

09-29-2000

D&S

Form PTO-1594
(Rev 6-93)

RECORI
TRA



U.S. Department of Commerce
Patent and Trademark Office

101474653

To the Honorable Commissioner of Patents and Trademarks, please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Singer Sewing Company
4500 Singer Road
Murfreesboro, TN 37129

9-26-00

- Individual(s)
- General Partnership
- *Corporations
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- * Security Agreement
- Merger
- Change of Name
- Other

Execution Date: 9/14/2000

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

Name: The Bank of Nova Scotia

Internal Address:

Street Address: One Liberty Plaza

City: New York State: NY ZIP: 10006

Country:

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- * 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 name(s) & Address(es) attached? * Yes No

4. Application number(s) or trademark number(s): 73767919

If this document is being filed together with a new application, the execution date of the application is

A. Trademark Application No.(s) See Attached List

B. Trademark No.(s) See Attached List

Additional numbers attached * Yes No

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

Name: Robert E. Rude II

Internal Address: Mayer Brown & Platt

Street Address: 1909 K Street, NW

City: Washington State: DC ZIP: 20006

6. Total number of applications and trademarks involved:

7. Total fee (37 CFR 3.41): \$ 90.00

Enclosed (Check No. 18724)

Authorized to be charged to deposit account

8. Deposit account number:

(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.

Robert E. Rude II
Name of Person Signing

Signature

September 26, 2000
Date

Total number of pages comprising cover sheet and document attachments:



09/28/2000 10:11:01 AM 00000100 73767919 50.00

TRADEMARK
REEL: 002150 FRAME: 0170

SINGER SEWING COMPANY
TRADEMARK REPORT
AS OF 14 SEP 2000

Attached List (1) to
Trademark Recordation Form
Cover Sheet

REGISTRANT: SINGER SEWING COMPANY
COUNTRY: UNITED STATES
FIRM: INTERNAL
MARK: CUTTERS EXCHANGE SERVING THE APPAREL INDUSTRY
INTERNATIONALLY SINCE 1914 AND DESIGN
MARK TYPE: TRADEMARK STATUS: REGISTERED
APPL DATE 07 DEC 1988 REG DATE: 16 JAN 1990
APPL NUMBER: 73/767,919 REG NUMBER: 1,577,729
RENL DATE: 16 JAN 1996 INT DOCKET #: 326
PROG1: PROG2:
ACTION: SEC. 8 AND/OR 15 DUE DATE: 16 JAN 1996
IPN NUMBER: 9300096 LAST MODIFIED: 07 JUNE 1994
RECORD TYPE: APPLICATION
CLASS/GOODS: INTL CLASSIFICATION
16/MAIL ORDER CATALOGS
DISCLAIMERS:
REMARKS:

THIS TRADEMARK WAS ASSIGNED VIA 1987 BUY/SELL AGREEMENT.
CUTTERS EXCHANGE, INC. LATER MERGED INTO SINGER SEWING
COMPANY ON MAY 29, 1992. ASSIGNMENT RECORDED ON MARCH 24,
1994, UNDER REEL #1120, FRAME #0089

SINGER SEWING COMPANY
TRADEMARK REPORT
AS OF 14 SEP 2000

Attached List (2) to
Trademark Recordation Form
Cover Sheet

REGISTRANT: SINGER SEWING COMPANY
COUNTRY: UNITED STATES
FIRM: INTERNAL
MARK: SCISSORS & DISC DESIGN
MARK TYPE: TRADEMARK STATUS: REGISTERED
APPL DATE 21 JAN 1963 REG DATE: 23 NOV 1963
APPL NUMBER: 161,012 REG NUMBER: 760,617
RENL DATE: 26 NOV 2003 INT DOCKET #: 327
PROG1: PROG2:
SECTION: SEC. 8 AND/OR 15 DUE DATE: 26 NOV 1969
IPN NUMBER: 9300097 LAST MODIFIED: 07 JUNE 1994
RECORD TYPE: APPLICATION
CLASS/GOODS: INTL CLASSIFICATION
PARTS/ACCESSORIES FOR MANUFACTURING STITCHED
ARTICLES SUCH AS TAILORS CHALK, STAPLES, AND
CUTTING MACHINE BLADES

REMARKS:

