ESTTA Tracking number: **ESTTA494944**
Filing date: **09/17/2012**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92054201
Party	Defendant Sleep Innovations, Inc.
Correspondence Address	ROBERT W SMITH MCCARTER ENGLISH LLP FOUR GATEWAY CENTER, 100 MULBERRY STREET NEWARK, NJ 07102 UNITED STATES rsmith@mccarter.com, ihurtado@mccarter.com, dpopovic@mccarter.com
Submission	Other Motions/Papers
Filer's Name	Robert W. Smith
Filer's e-mail	rsmith@mccarter.com, ihurtado@mccarter.com, dpopovic@mccarter.com
Signature	/robert w. smith/
Date	09/17/2012
Attachments	Exhibit B Part 1 to Declaration of Robert W. Smith.pdf (41 pages)(1850436 bytes)

EXHIBIT B

PART 1

Int. Cls.: 20 and 24

Prior U.S. Cls.: 2, 13, 22, 25, 32, 42, and 50

Reg. No. 3,137,309

United States Patent and Trademark Office

Registered Aug. 29, 2006

TRADEMARK
PRINCIPAL REGISTER

BODIPEDIC

WORLD SLEEP PRODUCTS, INC. (MASSACHUSETTS CORPORATION)
12 ESQUIRE ROAD
NORTH BILLERICA, MA 01862

FOR: MATTRESS TOPPERS, PILLOWS, CHAIRS AND CHAIR CUSHIONS, IN CLASS 20 (U.S. CLS. 2, 13, 22, 25, 32 AND 50).

FIRST USE 2-0-2003; IN COMMERCE 2-0-2003.

FOR: BED SHEETS AND LINENS, IN CLASS 24 (U.S. CLS. 42 AND 50).

FIRST USE 2-0-2003; IN COMMERCE 2-0-2003.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

OWNER OF U.S. REG. NO. 2,841,062.

SN 78-977,213, FILED 4-29-2005.

VERNA BETH RIRIE, EXAMINING ATTORNEY

TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
World Sleep Products, Inc.		10/25/2006	CORPORATION: MASSACHUSETTS

RECEIVING PARTY DATA

Name:	Sleep Innovations, Inc.
Street Address:	187 Route 36
Internal Address:	Suite 101
City:	West Long Branch
State/Country:	NEW JERSEY
Postal Code:	07764
Entity Type:	CORPORATION: NEW JERSEY

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Registration Number:	3137309	BODIPEDIC
Registration Number:	2841062	BODIPEDIC
Registration Number:	3115073	BODIEASE
Registration Number:	2925782	BODIFLEX
Serial Number:	78620346	BODIPEDIC

OP $140.00 3137309

CORRESPONDENCE DATA

Fax Number: (202)637-2201
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 2026372000
Email: michael.koltonyuk@lw.com
Correspondent Name: Michael Koltonyuk
Address Line 1: 555 Eleventh Street, NW
Address Line 2: Suite 1000
Address Line 4: Washington, DISTRICT OF COLUMBIA 20004

ATTORNEY DOCKET NUMBER:	039964-0001
NAME OF SUBMITTER:	Michael Koltonyuk
Signature:	/michael koltonyuk/
Date:	10/27/2006

Total Attachments: 42
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EXECUTION COPY

PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement") is entered into as of October 25, 2006 (the "Effective Date") by and between World Sleep Products, Inc., a Massachusetts corporation (the "Seller"), and Sleep Innovations, Inc., a New Jersey corporation (the "Buyer").

WHEREAS, the Seller desires to sell, and the Buyer desires to buy, all of the Seller's rights, title and interest in and to the Transferred Assets, which include the Seller's trademarks relating to the Seller's "Bodipedic" brand and certain related assets, all pursuant and subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

As used in this Agreement, the following terms, when capitalized, shall have the meanings ascribed to them below.

"Affiliate" means any corporation, firm, limited liability company, partnership or other entity which directly or indirectly controls or is controlled by or is under common control with a Party to this Agreement. "Control" means ownership, directly or through one or more Affiliates, of more than fifty percent (50%) of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or more than fifty percent (50%) of the equity interests in the case of any other type of legal entity, status as a general partner in any partnership, or any other arrangement whereby a Party controls or has the right to control the Board of Directors or equivalent governing body of a corporation or other entity.

"Bill of Sale" has the meaning set forth in Section 2.2.

"Business" means the business generated from the Transferred Assets, including but not limited to the distribution, marketing, control of quality, and sale of the products manufactured under the Marks.

"Claims" has the meaning set forth in Section 3.6.

"Closing" has the meaning set forth in Section 2.6.

"Confidential Information" means all information concerning the terms of this Agreement, the Marks, and any other information of a proprietary, confidential or non-public nature which is disclosed by one party (the "Disclosing Party") to the other party (the "Recipient Party"). Notwithstanding the foregoing, Confidential Information shall not include information which: (i) is available to the public at the time of disclosure or becomes publicly known through no breach by the Recipient Party of the undertakings hereunder or under any of the other agreements referred to herein; (ii) is disclosed,

without restriction on further disclosure or use, to the Recipient Party by a third party having a lawful right to make such disclosure; (iii) is approved for release by written authorization of the Disclosing Party; or (iv) is required to be disclosed by the Disclosing Party pursuant to applicable law.

"Copyrights" means all copyrights, whether registered or unregistered, in any marketing or promotional materials, documentation, or other works of authorship relating to the Transferred Assets;

"Domain Names" shall mean those domain names relating to the Seller's "Bodipedic" brand, as more particularly described on Schedule 2.1.

"Domain Name Assignment" shall have the meaning set forth in Section 2.2.

"Inventory" shall mean that work-in-process and finished goods inventory of the Seller manufactured under and containing the Marks, as more particularly described on Schedule 2.1.

"Marks" means the trademarks listed on Schedule 2.1, including all common law rights thereto and all applications for registration that may be granted, all renewals, extensions, and foreign counterparts thereof, together with the goodwill of the business associated with such marks.

"Off-the-Shelf Software" shall have the meaning set forth in Section 3.5.3.

"Patent Application" shall mean that certain provisional patent application USSN 11/399,273 entitled "Mattress Comfort Topper" filed with the United States Patent and Trademark Office on April 6, 2006, including any provisional and non-provisional patent applications, continuations, continuations-in-part, or divisional applications, or issued, reissued or re-examined patents, inventor's certificates and disclosures, utility models, substitutions, and foreign counterparts thereto.

