

07-12-1999



101088766

COVER SHEET
ONLY

7/8/99

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office
the attached original documents or copy thereof.

To the Honorable Commission

1. Name of conveying party(ies)

The Singer Company Limited

Additional name(s) of conveying party(ies) attached?
Yes _____ No x

Individual(s) _____ Association _____
General Partnership _____ Limited Partnership _____
Corporation - State _____ Other _____

Additional name(s) of conveying party(ies) attached?
Yes _____ No x

3. Nature of conveyance:

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

Execution Date: October 30, 1998

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

Name: The Bank of Nova Scotia

Internal Address: _____

Street Address: One Financial Place, 1 Adelaide Street East, 9th Floor.

City: Toronto State: Ontario

ZIP: MSC 2W8

Country: Canada

Individual(s) citizenship
Association _____
General Partnership _____
X Corporation _____
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 names/addresses attached? Yes _____ No _____

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

424,852	049,601	64,950	2,003,972
577,125	049,602	118,710	049,599
583,337	050,195	146,608	2,036,521
193,717	1,872,283	155,081	
786,974	382,638	187,226	
054,023	53,987	049,600	

Additional numbers attached? Yes _____ No x

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

Name: H. Roger Hart

Internal Address: c/o Bereskin & Parr

Street Address: Box 401, 40 King Street West

City: Toronto State: Ontario ZIP: M5H 3Y2

Country: Canada

6. Total number of applications and registrations involved:.....21

7. Total fee (37 CFR 3.41).....\$540.00

x Enclosed
x Authorized to be charged to deposit account (if cheque is missing or insufficient)

8. Deposit account number:

02-2095

(No need to attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.

H. Roger Hart, Regn. 26,426
Name of Person Signing

July 7, 1999
Date

Total number of pages (including cover sheet): 23

Do not detach this portion

07/09/1999 MTHA11 00000150 424852

Documents to be recorded with 40,000 cover sheet information to:
500.00 OP

02 FC:482

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Canada
Province of Ontario

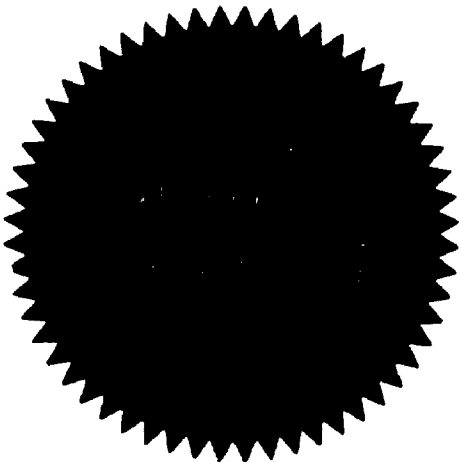
To all whom these Presents may
come, be seen or known

To Wit:

I, **Mario Gabriel John Forte**, a Notary Public, in the Province of Ontario, by Royal Authority duly appointed, residing at the City of Toronto, in said Province,

Do Certify and Attest, that the paper-writing hereto annexed is a true copy of a document purporting to be a Trade-Mark Security Agreement between The Singer Company Limited and The Bank of Nova Scotia made as of the 30th day of October, 1998, the said copy having been compared by me with the said original document, an act whereof being requested I have granted under my Notarial Form and Seal of Office to serve and avail as occasion shall or may require.

In Testimony Whereof I have hereto subscribed my name and affixed my Notarial Seal of Office at the City of Toronto, this 27th day of May, 1999.



A Notary Public in and for the Province of Ontario

**TRADEMARK
SECURITY AGREEMENT
(Canada)**

THIS AGREEMENT is made as of the 30th day of October, 1998.

B E T W E E N:

THE SINGER COMPANY LIMITED, a corporation
incorporated under the laws of the Isle of Man

("SCL")

- and -

IN FAVOUR OF:

THE BANK OF NOVA SCOTIA, a Canadian Chartered Bank

("the Bank")

RECITALS:

- A. SCL is the owner of Singer trademarks and is the licensor under license agreements affecting the Singer trademark and intellectual property.
- B. In partial consideration of the Bank agreeing to provide financing to the Borrowers, pursuant to a Credit Agreement entered into by the Borrowers, certain guarantors and the Bank dated as of October 30, 1998, and such other credit as the Bank may from time to time extend to the Borrowers, SCL has agreed to grant the Bank a security interest in all of their trademark assets as more particularly identified in this Agreement.