THIS TRADEMARK WAS ASSIGNED VIA 1987 BUY/SELL AGREEMENT.
CUTTERS EXCHANGE, INC. LATER MERGED INTO SINGER SEWING
COMPANY ON MAY 29, 1992. ASSIGNMENT RECORDED ON MARCH 24,
1994, UNDER REEL #1120, FRAME #0089

Item A. Trademarks

Registered Trademarks

(See Attached)

Pending Trademark Applications

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
United States	IZEK	78/024,589	06 SEP 2000
Canada	IZEK	N/A	07 SEP 2000

Item B. Trademark Licenses

NONE

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Security Agreement"), dated as of September 14, 2000, made by SINGER SEWING COMPANY, a Delaware corporation (the "Grantor"), in favor of THE BANK OF NOVA SCOTIA, as agent (together with any successor(s) thereto in such capacity, the "Agent") for each of the Lender Parties (as defined below),

WITNESSETH:

WHEREAS, pursuant to a Credit Agreement, dated as of September 14, 2000 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Credit Agreement"), among the Grantor, the various financial institutions parties thereto (collectively, the "Lenders"), and THE BANK OF NOVA SCOTIA, as agent for the Lenders, the Lenders have extended Commitments to make Loans to the Grantor;

WHEREAS, as a condition precedent to the making of the initial Loans under the Credit Agreement, the Grantor is required to execute and deliver this Security Agreement;

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Security Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lenders to make Loans (including the initial Loans) to the Grantor pursuant to the Credit Agreement, the Grantor agrees, for the benefit of each Lender Party, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Agent" is defined in the preamble.

"Collateral" is defined in Section 2.1.

"Collateral Account" is defined in Section 4.1.2(b).

"Computer Hardware and Software Collateral" means:

(a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers,

features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware;

(b) all software programs other than software programs that are leased or licensed from third parties (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter acquired by the Grantor, designed for use on the computers and electronic data processing hardware described in clause (a) above;

(c) all firmware associated therewith;

(d) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c); and

(e) all rights with respect to all of the foregoing, including, without limitation, any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

“Copyright Collateral” means all copyrights and all semi-conductor chip product mask works (as defined under the United States Copyright Act, at 17 U.S.C. Section 901) of the Grantor, whether statutory or common law, registered or unregistered, now or hereafter in force, throughout the world including, without limitation, all of the Grantor's right, title and interest in and to all copyrights and mask works registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, the copyrights and mask works referred to in Item A of Schedule IV attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, including each copyright and mask work license referred to in Item B of Schedule IV attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

“Credit Agreement” is defined in the first recital.

“Equipment” is defined in clause (a) of Section 2.1.

“Grantor” is defined in the preamble.

“Intellectual Property Collateral” means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral.

“Inventory” means all tangible personal property of the Grantor, whether now existing or hereafter created or acquired and wherever located, or held by the Grantor for sale or for lease or to be furnished under contracts of sale or service, and all components, accessories, supplies, packing and shipping materials, tools, work in process and materials used, produced or consumed in the Grantor's business as now or hereafter conducted. Inventory includes all

finished merchandise and all other tangible personal property owned by the Grantor (x) held by others for sale on consignment from the Grantor or sold by the Grantor on a sale-or-return or on-approval basis, (y) returned to the Grantor by a purchaser following a sale by the Grantor, or (z) represented by a document of title. The value of Inventory shall be determined in accordance with GAAP.

“Inventory Collateral” is defined in clause (b) of Section 2.1

“Lender Party” means, as the context may require, any Lender or the Agent and each of its respective successors, transferees and assigns.

“Lenders” is defined in the first recital.

“Patent Collateral” means:

(a) all letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in Item A of Schedule II attached hereto;

(b) all patent licenses, including each patent license referred to in Item B of Schedule II attached hereto;

(c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clauses (a) and (b); and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in Item A of Schedule II attached hereto, and for breach or enforcement of any patent license, including any patent license referred to in Item B of Schedule II attached hereto, and all rights corresponding thereto throughout the world.

“Receivables” is defined in clause (c) of Section 2.1.

“Related Contracts” is defined in clause (c) of Section 2.1.

“Security Agreement” is defined in the preamble.

“Trademark Collateral” means:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a “Trademark”), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State

thereof or any foreign country, including those referred to in Item A of Schedule III attached hereto;

(b) all Trademark licenses, including each trademark license referred to in Item B of Schedule III attached hereto;

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Schedule III attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

“Trade Secrets Collateral” means common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of the Grantor (all of the foregoing being collectively called a “Trade Secret”), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, including each Trade Secret license referred to in Schedule V attached hereto, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

“U.C.C.” means the Uniform Commercial Code, as in effect in the State of New York.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Credit Agreement.