"Patent Application Assignment" shall have the meaning set forth in Section 2.2.

"Taxes" shall mean any federal, state, local or foreign net or gross income, gross receipts, sales, use, ad valorem, transfer, franchise, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, personal property, real property, capital stock, profits, social security (or similar), unemployment, disability, registration, value added, estimated, alternative or add-on minimum taxes, customs duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any governmental authority, whether as a primary obligor or as a result of being a "transferee" (within the meaning of Section 6901 of the Code or any other applicable law) of another person or a member of an affiliated, consolidated, unitary or combined group.

"Trademark Assignment" shall have the meaning set forth in Section 2.2.

"Transaction Documents" shall have the meaning set forth in Section 8.2.

"Transferred Assets" shall mean the Marks, the Domain Names, the Inventory, the Copyrights and the Patent Application, and all embodiments of any of the foregoing and any ancillary assets relating to any of the foregoing, all as set forth on Schedule 2.1.

"Transferred Intellectual Property" means the Copyrights, the Domain Names, the Marks, and the Patent Application.

2. PURCHASE AND SALE OF ASSETS

2.1 Transferred Assets. Upon the terms and conditions set forth in this Agreement, at the Closing (as defined in Section 2.6) the Seller shall transfer to the Buyer all of Seller's right, title and interest in and to the Transferred Assets, all as more fully described in Schedule 2.1 attached hereto.

2.2 Ancillary Documents. The Seller shall transfer the Transferred Assets to the Buyer pursuant to a Bill of Sale in substantially the form of Exhibit A attached hereto, one or more Domain Name Assignments in substantially the form of Exhibit B attached hereto, a Patent Application Assignment in substantially the form of Exhibit C attached hereto, and one or more Trademark Assignments substantially in the form of Exhibit D attached hereto.

2.3 No Liabilities Assumed. Subject to the Buyer's obligations set forth in Section 6.2, which obligations the Buyer expressly acknowledges and confirms, the Buyer shall not assume any other liabilities of the Seller existing as of the Closing Date in connection with the Transferred Assets or the transactions contemplated by this Agreement.

2.4 Purchase Price for the Transferred Assets. In consideration of the transfer to the Buyer of the Transferred Assets, the Buyer shall pay and deliver to the Seller the following amounts (collectively, the "Purchase Price"):

(a) Three Hundred Seventy-Nine Thousand Four Hundred Five and 98/100 Dollars ($379,405.98) on the Closing Date (the "Cash Payment"); and

(b) at the Buyer's election on March 31, 2007, either:

(i) a lump sum payment Three Million Five Hundred Thousand Dollars ($3,500,000), payable on March 31, 2007; or

(ii) five annual equal annual installments of One Million Dollars ($1,000,000) each, beginning on March 31, 2007 and continuing through March 31, 2011.

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The Buyer expressly acknowledges and agrees that neither the Cash Payment nor any installment payment is in any way contingent upon the occurrence or nonoccurrence of any term or condition. The Seller expressly acknowledges and agrees that, notwithstanding anything to the contrary contained in this Agreement, the remedies set forth in Section 6 (a)-(c) of the Security Agreement (as defined in Section 2.5) shall be the sole and exclusive remedies against the Buyer for any default under this Section 2.4.

2.5 Security Interest. In order to secure the Buyer's payment of the Purchase Price in accordance with Section 2.4, the Buyer shall execute and deliver to the Seller the Security Agreement (the "Security Agreement") substantially in the form of Exhibit E, pursuant to which the Buyer shall grant the Seller a first priority security interest in the Marks and the Patent Application.

2.6 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of counsel to the Seller at Burns & Levinson LLP, 125 Summer Street, Boston, Massachusetts, contemporaneously with the execution of this Agreement (the "Closing Date"), or at such other place and time as the parties may mutually agree in writing. At the Closing:

(a) The Seller shall deliver or cause to be delivered to the Buyer the following:

(i) the Bill of Sale;

(ii) the Domain Name Assignment;

(iii) the Patent Application Assignment;

(iv) the Trademark Assignment;

(v) the Security Agreement; and

(vi) a Certificate of Legal Existence and Good Standing.

(b) The Buyer shall deliver or cause to be delivered to the Seller the following:

(i) the Cash Payment;

(ii) the Security Agreement; and

(iii) a Certificate of Legal Existence and Good Standing.

2.7 Inventory. On or about October 12, 2006, Robert O'Connell was present at the Seller's Billerica, Massachusetts facility as the Buyer's representative for the purpose of viewing the Inventory to be purchased by the Buyer pursuant to this Agreement. On or about one (1) business day prior to the Closing Date, an inventory of the Inventory shall be taken by the Seller and such Inventory shall be loaded onto one or

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more Seller vehicles. A duly authorized representative of the Seller will initial the final inventory list upon completion of the inventory and loading process. On the Closing Date, the Seller shall initiate transportation of the Inventory to the Buyer's Elkhart, Indiana facility. The costs of such transportation shall be borne equally by the Buyer and the Seller.

2.8 Further Assurances. At any time and from time to time after the date hereof, at the request of the other party and without further consideration, the other party will execute and deliver, and will cause its employees to execute and deliver, such other instruments of sale, transfer, conveyance, assignment, pledge and confirmation as may be reasonably requested in order to transfer, convey and assign to the Buyer and to confirm the Buyer's title to the Transferred Assets and to confirm the Seller's security interest in the Marks and the Patent Application, until such time as the Purchase Price is paid in full.

3. REPRESENTATIONS AND WARRANTIES OF THE SELLER.

As an inducement to the Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Seller hereby represent and warrant to the Buyer as follows:

3.1 Organization and Qualification. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts.

3.2 Power and Authority. The Seller has the power and authority to execute, deliver and perform this Agreement and the documents and transactions contemplated hereby. The execution, delivery and performance of this Agreement, the documents contemplated hereby and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by all necessary actions required of the Seller. This Agreement and the other agreements, documents and instruments to be executed and delivered by the Seller hereunder have been duly executed and delivered by, and constitute the legal, valid and binding obligations of the Seller, and are enforceable against the Seller in accordance with their terms except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceedings therefore may be brought.

