FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

06-06-2000

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

MKD 5.15.00

101374570

RECOR 05-15-2000 **HEET**

TR U.S. Patent & TMOfc/TM Mail Rcpt Dt. #31

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

Submission Type

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

Conveyance Type

- [ ] Assignment
- [ ] License
- [X] 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

Execution Date Month Day Year: 4/6/2000

Name: SIA Software Company, Inc.

Formerly:

[ ] Individual [ ] General Partnership [ ] Limited Partnership [X] Corporation [ ] Association

[ ] Other

[X] Citizenship/State of Incorporation/Organization: New York

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name: U.S. Bank National Association

DBA/AKA/TA:

Composed of:

Address (line 1): 10800 NE 8th Street, Suite 1000

Address (line 2):

Address (line 3): Bellevue (City) WA (State/Country) 98004 (Zip Code)

[ ] Individual [ ] General Partnership [ ] Limited Partnership

[ ] Corporation [ ] Association

[X] Other: a national banking association

[ ] 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.)*

[ ] Citizenship/State of Incorporation/Organization

06/05/2000 JSHABAZZ 00000161 1844923

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 150.00 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

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 206-583-8888

Name Heidi L. Sachs

Address (line 1) Perkins Coie LLP

Address (line 2) 1201 Third Avenue, Suite 4800

Address (line 3) Seattle, WA 98101-3099

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. # 19

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)		
			1,844,923	1,844,924	1,862,288
			1,863,529	1,999,694	2,051,945
			2,064,453		

Number of Properties

Enter the total number of properties involved. # 7

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $ 190.00

Method of Payment: Enclosed [X] Deposit Account [ ]

Deposit Account

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

Deposit Account Number: # 50-0665

Authorization to charge additional fees: Yes [X] 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.

Heidi L. Sachs	Heidi Sachs	May 12, 2000
Name of Person Signing	Signature	Date Signed

SECURITY AGREEMENT

This security agreement ("Agreement") is made and entered into as of April 6, 2000, by SIA SOFTWARE COMPANY, INC., a New York corporation ("Debtor"), for the benefit of U.S. BANK NATIONAL ASSOCIATION, a national banking association ("U.S. Bank")

RECITALS:

A. On or about June 18, 1998, U.S. Bank and Mackie Designs Inc. ("Borrower") entered into a credit agreement (together with all supplements, exhibits, and amendments thereto, referred to as the "Credit Agreement"), pursuant to which U.S. Bank agreed to extend to Borrower credit facilities as more fully described therein (the "Loans").

B. Borrower has requested that U.S. Bank amend the Credit Agreement pursuant to that certain Fourth Amendment to Credit Agreement dated March 31, 2000.

C. Debtor is financially interested in Borrower and will benefit from the Loans. Debtor has, concurrently with the execution of this Agreement, executed and delivered to U.S. Bank an EAW Entity Guaranty. Debtor further wishes to grant to U.S. Bank a security interest in all its assets as security for all the Secured Obligations.

NOW, THEREFORE, in order to induce U.S. Bank to amend the Credit Agreement, Debtor agrees as follows:

ARTICLE I. DEFINITIONS

Unless otherwise defined herein, terms defined in the Credit Agreement shall have the same meanings when used herein. For the purposes of this Agreement, the following terms shall have the following meanings:

"Account" means any right to payment for goods sold or leased or for services rendered that is not evidenced by an Instrument or Chattel Paper, whether or not it has been earned by performance.

"Account Debtor" means the party who is obligated on or under any Account, Chattel Paper, or General Intangible.

"Assignee Deposit Account" shall have the meaning set forth in Section 5.7 hereof.

"Chattel Paper" means all interest of Debtor in writings that evidence both a monetary obligation and a security interest in or a lease of specific goods, including any group of writings consisting of both a security agreement or a lease and an Instrument or series of Instruments.

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"Collateral" means all property, real, personal, and mixed, tangible and intangible, wherever located, now owned or hereafter acquired by Debtor, or in which Debtor has or later obtains an interest, and all products, profits, rents, and proceeds of such property, including but not limited to Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, Financial Assets, General Intangibles, Goods, Instruments, Inventory, Investment Property, Trademarks, and Vehicles.

"Deposit Account" means a demand, time, savings, passbook, or like account maintained with a bank, savings and loan association, credit union, or like organization, other than an account evidenced by a certificate of deposit.

