

MLB 6-16-98

FORM PTO-1594 (Rev. 6-93)

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06-23-1998

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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)



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To the Honorable Commissioner of Patents

100744212

Send original documents or copy thereof.

1. Name of conveying party(ies):

Club Monaco, Inc.

- Individual(s)
- General Partnership
- Corporation-State Ontario, Canada
- Other
- Association
- Limited Partnership

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

2. Name and address of receiving party(ies)

Name: Canadian Imperial Bank of
 Commerce
 Internal Address: Commerce Court
 Banking Centre
 Street Address: Commerce Bank Court West
 City: Toronto State: Ontario ZIP: Canada

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other Canadian Chartered Bank

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

3. Nature of conveyance:

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

Execution Date: December 2, 1993

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

A. Trademark Application No.(s)

75/375,328 75/164,480
 75/367,881 75/022,104
 75/277,349 74/534,540
 75/171,576 74/534,537

B. Trademark Registration No.(s)

2,137,573

Additional numbers attached? Yes No

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

Name: Midge M. Hyman, Esq.
 Internal Address: Willkie Farr & Gallagher

Street Address: 787 Seventh Avenue

City: New York State: NY ZIP: 10019-6099

6. Total number of applications and registrations involved: 9

7. Total fee (37 CFR 3.41).....\$ 240.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

23-2405

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

DO NOT USE THIS SPACE

06/23/1998 SSMITH 00000005 232405 75375328

Statement and signature.

I, the undersigned, declare under oath that 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.

Midge M. Hyman, Esq.

Name of Person Signing

Midge M. Hyman
Signature

6/2/98
Date

Total number of pages including cover sheet, attachments, and document: 171

TRADEMARK 171

REEL: 1743 FRAME: 0715

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments

DESIGNATION OF DOMESTIC REPRESENTATIVES

With respect to this recordal of Security Agreement between Club Monaco, Inc. and Canadian Imperial Bank of Commerce, Canadian Imperial Bank of Commerce hereby appoints MIDGE M. HYMAN, WILLIAM M. RIED, KIM A. WALKER, MARCI A. BLAZER and ROBERT A. ROSENBERG, of WILLKIE FARR & GALLAGHER, 787 Seventh Avenue, New York, New York 10019-6099, as its domestic representatives on whom may be served notices or process.

POWER OF ATTORNEY

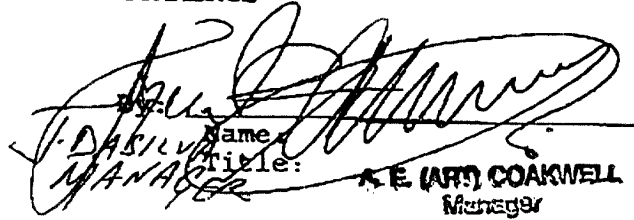
Canadian Imperial Bank of Commerce hereby appoints MIDGE M. HYMAN, WILLIAM M. RIED, KIM A. WALKER, MARCI A. BLAZER and ROBERT A. ROSENBERG, of WILLKIE FARR & GALLAGHER, 787 Seventh Avenue, New York, New York 10019-6099, who are members of the Bar of the State of New York, as its attorneys, to record the attached Security Agreement and to transact all business in the U.S. Patent and Trademark Office in connection therewith with full power of substitution and revocation, and to receive the Certificate of Recordal.

FROM:WILLKIE FARR 37 FAX DEPT
0452300.01

(FRI) 6. 5'98 16:11/ST.16:09/NO.4261737700 P 4

Please direct all inquiries concerning this application to Midge
M. Hyman at (212) 728-8772.