3.3 Validity, Etc. Neither the execution and delivery of this Agreement and the other documents and instruments contemplated hereby, the consummation of the transactions contemplated hereby or thereby, nor the performance of this Agreement and such other agreements in compliance with the terms and conditions hereof and thereof will (i) violate or result in any breach of the Seller's Articles of Incorporation or By-Laws, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority or any other third party (other than the need to record the Trademark Assignment and Patent

Application Assignment with the United States Patent and Trademark Office), (iii) violate or result in a breach of any mortgage, indenture, note, license, agreement or other instrument or obligation related to the Seller or to the Seller's ability to consummate the transactions contemplated hereby or thereby, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained in writing, (iv) violate any judgment, order, writ, injunction, decree, statute, rule or regulation applicable to the Seller or (v) result in the creation of any Claim (as defined in Section 3.6) upon the Transferred Assets.

3.4 Consents. No filing with or notice to and no permit, authorization, consent or approval of any person or regulatory or governmental authority is necessary for the execution, delivery and performance of this Agreement and other Transaction Documents contemplated hereby and the transactions contemplated hereby and thereby (other than the United States Patent and Trademark Office, with respect to the transfer of the Marks and the Patent Application).

3.5 Intellectual Property.

(a) No third party has notified the Seller of any claim of infringement, misappropriation, or other violation by the Seller of any intellectual property rights of others in connection with the Transferred Assets or the conduct of the Business. To the knowledge of the Seller, no third party has reason to claim any such infringement, misappropriation or other violation. No third party has requested information from the Seller which suggests that such a claim might be contemplated.

(b) The conduct of the Business as currently conducted by the Seller has not and does not infringe, misappropriate or otherwise violate the rights of any third party.

(c) Except for copyrights in commercially available off-the-shelf software licensed to the Sellers for under $10,000 per year ("Off-the-Shelf Software"), the Seller is the exclusive owner of all Transferred Intellectual Property. Without limiting the generality of the foregoing, the Seller has not granted any license to any third party with respect to any of the Transferred Intellectual Property. The Transferred Intellectual Property includes all of the patents, copyrights, trademarks, and other intellectual property rights used in or necessary to conduct the Business in the manner it is being conducted as of the date hereof in conjunction with the non-proprietary specifications previously delivered by the Seller to the Buyer. To the extent that any of the Transferred Intellectual Property was developed or created by an employee or other third party for the Seller, the Seller has in place, and has provided the Buyer with a copy of, a written agreement with such person or entity that assigns ownership of such intellectual property to the Seller.

(d) As of the date hereof, Seller has not made any claim of infringement, misappropriation or other violation by any third party of the rights of the Seller in the Transferred Intellectual Property.

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(e) The Domain Names, the Marks, and the Patent Application are valid and subsisting and, in the case of the Marks, have not been abandoned; all necessary registration, maintenance, and renewal fees in connection with such items of intellectual property have been paid; and all necessary documents and certificates in connection with such items of intellectual property have been filed with the relevant authorities. Schedule 3.5 lists all due dates for any filings, maintenance payments or other actions due in respect of such items of intellectual property within six (6) months after Closing.

3.6 Title. Upon delivery to the Buyer of the ancillary documents described in Section 2.2, the Buyer will receive all of the Seller's rights, title and interest in and to the Transferred Assets, free and clear of all claims, charges, liens, contracts, rights, options, security interests, mortgages, encumbrances and restrictions (collectively, "Claims").

3.7 Litigation. Other than the proceeding before the United States Patent and Trademark Office with respect to the Seller's prosecution of the Patent Application, there is no action, suit, claim, proceeding or investigation pending, or, to the knowledge of the Seller, threatened against the Seller or affecting the Transferred Assets (i) at law or in equity, or before any federal, state, municipal or other governmental commission, board, bureau, agency or instrumentality, domestic or foreign or (ii) before any arbitration panel. To the knowledge of the Seller, there are no outstanding writs, judgments, injunctions or decrees of any court, governmental agency or arbitration tribunal against, involving or affecting the Transferred Assets. There is no action or suit by the Seller pending or threatened against others involving the Transferred Assets.

3.8 Taxes. The Seller has not taken or failed to take, and will not take or fail to take, any action which could create any lien or encumbrance for Taxes on the Transferred Assets. Any Taxes arising in connection with this transaction, including all state and local use, sales, withholding, property (ad valorem) and similar taxes (but excluding income Taxes of the Buyer resulting from the transaction), shall be the Seller's responsibility and the Seller shall timely discharge such Taxes.

3.9 Inventory; Transferred Assets. All Inventory consists of goods in good condition, and which are current, non-obsolete and saleable or usable in the ordinary course of business. The Transferred Assets constitute all of the assets of the Seller that relate to the "Bodipedic" brand.

3.10 Absence of Certain Changes. Since May 1, 2006, through the Effective Date, the Seller has conducted the Business only in the ordinary course consistent with past practices and, to the Seller's knowledge, there has not been any event, occurrence or development that (i) has had or is reasonably likely to have a material adverse effect on the Business or the Transferred Assets, or (ii) would materially impair or delay the ability of the Seller to consummate the transactions contemplated by, or perform their obligations under, this Agreement.

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3.11 Trade Promotions. The Seller has not had at any time in the past six (6) months, any discount, rebate, coupon or similar trade promotion program for any of the products sold under the Marks.

3.12 Sole Representations. The Seller makes no other representations or warranties regarding the Transferred Assets except as expressly warranted in this Section 3.

4. REPRESENTATION AND WARRANTIES OF THE BUYER. The Buyer represents and warrants to the Seller as follows:

4.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey.

4.2 Corporate Power and Authority. The Buyer has the corporate power and authority to execute, deliver and perform this Agreement and the documents and transactions contemplated hereby. The execution, delivery and performance of this Agreement and the documents contemplated hereby and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by all necessary corporate action required of the Buyer. This Agreement and the other agreements, documents and instruments to be executed and delivered by the Buyer hereunder have been duly executed and delivered by, and constitute the legal, valid and binding obligations of the Buyer enforceable against the Buyer in accordance with their terms except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.