For good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), SCL covenants, acknowledges, represents, and warrants as follows:

**ARTICLE 1.
INTERPRETATION**

1.1. Definitions

Words and phrases with initial capitals used in this Security Agreement have the following meanings:

"**Agreement**" means this security agreement and all schedules attached hereto. All uses of the words "hereto", "herein", "hereof", "hereby" and "hereunder" and similar expressions refer to this Security Agreement and not to any particular section or portion of it. References to an

"Article", "Section", "Subsection" or "Schedule" refer to the applicable article, section, subsection or schedule of this Agreement;

"Applicable Law" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable official directives, orders, judgments and decrees of governmental bodies;

"Banking Day" means a day on which for all purposes banks are generally open for business in Toronto, Canada and New York, New York;

"Borrowers" means The Singer Company N.V. and SCL, their successors and permitted assigns;

"Collateral" means collectively all of the property and assets of SCL and Singer subject or intended to be subject to the Security Interests, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;

"Credit Agreement" has the meaning attributed to such term in recital B hereof;

"Event of Default" has the meaning attributed to such term in section 9.1 of the Credit Agreement;

"including" means "including without limitation" and the term "including" shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it and "include" and "includes" shall be construed in like manner;

"IP Obligations" means the obligations of SCL arising under this Agreement, but does not include the Obligations;

"License Agreements" means those trademark license agreements entered into by SCL from time to time;

"Lien" means any mortgage, lien, pledge, assignment, charge, security interest, lease intended as security, title retention agreement, rights reserved in any governmental body, registered lease or sublease of real property, hypothec, levy, execution, seizure, attachment, garnishment or other similar encumbrance and includes any contractual restriction which, if contravened, may give rise to an encumbrance;

"Obligations" means all liability, indebtedness and obligations, present or future, direct or indirect, absolute or contingent, material or not of the Borrowers, or any of them from time to time owing to or incurred in respect of the Credit Agreement or any other agreement or dealings with any Person by which the Bank may become a creditor of the Borrowers or any of them;

"Person" includes an individual, corporation, body corporate, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other entity recognized by foreign or domestic law;

"PPSA" means the Personal Property Security Act of the Province of Ontario;

"Proceeds" means all fixtures, accounts, chattel paper, documents of title, instruments, money, securities, proceeds and personal property in any form derived directly or indirectly from any dealing with any other item or part of the Collateral or that indemnifies or compensates for such property stolen, lost, destroyed or damaged, or results from any judgment or settlement obtained in connection with a claim relating to any other item or part of the Collateral or that indemnifies or compensates for such property stolen, lost, destroyed or damaged, or results from any judgment or settlement obtained in connection with a claim relating to any other item or part of the Collateral, and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and any item or part thereof;

"Receiver" has the meaning attributed to such term in section 1.1 of the Credit Agreement;

"Security Interests" has the meaning attributed to such term in section 2.1.

"Trademarks" means those trademarks which are identified on Schedule A.

All other capitalized words and phrases have the meanings attributed to such terms in the Credit Agreement.

1.2. Statutes

A reference in this Agreement to a statute refers to that statute as it may be amended, and to any restated or successor legislation of comparable effect.

1.3. Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4. Number and Gender

In this Agreement, words (including defined terms) in the singular include the plural and vice-versa and words in one gender include all genders.

1.5. Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in U.S. dollars.

1.6. Schedules

The following schedules are attached hereto and incorporated herein and form part hereof:

- Schedule A - Trademarks
- Schedule B - Power of Attorney

**ARTICLE 2.
GRANT OF SECURITY INTERESTS**

2.1. Creation of Security Interests

As general and continuing collateral security, for the due payment and performance of all IP Obligations and Obligations, SCL hereby grants to the Bank to the full extent of its interest therein, a first security interest in and to:

- 2.1.1. each of the Trademarks, including all goodwill of the business of SCL symbolized by each of the Trademarks and all rights of SCL as the registered owner of the Trademarks, including all rights to receive royalty, license or other payments due to SCL from any registered user or other user of any of the Trademarks;
- 2.1.2. the customer lists and other records of SCL relating to the distribution of products bearing any of the Trademarks;
- 2.1.3. any present or future claim by, or right of action of, SCL against any person with respect to the infringement of any of the Trademarks;
- 2.1.4. all present or future Proceeds of any of the foregoing;

and SCL hereby assigns and grants to the Bank to the full extent of SCL's interest therein a first security interest in and to:

- 2.1.5. each of the License Agreements, including all rights to receive royalty, license or other payments due to SCL from any licensed user pursuant to such License Agreements;
- 2.1.6. any present or future claim by, or right of action of, SCL against any person with respect to the infringement of any of the Trademarks or License Agreements;
- 2.1.7. all present or future Proceeds of any of the foregoing.

