

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Klaussner Corporate Services, Inc.		04/01/2011	CORPORATION: IOWA
Klaussner Furniture Industries, Inc.		04/01/2011	CORPORATION: NORTH CAROLINA
Prestige Fabricators, Inc.		04/01/2011	CORPORATION: NORTH CAROLINA
Klaussner International, LLC		04/01/2011	LIMITED LIABILITY COMPANY: NORTH CAROLINA
Candor Creek Investments, LLC		04/01/2011	LIMITED LIABILITY COMPANY: NORTH CAROLINA

RECEIVING PARTY DATA

Name:	Wells Fargo Capital Finance, LLC
Street Address:	1100 Abernathy Road
Internal Address:	Suite 1600
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30338
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 14

Property Type	Number	Word Mark
Registration Number:	3031544	GOLDEN OAKS
Registration Number:	3154755	DREAMQUEST
Registration Number:	3021664	METROPIA
Registration Number:	3101799	FOREVER CAREFREE
Registration Number:	3555037	K
Registration Number:	3555036	K

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Registration Number:	3555035	KLAUSSNERHOME
Registration Number:	3496770	CHOICE. SELECTION. POSSIBILITIES.
Registration Number:	1852420	KLAUSSNER
Registration Number:	1154902	STYLECRAFT
Registration Number:	3581471	BIOCOMFORT
Registration Number:	3581470	BIOCOMFORT
Serial Number:	85085548	ENSO
Serial Number:	85084733	ENSO SLEEP SYSTEMS

CORRESPONDENCE DATA

Fax Number: (678)553-2693
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 6785532692
Email: gurveys@gtlaw.com
Correspondent Name: Greenberg Traurig c/o Sheryl Gurvey
Address Line 1: 3290 Northside Pkwy.
Address Line 4: atlanta, GEORGIA 30327

ATTORNEY DOCKET NUMBER:	103274.013600
NAME OF SUBMITTER:	Sheryl Gurvey
Signature:	/Sheryl Gurvey/
Date:	04/01/2011

Total Attachments: 13
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TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement") is made this 1st day of April, 2011, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **WELLS FARGO CAPITAL FINANCE, LLC**, a Delaware limited liability company ("WFCF"), in its capacity as agent for the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of April 1, 2011 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among KLAUSSNER FURNITURE INDUSTRIES, INC., a North Carolina corporation ("KFI"), PRESTIGE FABRICATORS, INC., a North Carolina corporation ("PFI"), KLAUSSNER CORPORATE SERVICES, INC., an Iowa corporation ("KCS"), KLAUSSNER INTERNATIONAL, LLC, a North Carolina limited liability company ("KI"), and CANDOR CREEK INVESTMENTS, LLC, a North Carolina limited liability company ("CC"; KFI, PFI, KCS, KI, and CC are collectively referred to herein as "Borrowers" and each individually, a "Borrower"), the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the members of the Lender Group are willing to make the financial accommodations to Borrowers as provided for in the Credit Agreement, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of Lender Group and the Bank Product Providers, that certain Security Agreement, dated as of April 1, 2011 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of Lender Group and the Bank Product Providers, this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. Each Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit of each member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations, a continuing security interest (referred to in this Trademark Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Intellectual Property Licenses to which it is a party including those referred to on Schedule I;

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark Intellectual Property License; and

(c) all products and proceeds (as that term is defined in the Code) of the foregoing, including any claim by such Grantor against third parties for past, present or future (i) infringement or dilution

of any Trademark or any Trademarks exclusively licensed under any Intellectual Property License, including right to receive any damages, (ii) injury to the goodwill associated with any Trademark, or (iii) right to receive license fees, royalties, and other compensation under any Trademark Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS. This Trademark Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Trademark Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the Lender Group, the Bank Product Providers or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group and the Bank Product Providers, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Trademark Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new trademarks, the provisions of this Trademark Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to Agent with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Trademark Security Agreement by amending Schedule I to include any such new trademark rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Trademark Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Trademark Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Trademark Security Agreement. Delivery of an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Trademark Security Agreement. Any party delivering an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Trademark Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Trademark Security Agreement.