4.3 Validity, Etc. Neither the execution and delivery of this Agreement and the other documents and instruments contemplated hereby, the consummation of the transactions contemplated hereby or thereby, nor the performance of this Agreement and such other agreements in compliance with the terms and conditions hereof and thereof will (i) violate or result in any breach of the Buyer's Certificate of Incorporation or By-Laws, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority or any other third party (other than with respect to the payment obligations under Section 2.4(b) hereof, the consent of the agents providing financial accommodations to the Buyer in connection with that certain Financing Agreement, dated August 15, 2005, between the Buyer and the guarantors, agents, and lenders party thereto), (iii) violate or result in a breach of any mortgage, indenture, note, license, agreement or other instrument or obligation related to the Buyer or to the Buyer's ability to consummate the transactions contemplated hereby or thereby, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained in writing (other than with respect to the payment obligations under Section 2.4(b) hereof, the consent of the agents providing financial accommodations to the Buyer in connection with that certain Financing Agreement, dated August 15, 2005, between the

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Buyer and the guarantors, agents, and lenders party thereto), or (iv) violate any judgment, order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer.

4.4 Litigation. There is no action, suit, claim, proceeding or investigation pending, or, to the knowledge of the Buyer, threatened against the Buyer, affecting the Buyer's ability to perform its obligations under this Agreement (i) at law or in equity, or before any federal, state, municipal or other governmental commission, board, bureau, agency or instrumentality, domestic or foreign or (ii) before any arbitration panel. To the knowledge of the Buyer, there are no outstanding writs, judgments, injunctions or decrees of any court, governmental agency or arbitration tribunal against, involving or affecting the Buyer's ability to perform its obligations under this Agreement. There is no action or suit by the Buyer pending or threatened against others involving the Buyer's ability to perform its obligations under this Agreement.

5. COVENANTS OF THE SELLER.

5.1 Disclosure of Confidential Information. The Seller shall not, and shall cause its or his respective Affiliates, officers, directors, employees and agents, as applicable, not to, disclose any Confidential Information constituting or relating solely to the Transferred Assets, except as may be required for the Seller to fulfill its obligations pursuant to this Agreement or to enforce its rights under this Agreement. The Buyer shall be entitled to injunctive relief to enforce this Section 5.1 in accordance with the terms hereof.

5.2 Cooperation. Through December 31, 2006, the Seller agrees to cooperate to a reasonable extent with the Buyer in order to effect a smooth transition of the Business. Such cooperation shall include: (i) provision of written or other information reasonably requested by the Buyer, (ii) allowing the Buyer reasonable access to those key employees of the Seller principally involved with the Transferred Asset prior to their sale pursuant to this Agreement, and (iii) using the Seller's commercially reasonable efforts to assist the Buyer in transferring the Seller's relationship with QVC, Inc. ("QVC") to the Buyer so that the Buyer would be able to sell those products currently sold by the Seller under the Marks to or through QVC on or after the Effective Date. The Buyer shall reimburse the Seller for reasonable out-of-pocket costs incurred in providing such cooperation, if requested by the Seller. The Seller covenants and agrees with the Buyer that the Seller shall not prosecute or assert any claims to the Transferred Assets; provided, however, that in the event the Buyer defaults on any payment obligation under this Agreement, the Seller may assert claims to the Transferred Assets, through the Security Agreements or otherwise, as a means of enforcing such payment obligation. Subject to the immediately preceding sentence, the Seller further covenants and agrees that it shall not take any action which will adversely affect the prosecution of the claims to the Transferred Assets by the Buyer.

5.3 Covenant Not to Compete.

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(a) For a period of five (5) years from the Effective Date, the Seller agrees that it shall not, and shall cause its then current Affiliates, officers, directors, employees and agents, as applicable, not to, (i) engage, directly or indirectly, whether independently or in association with any other person or entity (other than the Buyer), own any equity or other ownership interest in, be employed by, consult or work as an independent contractor or agent for, any person or entity (other than the Buyer) to sell, license, distribute or market to or through QVC, Inc. of any product containing Memory Foam or (ii) own, manage, operate, finance, control or participate in the ownership, management, operation, financing or control of any business or enterprise that engages in such activity (other than the Buyer).

(b) In the event the terms of this Section 5.3 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, and/or over the maximum geographical area as to which it may be enforceable and/or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(c) It is recognized and acknowledged by the Seller that its breach of the covenants contained in this Section 5.3 will cause irreparable damage to the Buyer, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Seller agrees that in the event of a breach of any of the covenants contained in this Section 5.3, in addition to any other remedy which may be available at law or in equity, the Buyer will be entitled to specific performance and injunctive relief.

5.4 Marks. The Seller shall not register, or attempt to register, and shall not directly or indirectly use, in any fashion, including in signage, corporate letterhead, business cards, internet websites, marketing material and the like in connection with any products or services anywhere in the world in any medium, any trademark that includes, is identical to or is confusingly similar to, any of the Marks, nor shall the Seller challenge or assist any third party in opposing the rights of the Buyer anywhere in the world in any such Marks.

5.5 QVC.com Transition. The Seller agrees to produce products under the Brand on the Buyer's behalf for sales pursuant to QVC.com for a period of thirty (30) days following the Closing Date. The Buyer shall pay the Seller a purchase price of the Seller's cost (as set forth in the price listing provided to the Buyer prior to the Closing Date), plus ten percent (10%). Such sales shall be subject to all other standard terms and conditions of the Seller.

6. COVENANTS OF THE BUYER.

6.1 Disclosure of Confidential Information. From and after the date hereof, the Buyer shall hold in confidence and shall not disclose any Confidential Information which represents business or commercial information of the Seller which

TRADEMARK
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does not constitute or relate solely to the Transferred Assets; provided, however, that the foregoing shall not impede Buyer's ability to discuss with QVC the sale of products manufactured under the Marks.

6.2 Product Coverage. From and after Effective Date, the Buyer agrees that it shall be solely responsible for all warranty coverage, customer service and product returns, as applicable, with regard to all products sold under the Marks, whether such sale occurred prior to, on, or after the Effective Date.

7. INDEMNIFICATION.

7.1 Survival. The representations and warranties of the Seller and the Buyer shall survive the Closing and shall continue in full force and effect for twelve (12) months following the Closing.