"Document" means all of Debtor's right, title, and interest in or to any document of title as defined in RCW 62A.1-201 and any receipt of the kind described in RCW 62A.7-201(2).

"Equipment" means all of Debtor's right, title, and interest in and to Goods that are used or bought for use primarily in business and that are not included within the definition of Inventory, including but not limited to all machinery, equipment, furnishings, fixtures, vehicles, tools, supplies, and other equipment of any kind and nature and all additions, substitutions, and replacements of any of the foregoing, together with all attachments, components, parts, accessories, improvements, upgrades, and accessories installed thereon or affixed thereto.

"Event of Default" means an occurrence of an Event of Default as defined in the Credit Agreement.

"Financial Assets" means all of Debtor's right, title, and interest in and to any financial asset as defined in RCW 62A.8-102.

"General Intangibles" means all personal property (including things in action) other than Goods, Accounts, Chattel Paper, Documents, Financial Assets, Instruments, Investment Property, and money, including but not limited to all Trademarks, insurance proceeds, patents, copyrights, trade names, trade secrets, goodwill, registration, license rights, licenses, permits, corporate and other business records, rights to refunds or indemnification, and all other intangible personal property of Debtor of every kind and nature.

"Goods" means all things that are movable or that are fixtures, not including money, Documents, Financial Assets, Instruments, Accounts, Chattel Paper, Investment Property, or General Intangibles.

"Instrument" means any negotiable instrument or other writing that evidences a right to the payment of money and is not itself a security agreement or lease and is of a type that is in the ordinary course of business transferred by delivery with any necessary endorsement or assignment.

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"Inventory" means all Goods held by Debtor for sale or lease, furnished or to be furnished by Debtor under any contract of service, or held by Debtor as raw materials, work in progress, or materials used or consumed in Debtor's business.

"Investment Property" means all of Debtor's right, title, and interest in and to any investment property as defined in RCW 62A.9-115.

"Secured Obligations" means any past, present, or future Indebtedness of Debtor and Borrower to U.S. Bank, and includes but is not limited to (a) any indebtedness, obligation, or liability of any kind arising in any way of Borrower to U.S. Bank, now existing or hereafter created, under the Credit Agreement, the Notes, or the other Loan Documents, including any refinancing, renewal, replacement, extension, amendment, or substitution of such indebtedness, (b) any liability or obligation of Debtor hereunder, (c) the obligations of Debtor under its EAW Entity Guaranty, as well as any other guaranty executed by Debtor and delivered to U.S. Bank whereby Debtor guarantees the indebtedness of any Person other than Debtor to U.S. Bank, (d) any obligations to U.S. Bank arising out of or related to overdrafts, letters of credit, interest rate swap, cap, collar, or similar agreements, and (e) any cost, expense, or liability, including but not limited to reasonable attorneys' fees, that may be incurred and advances that may be made by U.S. Bank in any way in connection with any of the foregoing or any security therefor.

"Trademark" means (a) any trademark, trade name, corporate name, company name, business name, fictitious business name, trade style, service mark, logo or other source or business identifier, and the goodwill associated therewith, now existing or hereafter adopted or acquired, any registration or recording thereof, and any application in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States or of any state thereof, or any other country or any political subdivision thereof, or otherwise, including but not limited to any thereof referred to in Schedule I hereto, and (b) all renewals thereof.

"Vehicle" means any car, truck, trailer, construction or earth-moving equipment, or other vehicle covered by a certificate of title of any state, including but not limited to any tires or other appurtenances to any of the foregoing.

ARTICLE II. GRANT OF SECURITY INTEREST

As security for the payment and satisfaction of the Secured Obligations, Debtor hereby grants to U.S. Bank a continuing security interest in and assigns to U.S. Bank all of Debtor's right, title, and interest in the Collateral and all products, profits, rents, and proceeds thereof.

ARTICLE III. COVENANTS OF GRANTOR

Debtor shall fully perform each of the covenants set forth below.

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3.1 Obligations to Pay

(a) Debtor shall pay to U.S. Bank, in timely fashion and in full, all amounts payable by Debtor to U.S. Bank, pursuant to its EAW Entity Guaranty; and

(b) Debtor shall pay and reimburse U.S. Bank for all expenditures including reasonable attorneys' fees and legal expenses in connection with the exercise by U.S. Bank of any of its rights or remedies under the Credit Agreement or the other Loan Documents.

3.2 Performance

Debtor shall fully perform in a timely fashion every covenant, agreement, and obligation set forth in its EAW Entity Guaranty.