SECTION 1.3. U.C.C. Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the U.C.C. are used in this Security Agreement, including its preamble and recitals, with such meanings.

ARTICLE II

SECURITY INTEREST

SECTION 2.1. Grant of Security. The Grantor hereby assigns and pledges as collateral security to the Agent, for its benefit and the ratable benefit of each of the Lender Parties, and hereby grants to the Agent for its benefit and the ratable benefit of each of the Lender Parties a security interest in, all of the Grantor’s right, title and interest to and under all of the following, whether now or hereafter existing or acquired (the “Collateral”):

(a) all equipment in all of its forms of the Grantor, wherever located, including

all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor (any and all of the foregoing being the "Equipment");

(b) all inventory in all of its forms of the Grantor, wherever located, including

(i) all Inventory,

(ii) all goods in which the Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which the Grantor has an interest or right as consignee), and

(iii) all goods which are returned to or repossessed by the Grantor,

and all accessions thereto, products thereof and documents therefor (any and all such inventory, materials, goods, accessions, products and documents being the "Inventory Collateral");

(c) all accounts, contracts (including, without limitation, the License Agreement and the Distribution Agreement), contract rights, chattel paper, documents, instruments, and general intangibles of the Grantor, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all rights of the Grantor now or hereafter existing in and to all security agreements, guaranties, leases and other contracts securing or otherwise relating to any such accounts, contracts, contract rights, chattel paper, documents, instruments, and general intangibles (any and all such accounts, contracts, contract rights, chattel paper, documents, instruments, and general intangibles being the "Receivables", and any and all such security agreements, guaranties, leases and other contracts being the "Related Contracts");

(d) all Intellectual Property Collateral of the Grantor;

(e) all books, records, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section 2.1;

(f) all of the Grantor's other property and rights of every kind and description and interests therein; and

(g) all products, offspring, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral (including proceeds which constitute property of the types described in clauses (a), (b), (c), (d), (e) and (f), proceeds deposited from time to time in the Collateral Account and, to the extent not otherwise included, all payments under insurance (whether or not the Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral).

Notwithstanding the foregoing, "Collateral" shall not include any general intangibles, software programs or other rights arising under contracts as to which the grant of a security interest would constitute a violation of a restriction on such grant, unless and until any required consents shall have been obtained. The Grantor agrees to use commercially reasonable efforts to obtain any such required consent.

SECTION 2.2. Security for Obligations. This Security Agreement secures the payment of all Obligations now or hereafter existing under the Credit Agreement, the Notes and each other Loan Document to which the Grantor is or may become a party, whether for principal, interest, costs, fees, expenses or otherwise.

SECTION 2.3. Continuing Security Interest; Transfer of Notes. This Security Agreement shall create a continuing security interest in the Collateral and shall

- (a) remain in full force and effect until payment in full of all Obligations and the termination of all Commitments,
- (b) be binding upon the Grantor, its successors, transferees and assigns, and
- (c) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent and each other Lender Party.

Without limiting the generality of the foregoing clause (c), any Lender may assign or otherwise transfer (in whole or in part) any Note or Loan held by it to any other Person or entity, and such other Person or entity shall thereupon become vested with all the rights and benefits in respect thereof granted to such Lender under any Loan Document (including this Security Agreement) or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and to the provisions of Section 11.11 and Article X of the Credit Agreement. Upon the payment in full of all Obligations and the termination of all Commitments, the security interest granted herein shall terminate automatically, without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Agent will promptly, at the Grantor's sole expense, deliver to the Grantor any Collateral held by the Agent and execute and deliver to the Grantor such documents, and take such other actions, as the Grantor shall reasonably request to evidence such termination.

SECTION 2.4. Grantor Remains Liable. Anything herein to the contrary notwithstanding

- (a) the Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and shall perform all of its material duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed,
- (b) the exercise by the Agent of any of its rights hereunder shall not release the Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral, and
- (c) neither the Agent nor any other Lender Party shall have any obligation or liability under any such contracts or agreements included in the Collateral by reason of this Security Agreement, nor shall the Agent or any other Lender Party be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Representations and Warranties. The Grantor represents and warrants to each Lender Party as set forth in this Article.

