE FROM SLEEPING ON A TOO- SOFT MATTRESS	1,274,346
Sealy Technology LLC	ORTHO-ZONE	645,410
Sealy Technology LLC	PALATIAL	1,289,061
Sealy Technology LLC	PALATIAL CREST (Class 20)	2,605,648
Sealy Technology LLC	PALATIAL CREST (Class 24)	2,806,577
Sealy Technology LLC	PEERLESS SLEEPER (Stylized)	639,357
Sealy Technology LLC	PERFECT POSTURE	360,890
Sealy Technology LLC	PERIMETER GUARD	2,304,922
Sealy Technology LLC	PERSONAL SLEEP ADVISOR (Supplemental Register)	2,799,525
Sealy Technology LLC	PILLOWTOUCH	2,647,382
Sealy Technology LLC	POLYPEDIC	774,520
Sealy Technology LLC	POSTURE AWARD	1,433,933
Sealy Technology LLC	POSTURE CLASSIC	1,445,196
Sealy Technology LLC	POSTURE CREST	1,445,197
Sealy Technology LLC	POSTURE-FOAM	583,913
Sealy Technology LLC	POSTURE FOLD	2,602,242
Sealy Technology LLC	POSTURE FOLD (& Design)	2,727,720
Sealy Technology LLC	POSTURE-LUX	1,445,201
Sealy Technology LLC	POSTUREPLATFORM	1,296,344

Sealy Technology LLC	POSTURE POISE	828,805
Sealy Technology LLC	POSTURE PREMIER	1,433,934
Sealy Technology LLC	POSTURE PREMIUM	1,414,254
Sealy Technology LLC	POSTURE PRESTIGE	1,445,199
Sealy Technology LLC	POSTURE-PROP	769,527
Sealy Technology LLC	POSTURE-REST (Stylized)	866,831
Sealy Technology LLC	POSTURE ROYALE	1,445,198
Sealy Technology LLC	POSTUREMATIC (Mattresses)	1,229,861
Sealy Technology LLC	POSTUREMATIC (Adjustable Beds)	1,909,307
Sealy Technology LLC	POSTUREMATIC COMFORT COMMAND BED	1,956,704
Sealy Technology LLC	POSTUREPEDIC (20)	619,058
Sealy Technology LLC	POSTUREPEDIC (20 & 24)	2,272,969
Sealy Technology LLC	POSTUREPEDIC ELITE	1,554,714
Sealy Technology LLC	POSTUREPEDIC SUPPORT ONLY FROM SEALY	1,907,862
Sealy Technology LLC	POSTURESTEEL	2,153,832
Sealy Technology LLC	POSTURETECH (Spring Components)	1,646,039
Sealy Technology LLC	POWERSPAN	2,747,155
Sealy Technology LLC	QUIET COMMAND	2,356,032
Sealy Technology LLC	QUILTED INNER PILLOW (Supplemental Register)	2,730,957
Sealy Technology LLC	REFLEX COIL	1,849,933
Sealy Technology LLC	REFLEXION	2,656,649
Sealy Technology LLC	reflexion perfectly reflecting the human form (& Design)	2,605,876
Sealy Technology LLC	RESILIUM	2,308,391
Sealy Technology LLC	REVEILLE	2,160,600
Sealy Technology LLC	ROYAL CONTOUR	1,450,846
Sealy Technology LLC	ROYAL TRILOGY	2,501,960
Sealy Technology LLC	S&F FOUNDED 1846 & DESIGN (Class 20)	1,329,627
Sealy Technology LLC	SALUTATION	1,289,060
Sealy Technology LLC	SEALCREST (Stylized)	430,038
Sealy Technology LLC	SEALY (Script)	426,168
Sealy Technology LLC	SEALY	1,733,089
Sealy Technology LLC	SEALY (Pillows, Comforters)	2,271,114
Sealy Technology LLC	SEALY & LOGO	677,335
Sealy Technology LLC	SEALY & LOGO	1,189,347
Sealy Technology LLC	SEALY ADCRAFTER	2,218,335
Sealy Technology LLC	SEALY FLAME GUARD PROTECTIVE BARRIER	1,274,352
Sealy Technology LLC	SEALYFOAM	737,897
Sealy Technology LLC	SEALY FURNITURE	2,414,612
Sealy Technology LLC	SEALY FURNITURE & DESIGN	2,343,467
Sealy Technology LLC	SEALY KIDS & DESIGN	2,615,632
Sealy Technology LLC	SEALY KIDS (Stylized) WE SUPPORT YOUR FUTURE	2,470,040
Sealy Technology LLC	SEALY POSTUREPEDIC (Class 20 & 24)	2,272,967