3.3 Further Documentation

At its own expense, Debtor shall execute and deliver any financing statement, any renewal, substitution, or correction thereof, or any other document; shall procure any document; and shall take such further action as U.S. Bank may require in obtaining the full benefits of this Agreement.

3.4 Filing Fees

Debtor shall pay all costs of filing any financing, continuation, or termination statement with respect to the security interests granted herein.

3.5 Pledges

Debtor shall deliver and pledge to U.S. Bank, endorsed or accompanied by instruments of assignment or transfer satisfactory to U.S. Bank, any Instruments, Investment Property, Documents, General Intangibles, or Chattel Paper that U.S. Bank may specify from time to time.

3.6 Maintenance of Records

Debtor shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral including but not limited to a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. Debtor shall mark its books and records pertaining to the Collateral to evidence this Agreement and the security interests granted herein. Debtor shall deliver and turn over to U.S. Bank all books and records pertaining to the Collateral at any time after the occurrence and during the continuation of an Event of Default, if so demanded by U.S. Bank.

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3.7 Disposition of Collateral

Except as allowed in the Credit Agreement, Debtor shall not sell or transfer any of the Collateral or release, compromise, or settle any obligation or receivable due to Debtor.

3.8 Indemnification

Debtor agrees to pay and to indemnify U.S. Bank and hold U.S. Bank harmless from, all liabilities, costs, and expenses including but not limited to reasonable legal fees and expenses with respect to or resulting from (a) any delay in paying any excise, sales, or other taxes that may be payable or determined to be payable with respect to any of the Collateral, (b) any delay by Debtor in complying with any requirement of law applicable to any of the Collateral, or (c) any of the transactions contemplated by this Agreement. In any suit, proceeding, or action brought by U.S. Bank under any Account to enforce payment of any sum owing thereunder or to enforce any provisions of any Account, Debtor will indemnify U.S. Bank and hold U.S. Bank harmless from all expense, loss, or damage suffered by reason of any defense, setoff, counterclaim, recoupment, reduction, or liability whatsoever of the Account Debtor thereunder arising out of a breach by Debtor of any obligation thereunder or arising out of any other agreement, indebtedness, or liability at any time owing to or in favor of such Account Debtor or its successors from Debtor.

3.9 Limitations on Amendments, Modifications, Terminations, Waivers, and Extensions of Contracts and Agreements Giving Rise to Accounts

Debtor will not (a) amend, modify, terminate, waive, or extend any provision of any agreement giving rise to an Account in any manner that could reasonably be expected to have a material adverse effect on the value of such Account as Collateral or (b) fail to exercise promptly and diligently every material right that it may have under each agreement giving rise to an Account, other than any right of termination.

3.10 Limitations on Discounts, Compromises, and Extensions of Accounts

Debtor will not grant any extension of the time of payment of any of the Accounts; compromise, compound, or settle the same for less than the full amount thereof; release, wholly or partially, any Person liable for the payment thereof; or allow any credit or discount whatsoever thereon.

3.11 Further Identification of Collateral

Debtor will furnish to U.S. Bank from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as U.S. Bank may request, all in reasonable detail.

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3.12 Notices

Debtor will advise U.S. Bank promptly in reasonable detail at its address set forth in Section 7.9 (a) hereof of any lien (other than liens created hereby or permitted under the Credit Agreement) on or claim asserted against any of the Collateral and (b) of the occurrence of any other event that could reasonably be expected to have a material adverse effect on the Collateral or on the liens created hereunder.

3.13 Changes in Locations, Name, Etc.

Debtor will not (a) change the location of its chief executive office/chief place of business from that specified in Section 4.10 hereof or remove its books and records from the location specified in Section 4.6, (b) hereof permit any of the Inventory or Equipment (excluding Vehicles) to be kept at locations other than those listed on Schedule II hereto, or (c) change its name, identity, or structure to such an extent that any financing statement filed by U.S. Bank in connection with this Agreement would become seriously misleading, unless it shall have given U.S. Bank at least ten days' prior written notice thereof.

