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RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment  License
  - Security Agreement  Nunc Pro Tunc Assignment
  - Merger  Change of Name
  - Other
- Effective Date  
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date  
Month Day Year

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership  If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

06/29/1998 INCOATES 00000009 75143401

FOR OFFICE USE ONLY

01 FC:481  
02 FC:482

40.00 OP  
350.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231  
REF: 1754 FRAME: 0023

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

SEE SCHEDULE A ATTACHED HERETO AND

INCORPORATED HEREIN BY THIS REFERENCE

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**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. Charges to deposit account are authorized, as indicated herein.

R. PAUL BARKES, ESQ.

*R Paul Barkes*

6/11/98

Name of Person Signing

Signature

Date Signed

Schedule A to Trademark Security Agreement

**AUREAL SEMICONDUCTOR INC.  
TRADEMARKS**

A3D	75/143,401	August 1, 1996	9
A3D INTERACTIVE	75/194383	November 7, 1996	9
A3D SURROUND	75/194464	November 7, 1996	9
AUDIO REALITY	74/550062	July 15, 1994	9
AUREAL	75/117078	June 11, 1996	9
AUREAL _____	75/122590	June 20, 1996	9
AUREAL SEMICONDUCTOR	74/001,655	October 4, 1995	9
Aureal Real Sound	75/019,558	November 14, 1995	9
Aureal Sound Bank	75/019,557	November 14, 1996	9
BELIEVE YOUR EARS	S/N pending	April 17, 1998	9
CONVOLVOTRON	1,688,804	May 26, 1996	9
Miscellaneous Design (A3D Logo)	75/196758	June 27, 1997	9
Miscellaneous Design (Aureal Logo)	75/196758	November 12, 1996	9
WE HEAR THE FUTURE	75/194648	November 7, 1996	16
WAVE GUIDE	75/017,510	November 9, 1995	9
VORTEX	1,925,134	October 10, 1995	9

Revised 6/2/98

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06/02/98

TRADEMARK

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## TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of June 5, 1998, is made by **AUREAL SEMICONDUCTOR INC.**, a Delaware corporation ("Debtor"), in favor of **TRANSAMERICA BUSINESS CREDIT CORPORATION**, a Delaware corporation ("TBCC"), as agent for the Lender Group ("Secured Party").

### RECITALS

A. Debtor and the Lender Group have entered into that certain Loan and Security Agreement, of even date herewith (as amended, restated, modified, renewed or extended from time to time, the "Loan Agreement"), pursuant to which the Lender Group has agreed to make certain financial accommodations to Debtor, and pursuant to which Debtor has granted to Secured Party for the benefit of the Lender Group security interests in (among other things) all of the general intangibles of Debtor.

B. Pursuant to the Loan Agreement and as one of the conditions precedent to the obligations of the Lender Group and Secured Party on behalf thereof under the Loan Agreement, Debtor has agreed to execute and deliver this Agreement to Secured Party on behalf of the Lender Group for filing with the PTO and with any other relevant recording systems in any domestic jurisdiction, and as further evidence of and to effectuate the existing security interests of Secured Party for the benefit of the Lender Group in the trademarks and other general intangibles described herein.

### ASSIGNMENT

**NOW, THEREFORE**, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees in favor of Secured Party for the benefit of the Lender Group as follows:

1. Definitions; Interpretation.

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Event of Default" shall have the meaning ascribed thereto in the Loan Agreement.

"Lender Group" means, individually and collectively, each of the Lenders and TBCC in its capacity as Agent for the Lenders.

"Lenders" means, individually and collectively, each of the financial institutions (including TBCC) listed on the signature pages of the Loan Agreement and any other Person made a party thereto in accordance with the provisions of Section 15.1 thereof (together with their respective successors and assigns).

"Lien" means any pledge, security interest, assignment, charge or encumbrance, lien (statutory or other), or other preferential arrangement (including any agreement to give any security interest).

"Proceeds" means whatever is receivable or received from or upon the sale, lease, collection, use, exchange or other disposition (including by exclusive licenses), whether voluntary or involuntary, of any Trademark Collateral, including "proceeds" as defined at UCC Section 9-306, all insurance proceeds and all proceeds of proceeds. Proceeds shall include (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Trademark Collateral, (ii) any and all claims and payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Trademark Collateral by any Person acting under color of governmental authority, and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Trademark Collateral or for or on account of any damage or injury to or conversion of any Trademark Collateral by any Person.

"PTO" means the United States Patent and Trademark Office and any successor thereto.