SECTION 3.1.1. Location of Collateral, etc. All of the Equipment and Inventory of the Grantor are located at the places specified in Item A and Item B, respectively, of Schedule I hereto. None of the Equipment and Inventory has, within the four months preceding the date of this Security Agreement, been located at any place other than the places specified in Item A and Item B, respectively, of Schedule I hereto. The place(s) of business and chief executive office of the Grantor and the office(s) where the Grantor keeps its records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, are located at the address set forth below the name of the Grantor on the signature page hereof. The Grantor has the following trade name: Cutters Exchange. The Grantor has not been known by any legal name different from the one set forth on the signature page hereto, nor has the Grantor been the subject of any merger or other corporate reorganization at any time in the five-year period ending on the date hereof. If the Collateral includes any Inventory located in the State of California, the Grantor is not a "retail merchant" within the meaning of Section 9102 of the Uniform Commercial Code - Secured Transactions of the State of California. The Grantor is not a party to any Federal, state or local government contract except as set forth in Item C of Schedule I hereto.

SECTION 3.1.2. Ownership, No Liens, etc. The Grantor owns the Collateral free and clear of any Lien, security interest, charge or encumbrance except for the security interest created by this Security Agreement and except as permitted by the Credit Agreement.

SECTION 3.1.3. Possession and Control. The Grantor has rights in the Equipment and Inventory.

SECTION 3.1.4. Negotiable Documents, Instruments and Chattel Paper. The Grantor has, contemporaneously herewith, delivered to the Agent possession of all originals of all negotiable documents, instruments and chattel paper that evidence or relate to Indebtedness or amounts in excess of \$10,000 currently owned or held by the Grantor (duly endorsed in blank, if requested by the Agent) other than checks received or presented for payment in the ordinary course of business.

SECTION 3.1.5. Intellectual Property Collateral. With respect to any Intellectual Property Collateral the loss, impairment or infringement of which might have a materially adverse effect on the financial condition, operation, assets, business or properties of the Grantor:

- (a) such Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;
- (b) such Intellectual Property Collateral is valid and enforceable;
- (c) the Grantor has made all necessary filings and recordations to protect its interest in such Intellectual Property Collateral, including, without limitation, recordations of all of its interests in the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and in corresponding offices throughout the

world and its claims to the Copyright Collateral in the United States Copyright Office and in corresponding offices throughout the world;

(d) with respect to the Intellectual Property Collateral listed on Schedule II, III, IV or V hereto, the Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property Collateral other than Intellectual Property Collateral for which the Grantor is either a licensee or a licensor and, to the Grantor's knowledge, no claim has been made that the use of such Intellectual Property Collateral does or may violate the asserted rights of any third party; and

(e) the Grantor has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every item of Intellectual Property Collateral in full force and effect throughout the world, as applicable.

The Grantor owns directly or is entitled to use by license or otherwise, all patents, Trademarks, Trade Secrets, copyrights, mask works, licenses, technology, know-how, processes and rights with respect to any of the foregoing used in, necessary for or of importance to the conduct of the Grantor's business.

SECTION 3.1.6. Validity, etc. This Security Agreement creates a valid security interest in the Collateral, securing the payment of the Obligations, and all filings and other actions necessary to perfect and protect such security interest have been taken.

SECTION 3.1.7. Authorization, Approval, etc. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by the Grantor of the security interest granted hereby or for the execution, delivery and performance of this Security Agreement by the Grantor.

SECTION 3.1.8. Compliance with Laws. The Grantor is in compliance with the requirements of all applicable laws, rules, regulations and orders of every governmental authority, the non-compliance with which may reasonably be expected to materially adversely affect the business, properties, assets, operations or condition (financial or otherwise) of the Grantor or the value of the Collateral or the worth of the Collateral as collateral security.

ARTICLE IV

COVENANTS

SECTION 4.1. Certain Covenants. The Grantor covenants and agrees that, so long as any portion of the Obligations shall remain unpaid or any Lender shall have any outstanding Commitment, the Grantor will, unless the Required Lenders shall otherwise consent in writing, perform the obligations set forth in this Section.

SECTION 4.1.1. As to Equipment and Inventory. The Grantor hereby agrees that it shall keep all the Equipment and Inventory (other than Inventory sold in the ordinary course of business) at the places therefor specified in Section 3.1.1 or, upon 30 days' prior written notice to the Agent, at such other places in a jurisdiction where all representations and warranties set forth in Article III (including Section 3.1.6) shall be true and correct in all material respects, and all action required pursuant to the first sentence of Section 4.1.7 shall have been taken with respect

to the Equipment and Inventory.