(together the "Security Interests" and individually a "Security Interest")

2.2. Attachment

SCL acknowledges that value has been given. The parties have not agreed to postpone the time for attachment and the Security Interests are intended to attach, as to all of the Collateral in which SCL has an interest, forthwith when SCL executes this Agreement, and, as to all Collateral in which SCL acquires an interest after the execution of this Agreement, when SCL acquires such interest.

2.3. This Agreement shall remain in full force and effect as a continuing security for the benefit of the Bank notwithstanding any settlement of account or any other act or matter whatever until the execution by the Bank of an absolute and unconditional release of the

obligations of SCL under this Agreement or the execution by the Bank of a receipt in respect of the final repayment of all and not part only of the IP Obligations and the Obligations.

2.4. Subject to the final repayment to the Bank of the IP Obligations and the Obligations the Bank shall, at the request and cost of SCL, discharge this security and reassign and license back to SCL all of the Collateral subject to the Security Interests pursuant to this Agreement and otherwise retransfer the Collateral.

ARTICLE 3. OBLIGATIONS SECURED

3.1. Obligations Secured

The Security Interests granted hereby secure payment, performance and satisfaction of the IP Obligations, the Obligations, and any ultimate unpaid balance thereof.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES

4.1. Representations and Warranties

SCL represents and warrants in favour of the Bank that:

4.1.1. it is a duly incorporated, organized and subsisting corporation, and has all requisite powers, capacities, licenses and permissions under its governing legislation and the other laws applicable to it, and under its memorandum and articles of association to:

- (i) own the Collateral which it has represented as belonging to it in any financial statement or representation made by it to the Bank
- (ii) carry on all businesses in which it is or contemplates to be engaged;
- (iii) enter into, exercise its rights and perform and comply with its obligations under this Agreement and the Credit Agreement,

and all actions, conditions and things have been done, taken or fulfilled with respect thereto, that are required by law, contract or otherwise;

4.1.2. it is not a party to any agreement under the terms of which it is prohibited or restricted from entering into any of the IP Obligations or the Obligations;

4.1.3. no Lien exists on or over any of its Collateral, except as permitted by the Credit Agreement or previously disclosed in writing to the Bank.

4.1.4. there are no

- (i) outstanding judgments, injunctions, or administrative or regulatory directives, writs of execution, or
- (ii) licenses, deed restrictions, assignments or other agreements,

against it or its Collateral that might reasonably be seen to have a materially adverse impact upon the condition or value of the Security Interests or affecting the use of the Collateral, except as previously disclosed to the Bank in writing.

4.2. SCL further represents in favour of the Bank that:

4.2.1. SCL has sole, full and clear title to the Trademarks in Canada and the United States of America, the United Kingdom, the Isle of Man, the Netherlands, and in all jurisdictions represented by SCL to the Bank, free of all Liens save those of which the Bank has been previously advised and to which the Bank has consented in writing prior to the execution and delivery of this Agreement.

4.2.2. all registrations and recordings of the Trademarks are valid and subsisting and in full force and effect as of the date of this Agreement.

4.2.3. none of the Trademarks has lapsed, been abandoned or dedicated to the public;

4.2.4. SCL shall, at its own expense, do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things in order to register those Trademarks for which there are applications pending;

4.2.5. as of the date of this Agreement, neither SCL nor any of its affiliates has any trademark other than (i) Trademarks, and (ii) those trademarks identified in Schedule "A" of the security agreement between The Singer Company N.V. and the Bank dated as of October 30, 1998 registered or recorded in or subject to pending applications for registration or recording in Canada, the United States of America or elsewhere;

4.3. **Survival of Representations and Warranties**

SCL covenants that the representations and warranties made by it in this Agreement, shall be true and correct on each day that the representations and warranties of the Borrowers are repeated or deemed to be repeated under the Credit Agreement, with the same effect as if such representations and warranties had been made and given on and as of such day, notwithstanding any investigation made at any time by or on behalf of the Bank or its counsel and notwithstanding any foreclosure or enforcement pursuant to this Agreement; except that if any such representation and warranty is specifically given as of the date hereof or in respect of a particular date or particular period of time and relates only to such date or period of time, then such representation and warranty shall continue to be given as at such date or for such period of time.