Respectfully submitted,
CANADIAN IMPERIAL BANK OF
COMMERCE



Name: K.E. (ART) COAKWELL
 Title: MANAGER
 K.E. (ART) COAKWELL
 Manager

**TRADEMARK COLLATERAL SECURITY AND
PLEDGE AGREEMENT**

TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT (this "Agreement") dated as of December 2, 1993 between **CLUB MONACO INC.**, an Ontario corporation having its chief executive office at 364 Richmond Street West, Toronto, Ontario, Canada (the "Company"), and **CANADIAN IMPERIAL BANK OF COMMERCE**, a Canadian chartered bank having its general office at Commerce Court Banking Centre, Commerce Court West, 9th Floor, Toronto, Ontario, Canada (the "Bank").

WHEREAS, the Company has entered into certain credit agreements, as the same may from time to time be amended, modified, supplemented, restated or replaced (the "Credit Agreements") with the Bank dated November 3, 1992 and July 1, 1993 under which the Bank has made or has agreed to make funds and credits under certain credit facilities available to the Company upon the terms and conditions set out therein; and

WHEREAS, as security for the Secured Obligations (as hereinafter defined), the Company and the Bank have entered into inter alia a General Security Agreement dated as of the 2nd day of December, 1993 (the "General Security Agreement") and a General Assignment of Accounts dated the 16th day of February, 1993 (the "General Assignment of Accounts"); and

WHEREAS, the Bank and the Company have agreed to enter into this trademark collateral security and pledge agreement as continuing collateral security for all of the Secured Obligations;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions:

- (a) The following terms shall have the specific meanings set forth below:
- (i) "Agreement" means this agreement as the same may from time to time be amended, modified, supplemented, restated or replaced.
 - (ii) "Associated Goodwill" shall mean all right, title, and interest of the Company, if any, in and to all goodwill of the Company or its business, products and services appurtenant to, associated with or symbolized by the Trademarks and/or the use thereof.
 - (iii) "CTMO" shall mean the Canadian Trade Marks Office as administered by Consumer and Corporate Affairs.
 - (iv) "Facilities" means the credit facilities as defined in the Credit Agreements.
 - (v) "Event of Default" means: (A) a default by the Company, following the expiry of any period for curing such default which the Bank has agreed to give and has given to the Company, in payment of any of the Secured Obligations, or a default by the Company with respect to any covenant or condition hereunder or under the General Security Agreement, the General Assignment of Accounts, or any other document to which the Company and the Bank are parties or may become parties; and (B) a demand being made by the Bank on the Company for the repayment of the Secured Obligations, which demand is not immediately satisfied by the Company or withdrawn or waived by the Bank;

- (vi) "License Agreements" means those license agreements listed in Schedule "B" hereto and includes all license agreements referable to the use of the Trademarks by third parties;
- (vii) "Owned Trademarks" shall mean all Trademarks in or to which the Company has or shall in the future have title or an ownership interest in Canada, including but not limited to those referenced in Schedule "A" attached hereto.
- (viii) "proceeds" shall mean any consideration received by the Company from the sale, exchange, license, lease or other transfer or disposition of any right, interest, asset or property which constitutes Trademark Collateral, any value received by the Company as a consequence of the ownership, possession, or use of any Trademark Collateral, and any payment received by the Company from any insurer or other person or entity as a result of the destruction, loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes Trademark Collateral.
- (ix) "Related Concepts" shall mean all right, title, and interest of the Company, if any, in and to those unique concepts devised by the Company for the production, delivery, provision, licensing, and sale of goods or services under or in association with any of the Trademarks, and shall include all assets, rights and interests of the Company which uniquely reflect or embody the Associated Goodwill, including but not limited to the following: all patents, copyrights, trade practices and information, methods, processes, know-how, operating systems, drawings, patterns, designs, fashion concepts, logos, descriptions, formulations, quality control procedures, product and service specifications, catalogues and advertising materials, and all books and records describing or used in connection with any or all of the foregoing.