SECTION 4.1.2. As to Receivables.

(a) The Grantor shall keep its place(s) of business and chief executive office and the office(s) where it keeps its records concerning the Receivables, and all originals of all chattel paper which evidenced Receivables, located at the address set forth below its name on the signature page hereof, or, upon 30 days' prior written notice to the Agent, at such other locations in a jurisdiction where all actions required by the first sentence of Section 4.1.7 shall have been taken with respect to the Receivables; not change its name except upon 30 days' prior written notice to the Agent; hold and preserve such records and chattel paper; and permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from such records and chattel paper.

(b) Upon written notice by the Agent to the Grantor pursuant to this Section 4.1.2(b), all proceeds of Collateral received by the Grantor shall be delivered in kind to the Agent for deposit to a deposit account (the "Collateral Account") of the Grantor maintained with the Agent, and the Grantor shall not commingle any such proceeds, and shall hold separate and apart from all other property, all such proceeds in express trust for the benefit of the Agent until delivery thereof is made to the Agent. The Agent will not give the notice referred to in the preceding sentence unless there shall have occurred and be continuing a Default. No funds, other than proceeds of Collateral, will be deposited in the Collateral Account.

(c) The Agent shall have the right to apply any amount in the Collateral Account to the payment of any Obligations which are due and payable or payable upon demand. Notwithstanding any rights of the Agent, the Grantor shall have the right on each Business Day, with respect to and to the extent of collected funds in the Collateral Account, (i) to require the Agent to transfer to the Grantor's general demand deposit account at the Agent amounts required to cover checks drawn against that account which shall have been presented for payment at the Agent as of the preceding Business Day and all wire transfers which the Grantor has directed to be made on the current Business Day, to the extent such checks and wire transfers are for any purpose which does not violate any provision of any Loan Document and (ii) to require the Agent to purchase any Cash Equivalent Investment, provided that, in the case of certificated securities, the Agent will retain possession thereof as Collateral and, in the case of uncertificated securities, the Agent will take such actions, including registration of such securities in its name, as it shall determine is necessary to perfect its security interest therein. The Agent may at any time transfer to the Grantor's general demand deposit account at the Agent any or all of the collected funds in the Collateral Account; provided, however, that any such transfer shall not be deemed to be a waiver or modification of any of the Agent's rights under this Section 4.1.2(c).

SECTION 4.1.3. As to Collateral.

(a) The Agent may, at any time, upon the occurrence and during the continuance of an Event of Default, whether before or after the maturity of any of the Obligations, notify any parties obligated on any of the Collateral to make payment to the Agent of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon the occurrence and during the continuance of an Event of Default, and at the request of the Agent, the Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Agent of any amounts due or to become due thereunder.

(b) Upon the occurrence and during the continuance of an Event of Default, the Agent is authorized to endorse, in the name of the Grantor, any item, howsoever received by the Agent, representing any payment on or other proceeds of any of the Collateral.

SECTION 4.1.4. As to Intellectual Property Collateral.

(a) The Grantor shall not, unless the Grantor shall either (i) reasonably and in good faith determine that any of the Patent Collateral is of negligible economic value to the Grantor, or (ii) have a valid business purpose to do otherwise, do any act, or omit to do any act, whereby any of the Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable.

(b) The Grantor shall not, and the Grantor shall not permit any of its licensees to, unless the Grantor shall either (x) reasonably and in good faith determine that any of the Trademark Collateral is of negligible economic value to the Grantor, or (y) have a valid business purpose to do otherwise,

(i) fail to continue to use any of the Trademark Collateral in order to maintain all of the Trademark Collateral in full force free from any valid claim of abandonment for non-use,

(ii) fail to maintain as in the past the quality of products and services offered under all of the Trademark Collateral,

(iii) fail to employ all of the Trademark Collateral registered with any Federal or state or foreign authority with an appropriate notice of such registration, and

(iv) knowingly do or permit any act or knowingly omit to do any act whereby any of the Trademark Collateral may lapse or become invalid or unenforceable.

(c) The Grantor shall not, unless the Grantor shall either

(i) reasonably and in good faith determine that any of the Copyright Collateral or any of the Trade Secrets Collateral is of negligible economic value to the Grantor, or

(ii) have a valid business purpose to do otherwise, knowingly do or permit any act or knowingly omit to do any act whereby any of the Copyright Collateral or any of the Trade Secrets Collateral may lapse or become invalid or unenforceable or placed in the public domain except upon expiration of the end of an unrenewable term of a registration thereof.

