

RE

12-01-1999

SHEET

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark OfficeTab settings == > MD 11.18.9

To the Honorable Commissioner of P

101209140

attached original documents or copy thereof

## 1. Name of conveying party(ies):

Professional Towel Mills, Inc.

- ☐ Individual(s)                      ☐ Association  
☐ General Partnership              ☐ Limited Partnership  
☒ Corporation-State  
☐ Other \_\_\_\_\_

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

## 3. Nature of conveyance:

- ☐ Assignment                              ☐ Merger  
☒ Security Agreement                      ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: September 3, 1999

## 2. Name and address of receiving party(ies)

Name: Heller Financial, Inc., as agent

Internal Address: \_\_\_\_\_

Street Address: 500 W. MonroeCity: Chicago State: IL ZIP: 60661

- ☐ Individual(s) citizenship \_\_\_\_\_  
☐ Association \_\_\_\_\_  
☐ General Partnership \_\_\_\_\_  
☐ Limited Partnership \_\_\_\_\_  
☒ Corporation-State \_\_\_\_\_  
☐ Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Additional numbers attached? ☒ Yes ☐ No

## 5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Laura KonrathInternal Address: Winston & Strawn33rd FloorStreet Address: 35 West Wacker DriveCity: Chicago State: IL ZIP: 6060111/30/1999 NGUYEN 00000256 212452101 FC:481  
02 FC:48240.00 OP  
75.00 OP

DO NOT USE THIS SPACE

## 6. Total number of applications and registrations involved: \_\_\_\_\_

4

7. Total fee (37 CFR 3.41).....\$ 115.00☒ Enclosed☐ Authorized to be charged to deposit account

## 8. Deposit account number:

N/A

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

## 9. Statement and signature.

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

Laura Konrath

Name of Person Signing

Signature

Date

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

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box AssignmentsTRADEMARK  
REEL: 001993 FRAME: 0388

Continuation  
Item 4

Schedule 1 to Trademark Security Agreement

TRADEMARK REGISTRATIONS

<u>MARK</u>	<u>REG. NO.</u>	<u>DATE</u>
TOWEL N' TOTE	2,124,521	12/23/97
PROFESSIONAL TOWEL LINE	1,807,609	11/30/93
PROFESSIONAL TOWEL MILLS	1,831,384	4/19/94
THE NATURAL	1,830,941	4/12/94

TRADEMARK APPLICATIONS

[None]

TRADEMARK LICENSES

<u>Name of Agreement</u>	<u>Parties</u>	<u>Date of Agreement</u>
[None]		

## TRADEMARK SECURITY AGREEMENT

WHEREAS, Professional Towel Mills, Inc., a South Carolina corporation ("Grantor") owns the Trademarks, Trademark registrations, and Trademark applications listed on Schedule 1 annexed hereto, and is a party to the Trademark Licenses listed on Schedule 1 annexed hereto; and

WHEREAS, MHTC Holdings, LLC ("MHTC"), Magnet, LLC ("MLLC"), Benchmark Industries, LLC ("Benchmark"), Phonecard Express, LLC ("Phonecard"), Perfect Promotional Products, LLC ("Perfect") and Grantor (Grantor, together with MHTC, MLLC, Benchmark, Phonecard and Perfect, each a "Borrower" and collectively, the "Borrowers"), Heller Financial, Inc., a Delaware corporation, as agent ("Agent" together with its successors and assigns, the "Grantee") and Lenders are parties to that certain Amended and Restated Credit Agreement dated as of May 14, 1998, as amended and restated as of March 9, 1999 and as amended by that certain Consent and First Amendment to Amended and Restated Credit Agreement, dated as of September 3, 1999 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), providing for extensions of credit to be made to Borrowers by Lenders; and

WHEREAS, pursuant to the terms of that certain Amended and Restated Security Agreement dated as of May 14, 1998 and amended and restated as of March 9, 1999 (the same, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "Security Agreement"; terms defined in the Security Agreement and not otherwise defined herein have the respective meanings provided for in the Security Agreement) by and between MHTC, MLLC, Perfect, Benchmark and Phonecard and Agent for its benefit and the benefit of Lenders, and that certain Borrower Addition Agreement dated as of September 3, 1999 executed by Grantor and delivered to Agent, Grantor has granted to Grantee a security interest in substantially all the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks, Trademark registrations, Trademark applications and Trademark Licenses, together with the goodwill of the business symbolized by Grantor's Trademarks, and all proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter created or acquired:

- (1) each Trademark, Trademark registration and Trademark application, including, without limitation, the Trademarks, Trademark registrations (together with any reissues, continuations or extensions thereof) and Trademark applications referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application;

- (2) each Trademark License, including, without limitation, each Trademark License listed on Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark License; and
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademarks and Trademark registrations referred to in Schedule 1 annexed hereto, the Trademark registrations issued with respect to the Trademark applications referred in Schedule 1 and the Trademarks licensed under any Trademark License, or (b) injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License.

This security interest is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee 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.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of this 3rd day of September, 1999.

PROFESSIONAL TOWEL MILLS, INC.

By 

Name:

Peter Seidler

Title:

Vice President

Acknowledged:

HELLER FINANCIAL, INC.,  
as Agent

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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[TO TRADEMARK SECURITY AGREEMENT]

TRADEMARK  
REEL: 001993 FRAME: 0392

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of this 3rd day of September, 1999.

**PROFESSIONAL TOWEL MILLS, INC.**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged:

**HELLER FINANCIAL, INC.,**  
as Agent

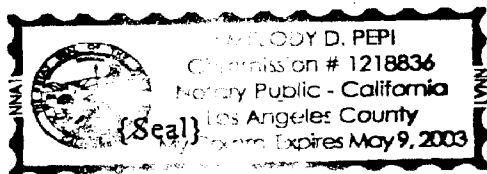
By Betsy Kempf  
Name: Betsy Kempf  
Title: Vice President

STATE OF CALIFORNIA )

COUNTY OF LOS ANGELES )

ss.

On this 3rd day of September, 1999 before me personally appeared Peter Seidler, to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as Vice President of Professional Towel Mills, Inc., a South Carolina corporation, who being by me duly sworn, did depose and say that he/she is such officer of such corporation; that the foregoing instrument was executed on behalf of said corporation by order of its Board of Directors of such corporation, and that he/she acknowledged said instrument to be the free act and deed of said corporation.



Melody D. Pepl  
Notary Public

My commission expires:

5/9/2003

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[None]