7.2 Indemnification.

(a) Each party (the "Indemnifying Party") agrees to defend, indemnify, and hold harmless each of the other parties, its Affiliates, respective officers, directors, employees and agents, and respective successors, heirs and assigns (collectively, the "Indemnified Parties") from any and all losses, damages, claims, liabilities or expenses, including, without limitation, reasonable attorneys' fees, with respect to any breach of the representations, warranties or covenants by the Indemnifying Party contained herein or in the other Transaction Documents contemplated hereby.

(b) Any Buyer Indemnified Parties seeking indemnification hereunder shall promptly notify the Seller of any claim for which indemnification is sought (provided, however, that no delay on the part of any Buyer Indemnified Parties in so notifying the Seller shall relieve the Seller of any liability hereunder unless, and solely to the extent that, the Seller is prejudiced thereby), shall cooperate with the Seller in the defense of any such claim asserted by a third party, and shall not settle or compromise, or consent to the entry of a judgment with respect to any such claim asserted by a third party, without the prior written consent of the Seller, which shall not be unreasonably withheld.

(c) Notwithstanding anything to the contrary, the parties acknowledge and agree that the Seller's indemnification obligations under this Section 7 shall be limited to the amounts actually paid to the Seller by the Buyer pursuant to this Agreement as in effect on the date thereof.

8. MISCELLANEOUS.

8.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving Party's address set forth below or to such other address as a Party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission, (iii) sent by recognized overnight courier providing evidence of receipt, or (iv) sent by registered or certified mail, return receipt requested, postage prepaid.

TRADEMARK
REEL: 003417 FRAME: 0217

SI 00158

If to the Buyer:	Sleep Innovations, Inc. 187 Route 36, Suite 101 West Long Branch, NJ 07764 Attn: Gary Matthews, President
With a copy to:	Latham & Watkins LLP 555 11th Street, NW, Suite 1000 Washington, DC 20004 Att: Eric A. Stern
If to the Seller:	World Sleep Products, Inc. 12 Esquire Road North Billerica, MA 01862 Attn: Charles M. Warshaver, President
With a copy to:	Burns & Levinson LLP 125 Summer Street Boston, MA 02110 Attn: Frank A. Segall, Esq.

All notices, requests, consents and other communications hereunder shall be deemed to have been delivered (i) if by and, at the time of the delivery thereof to the receiving Party at the address of such Party set forth above, (ii) if made by telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, or (iii) if sent by reputable overnight courier, on the next business day following the day such notice is delivered to the courier service.

8.2 Entire Agreement. This Agreement, together with the ancillary documents described in Section 2.2, and the Security Agreements (collectively, the "Transaction Documents"), embody the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in the Documents shall effect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

8.3 Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by both Parties.

8.4 Waivers and Consents. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of

TRADEMARK
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any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

8.5 Assignment. This Agreement may be assigned by either party as part of a sale of all or substantially all of such party's assets or equity, or pursuant to a merger or similar transaction, so long as all obligations that relate the rights so assigned are expressly assumed in writing by the assignee. Any other assignment of this Agreement by a party may be made only with the prior written consent of the other party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, Buyer may assign its rights hereunder as collateral security to the agents and lenders providing financial accommodations to the Buyer in connection with that certain Financing Agreement, dated August 15, 2005, between the Buyer and the guarantors, agents, and lenders party thereto.

8.6 Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with and governed by the internal law of the State of Delaware, without giving effect to the conflict of law principles thereof.

8.7 Severability. In the event that any court of competent jurisdiction shall finally determine that any provision, or any portion thereof, contained in this Agreement shall be void or unenforceable in any respect, then such provision shall be deemed limited to the extent that such court determines it enforceable, and as so limited shall remain in full force and effect. In the event that such court shall determine any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

8.8 Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

8.9 Expenses. Each of the parties shall pay its own fees and expenses in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

8.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

TRADEMARK
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8.11 Publicity. The Buyer and the Seller will agree upon a press release which shall be issued promptly after the Closing hereunder. Except as set forth in the preceding sentence, no party shall make any news release or other public statement disclosing the terms of this Agreement or of any amendment hereto, or the performance hereunder or the existence of the arrangement between the parties without the prior approval of the other party, except as required by applicable law, rule or regulation, which approval shall not be unreasonably withheld. Once a particular item of information has been disclosed as aforesaid, any party may make subsequent disclosure of such information without further approval of the other parties.

8.12 No Presumption. The parties acknowledge and agree that: (i) each party reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to all parties and not in a favor or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

[Remainder of page intentionally left blank.]

TRADEMARK
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IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as an instrument under seal as of the date first above written.

WORLD SLEEP PRODUCTS, INC.

By: _____

Title: President

Date: 10/23/06

SLEEP INNOVATIONS, INC.

By: _____

Title: _____

Date: _____

TRADEMARK
REEL: 003417 FRAME: 0221

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as an instrument under seal as of the date first above written.

WORLD SLEEP PRODUCTS, INC.

By: _____

Title: _____

Date: _____

SLEEP INNOVATIONS, INC.

By: _____

Title: CEO

Date: 10/25/06

Lisa & Gary Matthews 203-622-0065 p.2

TRADEMARK
REEL: 003417 FRAME: 0222

LIST OF SCHEDULES AND EXHIBITS

1. Schedule 2.1 Transferred Assets
2. Schedule 3.5 Intellectual Property
3. Exhibit A Bill of Sale
4. Exhibit B Domain Name Assignment
5. Exhibit C Patent Application Assignment
6. Exhibit D Trademark Assignment
7. Exhibit E Security Agreements

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SCHEDULE 2.1

BODIPEDIC IP ASSETS

TRADEMARKS:

1. BODIPEDIC

- Registration No. 3137309, registration date 08/29/06 (bed sheets and linens, mattress toppers, pillows, chairs and chair cushions)
- Serial No. 78620346, application date 04/29/05 (padding material for upholstered chairs)
- Registration No. 2841062, registration date 05/11/04 (mattresses and boxsprings):

BodiPEDIC

2. BODIEASE

- Registration No. 3115073, registration date 07/11/06 (mattresses and box springs)

3. BODIFLEX

- Registration No. 2925782, registration date 02/08/05 (mattresses and box springs)

PATENT:

Mattress Comfort Topper, Application Serial No.: 11/399,273, Filing Date: 04/06/06

DOMAIN NAME:

www.bodipedic.com, currently registered with Network Solutions; administrative and technical contact information is as follows: World Sleep Products, 12 Esquire Rd., No. Billerica, MA 01862; 978-667-6648; misavel@msn.com

www.bodipedic.net, currently registered with Network Solutions; administrative and technical contact information is as follows: World Sleep Products, 12 Esquire Rd., No. Billerica, MA 01862; 978-667-6648; misavel@msn.com

www.bodipedicbedding.com, currently registered with Network Solutions; administrative and technical contact information is as follows: World Sleep Products, 12 Esquire Rd., No. Billerica, MA 01862; 978-667-6648; misavel@msn.com

www.bodipedicmattress.com, currently registered with Network Solutions; administrative and technical contact information is as follows: World Sleep Products, 12 Esquire Rd., No. Billerica, MA 01862; 978-667-6648; misavel@msn.com

INVENTORY:

See attached.