(d) The Grantor shall notify the Agent promptly if it knows that any application or registration relating to any material item of the Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any foreign counterpart thereof or any court) regarding the Grantor's ownership of any material item

of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same.

(e) In the event that the Grantor or any of its agents, employees, designees or licensees files an application for the registration of any material item of Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, it shall promptly inform the Agent, and upon the reasonable request of the Agent, execute and deliver any and all agreements, instruments, documents and papers as the Agent may reasonably request to evidence the Agent's security interest in such Intellectual Property Collateral and the goodwill and general intangibles of the Grantor relating thereto or represented thereby.

(f) The Grantor shall take all commercially reasonable steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, any material item of the Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that expiration, dedication, abandonment, lapse or invalidation is permitted under the foregoing clauses (a), (b) and (c)).

(g) The Grantor shall execute and deliver to the Agent any document required to acknowledge or register or perfect the Agent's interest in any part of the Intellectual Property Collateral.

SECTION 4.1.5. Insurance. The Grantor will maintain or cause to be maintained with responsible insurance companies insurance with respect to the Equipment and Inventory against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar businesses and will, upon the request of the Agent, furnish a certificate of a reputable insurance broker setting forth the nature and extent of all insurance maintained by the Grantor in accordance with this Section. Without limiting the foregoing, the Grantor further agrees as follows:

(a) Each policy for property insurance or certificate related thereto shall show the Agent as loss payee.

(b) Each policy for liability insurance or certificate related thereto shall show the Agent as an additional insured.

(c) With respect to each life insurance policy, if any, the Grantor shall execute and deliver to the Agent a collateral assignment, notice of which has been acknowledged in writing by the insurer.

(d) Each insurance policy required hereunder or certificate related thereto shall provide that at least 30 days' prior written notice of cancellation or of lapse shall be given to the Agent by the insured.

(e) The Grantor shall, if so requested by the Agent, deliver to the Agent a copy of

each insurance policy with respect to the Equipment and Inventory and all certificates related thereto.

(f) All payments in respect of property insurance and life insurance, if any, shall be deposited to the Collateral Account and if there shall be no Collateral Account shall be paid to the Grantor.

SECTION 4.1.6. Transfers and Other Liens. The Grantor shall not:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except Inventory in the ordinary course of business or as permitted by the Credit Agreement; or

(b) create or suffer to exist any Lien or other charge or encumbrance upon or with respect to any of the Collateral to secure Indebtedness of any Person or entity, except for the security interest created by this Security Agreement and except as permitted by the Credit Agreement.

SECTION 4.1.7. Further Assurances, etc. The Grantor agrees that, from time to time at its own expense, the Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor will

(a) mark conspicuously each document of title that represents Inventory having a value in excess of \$10,000, each chattel paper included in the Receivables and each Related Contract and, at the request of the Agent, each of its records pertaining to the Collateral with a legend, in form and substance reasonably satisfactory to the Agent, indicating that such document of title, chattel paper, Related Contract or Collateral is subject to the security interest granted hereby;

(b) if any Receivable relating to Indebtedness or amounts in excess of \$10,000 shall be evidenced by a promissory note or other instrument, negotiable document or chattel paper, deliver and pledge to the Agent hereunder such promissory note, instrument, negotiable document or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Agent;

(c) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices (including, without limitation, any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3726, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary, or as the Agent may request, in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Agent hereby;

(d) furnish to the Agent, from time to time at the Agent's reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail; and

(e) at the request of the Agent, promptly furnish to the Agent, an opinion of counsel reasonably acceptable to the Required Lenders to the effect that all financing or continuation statements have been filed, and all other action has been taken, to perfect, preserve and validate continuously from the date hereof the security interests granted hereby, provided, however, that the Borrower shall be under no obligation to comply with any requests delivered under this clause (e) of Section 4.1.7 more than once in any two-year period.

With respect to the foregoing and the grant of the security interest hereunder, the Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by law. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

ARTICLE V

THE AGENT

SECTION 5.1. Agent Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Agent the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Agent's discretion, upon the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation:

(a) 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 Collateral;

(b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above;

(c) to file any claims, take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Agent with respect to any of the Collateral; and

(d) to perform the affirmative obligations of the Grantor under Section 4.1.7(a).