Provided however, if such Related Concepts include contracts or agreements which prohibit their assignment or the granting of a lien therein without the prior consent of the other party thereto such contracts or agreements shall not become part of the Related Concepts until such consent is given;

- (x) "Secured Obligations" means:
 - (A) any and all present and future debts, obligations and liabilities of the Company to the Bank including but not limited to any liabilities arising under this Agreement, the General Security Agreement, the General Assignment of Accounts, or any other agreement or document between the Company and the Bank, whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, matured or not, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred; and
 - (B) any and all debts, obligations and liabilities including principal, interest accrued thereon (including interest accruing after the filing of a case under any bankruptcy statute), and

related penalties and premiums and all fees, costs, expenses and other sums due to the Bank under either of the Credit Agreements or the Facilities, whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, matured or not, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred.

- (xi) "Trademarks" shall mean all of the trademarks, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and/or other source and/or product or service identifiers, and general intangibles of like nature, used or associated with or appurtenant to the products, services and business of the Company, which (i) are set forth on Schedule "A" attached hereto, or (ii) have been adopted, acquired, owned, held and/or used by the Company and are now owned, held or used by the Company, in the Company's business, or with the Company's products and services, or in which the Company has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and/or used by the Company in the Company's business or with the Company's products and services, or in which the Company in the future acquires any right, title or interest.
- (xii) "Trademark Collateral" shall mean all of the Company's right, title and interest in and to all of the Trademarks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, the Related Concepts, the License Agreements and all additions, improvements and accessions to, substitutions for, replacements of, and all products and proceeds (including insurance proceeds) of any and all of the foregoing.
- (xiii) "Trademark License Rights" shall mean any and all past, present or future rights and interests of the Company pursuant to any and all past, present and future licensing agreements in Canada in favour of the Company, or to which the Company is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right in the name of the Company to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement. Such agreements shall include but not be limited to those set forth on Schedule "B" attached hereto. Notwithstanding the foregoing, Trademark License Rights shall not include those trademark or tradename or other rights which are held by the Company as licensee, to the extent that such items are not assignable or capable of being encumbered as a matter of law or without the consent of the licensor thereof under the terms of such license.
- (xiv) "Trademark Registrations" shall mean all past, present or future federal, provincial and local registrations of the Trademarks in Canada (and all renewals and extensions of such registrations), all past, present and future applications for any such registrations of the Trademarks in Canada (and any

such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Company, and to take any and all actions necessary or appropriate to maintain such registrations in effect and/or renew and extend such registrations.

- (xv) "Trademark Rights" shall mean any and all past, present or future rights in, to and associated with the Trademarks throughout Canada, whether arising under federal law, provincial law, common law, or otherwise, including but not limited to the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any federal trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Company or the Bank for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

2. Grant of Security Interest:

- (a) The Company hereby grants to the Bank a continuing security interest in and lien on the Trademark Collateral, and pledges, mortgages and hypothecates (but does not transfer title to) the Trademark Collateral to the Bank as continuing collateral security for the payment and performance of the Secured Obligations.
- (b) The Company expressly acknowledges and agrees that it has executed and delivered to the Bank as continuing collateral security other security documents which may grant to the Bank rights and interests in the Trademark Collateral. Any and all rights and interests of the Bank in and to the Trademark Collateral (and any and all obligations of the Company with respect thereto) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Bank (and the obligations of the Company) in, to or with respect to the Trademark Collateral provided in or arising under or in connection with the other security documents.

3. Default

- (a) Upon an Event of Default, and upon the written demand of the Bank the Company shall execute and deliver to the Bank in accordance with applicable law, an assignment or assignments of the Trademark Collateral and such other documents as are necessary or appropriate to carry out the intent and purposes of this Agreement. The Company agrees that any such assignment and/or any recording thereof shall be applied to reduce the Secured Obligations outstanding only to the extent that the Bank actually receives cash proceeds in respect of the assignment, sale or disposition of, or other realization upon, the Trademark Collateral. Should any assignment or assignments be delivered by the Company to the Bank prior to an Event of Default, the Bank agrees that it shall not register such assignment until the occurrence of an Event of Default.
- (b) In the event of any such license, assignment, sale, transfer or other disposition of the Trademark Collateral, or any of it, after the occurrence and during

the continuation of an Event of Default, whether to or by the Bank, the Company shall supply to the Bank (or the Bank's designee) the Company's know-how and expertise relating to the products and services sold and provided under the Trademarks, and other records relating to the Trademark Collateral and to the production, marketing, delivery and sale of said products and services.

