FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0111 (exp. 4/94)

07-24-2000

101410990

SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Pat tached original documents or copy thereof.

1. Name of conveying party(ies):

McArthur Towels, Inc.

MMP 6-29-00

o Individual(s) o Association
o General Partnership o Limited Partnership
X Corporation-State – Wisconsin
o Other

Additional name(s) of conveying party(ies) attached? o Yes X No

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

Name: Bank of America, N.A., as Administrative Agent for itself and other Lenders

Internal Address:

Street Address: 800 Market Street

City: St. Louis State: MO Zip: 63101

o Individual(s) citizenship:
X Association: National Banking Association
o General Partnership
o Limited Partnership
o Corporation State
o Other

If assignee is not domiciled in the United States, a domestic representative designation is attahced: o Yes o No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? o Yes X No

3. Nature of conveyance:

o Assignment o Merger
X Security Agreement o Change of Name
o Other

Execution Date: 3/31/00

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

A. Trademark Application No.(s)
75/604798

B. Trademark Registration No(s).:
1,842,421

Additional numbers attached? O Yes X No

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

Name: Terri Branson

Internal Address: Lewis, Rice & Fingersh, L.C.

Street Address: 500 N. Broadway, Suite 2000

City: St. Louis State: MO Zip: 63102

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41) $ 65.00

X Enclosed

o Authorized to be charged to deposit account

8. Deposit account number:

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

07/21/2000 MTHAI1 00000090 75604798

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01 FC:481 40.00 OP
02 FC:482 25.00 OP

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.

Terri Branson — Terri Branson — 6/20/00

Name of Person Signing — Signature — Date

Total number of pages comprising cover sheet: 1

Mail documents to be recorded with required cover sheet information to:
Commissionr of patents & Trademarks, Box Assignments
Washington, DC 20231

TRADEMARK
REEL: 002107 FRAME: 0751

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement") is entered into as of March 31, 2000, by and between McARTHUR TOWELS, INC., a Wisconsin corporation ("Debtor"), and BANK OF AMERICA, N.A., a national banking association, as administrative agent for the ratable benefit of itself and each of the other Lenders ("Secured Party").

In consideration of the mutual agreements below and other sufficient consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **General.** Unless the context of this Agreement clearly requires otherwise, (i) references to the plural include the singular and vice versa, (ii) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, (iii) references to one gender include all genders, (iv) "including" is not limiting, (v) "or" has the inclusive meaning represented by the phrase "and/or", (vi) the words "hereof", "herein", "hereby", "hereunder" and similar terms in this Agreement refer to this Agreement as a whole, including its Exhibits, and not to any particular provision of this Agreement, (vii) the word "Section" or "section" and "Page" or "page" refer to a section or page, respectively, of this Agreement unless it expressly refers to something else, (viii) reference to any agreement, document, or instrument, including this Agreement, any other Loan Document and any agreement, document or instrument defined herein, means such agreement, document, or instrument as it may have been or may be amended, restated, extended, renewed, replaced, or otherwise modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof, and includes all attachments thereto and instruments incorporated therein, if any, and (ix) general and specific references to any Law means such Law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time. Section captions are for convenience only and do not affect the interpretation or construction of this Agreement.

2. **Defined Terms.** All capitalized terms not otherwise defined herein have the meanings given them in that certain Credit Facilities Agreement of even date herewith by and among Magnet, LLC, a Missouri limited liability Company ("Borrower"), Secured Party, and the Lenders (the "Loan Agreement"). Capitalized terms used and not otherwise defined herein or in the Loan Agreement have the meanings given them in the UCC.

3. **Acknowledgement of Capacity as a Covered Person Under the Loan Agreement.** Debtor acknowledges that it has reviewed the Loan Agreement and agrees that it is a "Covered Person" (as that term is defined in the Loan Agreement and used in the Loan Agreement and the other Loan Documents). All of the representations and warranties, covenants, and agreements contained in the Loan Agreement and the other Loan Documents which are applicable to Covered Persons are incorporated into this Agreement by this reference and Debtor, as such a Covered Person, hereby makes such representations and warranties to, and makes such covenants and agreements with, Secured Party. Debtor further acknowledges and agrees that the failure of Debtor to comply with any terms of the Loan Agreement or the other Loan Documents applicable to Debtor as a Covered Person will cause a Default under the Loan Agreement and the other Loan Documents, entitling Secured Party and the Lenders to all of their remedies thereunder and under applicable law and in equity.