3.14 Trademarks

(a) Debtor (either itself or through licensees) will (i) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures, and price lists in order to maintain such Trademark in full force free from any claim of abandonment for nonuse, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) employ such Trademark with the appropriate notice of registration, (iv) not adopt or use any mark that is confusingly similar to or a colorable imitation of such Trademark unless U.S. Bank shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(b) Debtor will notify U.S. Bank immediately if it knows, or has reason to know, of (i) any application or registration relating to any Trademark material to its business that may become abandoned or dedicated, or (ii) any adverse determination or development (including but not limited to the institution of, or any adverse determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding Debtor's ownership of any material Trademark or its right to register, keep, or maintain the same.

(c) Whenever Debtor, either by itself or through any agent, employee, licensee, or designee, shall file an application for the registration of any material Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, Debtor shall report such filing to U.S. Bank within five Business Days after the last day of the calendar month in which such filing occurs. Debtor shall execute and deliver to U.S. Bank all agreements, instruments, powers of

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attorney, documents, and papers that U.S. Bank may request to evidence U.S. Bank's security interest in any Trademark and in the goodwill and general intangibles of Debtor relating to or represented by the Trademark. Debtor hereby constitutes U.S. Bank its attorney-in-fact to execute and file all such writings for the foregoing purposes, with all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, is irrevocable until all Secured Obligations are paid in full.

(d) Debtor will take all reasonable and necessary steps, including but not limited to all reasonable and necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application, to obtain the relevant registration, and to maintain each registration of material Trademarks, including but not limited to filing applications for renewal, affidavits of use, and affidavits of incontestability.

(e) If any Trademark that is included in the Collateral is infringed, misappropriated, or diluted by a third party, Debtor shall promptly notify U.S. Bank after it learns thereof and shall take such action as Debtor reasonably deems appropriate under the circumstances to protect such Trademark.

3.15 Vehicles

Within ten days after the request by U.S. Bank, Debtor shall execute and deliver to U.S. Bank an application for certificate of title to all Vehicles indicating U.S. Bank's first priority lien on such Vehicle, and any other necessary documentation that U.S. Bank deems advisable to perfect its lien on any Vehicle constituting Collateral.

3.16 Insurance

Debtor agrees to insure the Collateral against all hazards in form and amount satisfactory to U.S. Bank. If Debtor fails to obtain such insurance, U.S. Bank shall have the right, but not the obligation, to obtain either insurance covering both Debtor's and U.S. Bank's interest in the Collateral, or insurance covering only U.S. Bank's interest in the Collateral. Debtor agrees to pay any premium charged for such insurance. This amount may be added to the outstanding balance of the Loans, and interest thereon shall be charged at the rate specified in any applicable loan document, or U.S. Bank may demand immediate payment. Any unpaid insurance premium advanced by U.S. Bank shall be secured under the terms of this Agreement. U.S. Bank will have no liability whatsoever for any loss which may occur by reason of the omission or lack of coverage of any such insurance. Debtor hereby assigns to U.S. Bank the right to receive proceeds of such insurance to the full amount of the Secured Obligations and hereby directs any insurer to pay all proceeds directly to U.S. Bank, and authorizes U.S. Bank to endorse any draft. In U.S. Bank's sole discretion, U.S. Bank may apply any insurance proceeds either toward repair of the property or reduction of the balance of the Secured Obligations.

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3.17 Copy of Financing Statement

Debtor agrees that a carbon, photographic, or other reproduction of a financing statement or this Agreement is sufficient as a financing statement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES

Debtor hereby makes the following representations and warranties:

4.1 Title to Collateral

Debtor has good and marketable title to all the Collateral, free and clear of all liens excepting only the security interests created pursuant to this Agreement or permitted pursuant to the Credit Agreement.

4.2 No Impairment of Collateral

None of the Collateral shall be impaired or jeopardized because of the security interest herein granted.

4.3 Other Agreements

The execution and delivery of this Agreement, the consummation of the transactions provided for herein, and the fulfillment of the terms hereof will not result in the breach of any of the terms, conditions, or provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation under any (a) agreement or other instrument to which Debtor is a party or by which Debtor is bound or (b) Applicable Law.

4.4 No Approvals

No Governmental Approvals of any nature are required in connection with the security interests herein granted.

4.5 Authority

Debtor has full power and authority to assign to U.S. Bank and to grant to U.S. Bank a security interest in the Collateral.

4.6 Location of Records

The address of the office where the books and records of Debtor are kept concerning the Collateral is set forth on Schedule II.

4.7 Location of Collateral

The locations of all Inventory and Equipment of Debtor are described on Schedule II.

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4.8 Name

Debtor conducts its business only under its name and the name "SIA Software Company" and "SIA."