- (c) Upon the occurrence of an Event of Default, any receiver appointed by the Bank under the General Security Agreement shall have the right to deal with the Trademark Collateral, including any rents and profits thereof, and such receiver shall have power to take possession of the Trademark Collateral and to carry on or concur in carrying on the business of the Company, and to sell or concur in selling the Trademark Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Company. The Bank may from time to time fix the remuneration of such receiver. All moneys from time to time received by such receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Trademark Collateral, secondly in payment of his remunerations as receiver, thirdly in keeping in good standing any liens and charges on the Trademark Collateral prior to the security constituted by this agreement, and fourthly in or toward payment of such parts of the Secured Obligations as to the Bank seems best, and any residue of such moneys so received shall be paid to the Company. The Bank in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the undersigned or otherwise.

4. Representations, Warranties and Covenants: The Company represents and warrants to, and covenants and agrees with, the Bank as follows:

- (a) The Company is and will continue to be the sole and exclusive owner of the entire legal and beneficial right, title and interest in and to the Trademarks and the Trademark Collateral (other than ownership and other rights reserved by the owners of the Licensed Trademarks), free and clear of any lien, charge, security interest or other encumbrance, except for (i) the security interest and conditional assignment created by this Agreement, (ii) the Permitted Encumbrances listed on Schedule "C" hereto ("Permitted Encumbrances"), and (iii) the existing License Agreements and Trademark License Rights listed on Schedule "B" hereto. The Company will take all reasonable steps required, if any, to defend its right, title and interests in and to the Trademarks and the Trademark Collateral against any and all claims of any third parties.
- (b) Schedule "A" comprises a true and complete list of all Canadian Trademarks and Schedule "B" comprises a true and complete list of all License Agreements and Trademark License Rights of the Company. All license and other agreements applicable to the Trademarks are the valid and binding obligations of all of the parties thereto, enforceable against each such parties in accordance with their respective terms.
- (c) The Owned Trademarks and the Trademark Registrations and Trademark Rights related thereto are valid, enforceable and subsisting and to the best of the Company's knowledge have not been adjudged invalid or unenforceable in the jurisdictions where they have been registered. The Company has not received any written claim by any third party that any of the Owned Trademarks and the Trademark

Registrations and Trademark Rights related thereto are invalid or unenforceable.

- (d) To the best of the Company's knowledge, there is not on file in any governmental or regulatory authority, agency or recording office in Canada any effective financing statement, security agreement, assignment, license or transfer or notice of any of the foregoing (other than those that have been filed in favour of the Bank) covering any of the Trademark Collateral, and the Company is not aware of any such filing. So long as this Agreement shall be in effect, the Company shall not execute and shall not knowingly permit to be on file in any such office or agency, any such financing statement or other document or instrument (except financing statements, documents or instruments filed or to be filed in favour of the Bank).
- (e) Except as the Bank has specifically been advised in writing prior to the date hereof, no known claim has been made that the Company's use of any of the Owned Trademarks in Canada does or may violate the rights of any third parties. There has been no decision in Canada adverse to the Company's claim of ownership rights and or exclusive rights to use the Owned Trademarks or any material part of the Trademark Collateral associated therewith, or to its right to use and register the Owned Trademarks in Canada or to keep and maintain such registration in full force and effect, and there is no proceeding in Canada involving said rights, threatened or pending to the knowledge of the Company in the CTMO or any similar office or agency of the United States, any state or foreign country or in any Canadian court.