"Secured Obligations" means all liabilities, obligations, or undertakings owing by Debtor to the Lender Group or Secured Party on behalf thereof of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, the other Loan Documents, or this Agreement, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the Bankruptcy Code) and any and all costs, fees (including attorneys fees), and expenses which Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

"Secured Tranche A Claims" has the meaning set forth in Section 2(a).

"Secured Tranche B Claims" has the meaning set forth in Section 2(b).

"Trademark Collateral" has the meaning set forth in Section 2.

"Trademarks" has the meaning set forth in Section 2.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"United States" and "U.S." each mean the United States of America.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(c) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the Section or subsection in which the reference appears.

(ii) The words "hereof," "herein," "hereto," "hereunder" and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation."

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) Capitalized words not otherwise defined herein shall have the respective meanings assigned to them in the Loan Agreement.

(ix) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to

be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Debtor and supplemental rights and remedies in favor of the Lender Group or Secured Party on behalf thereof (whether under federal law or applicable New York law), in each case in respect of the Trademark Collateral, shall not be deemed a conflict in the Loan Agreement.

2. Security Interests.

(a) Assignment and Grant of Security Interest (Relative to Secured Tranche A Claims). In order to secure prompt repayment of any and all Secured Obligations (other than relative to the Tranche B Advances) and in order to secure prompt performance by Debtor of each of its covenants and duties under the Loan Documents (other than with respect to the Tranche B Advances), Debtor hereby grants to Secured Party, for the ratable benefit of the Lender Group, continuing Liens on all right, title and interest in, to and under the following property, whether now existing or hereafter acquired or arising or in which Debtor now has or hereafter acquires or develops an interest and wherever the same may be located (collectively, the "Trademark Collateral"):

(i) all state (including common law) and federal trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now owned or hereafter adopted or acquired by Debtor, together with and including all licenses therefor held by Debtor (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of terminating or permitting termination of the license for breach (unless the licensor has consented to such grant or waived such termination remedy)), and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the PTO, any State of the United States and all extensions or renewals thereof, including without limitation any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation and to apply for, renew and extend any of the same, and the right (but not the obligation), upon the occurrence and during the continuance of an Event of Default, to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Secured Party on behalf of the Lender Group for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto:

(iii) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of Debtor's business symbolized by the Trademarks or associated therewith; and

(iv) all products and Proceeds of any and all of the foregoing.

The secured claims of Secured Party with respect to the portions of the Secured Obligations described in this subparagraph (a) are referred to herein as the "Secured Tranche A Claims."

(b) Assignment and Grant of Security Interest (Relative to Secured Tranche B Claims). In order to secure prompt repayment of any and all Secured Obligations relative to the Tranche B Advances and in order to secure prompt performance by Debtor of each of its covenants and duties under the Loan Documents with respect to the Tranche B Advances, Debtor hereby grants to Secured Party, for the ratable benefit of the Lender Group, continuing Liens on all right, title, and interest of Debtor in and to all currently existing and hereafter acquired or arising Trademark Collateral. The secured claims of the Secured Party with respect to the portions of the Secured Obligations described in this subparagraph (b) are referred to herein as the "Secured Tranche B Claims."

(c) Certain Exclusions from Grant of Security Interests. Anything in this Agreement and the other Loan Documents to the contrary notwithstanding, the foregoing grant, assignment, transfer, and conveyance of security interests shall not extend to, and the term "Trademark Collateral" shall not include, any item of Trademark Collateral described in Section 2(a) above that is now or hereafter held by Debtor as licensee or otherwise, solely in the event and to the extent that: (i) as the proximate result of the foregoing grant, assignment, transfer, or conveyance of security interests, Debtor's rights in or with respect to such item of Trademark Collateral would be forfeited or would become void, voidable, terminable, or revocable, or if Debtor would be deemed to have breached, violated, or defaulted the underlying license or other agreement that governs such item of Trademark Collateral pursuant to the restrictions in the underlying license or other agreement that governs such item of Trademark Collateral; (ii) any such restriction shall be effective and enforceable under applicable law, including Section 9-318(4) of the UCC; and (iii) any such forfeiture, voidness, voidability, terminability, revocability, breach, violation, or default cannot be remedied or prevented by Debtor using its reasonable efforts (but without any obligation to make any material expenditures of money or to commence legal proceedings); provided, however, that the foregoing grant, assignment, transfer, and conveyance of security interests shall extend to, and the term "Trademark Collateral" shall include, (y) any and all proceeds of such item of Trademark Collateral to the extent that the assignment or encumbering of such proceeds is not so restricted, and (z) upon any such licensor or other applicable party's consent with respect to any such otherwise excluded item of Trademark Collateral being obtained, thereafter such item of Trademark Collateral as well as any proceeds thereof that might theretofore have been excluded from such grant, assignment, transfer, and conveyance of security interests and the term "Trademark Collateral."