4.9 Accounts

The amount represented by Debtor to U.S. Bank from time to time as owing by each Account Debtor or by all Account Debtors in respect of the Accounts will at such time be the correct amount actually owing by such Account Debtor or Debtors thereunder. No material amount payable to Debtor under or in connection with any Account is evidenced by any Instrument or Chattel Paper that has not been delivered to U.S. Bank.

4.10 Chief Executive Office

Debtor's chief executive office and chief place of business is located at the address set forth on Schedule II.

4.11 Trademarks

Schedule I hereto includes all Trademarks owned by Debtor in its own name as of the date hereof. To the best of Debtor's knowledge, each such Trademark is valid, subsisting, unexpired, and enforceable and has not been abandoned. Except as set forth in Schedule I, none of such Trademarks is the subject of any licensing or franchise agreement. No holding, decision, or judgment that would limit, cancel, or question the validity of any such Trademark has been rendered by any Governmental Body. No action or proceeding is pending that (a) seeks to limit, cancel, or question the validity of any such Trademark or (b) would, if adversely determined, have a material adverse effect on the value of any Trademark.

4.12 Governmental Obligors

No Account Debtor is a Governmental Body.

ARTICLE V. U.S. BANK'S RIGHTS WITH RESPECT TO THE COLLATERAL

5.1 No Duty on U.S. Bank's Part

U.S. Bank shall not be required (except at its option upon the occurrence and during the continuation of any Event of Default) to realize upon any Accounts, Financial Assets, Instruments, Investment Property, Chattel Paper, or General Intangibles; collect the principal, interest, or payment due thereon, exercise any rights or options of Debtor pertaining thereto; make presentment, demand, or protest; give notice of protest, nonacceptance, or nonpayment; or do any other thing for the protection, enforcement, or collection of such Collateral. The powers conferred on U.S. Bank hereunder are solely to protect U.S. Bank's interests in the Collateral and shall not impose any duty upon U.S. Bank to exercise any such powers. U.S. Bank shall be accountable only for amounts that U.S. Bank actually receives as a result

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PERKINS COIE LLP

1201 THIRD AVENUE, SUITE 4800 · SEATTLE, WASHINGTON 98101-3099
TELEPHONE: 206 583-8888 · FACSIMILE: 206 583-8500

HEIDI L. SACHS
(206) 583-8506
sachh@perkinscoie.com

05-15-2000
U.S. Patent & TMOfc/TM Mail Rcpt Dt. #31

May 12, 2000

U. S. Patent & Trademark Office
BOX ASSIGNMENTS FEE
2900 Crystal Drive
Arlington, VA 22202

Re: U.S. Bank National Association
Recordation of Trademark Security Interest
Our Ref.: 12187-2067

Dear Sir/Madam:

Enclosed for recordation is a Trademark Security Agreement, together with a recordation cover sheet and $190.00 to cover the recordation fee. The Commissioner is authorized to charge any additional fees that may be required or credit any overpayment to Deposit Account No. 50-0665.

If you have any questions, please contact me.

Very truly yours,

Heidi L. Sachs

HLS:bf
Enclosures

cc: Eric Thoreson
Bonnie Fruik, Paralegal

[12187-2067/SL003709.920]

of the exercise of such powers, and neither U.S. Bank nor any of its officers, directors, employees, or agents shall be responsible to Debtor for any act or failure to act hereunder.

5.2 Negotiations with Account Debtors

Upon the occurrence and during the continuation of any Event of Default, U.S. Bank may, in its sole discretion, extend or consent to the extension of the time of payment or maturity of any Instruments, Accounts, Chattel Paper, or General Intangibles.

5.3 Right to Assign

Except as otherwise provided in the Credit Agreement, U.S. Bank may assign or transfer the whole or any part of the Secured Obligations and may transfer therewith as collateral security the whole or any part of the Collateral; and all obligations, rights, powers, and privileges herein provided shall inure to the benefit of the assignee and shall bind the successors and assigns of the parties hereto.

5.4 Duties Regarding Collateral

Beyond the safe custody thereof, U.S. Bank shall not have any duty as to any Collateral in its possession or control, or as to any preservation of any rights of or against other parties.