5. Further Assurances:

- (a) The Company shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Bank may reasonably require more completely to vest in and assure to the Bank, rights hereunder or in any of the Trademark Collateral, including without limitation, execution and delivery of financing statements which the Bank deems appropriate to perfect and continue the assignment and security interest hereby granted.
- (b) The Company agrees that, upon its commencement of use or acquisition of any right, title or interest in or to any Trademark, Trademark Registration or Trademark Right other than the Trademarks, Trademark Registrations or Trademark Rights set forth in Schedule "A" hereto (including any variation or new versions of such scheduled Trademarks, Trademark Registrations and Trademark Rights), or upon commencement of use of any Trademark with (or the addition to any Trademark Registration of) any new class of goods or services in Canada, the provisions of this Agreement shall automatically apply thereto. The Bank shall be authorized to amend such Schedule "A" as appropriate to include such additional Trademarks, Trademark Registrations and Trademark Rights, on notice to the Company but without the necessity for the Company's approval of or signature to such amendment, and the Company shall do all such other acts (at its own expense) deemed necessary or appropriate by the Bank, acting reasonably, to implement and preserve the Bank's interest therein (including, but not limited to, executing and delivering and recording in all places where this Agreement or notice thereof is recorded, an appropriate counterpart of or supplement to this Agreement). Such additional Trademarks, Trademark Registrations and Trademark Rights shall be automatically included in the definition of the terms "Trademarks",

"Trademark Registrations" and "Trademark Rights", as such terms are used herein.

6. Power of Attorney:

- (a) From and after an Event of Default and during the continuation thereof, the Company hereby irrevocably constitutes and appoints the Bank (or the Bank's designee who acts on behalf of the Bank), with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Company and in the name of the Company or in the Bank's own name (or the Bank's designee who acts on behalf of the Bank), for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives the Bank the power and right, on behalf of the Company, without notice to or assent by the Company, to do the following:
- (i) Upon the occurrence and during the continuance of an Event of Default, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Trademark Collateral in such manner as is consistent with the Personal Property Security Act as fully and completely as though the Bank was the absolute owner thereof for all purposes, and to do at the Company's expense, at any time, or from time to time, all acts and things which the Bank deems necessary to protect, preserve or realize upon the Trademark Collateral and the Bank's security interest therein, in order to effect the intent of this Agreement; all as fully and effectively as the Company might do, including, without limitation, (A) execution and delivery of any and all agreements, documents, instruments of assignment, licenses or transfers of any of the Trademark Collateral, and do all other acts, which the Company is obligated to execute or deliver or perform under any provision of this Agreement and which the Company fails to execute, deliver or perform, and (B) execution of any and all documents, statements, certificates, instruments or agreements deemed necessary or advisable by the Bank (or the Bank's designee) to effect any purpose set forth herein; and
- (ii) To file such financing statements with respect hereto, as the Bank may deem appropriate and to execute such financing statements and continuation statements which may require the Company's signature.
- (b) To the extent permitted by law, the Company hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable during the currency of this agreement.
- (c) The powers conferred on the Bank hereunder are solely to protect the Bank's interests in the Trademark Collateral and shall not impose any duty upon it to exercise any such powers. The Bank shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Company for any act or failure to act, except for gross negligence or wilful misconduct.

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7. Enforcement of Trademark Rights:

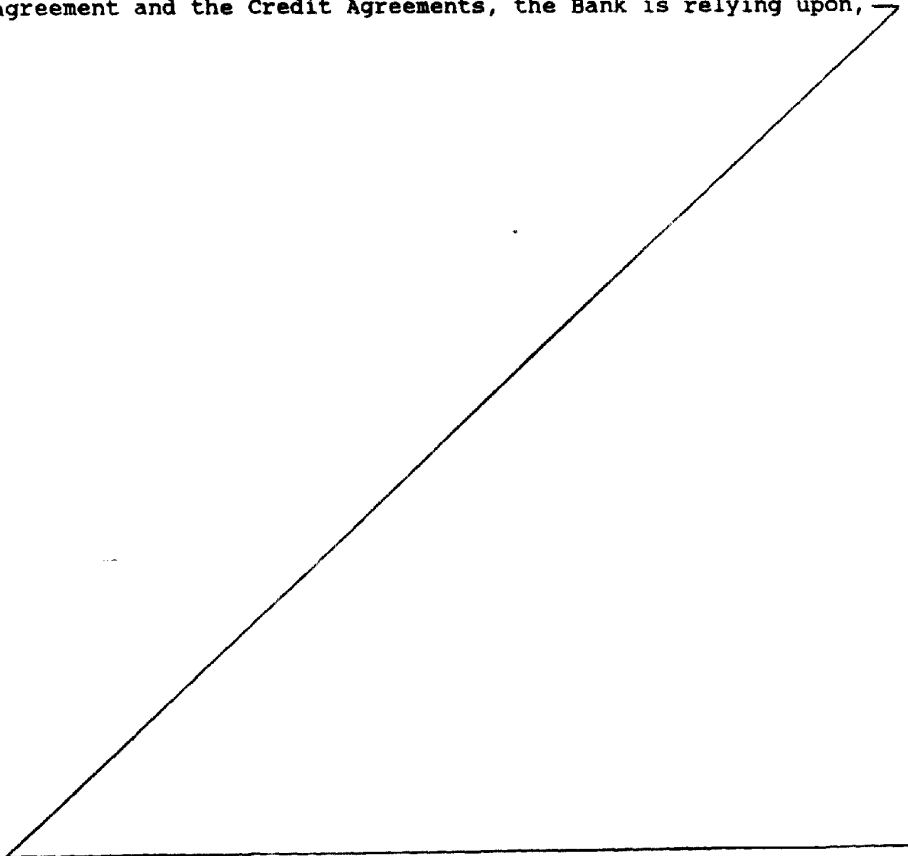
- (a) After an Event of Default, the Company shall have the right and the obligation to commence and prosecute in its own name, as a real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions to restrain, prevent or recover for infringement, misuse, unfair competition, dilution or other damage as are in its reasonable business judgment necessary or appropriate to maintain, protect and enforce the Trademarks, Trademark Registrations, Trademark Rights and Associated Goodwill. The Company shall indemnify and hold harmless the Bank from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements (including but not limited to attorneys' fees) of any kind whatsoever which may be imposed on, incurred or suffered by or asserted against the Bank arising out of such suits, proceedings or actions.
- (b) Upon the occurrence and during the continuance of an Event of Default, the Bank shall have the right, but in no way shall be obligated, to bring suit in the name of the Company or the Bank (in the sole discretion of the Bank) to protect, maintain or enforce any of the Company's rights or interest in, to or under the Trademark Collateral or any part thereof, in which event the Company shall at the request of the Bank (and at the Company's expense) do any and all lawful acts and things, and execute any and all documents and instruments requested by the Bank, in furtherance of such protection, maintenance or enforcement; the Company shall promptly upon demand indemnify and reimburse the Bank for all liabilities, obligations, reasonable costs, expenses or disbursements imposed on, reasonably and properly incurred or suffered by or asserted against the Bank in the exercise of its rights under this Section 7(b). In the event the Bank shall elect not to bring suit to protect, maintain or enforce any such rights or interests of the Company, the Company shall use all reasonable measures, whether by action, suit, proceeding or otherwise, to protect, maintain and enforce such rights and interests, and for that purpose shall diligently maintain any such action, suit or proceeding necessary or appropriate for such protection, maintenance or enforcement.

8. Indemnification: The Company shall indemnify and hold harmless the Bank from and against, and shall pay to the Bank on demand, any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations or liabilities of any kind or nature (except those resulting from the Bank's gross negligence or wilful misconduct or the Bank's failure to comply with its obligations under this Agreement) arising in any way out of or in connection with this Agreement, the Trademark Collateral, custody, preservation, use, operation, sale, license (or other transfer or disposition) of the Trademark Collateral, any alleged infringement of the intellectual property rights of any third party, the production, marketing, delivery and sale of the goods and services provided under or in connection with any of the Trademarks or the Trademark Collateral, the sale of, collection from or other realization upon any of the Trademark Collateral, the failure of the Company to perform or observe any of the provisions hereof, or matters relating to any of the foregoing, prior to the occurrence of an Event of Default. The Company shall also indemnify and hold harmless the Bank from and against any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations or liabilities arising out of or in connection with any fault, negligence, act or omission of the Company (regardless of whether such fault, negligence, act or omission occurred or occurs prior to or after the occurrence of an Event of Default).