(d) Continuing Security Interests. Debtor agrees that this Agreement shall create continuing security interests in the Trademark Collateral which shall remain in effect until terminated in accordance with Section 17.

(e) Incorporation into Loan Agreement. This Agreement shall be fully incorporated into the Loan Agreement and all understandings, agreements and provisions contained in the Loan Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Trademark Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement.

(f) Permitted Licensing. Anything in the Loan Agreement or this Agreement to the contrary notwithstanding, Debtor may license to any other Person the Trademark Collateral on a non-exclusive basis, free and clear of the security interests of Secured Party for the benefit of the Lender Group (other than its security interests in the proceeds of such license).

(g) Priority. Subject to Section 2.4(b) of the Loan Agreement, the Secured Party's Liens on the Trademark Collateral securing the Secured Tranche B Claims shall be senior in Lien priority to the Secured Party's Liens on the Trademark Collateral securing the Secured Tranche A Claims.

3. Further Assurances; Appointment of Secured Party as Attorney-in-Fact. Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Secured Party for the benefit of the Lender Group any and all documents and instruments, in form and substance reasonably satisfactory to Secured Party, and take any and all action, which Secured Party on behalf of the Lender Group may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Secured Party's security interests in the Trademark Collateral and to accomplish the purposes of this Agreement. Secured Party shall have the right, in the name of Debtor, or in the name of Secured Party on behalf of the Lender Group or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Secured Party on behalf of the Lender Group (and any of Secured Party's officers or employees or agents designated by Secured Party) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments and perform all other acts that Secured Party on behalf of the Lender Group reasonably deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of the security interests of Secured Party for the benefit of the Lender Group in, the Trademark Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Secured Party for the benefit of the Lender Group reasonably may deem necessary or advisable to maintain, preserve and protect the Trademark Collateral and to accomplish the purposes of this Agreement, including (A) after the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Trademark Collateral, (B) to assert or retain any

rights under any license agreement to which Debtor is a party for any of the Trademark Collateral, and (C) after the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Secured Party on behalf of the Lender Group to use the Trademark Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Trademark Collateral, and to assign, convey or otherwise transfer title in or dispose of the Trademark Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 17.

4. Representations and Warranties. Debtor represents and warrants to the Lender Group and Secured Party on behalf thereof, in each case to the best of Debtor's knowledge, information, and belief, as follows:

(a) No Other Trademarks. Schedule A sets forth, as of the Closing Date, a true and correct list of all of the existing Trademarks that are registered, or for which any application for registration has been filed with the PTO or any corresponding or similar trademark office of any other U.S. jurisdiction, and that are owned or used (whether pursuant to a license or otherwise) by Debtor.

(b) Trademarks Subsisting. Each of the Trademarks listed in Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of Debtor's knowledge, each of the Trademarks is valid and enforceable.

(c) Ownership of Trademark Collateral; No Violation. (i) Debtor owns or has the valid right to use the existing Trademark Collateral, (ii) with respect to the Trademark Collateral shown on Schedule A hereto as owned by it, Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than the security interests created hereunder and other than Permitted Liens), including licenses, registered user agreements and covenants by Debtor not to sue third persons, and (iii) with respect to any Trademarks for which Debtor is either a licensor or a licensee pursuant to a license or licensee agreement regarding such Trademark, each such license or licensing agreement is in full force and effect, Debtor is not in default of any of its obligations thereunder and, other than the parties to such licenses or licensing agreements, no other Person has any rights in or to any of the Trademark Collateral. To the best of Debtor's knowledge, the past, present and contemplated future use of the Trademark Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person.

(d) No Infringement. To the best of Debtor's knowledge, no material infringement or unauthorized use presently is being made of any of the Trademark Collateral by any Person.