Sealy Technology LLC	SEALY POSTUREPEDIC ADVANTAGE	2,647,002
Sealy Technology LLC	SEALY POSTUREPEDIC CROWN JEWEL	2,625,354
Sealy Technology LLC	SEALY SLEEP SOFA	1,454,289
Sealy Technology LLC	SEALY SUPPORTS AMERICA	2,669,316
Sealy Technology LLC	SEALY THE SLEEP EXPERTS	1,416,664
Sealy Technology LLC	SEALY UPHOLSTERY & DESIGN	2,412,738
Sealy Technology LLC	SENSE & RESPOND (Class 20)	1,855,203
Sealy Technology LLC	SENSE & RESPOND (Class 24)	2,483,677
Sealy Technology LLC	SENSE & RESPOND SUPPORT SYSTEM	1,850,340
Sealy Technology LLC	SENSORY ARM	1,893,628
Sealy Technology LLC	SHOCK ABZZORBER	2,703,090
Sealy Technology LLC	SLEEP FORM	435,868
Sealy Technology LLC	SLEEPING ON A SEALY IS LIKE SLEEPING ON A CLOUD	2,540,951
Sealy Technology LLC	SLUMBERCREST	2,664,367
Sealy Technology LLC	SLUMBER GUARD	1,040,611
Sealy Technology LLC	SPLENDOR (Stylized)	1,326,992
Sealy Technology LLC	SPLEND'OR (Stylized)	257,936
Sealy Technology LLC	STARLIGHT	1,037,490
Sealy Technology LLC	STAYTRUE	2,756,893
Sealy Technology LLC	STEARNS & FOSTER (Class 20)	981,071
Sealy Technology LLC	STEARNS & FOSTER COUTURE	2,724,355
Sealy Technology LLC	STEARNS & FOSTER YOU CAN'T GET A BETTER MATTRESS. OR A BETTER NIGHT'S SLEEP.	1,463,549
Sealy Technology LLC	STEELSPAN	954,428
Sealy Technology LLC	SUDDENLY SEALY	2,393,688
Sealy Technology LLC	SUPREMESLEEP (ASP)	1,273,534
Sealy Technology LLC	SYNER-FLEX	2,815,234
Sealy Technology LLC	THE BACK DOCTOR'S BED	2,696,388
Sealy Technology LLC	TRENT	1,421,095
Sealy Technology LLC	TRIFIRM POSTURE TOP	1,903,580
Sealy Technology LLC	TRU-LOK	678,880
Sealy Technology LLC	TWICE THE LUXURY	2,669,317
Sealy Technology LLC	ULTRASTEEL	1,924,647
Sealy Technology LLC	UNIVERSITY OF SLEEP	1,734,158
Sealy Technology LLC	WELLINGTON	995,629
Sealy Technology LLC	WE SUPPORT THE BACKBONE OF AMERICA	2,175,740
Sealy Technology LLC	WE SUPPORT YOU NIGHT AND DAY	2,646,747
Sealy Technology LLC	XPANDEDGE	2,664,132
Sealy Technology LLC	YOU DESERVE A STEARNS & FOSTER (Class 20)	1,924,646
Sealy Technology LLC	YOU DESERVE A STEARNS & FOSTER MATTRESS	2,501,961
Sealy Technology LLC	YOU DESERVE A STEARNS & FOSTER MATTRESS (& Gold Medallion Logo Design)	2,645,399

Sealy Mattress Company of Memphis	SLUMBER BEAUTY (Memphis)	430,037
-----------------------------------	--------------------------	---------