9. No Obligation of the Lender: The rights granted to the Bank hereunder are solely for the protection of the Bank and nothing herein contained shall impose on the Bank any duties or obligations with respect to the Trademark Collateral or any property of the Company received hereunder beyond reasonable care in its custody and preservation while in the Bank's possession other than that imposed by applicable law.

10. Termination of Agreement: The obligations of the Company and the rights and powers granted to the Bank hereunder shall continue in full force and effect until the Secured Obligations have been indefeasibly paid or satisfied in full, at which time such obligations, rights and powers shall terminate and be of no further force and effect, provided, however, that this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time payment or other satisfaction of any of the Secured Obligations are rescinded or must otherwise be restored or returned upon the bankruptcy, insolvency, or reorganization of the Company, or otherwise, as though such payment had not been made or other satisfaction occurred. No invalidity, irregularity or unenforceability by reason of any insolvency or other similar law, or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect, the Secured Obligations, shall impair, affect, be a defense to or claim against the Secured Obligations of the Company under this Agreement.

11. Governing Law: This Agreement shall be binding upon the Company, its successors and permitted assigns, shall enure to the benefit of the Bank, its successors and permitted assigns, and shall be construed in accordance with the laws of the Province of Ontario. Except as prohibited by law, the Company waives any right which it may have to claim or recover in any litigation any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Company (a) certifies that neither the Bank nor any representative, agent or attorney of the Bank represented, expressly or otherwise, that the Bank would not, in the event of litigation, seek to enforce the foregoing waivers and (b) acknowledges that, in entering into this agreement and the Credit Agreements, the Bank is relying upon,



among other things, the waivers and certifications contained in this Section 11.

14. Amendment: This Agreement may not be amended or modified except by a writing signed by each of the parties hereto.

15. Notice: Any notice or other communications provided for in this Agreement shall be made or given in accordance with the terms of Section 16(12) of the General Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**CANADIAN IMPERIAL
BANK OF COMMERCE**

Per: [Signature]

Title: General Manager

CLUB MONACO INC.

Per: [Signature] c/s

Title: President

SCHEDULE "A"

TRADEMARKS OF THE COMPANY

1. Trade Mark: Club Monaco
Application No.: 555 746
Registration No.: TMA 339,255
Filing Date: February 21, 1986
Registration Date: April 15, 1988
Registrant: Club Monaco Inc.
Current Owner: Club Monaco Inc.

2. Trade Mark: Design Mark for Club Monaco
Application No.: 577 767
Registration No.: TMA 352,924
Filing Date: February 9, 1987
Registration Date: March 10, 1989
Registrant: Club Monaco Inc.
Current Owner: Club Monaco Inc.

3. Pending Application
Trade Mark: Club Monaco
Application No.: 716488
Filing Date: November 6, 1992
Registrant: Club Monaco Inc.

4. Pending Application
Trade Mark: Body Friendly
Application No.: 674505
Filing Date: January 23, 1991
Registrant: Club Monaco Inc.

SCHEDULE "B"

LICENSE AGREEMENTS AND
TRADEMARK LICENSE RIGHTS OF THE COMPANY

1. LICENSE AGREEMENTS:

<u>Trademark</u>	<u>Licensee</u>	<u>Address or Location of Licensee</u>	<u>Date of License</u>
Club Monaco	Hatten Fashion (International) Inc.	2425 Quebec Street, Vancouver, British Columbia, M5R 4Z6	September 26, 1986
Club Monaco	Bevuni Investments (Thunder Bay) Limited	26 South Court Street, Thunder Bay, Ontario P7B 5G1	May 29, 1986; March 26, 1992
Club Monaco	509069 Ontario Limited	605 Richmond Street, London, Ontario, N6A 3G3	May 20, 1986
Club Monaco	C-Family Holdings Inc.	Sault Ste. Marie, Ontario	1989
Club Monaco	776583 Ontario Limited	London, Ontario	1988
Club Monaco and Design	Trevelyan Ltd.	Canada	1993