**ARTICLE 5.
COVENANTS OF SCL**

5.1. SCL covenants and agrees with the Bank that as long as this Agreement is outstanding, it shall:

5.1.1. perform each of the IP Obligations and the Obligations when due;

5.1.2. do all things and execute all documents (including all assignments, affidavits and other instruments in a form suitable for filing with the patent office and trademark offices in Canada, the United States of America, the United Kingdom and all jurisdictions in which the Trademarks are registered and recorded) as may be reasonably requested by the Bank from time to time and at any time, in order to perfect or record the Bank's interest in any part of the Collateral;

5.1.3. pay all amounts secured by, and observe and perform all covenants and conditions contained in, all other Liens on the Collateral in accordance with their terms whether those other Liens rank prior to or subsequent to the Security Interests;

5.1.4. observe all laws and conform to all valid requirements of any governmental authority with respect to the Collateral and all covenants, terms and contracts upon or under which the Collateral are held;

5.1.5. defend the Collateral against the claims and demands of all other parties claiming to have an interest therein, and against every charge, lien, encumbrance, execution, sequestration, extent or analogous process;

5.1.6. not create any Lien upon the Collateral or any part of the Collateral ranking or purporting to rank in priority to or equally with any Security Interest, unless permitted by the Credit Agreement or the Bank consents to the creation of that other Lien in writing;

5.1.7. not amend, assign, sell, terminate or otherwise dispose of any of the Collateral, except in the ordinary course of business or with the prior written consent of the Bank;

5.1.8. at any time that an Event of Default is continuing, deliver up quiet possession of the Collateral, free from Liens, to the Bank upon demand; and

5.1.9. notify the Bank promptly of the details of any claims or litigation affecting it or the Collateral.

5.2. SCL further covenants and agrees with the Bank that it shall:

5.2.1. do all things and execute all documents that may be necessary or expedient that the Bank may reasonably require in order to maintain or cause the registration or recording of the Trademarks;

5.2.2. take all necessary steps and initiate all necessary proceedings promptly and without prior demand by the Bank or continue or defend the registration or recording of each of the Trademarks from infringement by another person or to prevent any licensed or other permitted user from doing anything that may invalidate or otherwise impair the Trademark;

5.2.3. continue to use each of the Trademarks on its current line of products as reflected in its current catalogs, brochures and price lists in order to maintain the Trademarks in full force and free from any claim of abandonment for non-use, unless the Bank consents to the discontinuation of the use of that Trademark in writing.

5.3. SCL further covenants and agrees with the Bank that it shall:

5.3.1. do all things necessary to maintain the Licence Agreements in good standing and in full force and effect.

ARTICLE 6. EVENTS OF DEFAULT

6.1. Subject to subsection 6.2, all principal, interest and other amounts that are secured by this Agreement shall become immediately payable upon demand at any time that an Event of Default is continuing and the Security Interests shall become enforceable upon such demand.

6.2. Where there is a default by SCL under this Agreement, the Bank may waive that default by written notice (and only by written notice) to that effect, whether given before or after the default, and where the Bank so waives the default, the position of the parties and the status of the Collateral, shall be as if the default had not occurred. A waiver to a default shall not extend to, or be taken in any manner whatsoever to affect the rights of the Bank with respect to any other existing or subsequent default.

ARTICLE 7. REMEDIES ON DEFAULT

7.1. **Default**

Where an Event of Default occurs, the Bank may do any one or combination of the following:

7.1.1. seize any technical or other manuals or records of, or in the possession of, SCL that pertain directly or indirectly to the use and application of the Collateral, including records of any technical or trade secrets knowledge of which is necessary to the use of or enhances the utility of the Collateral

7.1.2. sell or otherwise dispose of the Collateral;

7.1.3. without limiting clause 7.1.2, grant a general, special or other license on an exclusive or non-exclusive basis to any person throughout the world or any part of it and on such terms and on such conditions as the Bank may consider appropriate;

7.1.4. enforce against any licensee or other person all rights and remedies of SCL with respect to the Collateral, and take or refrain from taking any action that SCL might take with respect to any of those rights and remedies, and for this purpose the Bank shall have the exclusive right to enforce or refrain from enforcing those rights and remedies, and may in the name of SCL and at the expense of SCL retain and instruct counsel and initiate any court or other proceeding that the Bank considers necessary or expedient;

7.1.5. take any step necessary to preserve, maintain or insure the Collateral or to realize any of it, put it in saleable condition, and any amount paid as a result of taking any such steps shall be a cost the payment of which is secured by the Security Interests under this Agreement;

7.1.6. collect and receive all royalties, rents, incomes and profits of any kind whatsoever payable to SCL, arising from the Collateral and in connection therewith the Bank may give to any person any notice of the existence of the Security Interests and the default of SCL that it may consider to be necessary or expedient for that purpose;

7.1.7. pay all taxes, liens, encumbrances and other charges ranking in priority to any Security Interest and any amount so paid shall be a cost secured by the Security Interests under this Agreement;

7.1.8. generally, take or invoke any or all remedies and rights to which the Bank is entitled under the PPSA, or similar legislation from time to time governing the enforcement of the Security Interests over the Collateral;

7.1.9. by instrument in writing appoint any Person or Persons, whether an officer or officers or an employee or employees of the Bank or not to be a Receiver of any debt or right of payment comprising the Collateral, and remove any Receiver so appointed and appoint another in his place, and subject to the provisions of the instrument appointing a Receiver, any Receiver so appointed shall have the same powers of the Bank herein, including without limitation, the power to take possession of the Collateral and to sell or concur in selling the Collateral on behalf of SCL.