4. **Grant of Security Interest in Trademark Collateral.** As security for the full and prompt payment and performance of all of the "Guaranteed Obligations" under that certain Unlimited Guaranty of even date herewith, including the Loan Obligations of Borrower (collectively, the "Secured Obligations"), Debtor hereby grants to Secured Party a Security Interest in Debtor's entire right, title and interest in and to the Trademark Collateral. As used herein, "Trademark Collateral" means: all of Debtor's right, title and interest in and to all of its now owned or existing, filed and unfiled, and hereafter

acquired or arising, filed and unfiled, trademarks, service marks, trademark or service mark registrations, trade names, and trademark or service mark applications, including each name, mark, registration, and application listed on Schedule A attached hereto and made a part hereof (as the same may be amended pursuant hereto from time to time), and (i) renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, (iv) all rights, title, and interests corresponding thereto throughout the world (except that Debtor is not obligated to register the Trademark Collateral in any country other than the United States), and (v) the good will of Debtor's business connected with the use of each item of Trademark Collateral, and symbolized by, the Trademark Collateral.

5. Representations and Warranties. Debtor represents and warrants as follows:

5.1. Schedule A contains a complete and accurate list of all trademarks, trade names, service marks, trademark and service mark registrations, and applications for trademark or service mark registrations owned by Debtor.

5.2. Debtor is the sole and exclusive owner of the Trademark Collateral, free and clear of any Security Interests, charges, claims of infringement upon the rights of third parties and Encumbrances, except as otherwise disclosed in Schedule A.

5.3. Debtor has not granted any license, release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Trademark Collateral, except as contemplated in the Loan Agreement or as otherwise disclosed in Schedule A.

5.4. The Trademark Collateral is subsisting and has not been adjudged invalid or unenforceable, and, to Debtor's knowledge, each item comprising the Trademark Collateral is valid and enforceable in the United States.

5.5. Debtor is duly authorized to execute and deliver this Agreement to Secured Party, and this Agreement constitutes the legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms.

6. Further Assurances.

6.1. Debtor agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary in order (i) to continue, perfect, amend or protect the Security Interest granted hereby or (ii) to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any part of the Trademark Collateral. Without limiting the generality of the foregoing, Debtor will execute and file such financing or continuation statements, amendments hereto, and such other instruments or notices as may be necessary or desirable, or as Secured Party may reasonably request, in order to perfect and preserve the Security Interest granted hereby.

6.2. Debtor hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto (and hereto as to Schedule A), relative to all or any part of the Trademark Collateral, or subsequent additions thereto, without the signature of Debtor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Trademark Collateral or any part thereof is sufficient as a financing statement where permitted by law.

6.3. Debtor agrees that, should it obtain an ownership interest in any trademark, service mark, trade name, trademark or service mark registration, or application for trademark or service mark registration which is not now identified in Schedule A, (i) Debtor will give prompt written notice thereof to Secured Party, (ii) the provisions of Section 4 will automatically apply to any such mark, registration, or application, and (iii) any such mark, registration, or application, together with the good will of the business connected with the use of the mark and symbolized by it, will automatically become part of the Trademark Collateral.

6.4. With respect to any Trademark Collateral necessary to the conduct of Debtor's business, Debtor agrees to take all necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, or in any court, to maintain each registered trademark, service mark, and trademark or service mark registration, and to pursue each application for trademark or service mark registration now or hereafter included in the Trademark Collateral, including the filing of applications for renewal, the payment of maintenance fees, and participation in opposition, interference and infringement proceedings. To the extent necessary or desirable to the conduct of its business, Debtor agrees to take corresponding steps with respect to each new or other registered trademark, service mark, trademark or service mark registration to which Debtor is now or later becomes entitled. Debtor will be relieved of the obligations of this Section 6.4 upon the prior written consent of Secured Party, which consent will not be unreasonably withheld. Debtor is not obligated under this Section 6.4 to apply for the registration of any item of the Trademark Collateral with any government trademark office or agency outside of the United States.