5.5 Collection From Account Debtors

Upon the occurrence and during the continuation of any Event of Default, Debtor shall, upon demand by U.S. Bank (and without any grace or cure period), notify all Account Debtors to make payment to U.S. Bank of any amounts due or to become due. Debtor authorizes U.S. Bank to contact the Account Debtors for the purpose of having all or any of them pay their obligations directly to U.S. Bank. Upon demand by U.S. Bank, Debtor shall enforce collection of any indebtedness owed to it by Account Debtors.

5.6 Inspection

U.S. Bank and its designees, from time to time at reasonable times and intervals, may inspect the Equipment and Inventory and inspect, audit, and make copies of and extracts from all records and all other papers in the possession of Debtor.

5.7 Assignee Deposit Account

Upon demand by U.S. Bank at any time during the continuation of an Event of Default, Debtor will transmit and deliver to U.S. Bank, in the form received, immediately after receipt, all cash, checks, drafts, Chattel Paper, Instruments, or other writings for the payment of money including Investment Property (properly endorsed, where required, so that the items may be collected by U.S. Bank) that may be received by Debtor at any time. All items or amounts that are delivered by Debtor to U.S. Bank, or collected by U.S. Bank from the

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Account Debtors, shall be deposited to the credit of a Deposit Account ("Assignee Deposit Account") of Debtor with U S. Bank, as security for the payment of the Secured Obligations. Debtor shall have no right to withdraw any funds deposited in the Assignee Deposit Account. U S. Bank may, from time to time in its discretion, and shall, upon the request of Debtor made not more than twice in any week, apply all or any of the balance, representing collected funds, in the Assignee Deposit Account, to payment of the Secured Obligations, whether or not then due, in such order of application, not inconsistent with the terms of the Credit Agreement and this Agreement, as U.S. Bank may determine; and U.S. Bank may, from time to time in its discretion, release all or any of such balance to Debtor.

ARTICLE VI. U.S. BANK'S RIGHTS AND REMEDIES

6.1 General

Upon the occurrence of any Event of Default, U.S. Bank may exercise its rights and remedies in the Credit Agreement and in any other Loan Documents and any other rights and remedies at law and in equity. simultaneously or consecutively, all of which rights and remedies shall be cumulative The choice of one or more rights or remedies shall not be construed as a waiver or election barring other rights and remedies. Debtor hereby acknowledges and agrees that U.S. Bank is not required to exercise all rights and remedies available to it equally with respect to all the Collateral and that U.S. Bank may select less than all the Collateral with respect to which the rights and remedies as determined by U.S. Bank may be exercised.

6.2 Notice of Sale; Duty to Assemble Collateral

In addition to or in conjunction with the rights and remedies referred to in Section 6.1 hereof:

(a) Written notice mailed to Debtor at the address designated herein 15 days or more prior to the date of public or private sale of any of the Collateral shall constitute reasonable notice.

(b) If U.S. Bank requests, Debtor will assemble the Collateral and make it available to U.S Bank at places that U.S. Bank shall reasonably select, whether on Debtor's premises or elsewhere.

ARTICLE VII. GENERAL PROVISIONS

7.1 Entire Agreement

This Agreement, together with the Credit Agreement and the other Loan Documents, sets forth all the promises, covenants, agreements, conditions, and understandings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This

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Agreement may not be amended, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge, or termination is sought.

7.2 Invalidity

If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereunder, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

7.3 Nonwaiver and Nonexclusive Rights and Remedies

(a) No right or remedy herein conferred upon or reserved to U.S. Bank is intended to be to the exclusion of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to every other right or remedy given hereunder and now or hereafter existing at law or in equity.

(b) No delay or omission by U.S. Bank in exercising any right or remedy accruing upon an Event of Default shall impair any such right or remedy, or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

7.4 Termination of Security Interest

When all the Secured Obligations have been paid in full, the security interest provided herein shall terminate and U.S. Bank shall return to Debtor all Collateral then held by U.S. Bank, if any, and upon written request of Debtor, shall execute, in form for filing, termination statements of the security interests herein granted. Thereafter, no party hereto shall have any further rights or obligations hereunder.

7.5 Successors and Assigns

All rights of U.S. Bank hereunder shall inure to the benefit of its successors and assigns, and all obligations of Debtor shall be binding upon its successors and assigns.