7.2. Where SCL is in default and the Bank does not waive that default, all rights of SCL to continue its use of the Trademarks shall terminate (except as may be necessary to give effect to the rights of the Bank under this Agreement, in which case those rights shall be deemed to be held in trust by SCL for the Bank, and SCL shall comply with all directions given by the Bank with respect thereto), and SCL shall immediately discontinue its use of the Trademarks.

7.3. Any Receiver appointed under this Agreement shall so far as concerns responsibility for his acts, be deemed the agent of SCL and the Bank shall not be in any way responsible for any misconduct for or negligence on the part of any such Receiver.

7.4. The Bank may require any Receiver to give security for the performance of his duties, but the Bank shall not be bound to require such security.

7.5. Except as may be otherwise directed by the Bank all moneys from time to time received by a Receiver shall be held in trust for and paid over to the Bank.

7.6. Except as expressly agreed between the Bank and SCL, the rights and powers conferred by this Agreement are in supplement to, and not in substitution for, any rights or powers the Bank may from time to time have by law or under any other agreement.

7.7. The costs incurred in appointing a Receiver and the reasonable fees and expenses of the Receiver (including reasonable legal fees and disbursements on a solicitor and client basis) shall be payable by SCL as incurred.

7.8. Where the Bank realizes the Collateral, SCL shall provide without charge its know-how and expertise relating to the use and application of the Collateral, and in particular shall instruct the Bank, and any purchaser of the Collateral designated by the Bank, concerning any related trade secrets of SCL.

7.9. SCL shall pay to the Bank forthwith upon demand all costs, charges and expenses (including legal fees and disbursements on a solicitor and client basis) of or incurred by the Bank in connection with preparation or execution of this Agreement or the perfecting or recording its security against any part of the Collateral, or any cost incurred by it in respect of the recovery of funds or enforcement of any of the IP Obligations or Obligations as the case may be, including all costs, charges and expenses in connection with taking possession, protecting, preserving, collecting and realizing upon any part of the Collateral, together with interest thereon at the date set out in the Credit Agreement from the date of incurring such costs, charges and expenses to the date of payment.

ARTICLE 8. GENERAL

8.1. Effect of Taking Remedies

Neither the taking of judgment nor the exercise of a power of seizure or sale shall,

- (a) extinguish the liability of the Borrowers to pay any money or perform the Obligations or IP Obligations;

- (b) operate as a merger of any covenant or other obligation contained in this Agreement or under any loan or other credit facility agreement to which it relates; or
- (c) affect the right of the Bank to interest at the rate agreed between the parties or under the Credit Agreement, any loan or other credit facility agreement to which it relates,

nor shall the acceptance of any payment or other security constitute or create any novation.

8.2. Allocation and Distribution of Proceeds of Realization

8.2.1. The Proceeds from any Realization relating to the Collateral shall be allocated, applied and distributed as the Bank may in its sole discretion determine.

8.3. Further Assurances

8.3.1. SCL shall execute and deliver at its own expense, all such instruments and documents, and do all such acts and things as the Bank may from time to time reasonably consider necessary or advisable for the purpose of carrying out the intent and provisions of this Agreement,

8.4. Power of Attorney

8.4.1. For the purposes of subsection 8.3.1, SCL hereby constitutes the Bank as its attorney, with full power of substitution and delegation, to execute, deliver and register or apply for registration of any document or instrument that the Bank may from time to time consider to be reasonably necessary or expedient in connection with, the perfection or recording of the Security Interests or if an Event of Default has occurred and is continuing the enforcement of the Security Interests, including if an Event of Default has occurred and is continuing any instrument or agreement assigning the Trademarks and all applications for the registration of those assignments in a form suitable for filing, recording or registering in Canada, the United States of America, the United Kingdom or any jurisdiction.

8.4.2. on the Closing Date, for the purpose of giving effect to this section, SCL shall execute and deliver 20 copies of the Power of Attorney set out in Schedule "B".

8.4.3. each power of attorney created or provided for in this section shall be deemed to be a power coupled with an interest in the subject matter of the power.

8.5. Set-Off

The Bank may at any time and from time to time, without notice to SCL or to any other Person, set-off, appropriate and apply any and all deposits, general or special, matured or unmatured, held by or for the benefit of SCL with the Bank, and any other indebtedness and liability of the Bank to SCL, matured or unmatured, against and on account of the IP Obligations,

or the Obligations when due, in such order of application as the Bank may from time to time determine.

