

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
Recliner Acquisition Corp.		03/31/2006	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Harris, N.A.		
Street Address:	111 West Monroe Street		
Internal Address:	5th Floor Center		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60603		
Entity Type:	National Association:		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	1116068	BARCALOUNGER	
Registration Number:	2851667	WAYNE PHILLIPS FURNITURE	
Serial Number:	78816286	RELAX-A-LOUNGER	
Serial Number:	76457247	WAYNE PHILLIPS FURNITURE BY BARCALOUNGER	
CORRESPONDENCE DATA			
Fax Number:	(312)863-7812		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Email:	nathaniel.panek@goldbergkohn.com		
Correspondent Name:	Nathaniel Panek		
Address Line 1:	55 East Monroe St.		
Address Line 2:	Suite 3700		
Address Line 4:	Chicago, ILLINOIS 60603		
ATTORNEY DOCKET NUMBER:	2072.028		

OP \$115.00 1116068

NAME OF SUBMITTER:	Nathaniel Panek
Signature:	/nathaniel panek/
Date:	04/12/2006
Total Attachments: 6 source=Recliner_TMs#page1.tif source=Recliner_TMs#page2.tif source=Recliner_TMs#page3.tif source=Recliner_TMs#page4.tif source=Recliner_TMs#page5.tif source=Recliner_TMs#page6.tif	

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (as amended or otherwise modified from time to time, the "Agreement") is made as of this 31st day of March, 2006 by RECLINER ACQUISITION CORP., a Delaware corporation ("Grantor"), in favor of HARRIS N.A. ("Grantee").

WITNESSETH

WHEREAS, Grantor and Grantee are entering into that certain Credit Agreement of even date herewith (as the same may from time to time hereafter be amended or modified including amendments and restatements thereof in its entirety, being hereinafter referred to as, the "Credit Agreement"), pursuant to which Grantee will make loans and other financial accommodations to or for the benefit of Grantor;

WHEREAS, pursuant to the terms of that certain Master Security Agreement of even date herewith by Grantor and the other parties thereto in favor of Grantee (as the same may from time to time hereafter be amended or modified including amendments and restatements thereof in its entirety, being hereinafter referred to as, the "Security Agreement"), Grantor has granted to Grantee a security interest in substantially all of the assets of Grantor, including, without limitation, all right, title and interest of Grantor in, to and under all now owned and hereafter acquired or arising trademark applications and trademarks, trade names and trademark licenses (other than "intent to use" applications until a verified statement of use or an amendment to alleged use is filed with respect to such applications) (collectively, "Trademarks") to secure the payment of all amounts owing by Grantor to Grantee under the Credit Agreement;

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

1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as specified in the Credit Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Grantor hereby grants to Grantee, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now owned or existing or hereafter created or acquired:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any renewals thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

3. Warranties and Representations. Grantor warrants and represents to Grantee that:

(i) Grantor is the sole and exclusive owner of the entire right (except to the extent that there exists from time to time non-exclusive licenses to third parties entered into in the ordinary course of business), title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances (other than Liens described in clause (a) of Section 8.8 of the Credit Agreement), including without limitation licenses (except any licenses to which Grantee has consented in writing pursuant to Section 4 below) and covenants by Grantor not to sue third persons;

(ii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iii) Grantor has the unqualified right to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until the Obligations shall have been satisfied in full and the Credit Agreement and the Security Agreement have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any exclusive license under, any Trademark, and Grantor further agrees that it shall not knowingly take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement (other than the taking, or decision not to take, any action (including without limitation the abandonment of any Trademark) which could not be reasonably expected to have a Material Adverse Effect).

5. Product Quality. Grantor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, except to the extent the failure to maintain could not reasonably be expected to have a Material Adverse Effect, and (ii) to provide Grantee, upon Grantee's request from time to time, with a certificate of an officer of Grantor certifying Grantor's compliance with the foregoing.

6. New Trademarks. If, before the Obligations shall have been satisfied in full or before the Credit Agreement and the Security Agreement have been terminated, Grantor

shall (i) become aware of any existing Trademarks of which Grantor has not previously informed Grantee, (ii) adopt any new Trademarks of which Grantor has not previously informed Grantee or (iii) file any "intent to use" application or statement of use or amendment to allege use with respect to any Trademark that is not in existence on the date hereof, the provisions of this Agreement shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee to modify this Agreement by amending Schedule 1 to include any such Trademarks.

7. Litigation. If, before the Obligations shall have been satisfied in full or before the Credit Agreement and the Security Agreement have been terminated, Grantor shall become aware of any suits or actions commenced or threatened with reference to any Trademark, Grantor shall give to Grantee prompt written notice thereof.

8. Duties of Grantor. Grantor shall (i) to the extent reasonably deemed appropriate and commercially reasonable by Grantor, file and prosecute diligently any trademark applications pending as of the date hereof or hereafter, (ii) preserve and maintain all rights in the Trademarks (other than the Abandoned Trademark (as defined in Schedule 1 hereto)), to the extent commercially reasonable under the circumstances, and (iii) ensure that the Trademarks (other than the Abandoned Trademark) are and remain enforceable, to the extent commercially reasonable under the circumstances.

9. Grantee's Right to Sue. Upon the occurrence and during the continuance of an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents reasonably required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Grantee in the exercise of its rights under this Section 9 other than any costs or expenses incurred by the Grantee as a result of its gross negligence or willful misconduct or its breach of contractual obligations owing to Grantee.

10. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, the Credit Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Grantee in the use of the Trademarks, (ii) take any other actions with respect to the Trademarks as Grantee deems to be in the best interest of Grantee, (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the

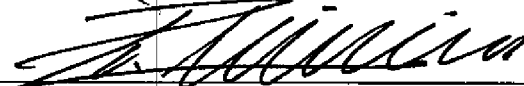
Obligations shall have been paid in full and the Credit Agreement and the Security Agreement have been terminated. Grantor hereby further acknowledges and agrees that the use by Grantee of the Trademarks shall be worldwide, except as limited by their terms, and without any liability for royalties or related charges from Grantee to Grantor.

[signature page follows]

IN WITNESS WHEREOF, Grantor has duly executed this Trademark Security Agreement as of the date first written above.

RECLINER ACQUISITION CORP.

By



Name: Pieter Cilliers

Its: Chief Financial Officer

SCHEDULE 1

TRADEMARKS

Trademark

BARCALOUNGER ®
BARCALOUNGER ®
WAYNE PHILLIPS FURNITURE ®

Registration No.

1116068
160015 (Canada)
2851667

TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Filing Date</u>	<u>Application No.</u>
RELAX-A-LOUNGER	2/16/2006	78/816,286
WAYNE PHILLIPS FURNITURE BY BARCALOUNGER (referred to herein as the "Abandoned Trademark")	10/9/2002	76/457,247