7.6 U.S. Bank's Appointment as Attorney-in-Fact

Debtor hereby irrevocably constitutes and appoints U.S. Bank and any officer or agent thereof, 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 Debtor and in the name of Debtor or in its own name, from time to time in U.S. Bank's discretion, 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, Debtor hereby gives

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U.S. Bank the power and right, on behalf of Debtor, without consent by or notice to Debtor, to do the following:

(i) to transfer to U.S. Bank or to any other person all or any of said Collateral, to endorse any Instruments pledged to U.S. Bank, and to fill in blanks in any transfers of Collateral, powers of attorney, or other documents delivered to U.S. Bank;

(ii) to pay or discharge taxes and liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement, and to pay all or any part of the premiums therefor and the costs thereof;

(iii) upon the occurrence and during the continuation of any Event of Default (A) to take possession of, endorse, and collect any checks, drafts, notes, acceptances, or other instruments for the payment of moneys due under any Account, Instrument, or General Intangible or with respect to any other Collateral and (B) to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by U.S. Bank for the purpose of collecting all such moneys due under any Account, Financial Assets, Instrument, Investment Property, or General Intangible or with respect to any other Collateral whenever payable; and

(iv) upon the occurrence and during the continuation of any Event of Default (A) to direct any party liable for any payment under any of the Collateral to make payment of all moneys due or to become due thereunder directly to U.S. Bank or as U.S. Bank shall direct; (B) to ask for, demand, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices, and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions, or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action, or proceeding brought against Debtor with respect to any Collateral; (F) to settle, compromise, or adjust any suit, action, or proceeding described in clause (E) above and, in connection therewith, to give such discharge or releases as U.S. Bank may deem appropriate; (G) to assign any Trademark (along with the goodwill of the business to which any such Trademark pertains) throughout the world for such terms or terms, on such conditions, and in such manner as U.S. Bank shall in its sole discretion determine; and (H) generally, to sell, transfer, pledge, and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though U.S. Bank were the absolute owner thereof for all purposes, and to do, at U.S. Bank's option and Debtor's expense, at any time or from time to time, all acts and things that U.S. Bank deems necessary to protect, preserve

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or realize upon the Collateral and U.S. Bank's liens thereon and to effect the intent of this Agreement, all as fully and effectively as Debtor might do.

(b) Debtor 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.

(c) Debtor also authorizes U.S. Bank, at any time and from time to time, to execute, in connection with the sale provided for in Article VI hereof, any endorsements, assignments, or other instruments of conveyance or transfer with respect to the Collateral.

(d) The powers conferred on U.S. Bank hereunder are solely to protect U.S. Bank's interests in the Collateral and shall not impose any duty upon U.S. Bank to exercise any such powers. U.S. Bank shall be accountable only for 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 Debtor for any act or failure to act hereunder.

7.7 Performance by U.S. Bank of Debtor's Obligations

If Debtor fails to perform or comply with any of its agreements contained herein and U.S. Bank, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expense of U.S. Bank incurred in connection with such performance or compliance, together with interest thereon at the rate provided for in the Credit Agreement upon the occurrence of an Event of Default, shall be payable by Debtor to U.S. Bank on demand and shall constitute Secured Obligations.

7.8 Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with and shall be governed by the laws of the state of Washington, without regard to the choice of law rules thereof.

7.9 Notices

All notices, requests, consents, demands, approvals, and other communications hereunder shall be deemed to have been duly given, made, or served if in writing and when delivered personally, or sent via facsimile, or mailed by first class mail, postage prepaid, to the respective parties to this Agreement as follows:

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(a) If to Debtor:

SIA Software Company, Inc.
c/o Mackie Designs, Inc.
16220 Woodinville-Redmond Rd. N.E.
Woodinville, WA 98072
Attention: Chief Financial Officer
Facsimile No.: (425) 483-1801

(b) If to U.S. Bank:

U.S. Bank National Association
10800 NE Eighth Street, Suite 1000
Bellevue, Washington 98004
Attention: Ann B. Caldwell
Facsimile No.: (425) 450-5989

The designation of the person to be so notified or the address of such person for the purposes of such notice may be changed from time to time by similar notice in writing, except that any communication with respect to a change of address shall be deemed to be given or made when received by the party to whom such communication was sent.

7.10 Waivers by Debtor

Debtor hereby (a) waives notice of any advances made by U.S. Bank pursuant to the Credit Agreement or pursuant to any extension, renewal or modification thereof; (b) waives, with respect to the Secured Obligations, grace, demand, presentment, notice of dishonor and protest; (c) agrees that U.S. Bank, before proceeding against Debtor under this Agreement, shall not be bound to exhaust its recourse or take any action against Borrower or against any other Person, or to proceed against any Collateral or against any particular Collateral, but U.S. Bank may make such demands and take such actions as it deems advisable; (d) agrees that U.S. Bank, without affecting the liability of Debtor under this Agreement, may with or without notice or consideration release Borrower or any other Person liable for the Secured Obligations or any Collateral for the Secured Obligations; and (e) waives, with respect to the Secured Obligations, any defense based upon any change in the name, location, composition or structure of Borrower, or any change in the type of business conducted by Borrower, or any other change in the identity of legal status of Borrower.

