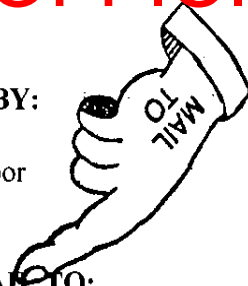


RECORDING REQUESTED BY:
Tokai Bank of California
300 South Grand Avenue, 5th Floor
Los Angeles, CA 90071



AND WHEN RECORDED MAIL TO:
Tokai Bank of California
300 South Grand Avenue, 5th Floor
Los Angeles, CA 90071

ATTN.: LOAN SERVICING DEPARTMENT
LOAN NO.

LANDLORD'S WAIVER

THIS LANDLORD WAIVER is made by Rose Real Estate Services, Inc. As agent for the Owner, ("Owner") whose address is 6240 W. Oakton Street, Morton Grove, IL in favor of TOKAI BANK OF CALIFORNIA, a California banking corporation (hereinafter referred to as "Lender") with an address at 300 South Grand, Los Angeles, California, and affects the real property described an Exhibit "A" hereto, commonly known as 6328 W. Oakton Street, Morton Grove, IL (hereinafter referred to as the "Real Property" or the "Premises") in connection with the Lender entering into an Amended and Restated Business Loan Agreement dated June 18, 1999 and other agreements related thereto (hereinafter collectively referred to as the "Agreements") with NATIONAL PREMIUM, INC., a California Corporation dba APOLLO EMBROIDERY CO. (hereinafter referred to as "Borrower"), which Agreements, among other things, were given by Borrower to Lender for the purpose of securing the repayment of all obligations and the performance of all duties now or hereafter owing by Borrower to Lender, of every kind and description (collectively the "Obligations"). This waiver does not amend any of the terms of the Agreements and references is made to the Agreements for further information as their terms.

Pursuant to the Agreements, Lender has loaned or may hereafter loan monies to Borrower secured by, among other collateral, Borrower's now-owned and hereafter acquired goods, merchandise, inventory, equipment, furniture, furnishings, trade fixtures, machinery and tools, together with all additions, substitutions, replacements, and improvements to the same (hereinafter referred to as "Good"), which Goods are or are to be located on and may be affixed to the Premises or improvements on the Real Property.

OWNER AGREES AS FOLLOWS:

1. **GOODS REMAIN PERSONAL PROPERTY.** The Goods shall at all times be and remain personal property, and the Goods shall not be deemed a fixture or part of the Real Property. Owner disclaims any interest in the Goods and will not assert any statutory or possessory lien against any of the Goods.
2. **NOTICE OF DEFAULT.** Owner will endeavor to send to Lender, at its address above, a copy of any written notice Owner sends to Borrower, at the time as it sends such notice to Borrower, of a default by Borrower in the lease obligations of Borrower to Owner, and Owner will allow Lender, at Lenders option, Ten (10) days for monetary default of otherwise thirty (30) days from Lender's receipt of such notice in which to cure or request that Borrower cure such default or take possession of the Premises in accordance with Paragraph 3 below.

3. **LICENSE TO LENDER.** Owner grants Lender a license, as set forth below, to enter into possession of the Premises to do any or all of the following with respect to the Goods: assemble them, have them appraised, display them, ~~sever~~ remove them, maintain them, prepare them for sale or lease, repair them, lease them, and transfer and/or sell them at one or more public auctions or private sale. Lender shall have the foregoing rights for a period of up to sixty (60) days (at Lender's discretion), following Lender obtaining possession of the Premises either by Borrower or Owner placing Lender in possession of the Premises or abandonment of the Premises by Borrower to Lender or otherwise, but in no event shall Lender be under any obligation to take possession of the Premises. Any extensions of the foregoing period shall be with written consent of Owner. Lender shall repair, at its cost, any and all damage to the Premises caused by the removal of the Goods by Lender. Owner further grants Lender a license to enter the Premises at any time to inspect the Goods. The rights granted to the Lender in this paragraph are subject to the terms of the Agreement.