6.5. If Debtor becomes aware that any item of the Trademark Collateral is infringed or misappropriated by a third party, Debtor will promptly notify Secured Party and will promptly sue for infringement or misappropriation and for recovery of all damages caused by such infringement or misappropriation, or, with the prior written consent of Secured Party, which consent will not be unreasonably withheld, will take such other actions as Debtor deems appropriate under the circumstances to protect such Trademark Collateral.

6.6. Debtor will continue to use reasonable and proper statutory notice in connection with its use of each registered trademark or service mark.

7. Transfers and Other Security Interests. Debtor will not: (i) sell, assign (by operation of law or otherwise), grant a license in or with respect to, or otherwise dispose of any of the Trademark Collateral, except as permitted by the Loan Agreement, (ii) create or suffer to exist any Security Interest or other charge or Encumbrance upon or with respect to any of the Trademark Collateral except as otherwise disclosed in Schedule A, or as otherwise permitted by the Loan Agreement, or (iii) take any other action in connection with any of the Trademark Collateral that would impair the value of the interests or rights of Debtor thereunder.

8. Secured Party Appointed Attorney-in-Fact. Debtor hereby irrevocably appoints Secured Party as Debtor's attorney-in-fact, with full authority in Debtor's place, stead and on behalf of Debtor and in Debtor's names or otherwise, from time to time in Secured Party's reasonable discretion, to take any action and to execute any instrument that Secured Party deems reasonably necessary to accomplish the purposes of this Agreement, including after the occurrence of an Event of Default: (i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Trademark Collateral, (ii) to receive, endorse, and collect

any drafts or other instruments, documents and chattel paper, in connection with clause (i) above, and (iii) to file any claims, take any action, or institute any proceedings that Secured Party may deem necessary for the collection of any of the Trademark Collateral or otherwise to enforce the rights of the Secured Party or the Lenders with respect to any of the Trademark Collateral.

9. Secured Party May Perform. If Debtor fails to perform any of the obligations contained herein, Secured Party may perform, or cause performance of, such obligations, and the expenses of Secured Party incurred in connection therewith will be payable by Debtor pursuant to the terms of this Agreement.

10. Secured Party's Duties. The powers conferred on Secured Party hereunder are solely to protect its interest in the Trademark Collateral and do not impose any duty upon Secured Party to exercise any such powers or to pay any royalties or related charges with respect to the Trademark Collateral. Except for the accounting for moneys actually received by it hereunder, Secured Party has no duty as to any Trademark Collateral, or as to the taking of any steps to preserve rights against other parties or any other rights pertaining to any Trademark Collateral.

11. Remedies. Upon the occurrence and during the continuation of any Event of Default, in addition to all other rights and remedies of Secured Party under the Loan Agreement, at law or in equity:

11.1. Secured Party may exercise in respect of the Trademark Collateral, in addition to other rights and remedies provided for herein or otherwise available to Secured Party or the Lenders, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Trademark Collateral) and also may: (i) as provided in Section 8 exercise any and all rights and remedies of Debtor under or otherwise in respect of the Trademark Collateral, (ii) require Debtor to, and Debtor hereby agrees that it will at its expense and upon request of Secured Party, assemble all or any part of the documents embodying the Trademark Collateral as directed by Secured Party and make them available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both Secured Party and Debtor, (iii) license, sell or otherwise dispose of the Trademark Collateral or any part thereof, in one or more lots, at public or private sale, at any of Secured Party's offices or elsewhere, for cash, credit or other consideration, and upon such other terms as are commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the good will of the business connected with and symbolized by any Trademark Collateral subject to such disposition will be included, and Debtor will supply to Secured Party or its designee Debtor's know-how and expertise relating to the provision of services associated with any Trademark Collateral subject to such disposition, and Debtor's customer lists and other records relating to such Trademark Collateral, and to the distribution of such services. To the extent notice to Debtor of the time and place of any public sale or the time after which any private sale is to be made is required to be reasonable, ten (10) Business Days constitutes reasonable notice. Secured Party will not be obligated to make any sale of any Trademark Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Secured Party may bid and become a purchaser at any such sale, if public, and upon any such sale Secured Party may collect, receive, and hold and apply, as provided herein, the proceeds thereof to the payment of the Secured Obligations, and assign and deliver some or all of the Trademark Collateral to the purchaser at any such sale. The proceeds from any such sale will be applied in accordance with the terms of the Loan Agreement.