7.11 Waiver of Subrogation; Subordination

Until full and final payment of all of the Secured Obligations, Debtor (a) agrees not to exercise any right it may acquire against Borrower or any security for the Secured Obligations by reason of payments to U.S. Bank hereunder (whether by subrogation, reimbursement, or otherwise), (b) assigns to U.S. Bank all rights against Borrower Debtor may have (whether or not relating to the Secured Obligations) in any proceeding under the United States Bankruptcy

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Code or in any receivership or insolvency proceeding, and (c) appoints U.S. Bank attorney-in-fact to appear in any such proceeding, file claims, receive payments, and do any other act which Debtor could do personally. If any amount shall be paid to Debtor on account of such subrogation rights at any time when all of the Secured Obligations shall not have been paid in full, such amount shall be held by Debtor in trust for U.S. Bank, segregated from other funds of Debtor, and shall, forthwith upon receipt by Debtor, be turned over to U.S. Bank in the exact form received by Debtor (duly endorsed by Debtor to U.S. Bank, if required), to be applied against the Secured Obligations, whether matured or unmatured, in such order as U.S. Bank may determine.

7.12 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall constitute an original Agreement, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Debtor and U.S. Bank have caused these presents to be duly executed by their respective duly authorized signatories as of the day and year first above written.

SIA SOFTWARE COMPANY, INC.

By _____
Name: F.M. GARRARD
Title: Secretary

Accepted By:

U.S. BANK NATIONAL ASSOCIATION

By _____
Name: Ann B. Caldwell
Title: Vice President

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SCHEDULE I

Debtor: SIA Software Company, Inc.

U.S. Trademarks

Mark	Status	Goods/ Services	Other comments
EAW and design (logo)	Registered- 1,862,288	Acoustic and sound reinforcement equipment; namely, loudspeakers, transducers and electronic signal processors in IC 9	Registration date: 11/15/94, maintenance (Section 8 declaration) must be filed by **11/15/00** in order to avoid cancellation
EAW (word mark)	Registered- 1,863,529	Acoustic and sound reinforcement equipment; namely, loudspeakers, transducers and electronic signal processors in IC 9	Registration date: 11/22/94, maintenance (Section 8 declaration) must be filed by **11/22/00** in order to avoid cancellation
CONCENTRIC PHASE ALIGNED ARRAY	Registered- 2,064,453	Acoustic equipment, namely, speakers in IC 9	Registration date: 5/27/97- maintenance (Section 8 declaration) not due until 5/27/03
KF850	Registered- 2,051,945	Acoustic equipment, namely speakers in IC 9	Registration date 4/15/97- maintenance (Section 8 declaration) not due until 4/15/03
APP	Registered- 1,844,924	Providing performance data for acoustical equipment in IC 42	Registration date: 7/12/94- maintenance (Section 8 declaration) is due no later than **7/12/00** in order to avoid cancellation
ACOUSTICAL PERFORMANCE PARTNERSHIP	Registered- 1,844,923	Providing performance data for acoustical equipment in IC 42	Registration date: 7/12/94- maintenance (Section 8 declaration) is due no later than **7/12/00** in

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			order to avoid cancellation
SIA-SMAART	Registered- 1,999,694	Computer software for acoustic measurement in IC 9	Registration date 9/10/96, maintenance (Section 8 declaration) due no later than 9/10/02

Domain Names

Domain Name	Status	Owner
EAW.COM	Registered	Eastern Acoustic Works, Inc.
SIASOFT.COM	Registered	SIA Software Company, Inc.

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SCHEDULE II

Address of
chief executive office

One Main Street
Whitinsville, MA 01588

Address of Office where
books and records are kept:

One Main Street
Whitinsville, MA 01588

Address of Office where
corporate records are kept:

2600 Pike Tower
520 Pike Street
Seattle, Washington 98101

Addresses of locations of
collateral

One Main Street
Whitinsville, MA 01588

RECORDED: 05/15/2000

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