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QVC Inventory Purchased @ 10/23/06

Finished Goods

Glory Warehouse

Qty	Description	Sku	Tick	Cost	%	Unit Price	U/M	Cost
1	Full Sets	5015	436	764.00	64%	488.96	each	488.96
1	Queen Sets	5015	436	900.00	64%	576.00	each	576.00
1	Queen Box	5015	436	156.00	64%	99.84	each	99.84
15	Full Sets	5005	438	573.00	80%	458.40	each	6,876.00
14	Full Matt	5005	438	469.00	80%	375.20	each	5,252.80
22	Cal King Sets	5005	438	813.00	80%	650.40	each	14,308.80
4	Cal King Matt	5005	438	662.50	80%	530.00	each	2,120.00
1	Cal King Box	5005	438	75.25	80%	60.20	each	60.20
1	Full Sets	5000	230	526.00	82%	431.32	each	431.32
1	Full Box	5000	230	82.00	82%	67.24	each	67.24
2	Split Queen Sets	5000	230	556.00	82%	455.92	each	911.84
1	Queen Split Box	5000	230	45.00	82%	36.90	each	36.90
2	Queen Sets	5000	230	556.00	82%	455.92	each	911.84
2	Queen Box	5000	230	90.00	82%	73.80	each	147.60
4	Cal King Box	5000	230	57.50	82%	47.15	each	188.60
5	Adj Bases TwinXL	9581	438	595.00	100%	595.00	each	2,975.00
5	Adj Matt TwinXL	5011	438	315.00	75%	236.25	each	1,181.25
4	Adj Bases Queen	9581	438	670.00	100%	670.00	each	2,680.00
12	Adj Matt Queen	5011	438	550.00	75%	412.50	each	4,950.00
166								
						Total F/G		44,264.19

WIP

Borders

Qty	Description		Sku	Tick	Unit Price	U/M	Cost
101	Twin	Velour w/2" 205 and Spindex		205	8.54	each	862.54
300	Full	Velour w/2" 205 and Spindex		205	11.28	each	3,384.00
558	Queen	Velour w/2" 205 and Spindex		205	13.02	each	7,265.16
123	King	Velour w/2" 205 and Spindex		205	16.25	each	1,998.75
47	Cal King	Velour w/2" 205 and Spindex		205	16.25	each	763.75
					Total WIP		14,274.20

Raw Materials

Spandex

Qty	Description	Sku	Unit Price	U/M	Cost
77	Expand-A-Grip 21"	Topper	120.00	roll	9,240.00

Bags

Qty	Description	Unit Price	U/M	Cost
12	42 x 10 x 52	77.88	each	934.50

TRADEMARK
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QVC Inventory Purchased @ 10/23/06

Boxes

Qty	Description	Unit Price	U/M	Cost
85	Topper Boxes	3.99	each	339.15
122	QVC Return Boxes	4.38	each	534.36
			subtotal	873.51

Labels

Qty	Description	Unit Price	U/M	Cost
3664	Bodiease	0.17	each	622.88
5350	Bodipedic	0.17	each	909.50
			subtotal	1,532.38
	Tactilus Mattress System			7,500.00
	Touch Screen			787.20
			subtotal	8,287.20

Total Raw Materials	**20,867.59**
TOTAL QVC PURCHASED	**79,405.98**

BILL OF SALE

Pursuant to that certain Purchase Agreement dated as of the date hereof (the "**Agreement**"), by and between Sleep Innovations, Inc., a New Jersey corporation (the "**Buyer**") and World Sleep Products, Inc., a Massachusetts corporation (the "**Seller**"), and in exchange for good and valuable consideration, including the payment of the Purchase Price (as defined in the Purchase Agreement) and of other valuable consideration set forth in the Agreement, the sufficiency of which the Seller hereby acknowledges, the Seller sells, assigns, transfers and conveys to the Buyer and its successors and assigns to have and to hold forever, and the Buyer purchases, acquires and accepts from the Seller, all of Seller's right, title and interest in and to the Transferred Assets (as defined in the Agreement and as listed on Exhibit A hereto). This Bill of Sale is entered into pursuant to Section 2.6(a)(i) of the Agreement.

The Seller represents, warrants, covenants and agrees with the Buyer that (i) the Seller has good and marketable title to the Transferred Assets free and clear of all liens and encumbrances of every kind, nature and description, and the Seller will warrant and defend such title to the Transferred Assets, against any person whomever, in accordance with and subject to the terms and conditions of the Agreement; and (ii) simultaneously with the execution and delivery hereof, and from time to time thereafter, the Seller shall execute and deliver to the Buyer such additional documents and instruments of transfer with respect to specific assets included in the Transferred Assets conveyed hereby, as the Buyer may reasonably request in order to effectuate the sale of the Transferred Assets from the Seller to the Buyer. Other than the warranty contained in this paragraph and those contained in Section 3 of the Agreement, Seller makes no representations or warranties with respect to the Transferred Assets.

This Bill of Sale shall inure to the benefit of and be binding upon the Seller and the Buyer and their respective successors and assigns.

This Bill of Sale and Assignment shall be governed by and construed in accordance with the laws of the State of Delaware, excluding its principles of conflicts of laws.

[The Next Page is the Signature Page]

25th IN WITNESS WHEREOF, this Bill of Sale is executed under seal by the Seller, as of the day of October, 2006.

WORLD SLEEP PRODUCTS, INC.