7. CONSTRUCTION. This Copyright Security Agreement is a Loan Document. Unless the context of this Trademark Security Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or". The words "hereof", "herein", "hereby", "hereunder", and similar terms in this Trademark Security Agreement refer to this Trademark Security Agreement as a whole and not to any particular provision of this Trademark Security Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Trademark Security Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts,

and contract rights. Any reference herein to the satisfaction, repayment, or payment in full of the Secured Obligations shall mean the repayment in full in cash or immediately available funds (or, (a) in the case of contingent reimbursement obligations with respect to Letters of Credit, providing Letter of Credit Collateralization, and (b) in the case of obligations with respect to Bank Products (other than Hedge Obligations), providing Bank Product Collateralization) of all of the Secured Obligations (including the payment of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Secured Obligations) under Hedge Agreements provided by Hedge Providers) other than (i) unasserted contingent indemnification Secured Obligations, (ii) any Bank Product Obligations (other than Hedge Obligations) that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any Hedge Obligations that, at such time, are allowed by the applicable Hedge Provider to remain outstanding without being required to be repaid. Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns. Any requirement of a writing contained herein shall be satisfied by the transmission of a Record.

8. THE VALIDITY OF THIS TRADEMARK SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA.

9. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS TRADEMARK SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF FULTON, STATE OF GEORGIA; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. AGENT AND EACH GRANTOR WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 9.

10. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AGENT AND EACH GRANTOR HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. AGENT AND EACH GRANTOR REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS TRADEMARK SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Trademark Security Agreement to be executed and delivered as of the day and year first above written.

GRANTORS:

KLAUSSNER FURNITURE INDUSTRIES, INC.

By: _____
Name:
Title:

PRESTIGE FABRICATORS, INC.

By: _____
Name:
Title:

KLAUSSNER CORPORATE SERVICES, INC.

By: _____
Name:
Title:

KLAUSSNER INTERNATIONAL, LLC

By: _____
Name:
Title:

CANDOR CREEK INVESTMENTS, LLC

By: _____
Name:
Title:

ILOAP, INC.

By: _____
Name:
Title:

COMMUNITY DENTAL NETWORK, LLC

By: _____
Name:

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

Title:

RETAIL FURNITURE EXPRESS, LLC

By: _____

Name:

Title:

KLAUSSNER RETAIL HOLDINGS, INC.

By: _____

Name:

Title:

STYLE CRAFT SERVICES, LLC

By: _____

Name:

Title:

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

AGENT:

ACCEPTED AND ACKNOWLEDGED BY:

WELLS FARGO CAPITAL FINANCE, LLC,
a Delaware limited liability company

By: _____




Name:

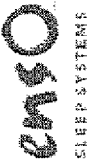

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[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

Trademark Registrations/Applications

Trademark	Registrant	Country	Status	Serial #	Reg. #	Current Reg. Date	Renewal Date	Comments
Klaussner®	KCS	USA	Registered	74/453,806	1,852,420	9/6/2004	9/6/2014	
Klaussner®	KCS	Canada	Registered	831,895	506,599	1/15/1999	1/15/2014	
Klaussner®	KCS	Mexico	Registered	283,704	541,053	1/30/1997	1/9/2017	
	KCS	USA	Registered	77-347,888 (retail) 77-347-861 (furniture)	3,555,037 (retail) 3,555,036 (furniture)	12/30/2008	12/30/2018	
Klaussnerhome®	KCS	USA	Registered	77-347,824 (retail)	3,555,035 (retail)	12/30/2008	12/30/2018	
Innersoft®	KCS	Switzerland	Registered	7,986/1,990.4	386,437	11/7/1990	11/7/2010	abandon
Stylecraft®	KCS	USA	Registered	73/204,378	1,154,902	5/19/1981	5/19/2011	
Revolution Motion®	KCS	Canada	Registered	1,005,394	TMA552,452	10/16/2001	10/16/2016	abandon
Realistic®	KCS	Canada	Registered	1,016,754	TMA552568	10/17/2001	10/17/2016	abandon
Colourways®	KCS	Canada	Registered	1,011,982	541,381	2/20/2001	2/20/2016	abandon
Metropia®	KCS	USA	Registered	78/182,425	3,021,664	11/29/2005	11/29/2015	
								