8.6. Dealings with Others

The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with SCL, debtors of SCL, sureties and other Persons and with Collateral and other security as the Bank sees fit, without prejudice to the liability of SCL to the Bank or the rights, powers and remedies of the Bank under this Agreement.

8.7. No Obligation to Advance

Subject to the Credit Agreement, nothing herein contained shall in any way obligate the Bank to advance any funds, or otherwise make or continue to make any credit available, to SCL.

8.8. Perfection of Security

SCL authorizes the Bank to file such financing statements and other documents and do such acts, matters and things as the Bank may consider appropriate to perfect and continue the Security Interests, to protect and preserve the interest of the Bank in Collateral and, so long as an Event of Default is continuing, to realize the Security Interests in any jurisdiction the Bank deems it necessary to do so. The failure of the Bank to register or perfect the Security Interest in any jurisdiction or to exercise any of its rights or remedies against any Person, whether occasioned by the fault of the Bank, or otherwise, shall in no way lessen or limit the ability of the Bank to deal with the Collateral in the manner provided herein.

8.9. Notice

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by telecopier or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice, if mailed by prepaid first-class mail at any time other than during or within three Banking Days prior to a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth Banking Day after the post-marked date thereof, or if sent by telecopier or other means of electronic communication, shall be deemed to have been received on the Banking Day of sending provided the notice or other communication is sent by 4:00 p.m. (Toronto time), otherwise it shall be deemed to have been received on the following Banking Day, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to a senior employee of the addressee at such address (and, in the case of the Bank, at the same department within the Bank) with responsibility for matters to which the information relates. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with this section. Notices and other communications shall be addressed as set out below and notices or

communications relating to any Default or Event of Default shall be marked "Private and Confidential":

(a) if to SCL:

c/o Singer Legal Department
Suite 213
7300 Warden Road
Markham, Ontario L3R 5V7

Attn: Mr. B. Muhammed-Ally
Fax: (905) 475-1975

(b) if to the Bank:

The Bank of Nova Scotia
One Financial Place
1 Adelaide Street East
9th Floor
Toronto, Ontario
M5C 2W8

Attn: Mr. Jameel Sethi, Vice President
Fax: (416) 933-1357

Notwithstanding the foregoing, if the PPSA or other Applicable Law requires that a notice or other communication be given in a specified manner, then any such notice or communication shall be given in such manner.

8.10. Assignment

- (a) The rights of SCL under this Agreement are personal to SCL, and neither the benefits nor the obligations of SCL under this Agreement may be assigned.
- (b) All rights of the Banks under this Agreement shall inure to the benefit of its successors or assigns and all obligations of the Bank shall bind the Bank's successors and assigns.

8.11. Governing Law

This agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable thereto.

8.12. Time of the Essence

Time shall be of the essence in the performance of all obligations by all parties to this Agreement.

8.13. Copy Received

SCL hereby acknowledges receipt of a copy of this Agreement.


IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Executed as a deed by **THE SINGER COMPANY LIMITED** acting by:



Name: ANTONIO COSTA

Title: Director

By: 

Name: JAMES DAVIDSON

Title: Director/Secretary

THE BANK OF NOVA SCOTIA

By: 

Name: Gerald Cowles

Title: Assistant General Manager

SCHEDULE A

THE SINGER COMPANY LIMITED TRADEMARKS

B
02/0dr.