11.2. All payments received by Debtor under or in connection with any of the Trademark Collateral will be received in trust for the benefit of the Lenders, will be segregated from other

funds of Debtor, and will be immediately paid over to Secured Party in the same form as so received (with any necessary endorsement).

12. Releases. In the event all of the Secured Obligations (including any Interest Hedge Obligations which make up a part of the Loan Obligations) have been fully and irrevocably paid, all of the Commitments have been canceled or terminated, all Letters of Credit have expired, and the Lenders have no other commitment to extend credit or make advances to or for the account of Borrower, and Secured Party has received a written request from Debtor in connection therewith to execute and deliver all applicable releases, deeds, assignments, and other instruments as may be necessary or proper to re-vest in Debtor full title to the Trademark Collateral (collectively, the "Releases"), Secured Party will, at Debtor's sole cost and expense (and Debtor will promptly reimburse Secured Party for any fees and expenses, including reasonable legal fees and expenses, incurred in connection with the preparation, review, filing or recording of any such Releases) execute and deliver such Releases to the Person and address designated by Debtor in its notice within a commercially reasonable time after Secured Party's receipt of such notice.

13. Survival of Provisions. All representations, warranties, and covenants of Debtor contained herein survive the execution and delivery of this Agreement, and terminate only upon the full and irrevocable payment of all of the Secured Obligations, cancellation or termination of all of the Commitments, expiration of all Letters of Credit, and when the Lenders have no other commitment to extend credit or make advances to or for the account of Borrower.

14. Miscellaneous.

14.1. Notices. All notices, consents, requests and demands to or upon the respective parties hereto must be in writing, and will be deemed to have been given or made when delivered in person to those Persons listed on the signature pages hereof or three days after deposited in the United States mail, postage prepaid, or, in the case of telegraphic notice, or the overnight courier services, one day after delivered to the telegraph company or overnight courier service, or in the case of telex or telecopy notice, when sent, verification received, in each case addressed as set forth on the signature pages hereof, or to such other address as either party may designate by notice to the other in accordance with the terms of this Section. No notice given to or demand made on Debtor by Secured Party or the Lenders in any instance entitles Debtor or Borrower to notice or demand in any other instance, unless otherwise expressly provided herein or in the other Loan Documents.

14.2. Amendments and Waivers. No amendment to, waiver of, or departure from full compliance with any provision of this Agreement, or consent to any departure by Debtor herefrom, will be effective unless it is in writing and signed by authorized officers of Debtor and Secured Party; provided, however, that any such waiver or consent will be effective only in the specific instance and for the purpose for which given. No failure by Secured Party or any Lender to exercise, and no delay by Secured Party or any Lender in exercising, any right, remedy, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise by Secured Party or such Lender of any right, remedy, power or privilege hereunder preclude any other exercise thereof, or the exercise of any other right, remedy, power or privilege.

14.3. Rights Cumulative. Each of the rights and remedies of Secured Party and the Lenders under this Agreement is in addition to all of their other rights and remedies under applicable Law and nothing in this Agreement may be construed as limiting any such rights or remedies.

14.4. Successors and Assigns. This Agreement binds Debtor and its successors and assigns and inures to the benefit of Secured Party and the Lenders, and each of their successors

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transferees, participants and assignees. Debtor may not delegate or transfer any of its obligations under this Agreement without the prior written consent of Secured Party. With respect to Debtor's successors and assigns, such successors and assigns include any receiver, trustee or debtor-in-possession of or for Debtor.