The Grantor hereby acknowledges, consents and agrees that the power of attorney granted by this Section is irrevocable and coupled with an interest.

SECTION 5.2. Agent May Perform. If the Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by the Grantor pursuant to Section 6.2.

SECTION 5.3. Agent Has No Duty. In addition to, and not in limitation of, Section 2.4, the powers conferred on the Agent hereunder are solely to protect its interest (on behalf of the Lender Parties) in the Collateral and shall not impose any duty on it to exercise any such powers.

Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 5.4. Reasonable Care. The Agent shall exercise reasonable care in the custody and preservation of any of the Collateral in its possession or control; provided, however, the Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral, if it takes such action for that purpose as the Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of the Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI

REMEDIES

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the U.C.C. (whether or not the U.C.C. applies to the affected Collateral) and also may

(i) require the Grantor to, and the Grantor hereby agrees that it will, at its expense and upon request of the Agent forthwith, assemble all or part of the Collateral as directed by the Agent and make it available to the Agent at a place to be designated by the Agent which is reasonably convenient to both parties and

(ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by law, at least twenty days' prior notice to the Grantor of the time and place of any public sale or any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied by the Agent as follows:

First, to the payment of any amounts payable to the Agent pursuant to Section 6.2;

Next, to the payment in full of the Obligations (other than principal of and interest

on the Term B Loans), in each case equally and ratably in accordance with the respective amounts thereof then due and owing or as the Lenders holding the same may otherwise agree;

Next, to the payment in full of the principal of and interest on the Term B Loans, in each case equally and ratably in accordance with the respective amounts thereof then due and owing or as the Lenders holding the same may otherwise agree; and

Finally, after the payment in full of the Obligations, to the payment to the Grantor, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

SECTION 6.2. Indemnity and Expenses.

(a) The Grantor agrees to indemnify the Agent from and against any and all claims, losses and liabilities arising out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except the claims, losses or liabilities of third parties resulting from the Agent's or any Lender's gross negligence or wilful misconduct.

(b) The Grantor will upon demand pay to the Agent the amount of any and all reasonable out of pocket expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Agent may incur in connection with

(i) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral,

(ii) the exercise or enforcement of any of the rights of the Agent or the Lender Parties hereunder, or

(iii) the failure by the Grantor to perform or observe any of the provisions hereof.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.1. Loan Document. This Security Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

SECTION 7.2. Amendments; etc. No amendment to or waiver of any provision of this Security Agreement nor consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.3. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including by facsimile) and addressed, delivered or transmitted to the applicable party at its address or facsimile number specified in the Credit Agreement, or at

such other address or facsimile number as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of Section 11.2 of the Credit Agreement. All such notices and other communications shall be effective as specified in Section 11.2 of the Credit Agreement.

SECTION 7.4. Headings. The various headings of this Security Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provisions hereof.

SECTION 7.5. Severability. Wherever possible each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

SECTION 7.6. Governing Law, Entire Agreement, etc. **THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. THIS SECURITY AGREEMENT AND THE OTHER LOAN DOCUMENTS CONSTITUTE THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ANY PRIOR AGREEMENTS, WRITTEN OR ORAL, WITH RESPECT THERETO.**

IN WITNESS WHEREOF, the Grantor has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

SINGER SEWING COMPANY

By 

Name:

Title:

Address:

4500 Singer Road
Murfreesboro, TN 37129

Facsimile No.: 615-895-3210

Attention: William K. Burke

ACCEPTED:

THE BANK OF NOVA SCOTIA,
as Agent

By _____

Name:

Title:

TRADEMARK
REEL: 002150 FRAME: 0190

IN WITNESS WHEREOF, the Grantor has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

SINGER SEWING COMPANY

By _____
Name:
Title:

Address:

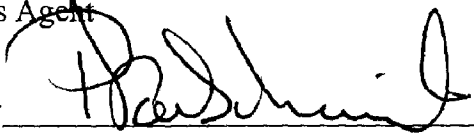
4500 Singer Road
Murfreesboro, TN 37129

Facsimile No.: 615-895-3210

Attention: William K. Burke

ACCEPTED:

THE BANK OF NOVA SCOTIA,
as Agent

By 

Name: PIETER J. VAN SCHAICK
Title: RELATIONSHIP MANAGER

SCHEDULE I
to
Security Agreement

Item 1. Location of Equipment

	<u>Description</u>	<u>Location</u>
1.	Furniture and Fixtures	4500 Singer Road Murfreesboro, TN 37129
2.	Furniture and Fixtures	1138 Commerce Park Drive Murfreesboro, TN 37129
3.	Furniture and Fixtures	914 Virginia Street Lenoir, NC 28645

Item 2. Location of Inventory

	<u>Description</u>	<u>Location</u>
1.	Sewing Machines, parts and related supplies	4500 Singer Road Murfreesboro, TN 37129
2.	Sewing Machines, parts and related supplies	1138 Commerce Park Drive Murfreesboro, TN 37129
3.	Sewing Machines, parts and related supplies and appliances	914 Virginia Street Lenoir, NC 28645

Item 3. Description of Federal, State and Local Government Contracts

NONE

Item A. Patents

Issued Patents

NONE

Pending Patent Applications

NONE

Patent Applications in Preparation

NONE

Item B. Patent Licenses

NONE

Item A. Trademarks

Registered Trademarks

(See Attached)

Pending Trademark Applications

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
United States	IZEK	78/024,589	06 SEP 2000
Canada	IZEK	N/A	07 SEP 2000

Item B. Trademark Licenses

NONE

SINGER SEWING COMPANY
TRADEMARK REPORT
AS OF 14 SEP 2000

REGISTRANT: SINGER SEWING COMPANY
COUNTRY: UNITED STATES
FIRM: INTERNAL
MARK: CUTTERS EXCHANGE SERVING THE APPAREL INDUSTRY
INTERNATIONALLY SINCE 1914 AND DESIGN
MARK TYPE: TRADEMARK STATUS: REGISTERED
APPL DATE 07 DEC 1988 REG DATE: 16 JAN 1990
APPL NUMBER: 73/767,919 REG NUMBER: 1,577,729
RENL DATE: 16 JAN 1996 INT DOCKET #: 326
PROG1: PROG2:
ACTION: SEC. 8 AND/OR 15 DUE DATE: 16 JAN 1996
IPN NUMBER: 9300096 LAST MODIFIED: 07 JUNE 1994
RECORD TYPE: APPLICATION
CLASS/GOODS: INTL CLASSIFICATION
16/MAIL ORDER CATALOGS

DISCLAIMERS:

REMARKS:

THIS TRADEMARK WAS ASSIGNED VIA 1987 BUY/SELL AGREEMENT.
CUTTERS EXCHANGE, INC. LATER MERGED INTO SINGER SEWING
COMPANY ON MAY 29, 1992. ASSIGNMENT RECORDED ON MARCH 24,
1994, UNDER REEL #1120, FRAME #0089

SINGER SEWING COMPANY
TRADEMARK REPORT
AS OF 14 SEP 2000

REGISTRANT: SINGER SEWING COMPANY
COUNTRY: UNITED STATES
FIRM: INTERNAL
MARK: SCISSORS & DISC DESIGN
MARK TYPE: TRADEMARK STATUS: REGISTERED
APPL DATE 21 JAN 1963 REG DATE: 23 NOV 1963
APPL NUMBER: 161,012 REG NUMBER: 760,617
RENL DATE: 26 NOV 2003 INT DOCKET #: 327
PROG1: PROG2:
SECTION: SEC. 8 AND/OR 15 DUE DATE: 26 NOV 1969
IPN NUMBER: 9300097 LAST MODIFIED: 07 JUNE 1994
RECORD TYPE: APPLICATION
CLASS/GOODS: INTL CLASSIFICATION
PARTS/ACCESSORIES FOR MANUFACTURING STITCHED
ARTICLES SUCH AS TAILORS CHALK, STAPLES, AND
CUTTING MACHINE BLADES

REMARKS:

THIS TRADEMARK WAS ASSIGNED VIA 1987 BUY/SELL AGREEMENT.
CUTTERS EXCHANGE, INC. LATER MERGED INTO SINGER SEWING
COMPANY ON MAY 29, 1992. ASSIGNMENT RECORDED ON MARCH 24,
1994, UNDER REEL #1120, FRAME #0089

Item A. Copyrights/Mask Works

Registered Copyrights/Mask Works

NONE

Copyright/Mask Work Pending Registration Applications

NONE

Copyright/Mark Work Registration Applications in Preparation

NONE

Item B. Copyright/Mark Work Licenses

NONE

Trade Secret or Know-How Licenses

NONE

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