

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	FIRST AMENDMENT TO TRADEMARK SECURITY AGREEMENT		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
DOUGLAS FURNITURE OF CALIFORNIA, LLC		04/15/2005	LIMITED LIABILITY COMPANY:
RECEIVING PARTY DATA			
Name:	HELLER FINANCIAL, INC.		
Street Address:	500 WEST MONROE STREET		
City:	CHICAGO		
State/Country:	ILLINOIS		
Postal Code:	60661		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2880979	DOUGLAS FURNITURE OF CALIFORNIA, LLC	
Registration Number:	2880980	DOUGLAS FURNITURE	
CORRESPONDENCE DATA			
Fax Number:	(202)282-5100		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	202-282-5904		
Email:	eanderson@winston.com		
Correspondent Name:	WINSTON & STRAWN LLP		
Address Line 1:	1700 K STREET, N.W.		
Address Line 2:	PATENT DEPARTMENT		
Address Line 4:	WASHINGTON, DISTRICT OF COLUMBIA 20006-3817		
NAME OF SUBMITTER:	Jeffrey A. Wolfson		
Signature:	/jaw/		
Date:	04/29/2005		

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Total Attachments: 5

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FIRST AMENDMENT TO TRADEMARK SECURITY AGREEMENT

THIS FIRST AMENDMENT TO TRADEMARK SECURITY AGREEMENT (this "Amendment") is made as of April 15, 2005, by and between DOUGLAS FURNITURE OF CALIFORNIA, LLC, a Delaware limited liability company ("Borrower"), and HELLER FINANCIAL, INC., a Delaware corporation, as agent ("in such capacity, "Agent") for the lenders ("Lenders") from time to time parties to the Credit Agreement (as defined below).

RECITALS

A. Agent, Lenders, Borrower and the other Loan Parties party thereto are parties to that certain Credit Agreement dated as of March 31, 2000, as amended by the First Amendment to Credit Agreement dated as of February 23, 2001, the Second Amendment to Credit Agreement dated as of April 5, 2001, the Consent, Waiver and Third Amendment to Credit Agreement dated as of February 1, 2002, the Consent, Waiver and Fourth Amendment to Credit Agreement dated as of June 29, 2004, the Fifth Amendment and Waiver to Credit Agreement dated as of February 3, 2005, the Sixth Amendment to Credit Agreement dated as of March 29, 2005, and the Seventh Amendment to Credit Agreement of even date herewith (as the same may from time to time be further amended, restated, modified or supplemented, collectively, the "Credit Agreement"), pursuant to which Agent and Lenders agreed to extend certain financial accommodations to or for the direct or indirect benefit of Borrower.

B. Borrower and Agent are parties to that certain Trademark Security Agreement executed on March 17, 2000, and recorded with the United States Patent and Trademark Office on August 30, 2000 (as the same may from time to time be further amended, modified or supplemented, collectively, the "Trademark Security Agreement"), pursuant to which, among other things, Borrower granted to Agent, for the benefit of Agent and Lenders, a security interest in substantially all of its Trademark Collateral (as defined in the Trademark Security Agreement) to secure its obligations to Agent and Lenders under the Credit Agreement. All terms capitalized but not defined herein shall have the respective meanings set forth in the Trademark Security Agreement.

C. Borrower and Agent are entering into this Amendment in order to reaffirm and continue in effect the Liens granted by Borrower under the Trademark Security Agreement and, to the extent not granted in the Trademark Security Agreement, to grant the Liens contemplated by this Amendment.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Security Interest. Borrower hereby confirms and ratifies its prior assignment and grant, and assigns and grants to Agent, for the benefit of Agent and Lenders, a continuing, first priority security interest in all of Borrower's right, title and interest in, to and under the Trademark Collateral.
2. Amendment to Trademark Security Agreement. Schedule I to the Trademark Security Agreement is hereby deleted in its entirety and Schedule I attached hereto as Appendix A is substituted in lieu thereof.

3. Conditions to Effectiveness. This Amendment shall become effective as of the date hereof when Agent has received executed counterparts of this Amendment.

4. Representations and Warranties. Borrower hereby represents and warrants to Agent as follows: (a) the representations and warranties contained in the Trademark Security Agreement were true and correct in all material respects when made and, after giving effect to this Amendment, shall remain true and correct in all material respects as of the date hereof; and (b) this Amendment, the Trademark Security Agreement (as amended hereby), the Credit Agreement and the other Loan Documents constitute the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms.

5. Ratification. Except as specifically modified by this Amendment, the parties hereto acknowledge that the Trademark Security Agreement shall remain binding upon Borrower and Agent, and all provisions of the Trademark Security Agreement shall remain in full force and effect. Borrower expressly ratifies and affirms its obligations to Agent and Lenders under the Trademark Security Agreement, the Credit Agreement and the other Loan Documents.

6. Miscellaneous.

(a) Complete Agreement. This Amendment, together with the Trademark Security Agreement, is the entire agreement between the parties hereto with respect to the subject matter hereof. This Amendment supersedes all prior and contemporaneous oral and written agreements and discussions with respect to the subject matter hereof. Except as otherwise expressly modified herein, the Trademark Security Agreement shall remain in full force and effect.

(b) Recitals. The recitals to this Amendment shall constitute a part of the agreement of the parties hereto.

(c) Counterparts. This Amendment may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile transmission shall be effective as delivery of a manually executed counterpart thereof.

(d) Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY AND INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS.

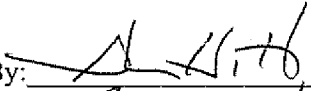
(e) No Novation. Except as specifically set forth in this Amendment, the execution, delivery and effectiveness of this Amendment shall not (a) limit, impair, constitute a waiver by, or otherwise affect any right, power or remedy of, Agent or any Lender under the Credit Agreement or any other Loan Document, (b) constitute a waiver of any provision in the Credit Agreement or in any of the other Loan Documents, or (c) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or in any of the other Loan Documents, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

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

"Borrower"

DOUGLAS FURNITURE OF CALIFORNIA, LLC, a Delaware limited liability company

By: 
Name: GORDON HITT
Title: CFO

"Agent"

HELLER FINANCIAL, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

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

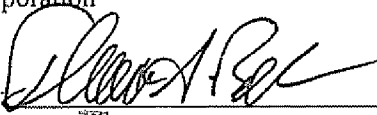
"Borrower"

DOUGLAS FURNITURE OF CALIFORNIA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

"Agent"

HELLER FINANCIAL, INC., a Delaware corporation

By:  _____
Name: Thomas S. Beck
Title: Duly Authorized Signatory

APPENDIX A

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

<u>TRADEMARK NAME</u>	<u>REGISTRATION JURISDICTION</u>	<u>REGISTRATION NUMBER</u>	<u>REGISTRATION DATE</u>
Douglas Furniture of California, LLC	U.S. Patent & Trademark Office	2880979	September 7, 2004
Douglas Furniture	U.S. Patent & Trademark Office	2880980	September 7, 2004
Douglas	Mexican Institute of Industrial Property	472606	August 22, 2003