Biocomfort®	PFI	USA	Registered	77-352,122	3,581,470	2/24/2009	2/24/2019	
	PFI	USA	Registered	77-352,130	3,581,471	2/24/2009	2/24/2019	

Biocomfort®	PFI	USA	Registered	77-352,122	3,581,470	2/24/2009	2/24/2019		
Dreamquest®	KCS	USA	Registered	78-342,788	3,154,755	10/10/2006	10/10/2016		
<i>dreamquest</i>									
Forever Carefree®	KCS	USA	Registered	78-432,498	3,101,799	6/6/2006	6/6/2016		
Golden Oaks®	KCS	USA	Registered	78-404,558	3,031,544	12/20/2005	12/20/2015		
Golden Oaks®	KCS	Canada	Registered	1234305	TMA683,861	3/16/2007	3/16/2022		
Choice. Selection. Possibilities.®	KCS	USA	Registered	77-228,290	3,496,770	9/2/2008	9/2/2018		
Unregistered:									
		USA	Registration pending	85-085,548		2/8/11		Need to file statement of use by 8/8/11	
Enso Sleep Systems™		USA	Registration pending	85-084,733		2/8/11		Need to file statement of use by 8/8/11	
Comfort Design™		USA	Unregistered						
		USA	Unregistered						

Ellis™	USA	Unregistered					
Ellis <i>Home Furnishings</i>	USA	Unregistered					
Tracy Ellis™	USA	Unregistered					
Tracy Ellis UPHOLSTERY	USA	Unregistered					
Distinctions™	USA	Unregistered					
 <i>Distinctions</i>	USA	Unregistered					
Opening nights™	USA	Unregistered					
<i>Opening nights</i>	USA	Unregistered					
EZ Open™	USA	Unregistered					
	USA	Unregistered					

Sit. Touch. Recline.™	USA	Unregistered							
Make a Statement!™	USA	Unregistered							
Where style and inspiration merge™	USA	Unregistered							
Fresh from our own factories™	USA	Unregistered							
a world well-rested™	USA	Unregistered	-	-	-	-	-	-	-





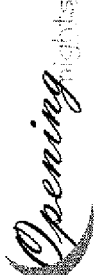
KFI:

Klaussner Home Furnishings (registered in Randolph County and Guilford County)
 Distinctions Home Furnishings (registered in Randolph County)
 Klaussner Contract Furnishings (registered in Randolph County)
 Comfort Design (registered in Randolph and Guilford Counties)
 Ellis Home Furnishings (registered in Randolph County)
 Enso Sleep Systems (registered in Randolph and Guilford Counties)

KCS:

Klaussner Furniture of Iowa (registered in Iowa)
 Klaussner Home Furnishings (registered in Iowa)
 Stylecraft (registered in Iowa)

Common Law Trademarks

Trademark	Registrant / Grantor	Country	Status	Serial #	Reg. #	Current Reg. Date	Renewal Date	Comments
Comfort Design™		USA	Unregistered					
		USA	Unregistered					
Ellis™		USA	Unregistered					
		USA	Unregistered					
Tracy Ellis™		USA	Unregistered					
		USA	Unregistered					
Distinctions™		USA	Unregistered					
		USA	Unregistered					
Opening nights™		USA	Unregistered					
		USA	Unregistered					

EZ Open™



	USA	Unregistered								
	USA	Unregistered								
Sit. Touch. Recline.™	USA	Unregistered								
Make a Statement!™	USA	Unregistered								
Where style and inspiration merge™	USA	Unregistered								
Fresh from our own factories™	USA	Unregistered								
a world well-rested™	USA	Unregistered	-	-	-	-	-	-	-	-

Trademarks Not Currently In Use

- Stylecraft® is not currently in use, but is in the process of being reinstated and new proof of use statements will be filed to extend the current expiration date.
- Innersoft®
- Revolution Motion®
- Realistic®
- Colourways®

Trademark Licenses

KCS. KRNC, LLC is operating a Klausnerhome store, with substantially all its floor space dedicated to Klausner product, in Raleigh under the Klausnerhome name under an unwritten agreement.