1. "S" W/WOMAN AT M/C & LEGEND IN ENG., FR. & ARBIC
2. "S" WITH WOMAN AT MACHINE (OLD STYLE)
3. "SINGER SEWING MACHINE COMPANY" IN TURKISH
4. "SINGER SEWING MACHINES" IN TURKISH
5. "SINGER" IN ARABIC & ENGLISH
6. "SINGER" IN TURKISH
7. ABYSSINIAN RED "S" W/WOMAN AT M/C & INSCRIPTION
8. CALIDAD... SINGER... AL SERVICIO DE LA FAMILIA
9. CENTURION SINGER & DESIGN
10. COMPANIA SINGER DE MAQUINAS DE COSER
11. HATCHED "S" W/WOMAN AT M/C IN ENG, FR & AR.
12. HATCHED "S" WITH WOMAN AT MACHINE
13. HATCHED "S" WITH WOMAN AT MACHINE & LEGEND
14. HATCHED "S" WITH WOMAN AT MACHINE & MOTORS LEGEND
15. HATCHED RED "S" WITH LEGEND
16. HATCHED RED "S" WITH WOMAN AT MACHINE
17. HIELITOS EN SEPTIEMBRE SINGER
18. IMPRESSIONS THE FINISHING TOUCH LOGO
19. KING SINGER
20. LO NEUVO DEL MANANA LO TIENE SINGER HOY!
21. MINI SINGER
22. OIL CONTAINER (INCL "SINGER" & COMPOSITE "S")
23. OLEO SINGER & DESIGN
24. OUTLINE "S" & DESIGN
25. OUTLINE "S" & LEGEND IN CIRCLE
26. OUTLINE "S" W/WOMAN AT M/C & LEGEND (EMB)
27. OUTLINE "S" W/WOMAN AT MACHINE & LEGEND
28. OUTLINE "S" W/WOMAN AT MACHINE & LEGEND IN CIRCLE
29. OUTLINE "S" WITH LEGEND
30. OUTLINE "S" WITH WOMAN AT MACHINE
31. OUTLINE "S" WITH WOMAN AT MACHINE & GREEK LEGEND
32. OUTLINE "S" WITH WOMAN AT MACHINE & ITALIAN LEGEND
33. OUTLINE "S" WITH WOMAN AT MACHINE & LEGEND
34. OUTLINE "S" WITH WOMAN AT MACHINE & SP.LEG.MV
35. OUTLINE "S" WITH WOMAN AT MACHINE & SPANISH LEGEND
36. OUTLINE "S" WITH WOMAN AT MACHINE & TURKISH LEGEND
37. OUTLINE "S" WITH WOMAN AT MACHINE & PORT. LEGEND
38. OUTLINE RED "S" WITH WOMAN AT MACHINE & LEGEND
39. OVAL DEVICE
40. PEAR ARM ORNAMENTATION WITH SINGER
41. POWER SWEEPER
42. RED & GREEN NEEDLE ENVELOPE
43. RED & GREEN OIL LABEL
44. RED & GREEN OIL LABEL (DOUBLE PANEL)
45. RED & GREEN OIL LABEL WITH LEGEND
46. RED "S" W/WOMAN AT M/C & LEG (ROUND THREAD LABEL)
47. RED "S" WITH LEGEND

48. RED "S" WITH WOMAN AT MACHINE
49. RED "S" WITH WOMAN AT MACHINE & CHINESE LEGEND
50. RED "S" WITH WOMAN AT MACHINE & FRENCH LEGEND
51. RED "S" WITH WOMAN AT MACHINE & LEGEND
52. RED "S" WITH WOMAN AT MACHINE & LEGEND ON GLOBE
53. RED "S" WITH WOMAN AT MACHINE & MOTORS LEGEND
54. RED "S" WITH WOMAN AT MACHINE & SPANISH LEGEND
55. RED "S" WITH WOMAN AT MACHINE & TURKISH LEGEND
56. RED "S" WITH WOMAN AT MACHINE IN CIRCLE
57. SING AH (CHINESE CHARACTERS)
58. SINGER
59. SINGER & ARABIC EQUIVALENT
60. SINGER & CHINESE EQUIVALENT
61. SINGER & CHINESE PHONETIC EQUIVALENT
62. SINGER (IN CYRILLIC LETTERS)
63. SINGER (IN ENGLISH & JAPANESE)
64. SINGER AND SINGER in Chinese
65. SINGER AUTO DEFROST
66. SINGER CE QU'IL Y A DE MIEUX!
67. SINGER CHILENA S.A.
68. SINGER ECO-POT
69. SINGER ELECTRONICS
70. SINGER HANDY CHEST
71. SINGER HANDY STITCH
72. SINGER IMPRESSIONS & LOGO
73. SINGER IMPRESSIONS THE FINISHING TOUCH LOGO
74. SINGER IN BENGALI
75. SINGER IN BULGARIAN
76. SINGER IN BURMESE
77. SINGER IN CANARESE
78. SINGER IN CHINESE
79. SINGER IN CHINESE CHARACTERS
80. SINGER IN DECORATIVE STRIP
81. SINGER IN DECORATIVE STRIP (ALUMINUM)
82. SINGER IN DECORATIVE STRIP (PEARL)
83. SINGER IN DECORATIVE STRIP (SPHINX)
84. SINGER IN GOLD
85. SINGER IN GUJARATI
86. SINGER IN HINDI
87. SINGER IN KATAKANA
88. SINGER IN KOREAN
89. SINGER IN OLD CHINESE CHARACTERS
90. SINGER IN SERBIAN
91. SINGER IN SIMPLIFIED CHINESE
92. SINGER IN SINGHALESE
93. SINGER IN TELEGU
94. SINGER IN THAI
95. SINGER IN URDU
96. SINGER MAGIC PRESS
97. SINGER MANUFACTURING CO.
98. SINGER MEXICANA, S.A. DE C.V.