(e) Powers. Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party for the benefit of the Lender Group security interests in all

of the Trademark Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. So long as any of the Secured Obligations remain unsatisfied: (a) Debtor agrees that it will comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement and the other Loan Documents; (b) Debtor will promptly give Secured Party written notice of the occurrence of any event of which Debtor becomes aware that could have a material adverse effect on any of the Trademarks or the Trademark Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Trademarks for which Debtor is a licensee; and (c) Debtor agrees to use its reasonable efforts to not cause, suffer, or permit the inclusion in any contract to which Debtor becomes a party any provision that could or might impair or prevent the creation of security interests in favor of Secured Party for the benefit of the Lender Group in Debtor's rights and interest in any property included within the definition of the Trademarks acquired under such contracts.

6. Future Rights. For so long as any of the Secured Obligations shall remain outstanding, or, if earlier, until Secured Party on behalf of the Lender Group shall have released or terminated, in whole but not in part, its interest in the Trademark Collateral, if and when Debtor shall obtain rights to any new Trademarks, or any reissue, renewal or extension of any Trademarks, the provisions of Section 2 shall automatically apply thereto and Debtor shall give to Secured Party prompt notice thereof. Debtor shall do all things reasonably deemed necessary or advisable by Secured Party to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party for the benefit of the Lender Group in such future acquired Trademark Collateral. Debtor hereby authorizes Secured Party on behalf of the Lender Group to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on Debtor's behalf and as its attorney-in-fact to include any future Trademarks which are or become Trademark Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

7. Duties of the Lender Group and Secured Party. Notwithstanding any provision contained in this Agreement, neither the Lender Group nor the Secured Party shall have a duty to exercise any of the rights, privileges or powers afforded to it, nor be responsible to Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by the Lender Group or Secured Party on behalf thereof hereunder or in connection herewith, neither the Lender Group nor Secured Party shall have a duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Trademark Collateral.

8. Remedies. From and after the occurrence and during the continuation of an Event of Default, the Lender Group and Secured Party on behalf thereof shall have all rights and remedies available to them under the Loan Agreement and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Trademark Collateral or any other Collateral. Debtor agrees that such rights and remedies include the right of Secured

Party as a secured party to sell or otherwise dispose of its Collateral after default, pursuant to UCC Section 9-504 for the benefit of the Lender Group. Debtor agrees that Secured Party for the benefit of the Lender Group shall at all times have such royalty-free licenses, to the extent permitted by law, for any Trademark Collateral that is reasonably necessary to permit the exercise of any of the rights or remedies of the Lender Group or Secured Party on behalf thereof upon or after the occurrence of (and during the continuance of) an Event of Default with respect to (among other things) any tangible asset of Debtor in which Secured Party for the benefit of the Lender Group has security interests, including Secured Party's rights to sell inventory, tooling or packaging which is acquired by Debtor (or its successor, assignee or trustee in bankruptcy) for the benefit of the Lender Group. In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party for the benefit of the Lender Group shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party on behalf of the Lender Group deems necessary or advisable, in the name of Debtor or Secured Party on behalf of the Lender Group, to enforce or protect any of the Trademark Collateral, in which event Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party in aid of such enforcement; provided, however, that the foregoing shall not be deemed to give Secured Party the right, during the continuation of such Event of Default, to take control of the defense of any suit brought by third parties (as opposed to the prosecution of any suit against third parties) relative to such Trademark Collateral. To the extent that Secured Party shall elect not to bring suit to enforce such Trademark Collateral, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violation thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

9. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, the Lender Group and Secured Party on behalf thereof and their respective successors and assigns.

10. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

11. **GOVERNING LAW AND VENUE; JURY TRIAL WAIVER. THIS 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 ASSIGNMENT AND SECURITY INTERESTS HEREUNDER IN RESPECT OF ANY PROPERTY ARE GOVERNED BY FEDERAL LAW, IN WHICH CASE SUCH CHOICE OF NEW YORK LAW SHALL NOT BE DEEMED TO DEPRIVE SECURED PARTY OR THE LENDER GROUP OF SUCH RIGHTS AND REMEDIES AS MAY BE AVAILABLE UNDER FEDERAL LAW. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN**

CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY PLEDGED COLLATERAL MAY BE BROUGHT, AT SECURED PARTY'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH PLEDGED COLLATERAL MAY BE FOUND OR WHERE IT IS NECESSARY TO BRING SUIT IN ORDER TO OBTAIN SUBJECT-MATTER JURISDICTION. DEBTOR, AND SECURED PARTY ON BEHALF OF THE LENDER GROUP EACH WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 11.

DEBTOR AND SECURED PARTY ON BEHALF OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. DEBTOR AND SECURED PARTY ON BEHALF OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12. Entire Agreement; Amendment. This Agreement, together with the Schedules hereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties as provided in the Loan Agreement. Notwithstanding the foregoing, Secured Party on behalf of the Lender Group may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

13. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.