14.5. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction is, as to such jurisdiction, ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction unless the ineffectiveness of such provision would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

14.6. Governing Law; No Third Party Rights. This Agreement is to be governed by and construed and interpreted in accordance with the internal Laws of the State of Missouri applicable to contracts made and to be performed wholly within such state, without regard to choice or conflicts of law principles. This Agreement is solely for the benefit of the parties hereto and the Lenders and their respective successors and assigns, and no other Person has any right, benefit, priority or interest under, or because of the existence of, this Agreement.

14.7. Counterparts. This Agreement may be executed by the parties hereto on any number of separate counterparts, and all such counterparts taken together constitute one and the same instrument. It is not necessary in making proof of this Agreement to produce or account for more than one counterpart signed by the party to be charged.

14.8. Counterpart Facsimile Execution. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or telecopier is to be treated as an original document. The signature of any Person thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any party hereto, any facsimile or telecopy document is to be re-executed in original form by the Persons who executed the facsimile or telecopy document. No party hereto may raise the use of a facsimile machine or telecopier or the fact that any signature was transmitted through the use of a facsimile or telecopier machine as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Section.

14.9. Final Expression; No Course of Dealing. This Agreement, together with the Loan Agreement, the other Loan Documents and any other agreement executed in connection herewith or therewith, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance or course of dealing rendered or taken under or with respect to this Agreement, the Loan Agreement or the other Loan Documents will not be relevant to determine the meaning of this Agreement, the Loan Agreement or the other Loan Documents even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

14.10. Negotiated Transaction. Debtor and Secured Party each represent to the other that in the negotiation and drafting of this Agreement each has been represented by and has relied upon the advice of counsel of its choice. Each of Debtor and Secured Party affirm that its counsel has had a substantial role in the drafting and negotiation of this Agreement; therefore, this Agreement will be deemed drafted by each of Debtor and Secured Party, and the rule of construction to the effect that any ambiguities are to be resolved against the drafter will not be employed in the interpretation of this Agreement.

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14.11. Attorney's Fees and Other Costs. Debtor will reimburse Secured Party for all expenses incurred by Secured Party in seeking to collect or enforce the Secured Obligations and any other rights under this Agreement or any of the other Loan Documents or under any other instrument, document or agreement evidencing or executed in connection with any of the Secured Obligations, including reasonable attorneys' fees and actual attorneys' expenses (whether or not there is litigation), court costs and all costs in connection with any proceedings under the United States Bankruptcy Code.

14.12. Assignment By Secured Party. To the extent permitted in the Loan Agreement, Secured Party may grant a participation interest in or assign or transfer to another Person any instrument, document or agreement evidencing any of the Secured Obligations and Secured Party's rights under this Agreement, and may deliver all the property which is part of the Trademark Collateral and in its possession to the participant, assignee or transferee or to any Person acting as agent for Secured Party.

14.13. CHOICE OF FORUM. SUBJECT ONLY TO THE EXCEPTION IN THE NEXT SENTENCE, DEBTOR AND SECURED PARTY HEREBY AGREE TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURT OF THE EASTERN DISTRICT OF MISSOURI AND THE STATE COURTS OF MISSOURI LOCATED IN ST. LOUIS COUNTY OR THE CITY OF ST. LOUIS, MISSOURI, AND WAIVE ANY OBJECTION BASED ON VENUE OR FORUM NON CONVENIENS WITH RESPECT TO ANY ACTION INSTITUTED THEREIN, AND AGREE THAT ANY DISPUTE CONCERNING THE RELATIONSHIP BETWEEN DEBTOR, SECURED PARTY, OR ANY LENDER OR THE CONDUCT OF ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR OTHERWISE MAY BE HEARD ONLY IN THE COURTS DESCRIBED ABOVE. NOTWITHSTANDING THE FOREGOING: (I) SECURED PARTY HAS THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST DEBTOR OR ITS PROPERTY IN ANY COURTS OF ANY OTHER JURISDICTION SECURED PARTY DEEMS NECESSARY OR APPROPRIATE IN ORDER TO REALIZE ON THE TRADEMARK COLLATERAL OR OTHER SECURITY FOR THE SECURED OBLIGATIONS, AND (II) EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THE COURTS DESCRIBED IN THE IMMEDIATELY PRECEDING SENTENCE MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE THOSE JURISDICTIONS.