99. SINGER MINI MENDER
100. SINGER MIRROR MARK
101. SINGER MODEL NO. 451
102. SINGER NIKKO COMPANY LTD
103. SINGER OVAL DEVICE
104. SINGER SANDWICH MAKER PACKAGING DESIGN IN COLOUR
105. SINGER SEWING MACHINE CO.
106. SINGER SEWING MACHINE COMPANY
107. SINGER SPRING DESIGN
108. SINGER ULTRA CLEAN
109. SINGER ULTRA CLEAN LOGO
110. SINGER WITH LOTUS DEVICE
111. SINGER YOUR FAMILY COMPANY
112. SINGERCO
113. SINGERCRAFT
114. SOLID "S" & COTTON THREAD TICKET
115. SOLID "S" & LINEN THREAD TICKET
116. SOLID "S" & SILK THREAD TICKET
117. SOLID "S" (BULGARIAN "C") W/WOM AT M/C & BUL LEG
118. SOLID "S" W/WOM AT M/C & LEG (PARTS ENV.544)
119. SOLID "S" W/WOM AT M/C & PRT LEG & THREAD TICKET
120. SOLID "S" WITH LEGEND (ROUND THREAD LABEL)
121. SOLID "S" WITH WOMAN AT MACHINE
122. SOLID "S" WITH WOMAN AT MACHINE & LEGEND
123. SOLID "S" WITH WOMAN AT MACHINE & PORTUGUESE LEGEND
124. SOLID "S" WITH WOMAN AT MACHINE & SIAMESE LEGEND
125. STAR OF INDIA
126. STAR OF INDIA WITH "SINGER" & CHINESE PHON. EQUIV.
127. STAR OF INDIA WITH SINGER
128. STAR OF INDIA WITH SINGER (IN BLACK & WHITE)
129. STAR SINGER
130. SUPER SINGER
131. THE SINGER ACADEMY
132. THE SINGER COMPANY
133. THE SINGER MANUFACTURING CO.
134. VENTA DEL CAPARRON SINGER
135. VERTICLE PENNANT TYPE DEVICE
136. VERTICLE PENNANT WITH "S" AND LEGEND
137. WHAT'S NEW FOR TOMORROW IS AT SINGER TODAY!

SCHEDULE B

POWER OF ATTORNEY

POWER OF ATTORNEY

TO: The Bank of Nova Scotia
(the "Lender")

FROM: The Singer Company Limited
(the "Donor")

DATE: This instrument is made as of the 30th day of October, 1998.

For value received, the Donor hereby irrevocably appoints the person from time to time holding the office of Vice-President, Special Accounts Management of the Lender, with the full power of substitution and delegation, as the Donor's lawful attorney in accordance with the *Powers of Attorney Act*,

- (a) to execute, deliver and register for and on behalf of the Donor all assignments, transfers, instruments, registrations, recordings, reissues, renewals, continuations, other extensions, certificates and other documents that in the opinion of the Lender are necessary or expedient for the purpose of assigning, selling, charging or otherwise disposing of the whole or any part of the right, title and interest of the Assignor in and to any letters patent or patent applications in Canada, the United States of America or any other jurisdiction;
- (b) to execute, deliver and register for and on behalf of the Donor all assignments, transfers, instruments, registrations, recordings, reissues, renewals, continuations, other extensions, certificates and other documents that in the opinion of the Lender are necessary or expedient for the purpose of assigning, selling, charging or otherwise disposing of the whole or any part of the right, title and interest of the Assignor in and to any Trademarks (including any goodwill symbolized by or associated with any Trademark) in Canada, the United States of America or any other jurisdiction; and
- (c) to do anything that the Donor may lawfully do by an attorney that in the opinion of the Attorney is necessary or advisable in connection with the foregoing.

The following are terms, conditions and restrictions of this Power of Attorney:

1. This Power of Attorney shall be deemed to be a power coupled with an interest in the subject matter of the Power.
2. This Power of Attorney is made under and in accordance with the terms and conditions of certain Security Agreements between the Donor and the Lender made as of October 30,

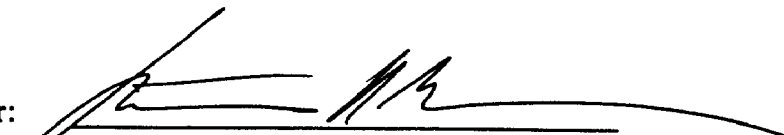
1998 and takes effect solely for the purposes of such Security Agreements, and is in all respects subject to the terms and conditions of the Security Agreements.

3. This Power of Attorney is irrevocable except with the written consent of the Lender.

SIGNED, SEALED AND DELIVERED, as of the Date first above written.

THE SINGER COMPANY LIMITED

per:



Authorized Officer