SCHEDULE "C"

PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means any of the following charges, claims or rights (including, without limiting the generality of the foregoing, those by way of mortgage, pledge, assignment, lien, charge, security interest or encumbrance, fixed or floating, or a charge pursuant to a conditional sale or other title retention agreement, equipment trust, financing lease or other rights reserved or a subordination to any right or claim of any other person), any of the foregoing being hereinafter referred to as "Liens", as provided below:

- (a) Liens for taxes, governmental charges or assessments not at the time due and delinquent, or being contested in good faith and, in respect of which taxes that are being contested Club Monaco Inc. ("CMI") has made provision in its financial statements which is reasonably believed by CMI to be adequate in respect of such taxes;
- (b) the Lien of or in respect of any judgment rendered, writ of execution, distress or analogous process issued or claim filed which is being contested in good faith and for the payment of which adequate liquid security has been provided by CMI;
- (c) undetermined, inchoate, statutory or possessory liens incidental to current operations which relate to obligations not due and delinquent or which have not been asserted, filed, registered or recorded or which are not required to be asserted, filed, registered or recorded, including the excess of the amount of any taxes, governmental charges or assessments for which final assessments have not been received, over and above the amount of such taxes, governmental charges or royalties as estimated and paid, but only to the extent that such obligations, if they were to become due and delinquent or if they were asserted, filed, registered or recorded, would have priority over Liens granted by CMI in favour of Canadian Imperial Bank of Commerce;
- (d) any Lien, the payment of which has been provided for by (i) insurance, the proceeds of which are or will be available to cover such Lien; (ii) the deposit with any duly appointed agent or a court of cash, letters of credit or performance bonds in an amount sufficient for such payment or other security satisfactory to Canadian Imperial Bank of Commerce to satisfy such Lien;
- (e) the Liens evidenced by the registrations and encumbrances described in Schedule C-1 attached; and
- (f) any Liens permitted by Canadian Imperial Bank of Commerce in writing from time to time.

Schedule "C-1"

PPSA Registrations Against Club Monaco Inc.
(currency November 22, 1993)

Financing Statement	Secured Party	Collateral
890614 1451 43 9894 (as renewed)	Triathlon Leasing Inc.	E (Computer Equipment), O (Collateral as described in Security Agreement Unit 453901-001)
890804 1127 88 4202 (as renewed)	Xerox Canada Finance Inc.	E, O
890804 1127 88 4201 (as renewed)	Xerox Canada Finance Inc.	E, O
900228 1337 0088 7349	Xerox Canada Finance Inc.	E, O
910531 1048 0088 1661	Xerox Canada Finance Inc.	E, O
910705 1147 0024 0980 (Renewal of Registration 8808191145888291)	Pitney Bowes Leasing, a Division of Pitney Bowes of Canada Ltd.	
921124 1208 0043 0528	Finchside International Ltd.*	A,E,I,O,MV
930122 1214 0043 7407 (as amended)	Canadian Imperial Bank of Commerce	A,E,I,O,MV
930818 2019 1513 1887	Commcorp Financial Services Inc. - Equipment Finance Division	I,E,O
931025 2139 1513 6214	Commcorp Financial Services Inc. - Equipment Finance Division	I,E,O
931101 1211 0043 6885	Banque Nationale de Paris (Canada)*	A,E,I,O,MV

* To be discharged

Note: With respect to the Collateral noted above, the following definitions shall apply.

"E" shall mean Equipment
 "A" shall mean Accounts
 "I" shall mean Inventory
 "MV" shall mean Motor Vehicle
 "O" shall mean Other Collateral