14.14. SERVICE OF PROCESS. DEBTOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO DEBTOR AT ITS ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF, AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED FIVE (5) DAYS AFTER THE SAME HAS SO DEPOSITED IN THE U.S. MAILS, CERTIFIED OR REGISTERED; OR AT SECURED PARTY'S OPTION, BY SERVICE UPON CT CORPORATION, WHICH DEBTOR IRREVOCABLY APPOINTS AS DEBTOR'S AGENT FOR THE PURPOSE OF ACCEPTING SERVICE OF PROCESS WITHIN THE STATE OF MISSOURI. SECURED PARTY WILL PROMPTLY FORWARD BY REGISTERED MAIL ANY PROCESS SO SERVED UPON SAID AGENT TO DEBTOR AT ITS ADDRESS ON THE SIGNATURE PAGE HEREOF. NOTHING IN THIS SECTION AFFECTS THE RIGHT OF SECURED PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

14.15. WAIVER OF JURY TRIAL. DEBTOR AND SECURED PARTY HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR EITHER OF THEM IN RESPECT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. DEBTOR AND SECURED PARTY AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION WILL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT EITHER MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

14.16. Reinstatement. This Agreement and any and all assignments and Security Interests created or evidenced hereby will continue to be effective or be reinstated, as the case may be, as though such payments had not been made, if at any time any amount received by Secured Party or any Lender in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by Secured Party or such Lender, including upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Debtor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, Debtor, any substantial part of its assets, or otherwise.

[remainder of page intentionally left blank]

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

McARTHUR TOWELS, INC.

By: _____
Print Name: Annette M. Eckerle
Title: Vice President

Debtor's Address:

c/o Magnet, LLC
7 Chamber Drive
P.O. Box 605
Washington, Missouri 83090-0650
Attention: Annette M. Eckerle
Fax: 636-390-5134
Confirming Telephone: 636-390-5153

BANK OF AMERICA, N.A., as Administrative Agent

By: _____
Print Name: Keith M. Schmelder
Title: Senior Vice President

Secured Party's Address:

800 Market Street
St. Louis, Missouri 63101
Mail Code M01-800-12-01
Attention: Steven A.Linton
Fax: 314-466-6744
Confirming Telephone: 314-466-6435

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STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)

On this 30th day of March, 2000, before me personally appeared Annette M. Eckerle, to me personally known, who, being by me duly sworn, did say that she is the Vice President of McArthur Towels, Inc., a Wisconsin corporation, and that said instrument was signed in behalf of said company, by authority of its board of directors; and said Annette M. Eckerle acknowledged said instrument to be the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand in the City and State aforesaid, the day and year first above written.

Terri L. Branson
Notary Public

My Commission expires:

Terri L. Branson
Notary Public - Notary Seal
State of Missouri
St. Charles County
My Commission Exp. 03/01/2001

STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)

On this 30th day of March, 2000 before me personally appeared Keith M. Schmelder, to me personally known, who, being by me duly sworn, did say that he is a Senior Vice President of Bank of America, N.A., a national banking association, and that said instrument was signed in behalf of said association by authority of its Board of Directors; and said Keith M. Schmelder acknowledged said instrument to be the free act and deed of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand in the City and State aforesaid, the day and year first above written.

Terri L. Branson
Notary Public

My Commission expires:

Terri L. Branson
Notary Public - Notary Seal
State of Missouri
St. Charles County
My Commission Exp. 03/01/2001

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SCHEDULE A

ISSUED TRADEMARK REGISTRATIONS

MARK	REG. NO.	ISSUE DATE	COUNTRY
SPOR-TEE GOLF BALLS	R1842421	---	USA

PENDING TRADEMARK REGISTRATIONS

MARK	SERIAL NO.	FILING DATE	COUNTRY
THUNDER TOWEL	75-604798	December 14, 1998	USA

RECORDED: 06/29/2000

TRADEMARK
REEL: 002107 FRAME: 0762