Domestic Trademark Applications

Registered Owner/Grantor	Trademark	Serial No.
Sealy Technology LLC	ARABESQUE	78/273,248
Sealy Technology LLC	BELLAFIORI	78/286,251
Sealy Technology LLC	COMFORT-BUILT	78/368,988
Sealy Technology LLC	COMFORTHOLD	78/122,359
Sealy Technology LLC	COMFORT-YES. FLIP-NO.	78/221,369
Sealy Technology LLC	CONFORM RESPONSE COILS	78/207,493
Sealy Technology LLC	CORRECT COMFORT (Office Chairs)	78/231,337
Sealy Technology LLC	CROWN JEWEL (Office Chairs)	78/231,342
Sealy Technology LLC	DREAMENCASED EDGE	78/382,354
Sealy Technology LLC	DUAL STEEL SHOCK ABZZORBER	78/212,178
Sealy Technology LLC	FIBERLUX (Class 24)	78/216,351
Sealy Technology LLC	GEMSTONE LX	78/245,566
Sealy Technology LLC	I LOVE THIS BED	76/252,830
Sealy Technology LLC	IT'S A SEALY.	78/124,383
Sealy Technology LLC	LESS STRESS. MORE REST	78/204,022
Sealy Technology LLC	MEMORY ZONE	78/211,027
Sealy Technology LLC	MIRRORFORM	78/315,640
Sealy Technology LLC	MOTION CONTROL INNERSPRING	78/382,357
Sealy Technology LLC	MOTION CONTROL SYSTEM	78/382,362
Sealy Technology LLC	NOW MORE THAN EVER.	78/304,326
Sealy Technology LLC	OPAL LX	78/245,572
Sealy Technology LLC	PEARL LX	78/245,576
Sealy Technology LLC	POSTURE PREMIER (Office Chairs)	78/231,350
Sealy Technology LLC	POSTUREPEDIC (Office Chairs)	78/231,354
Sealy Technology LLC	RUBY LX	78/245,579
Sealy Technology LLC	S&F FOUNDED 1846 & DESIGN (Class 20 & 24)	78/124,389
Sealy Technology LLC	SAPPHIRE COLLECTION	78/221,364
Sealy Technology LLC	SAPPHIRE LX	78/245,582
Sealy Technology LLC	SEALY (Office Chairs)	78/231,356
Sealy Technology LLC	SEALY BABY PRESTIGE SLEEP	78/321,676
Sealy Technology LLC	SEALY BABY ULTRA CLASSIC	78/321,674
Sealy Technology LLC	SEALY CLASSIC SLEEP	78/326,563
Sealy Technology LLC	SEALY FUTON (Both Classes 20 and 24)	78/166,171
Sealy Technology LLC	SEALY SEATING SYSTEM (Office Chairs)	78/231,946
Sealy Technology LLC	SHOCK ABZZORBER PLUS	78/211,029
Sealy Technology LLC	SPACETECH	78/286,261
Sealy Technology LLC	STAYFLEX STABILIZER	78/207,497
Sealy Technology LLC	STEARNS & FOSTER (Class 24)	78/124,388
Sealy Technology LLC	SUPPORT CHANNELS	78/247,219
Sealy Technology LLC	SUPPORT YOU TRUST, COMFORT YOU'LL LOVE	78/211,030
Sealy Technology LLC	SURROUNDS THE MATTRESS WITH 360° OF SEAMLESS STRENGTH	78/368,991
Sealy Technology LLC	TRIPLCASED	78/310,806
Sealy Technology LLC	TRIPLCASED (& Design)	78/310,807
Sealy Technology LLC	UNICASED	78/245,586

Registered Owner/Grantor	Trademark	Serial No.
Sealy Technology LLC	UNICASED & Design	78/245,587
Sealy Technology LLC	UNILOCK	78/310,809
Sealy Technology LLC	UNILOCK (& Design)	78/310,810
Sealy Technology LLC	YOU DESERVE A STEARNS & FOSTER (Class 24)	78/124,385

Domestic Proposed Trademarks

Registered Owner/Grantor	Trademark	Serial No.
Sealy Technology LLC	SEALY SIGNMAKER	PENDING

Domestic Cancelled and Abandoned Trademarks

Registered Owner/Grantor	Trademark	Registration No.
Sealy Technology LLC	A BETTER WAY TO CATCH SOME Z'S	1,774,255
Sealy Technology LLC	BERKSHIRE	1,909,312
Sealy Technology LLC	CALAIS	1,745,204
Sealy Technology LLC	CANTERBURY	1,909,310
Sealy Technology LLC	CASTLE ROCK	1,878,240
Sealy Technology LLC	CHAMBARRY	1,849,316
Sealy Technology LLC	CHAMPAGNE	1,754,523
Sealy Technology LLC	CITATION	576,633
Sealy Technology LLC	DARTMOUTH	1,909,311
Sealy Technology LLC	GOLDEN SLEEP	1,771,484
Sealy Technology LLC	HAMPTON	1,909,313
Sealy Technology LLC	OLEANDER	1,735,710
Sealy Technology LLC	SEALY SOFTSPUN	1,987,201
Sealy Technology LLC	ULTRAEDGE	2,001,780
Sealy Technology LLC	VELOCHE	1,749,422
Sealy Technology LLC	YORKSHIRE	1,909,309
Sealy Technology LLC	BENTLEY	1,865,473
Sealy Technology LLC	CHIEF OF STAFF	1,865,291