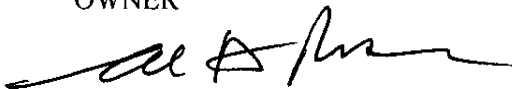
4. **RENT PAYABLE BY LENDER.** If the rent payable (being basic rent and any monetary sums due) from the Borrower to the Owner has not been paid for any prior period or a period during which Lender is in actual physical possession of the Premises pursuant to Paragraph 3 above, then Owner may condition Lender's right to take or keep possession of the Premises upon Lender agreeing, in writing to pay such rent which was payable by Borrower (prorated on a daily bases) for any prior period and the actual number of days Lender is in physical possession of the Premises, up to 60 days (or such longer period as may be agreed to in writing between Owner and Lender). Lender's obligation shall apply to rent under the lease agreement between Borrower and Owner for the period during which Lender is in actual possession of the Premises. Lender shall have no obligation to remedy any non-monetary defaults of Borrower. No agreement by Lender to pay such rent shall be binding on Lender unless set forth in a written agreement signed by Lender. If Lender fails to pay the rent and other sums due Owner pursuant to this Paragraph 4 then Lender's rights hereunder shall immediately cease. Notwithstanding anything herein to the contrary Lender shall not be required to pay any more than 30 days base rent due Owner if Lender removes the Goods within 30 days of written notice by Owner to Lender of a monetary default by Borrower in the Lease obligations of Borrower to Owner and Owners's intent to terminate the Lease or written notice to Lender that the lease has been terminated whichever occurs first.

5. As used in section 2, 3 and 4 above the term "Borrower" means Embroidery USA, LLC.

GENERAL. This Waiver and Consent shall continue until such time as all of the Obligations have been paid and performed in full. This Waiver and Consent shall be governed and controlled by, and interpreted under, the laws of the State of California and shall inure to the benefit of, and be binding upon, the successors, heirs and assigns of Owner and Lender.

Dated: June 18, 1999

"OWNER"

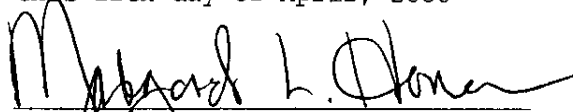


Leonard A. Rose

Print Name:

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

Subscribed and sworn to before me this 11th day of April, 2000



Notary Public

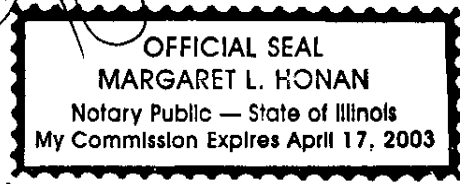


EXHIBIT A

LEGAL DESCRIPTION

LOT 1 IN HARPER'S SUBDIVISION OF THE SOUTH 368.0 FEET OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF THE WESTERLY LINE OF LEHIGH AVENUE (EXCEPTING THE WEST 317.20 FEET THEREOF AND EXCEPTING THE SOUTH 50.0 FEET THEREOF TAKEN FOR OAKTON STREET), IN COOK COUNTY, ILLINOIS.

Common Address: 6300-6380 Oakton Street
Morton Grove, Illinois

6300 - 6380 Oakton St.
Morton Grove, IL

Tax Parcel No.: 10-20-300-018

Property of Cook County Clerk's Office

WHEN RECORDED RETURN TO:

Tokai Bank of California
300 South Grand Ave., 5th Floor
Los Angeles, CA 90071

Attn: Loan Servicing Dept.

THE AREA ABOVE IS RESERVED FOR RECORDERS USE

LANDLORD WAIVER

Property of Cook County Clerk's Office

**The Chattel Mortgage
Reporter, Inc.
300 W. Washington St. #808
Chicago, IL 60606**