By: _____

Its: President

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Exhibit A

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BODIPEDIC IP ASSETS

TRADEMARKS:

1. BODIPEDIC

- Registration No. 3137309, registration date 08/29/06 (bed sheets and linens, mattress toppers, pillows, chairs and chair cushions)
- Serial No. 78620346, application date 04/29/05 (padding material for upholstered chairs)
- Registration No. 2841062, registration date 05/11/04 (mattresses and boxsprings):

BodiPEDIC

2. BODIEASE

- Registration No. 3115073, registration date 07/11/06 (mattresses and box springs)

3. BODIFLEX

- Registration No. 2925782, registration date 02/08/05 (mattresses and box springs)

PATENT:

Mattress Comfort Topper, Application Serial No.: 11/399,273, Filing Date: 04/06/06

DOMAIN NAME:

www.bodipedic.com, currently registered with Network Solutions; administrative and technical contact information is as follows: World Sleep Products, 12 Esquire Rd., No. Billerica, MA 01862; 978-667-6648; misavel@msn.com

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INVENTORY:

See attached.

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22	Cal King Sets	5005	438	813.00	80%	650.40	each	14,308.80
4	Cal King Matt	5005	438	662.50	80%	530.00	each	2,120.00
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1	Full Sets	5000	230	526.00	82%	431.32	each	431.32
1	Full Box	5000	230	82.00	82%	67.24	each	67.24
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2	Queen Sets	5000	230	556.00	82%	455.92	each	911.84
2	Queen Box	5000	230	90.00	82%	73.80	each	147.60
4	Cal King Box	5000	230	57.50	82%	47.15	each	188.60
5	Adj Bases TwinXL	9581	438	595.00	100%	595.00	each	2,975.00
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166								
						Total F/G		44,264.19

WIP

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558	Queen	Velour w/2" 205 and Spindex		205	13.02	each	7,265.16
123	King	Velour w/2" 205 and Spindex		205	16.25	each	1,998.75
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Spandex

Qty	Description	Sku	Unit Price	U/M	Cost
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TRADEMARK
REEL: 003417 FRAME: 0233

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			subtotal	873.51

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Qty	Description	Unit Price	U/M	Cost
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			subtotal	1,532.38
	Tactilus Mattress System			7,500.00
	Touch Screen			787.20
			subtotal	8,287.20

Total Raw Materials	20,867.59
TOTAL QVC PURCHASED	79,405.98

PATENT APPLICATION ASSIGNMENT

THIS ASSIGNMENT, effective as of October 25, 2006, between World Sleep Products, Inc., a Massachusetts corporation (hereinafter referred to as ASSIGNOR), and Sleep Innovations, Inc. (hereinafter referred to as ASSIGNEE), a New Jersey corporation.

WHEREAS, ASSIGNOR is the owner of the Patent Application (as defined below);

WHEREAS, ASSIGNEE is desirous of acquiring all right, title, and interest in, to and under the Patent Application, and ASSIGNOR is desirous of selling, assigning, transferring, granting and setting over to ASSIGNEE all of its right, title, and interest, in, to and under the Patent Application.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ASSIGNOR hereby sells, assigns, transfers, grants, and sets over to the ASSIGNEE all right, title and interest in and to that certain provisional patent application USSN 11/399,273 entitled "Mattress Comfort Topper" filed with the United States Patent and Trademark Office on April 6, 2006, including any provisional and non-provisional patent applications, continuations, continuations-in-part, or divisional applications, or reissued or re-examined patents, inventor's certificates and disclosures, utility models, substitutions, and foreign counterparts thereto (the "Patent Application"), together with the right to sue for future and past infringements and to fully and entirely stand in the place of the ASSIGNOR in all matters related thereto, the same to be held and enjoyed by the ASSIGNEE as fully and entirely as the same would have been held by the ASSIGNOR had this sale, assignment, transfer, grant and set over not been made.

ASSIGNOR hereby warrants and covenants that (i) it has the full power and authority to convey the rights, titles and interests sold, assigned, transferred, granted, and set over the ASSIGNEE; (ii) it has not executed and will not execute any agreement in conflict herewith; and (iii) it will execute any and all other instruments which may be necessary to perfect and evidence the Assignee's ownership of the Patent Application.

IN WITNESS WHEREOF, ASSIGNOR has caused this Patent Application Assignment to be executed this 23rd day of October, 2006.

WORLD SLEEP PRODUCTS, INC.

October 23, 2006
Date

By: _____
(Name) Charles M. Warshaver,
President

STATE OF Massachusetts)
) SS
COUNTY OF Middlesex)

On this 23rd day of October, 2006, before me personally came the above named Charles Warshaver who is personally known by me or proved to me on the basis of satisfactory evidence to be the same individual who executed the foregoing assignment, and who acknowledged to me that he/she executed the same of his/her own free will for the use and purposes therein set forth.

NOTARY PUBLIC Joyce P. Carbonneau
My Commission Expires: July 26, 2007

Joyce P. Carbonneau
Notary Public
My Commission Expires
July 26, 2007

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TRADEMARK ASSIGNMENT

This TRADEMARK ASSIGNMENT (this "Assignment"), is made as of October 25, 2006 by WORLD SLEEP PRODUCTS, INC, ("Assignor").

WHEREAS, Assignor is the owner of each of (i) the trademarks and trademark applications (including any and all goodwill symbolized thereby) set forth on Schedule A hereto (the "Trademarks"), including the pending Trademark filed as an intent-to-use application (the "ITU Mark");

WHEREAS, Assignor has a *bona fide* intent to use the ITU Mark in connection with the goods and/or services for which such any such applications have been filed;

WHEREAS, SLEEP INNOVATIONS, INC., a New Jersey corporation, ("Assignee") is desirous of (i) acquiring all right, title and interest, in, to and under the Trademarks, including all goodwill associated therewith, and (ii) acquiring that portion of Assignor's business in which Assignor has a *bona fide* intent to use the ITU Mark; and the Assignor is desirous of selling, assigning, transferring, granting and setting over to the Assignee all of his right, title and interest, in, to and under the Trademarks and ITU Mark, including all goodwill associated therewith.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby sell, assign, transfer, grant and set over to the Assignee all of the right, title and interest, in, to and under the Trademarks and the ITU Mark, all goodwill associated therewith, together with that portion of Assignor's business in connection with which it has a *bona fide* intent to use the ITU Mark, all common law rights thereto, and all applications for registration that may be granted, all renewals, extensions, and foreign counterparts thereof, together with the right to sue and recover damages for future or past infringements and to fully and entirely stand in the place of the Assignor in all matters related thereto, the same to be held and enjoyed by the Assignee as fully and entirely as the same would have been held by the Assignor had this sale, assignment, transfer, grant and set over not been made (the "Assigned Trademark Rights").