15. Loan Agreement. Debtor acknowledges that the rights and remedies of the Lender Group and Secured Party on behalf thereof with respect to the security interests in the Trademark Collateral granted hereby are more fully set forth in the Loan Agreement and all such rights and remedies are cumulative.

16. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms. To the extent of any conflict between the provisions of this Agreement and the Loan Agreement, however, the provisions of the Loan Agreement shall govern.

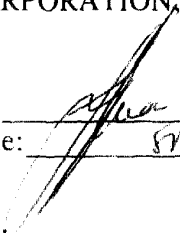
17. Termination. Upon the payment in full of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate, and Secured Party on behalf of the Lender Group shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtor, at Debtor's expense, as shall be necessary to evidence termination of the security interests granted by Debtor to Secured Party for the benefit of the Lender Group hereunder, including the filing of such documents and instruments with the PTO.

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

AUREAL SEMICONDUCTOR INC.

By:   
Title: V.P. FINANCE & CFO

TRANSAMERICA BUSINESS CREDIT  
CORPORATION, as agent for the Lender Group

By:   
Title: SV Admin

STATE OF NEW YORK            )  
  )  SS  
COUNTY OF NEW YORK        )

On June 4, 1998, before me, Elizabeth Golub,  
Notary Public, personally appeared David Demerco, personally  
known to me (or proved to me on the basis of satisfactory  
evidence) to be the person whose name is subscribed to the within  
instrument and acknowledged to me that such person executed the  
same in such person's authorized capacity, and that by such  
person's signature on the instrument such person, or the entity  
upon behalf of which such person acted, executed the instrument.

WITNESS my hand and official seal.

Elizabeth Golub  
Signature

[SEAL]

ELIZABETH GOLUB  
Notary Public, State of New York  
No. 4918991  
Qualified in Nassau County  
Certificate Filed in New York County  
Commission Expires December 28, 1999



STATE OF NEW YORK            )  
  )    SS  
COUNTY OF NEW YORK        )

On June 4, 1998, before me, Elizabeth Golub,  
Notary Public, personally appeared Jan Snodgrass, personally  
known to me (or proved to me on the basis of satisfactory  
evidence) to be the person whose name is subscribed to the within  
instrument and acknowledged to me that such person executed the  
same in such person's authorized capacity, and that by such  
person's signature on the instrument such person, or the entity  
upon behalf of which such person acted, executed the instrument.

WITNESS my hand and official seal.

Elizabeth Golub  
Signature

[SEAL]

ELIZABETH GOLUB  
Notary Public, State of New York  
No. 4016993  
Qualified in Nassau County  
Certificate Filed in New York County  
Commission Expires December 28, 1999

Schedule A to Trademark Security Agreement

AUREAL SEMICONDUCTOR INC.  
TRADEMARKS

NAME	SERIAL NO	FILED	CLASS NO.
A3D	75/143,401	August 1, 1996	9
A3D INTERACTIVE	75/194383	November 7, 1996	9
A3D SURROUND	75/194464	November 7, 1996	9
AUDIO REALITY	74/550062	July 15, 1994	9
AUREAL	75/117078	June 11, 1996	9
AUREAL _____	75/122590	June 20, 1996	9
AUREAL SEMICONDUCTOR	74/001,655	October 4, 1995	9
Aureal Real Sound	75/019,558	November 14, 1995	9
Aureal Sound Bank	75/019,557	November 14, 1996	9
BELIEVE YOUR EARS	S/N pending	April 17, 1998	9
CONVOLVOTRON	1,688,804	May 26, 1996	9
Miscellaneous Design (A3D Logo)	75/196758	June 27, 1997	9
Miscellaneous Design (Aureal Logo)	75/196758	November 12, 1996	9
WE HEAR THE FUTURE	75/194648	November 7, 1996	16
WAVE GUIDE	75/017,510	November 9, 1995	9
VORTEX	1,925,134	October 10, 1995	9

Revised 6/2/98

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TRADEMARK  
REEL: 1754 FRAME: 0040

## Schedule A to Trademark Security Agreement

AUREAL SEMICONDUCTOR INC.  
TRADEMARKS

NAME	SERIAL NO.	FILED	CLASS NO.
A3D	75/143,401	August 1, 1996	9
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Revised 6/2/98

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06/02/98

TRADEMARK

RECORDED: 06/26/1998

REEL: 1754 FRAME: 0041