The Assignor hereby warrants and covenants that (i) it has the full power and authority to convey the rights, titles and interests herein sold, assigned, transferred, granted and set over to the Assignee; (ii) it has not executed and will not execute any agreement in conflict herewith; and (iii) it will execute any and all other instruments which may be necessary to perfect and evidence the Assignee's ownership of the Assigned Trademark Rights herein conveyed.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as an instrument under seal as of the date written above.

WORLD SLEEP PRODUCTS, INC.

By: _____

Name and Title: Charles Warshaver
President

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SCHEDULE A

TRADEMARKS

Mark	App. No.	Reg. No.	Filing Date	Issue Date
BODIPEDIC	78/977213	3,137,309	04/29/05	08/29/06
BODIPEDIC	76/399803	2,841,062	04/24/02	05/11/04
BODIPEDIC	78/620346		04/29/05	Pending
BODIEASE	78/430683	3,115,073	06/07/04	07/11/06
BODIFLEX	78/181370	2,925,782	11/04/02	02/08/05

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EXECUTION COPY

PATENT AND TRADEMARK SECURITY AGREEMENT

This Agreement, dated as of October 25, 2006 is made by and between Sleep Innovations, Inc., a New Jersey corporation (the "Debtor"), and World Sleep Products, Inc., a Massachusetts corporation (the "Secured Party").

Recitals

Whereas, the Debtor is obligated to pay certain amounts to the Secured Party as evidenced by that certain Purchase Agreement by and between the Debtor to the Secured Party dated as of the date hereof (the "Purchase Agreement").

Whereas, as security for the obligations evidenced by the Purchase Agreement, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Purchase Agreement, this Agreement and related documents (the "Purchase Documents"), the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Credit Facilities" means (i) that certain Financing Agreement (Revolver and Term Loan A) dated August 15, 2005 by and among Debtor, certain affiliates of Debtor, Ableco Finance LLC, as collateral agent and administrative agent, and the financial institutions party thereto as lenders from time to time, and (ii) that certain Financing Agreement (Term Loan B) dated August 15, 2005 by and among Debtor, certain affiliates of Debtor, Ableco Finance LLC, as collateral agent and administrative agent, and the financial institutions party thereto as lenders from time to time, in each case, as may be amended, modified, amended and restated or replaced or otherwise refinanced from time to time.

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with this Agreement or Section 2.4 of the Purchase Agreement, which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several.

"Patent Application" means that certain provisional patent application USSN 11/399,273 entitled "Mattress Comfort Topper" filed with the United States Patent and Trademark Office on April 6, 2006, including any provisional and non-provisional patent

applications, continuations, continuations-in-part, or divisional applications, or issued, reissued or re-examined patents, inventor's certificates and disclosures, utility models, substitutions, and foreign counterparts thereto.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means the trademarks listed on Exhibit A, including all common law rights thereto, and all applications for registration that may be granted, all registrations, renewals, extensions, and foreign counterparts thereof, together with the goodwill of the business associated with such marks, licenses, fees or royalties with respect to each, and the right to sue for past, present and future infringement, dilution and damages therefor.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Patent Application and in the Trademarks to secure payment of the Obligations. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows:

(a) **Existence; Authority.** The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute the Patent Application or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(c) **Title.** The Debtor has absolute title to the Patent Application and the Trademarks, free and clear of any and all liens that would be superior in priority to the Secured Party. The Debtor will keep the Patent Application and the Trademarks free and clear of any and all liens that would be superior in priority to the Secured Party.

(d) **No Sale.** The Debtor will not assign, transfer, encumber (other than liens under the Debtor's Credit Facilities) or otherwise dispose of the Patent Application or the Trademarks, or any interest therein, without the Secured Party's prior written consent.

(e) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patent Application and the Trademarks against all material claims or demands of all Persons.

(f) **Maintenance.** The Debtor will at its own expense maintain the Patent Application and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on the Patent Application or the Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least thirty (30) days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on the Patent Application or the Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(g) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of thirty (30) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (f), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon the Patent Application or any of the Trademarks, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(h) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party within 30 days after receipt of a reasonably detailed invoice therefor the amount of all moneys reasonably expended and all reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6.

(i) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6, the Debtor hereby irrevocably

appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) during the continuance of an Event of Default to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patent Application or the Trademarks or to grant or issue any exclusive or non-exclusive license under the Patent Application or the Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patent Application or the Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of this Agreement and the payment and performance of all Obligations.

4. Debtor's Use of the Patents and Trademarks. The Debtor shall be permitted to control and manage the Patent Application and the Trademarks, including the right to exclude others from making, using or selling items covered by the Patent Application and the Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) the failure to make any payment when due under the Purchase Agreement; or (b) the Debtor shall fail promptly to observe or perform any material covenant or agreement contained in the Purchase Documents binding on it; or (c) any of the representations or warranties contained in Section 3 of this Agreement shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patent Application and the Trademarks;

(b) The Secured Party may enforce the Patent Application and the Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement; and/or

(c) The Secured Party may seek recovery of any sums due and owing the Secured Party by the Debtor pursuant to Section 3(h) of this Agreement.

The Secured Party agrees that the remedies set forth in this Section 6 shall be the sole and exclusive remedies against the Debtor for any payment default under Section 2.4 of the Purchase Agreement, provided that such limitation shall not relieve the Debtor of any non-payment obligation secured by this Agreement and the Secured Party may pursue any and all remedies in connection with any such non-payment obligation as limited hereby.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party and the Debtor. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Purchase Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patent Application and the Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patent Application and the Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the Commonwealth of Massachusetts without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

8. Termination. This Agreement and the liens and security interests granted hereunder shall automatically terminate in full and be of no further force or effect upon payment in full of the Obligations contemplated by Section 2.4 of the Purchase Agreement, and at such time the Security Interest shall be automatically released, each without the necessity of any further action by the Debtor or the Secured Party. At the request of the Debtor following such termination, the Secured Party shall executed and deliver to the Debtor, at Debtor's expense, such documents as the Debtor shall reasonably request to evidence such termination.