

07-08-1998

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(Rev. 6-93)



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MRD 6-24-98

To the Honor:

1. Name of conveying party(ies):  
**Mackie Designs Inc.**

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

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

3. Nature of conveyance:

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

Execution Date: June 18, 1998

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

Name: U.S. Bank National Association

Internal Address:

Street Address: 10800 NE 8th Street, Suite 1000

City: Bellevue State: WA ZIP: 98004

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other a national banking association

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached?  Yes  No

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

A. Trademark Application No.(s)  
**See attached Exhibit 1**

B. Trademark Registration No.(s)  
**See attached Exhibit 1**

Additional numbers attached?  Yes  No

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

Name: Brent D. Sanders

Internal Address: Perkins Coie

Street Address: 1201 Third Avenue, 40th Floor

City: Seattle State: WA ZIP: 98101

6. Total number of applications and registrations involved: **16**

7. Total fee (37 CFR 3.41):..... \$ 415.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

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

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9. Statement and signature.

*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

**Brent D. Sanders**

**June 24, 1998**

Name of Person Signing

Signature

Date

06/29/1998 JSH/BAZZ 00000141 2015046

Total number of pages comprising cover sheet, attachments and document: **43**

41 FC:481  
42 FC:482

40.00 OP  
375.00 OP

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## EXHIBIT 1

### Trademark Registrations

<i>Mark</i>	<i>Registration Number</i>	<i>Registration Date</i>
MACKIE	2,015,046	November 12, 1996
"Running Man" Design (facing left)	2,090,377	August 26, 1997
"Running Man" Design (facing right)	2,017,111	November 19, 1996
8•Bus Console Configurations 24-8 Configuration	2,035,113	February 4, 1997
8•Bus Console Configurations 32-8 Configuration	2,033,529	January 28, 1997
ULTRAMIX	1,991,943	August 6, 1996
VLZ	2,022,019	December 10, 1996

### Trademark Applications

<i>Mark</i>	<i>Serial Number</i>	<i>Filing Date</i>
MACKIE	75/351,302	September 3, 1997
MACKIE	75/453,587	March 20, 1998
"Running Man" Design (facing left)	75/351,303	September 3, 1997
"Running Man" Design (facing right)	75/351,392	September 3, 1997
"Running Man" Design (facing right)	75/453,588	March 20, 1998
d8b (stylized)	75/358,287	September 17, 1997
HUI (block letter form)	75/351,304	September 3, 1997

<i>Mark</i>	<i>Serial Number</i>	<i>Filing Date</i>
HUMAN USER INTERFACE and HUI (stylized)	75/445,361	March 5, 1998
TAPCO	75/265,779	March 28, 1997

**SCHEDULE I**

**TRADEMARKS**

Schedule of trademarks, trade names, service marks, patents and applications.

**Mackie Designs Inc.**

**Patents and Patent Applications**

***Design Patents and Applications:***

<b>Title</b>	<b>Country</b>	<b>Serial No. and Filing Date</b>	<b>Status</b>	<b>Patent No. and Issue Date</b>
Mixer (SR24*4)	U.S.	29/039,520 5/30/95	Registered. Term: 14 years	Des. 380,760 07/09/97
	Benelux	71654-00 03/07/96	Registered. Term: 15 years	27073-00 10/21/96
	France	961485 03/12/96	Registered. Term: 50 years	961485 03/12/96
	Germany	M9510203.5 12/18/95	Registered. Term: 20 years	M9510203.5 12/18/95
	Great Britain	2057087 06/18/96	Registered. Term: 25 years	2047087 01/02/97
	Great Britain	2047088 06/18/96	Registered. Term: 25 years	2047088 01/02/97
	Switzerland	123 192 03/07/96	Registered. Term: 15 years	123 192 03/07/96
Mixer (1202VLZ)	U.S.	29/045,447 10/19/95	Pending.	
	Benelux	71653-00 03/07/96	Registered. Term: 15 years	27072-00 10/21/96
	France	961486 03/11/96	Pending	
	Germany	M9602198.5 09/26/96	Registered. Term: 20 years	M9602198.5 09/26/96
	Great Britain	2055681 04/19/96	(covers pattern and/or ornamental design) Registered. Term: 25 years	2055681 09/23/96
	Great Britain	2055682 04/19/96	(covers shape, configuration, pattern and ornamental design). Registered. Term: 25 years	2055682 09/23/96
	Switzerland	123 194 03/07/96	Registered. Term: 15 years	123 194 03/07/96

Title	Country	Serial No. and Filing Date	Status	Patent No. and Issue Date
Mixer (1402VLZ)	U.S.	29/049,127 1/18/96	Pending.	
	Benelux	71652-00 03/07/96	Registered. Term: 15 years	27071-00 10/21/96
	France	963354 06/07/96	Pending	
	Germany	M9603871.3 10/23/96	Registered. Term: 20 years	M96038871.3 10/23/96
	Great Britain	2057774 07/18/96	(covers shape, configuration, pattern and/or ornamental design) Registered. Term: 25 years	2055681 09/23/96
	Great Britain	2057771 07/19/96	(covers pattern and/or ornamental design) Registered. Term: 25 years	2055682 09/23/96
	Switzerland	123 193 03/07/96	Registered. Term: 15 years	123 193 03/07/96
Mixer (1604VLZ)	U.S.	29/049,129 1/18/96	Application allowed and issue fees paid.	
	Benelux	71651-00 03/07/96	Registered. Term: 15 years	27070-00 10/21/96
	France	963354 06/07/96	Pending	
	Germany	M9603872.1 10/24/96	Registered. Term: 20 years	M9603872.1 10/24/96
	Great Britain	2057772 07/18/96	(covers pattern and/or ornamental design) Registered. Term: 25 years	2057772 01/29/97
	Great Britain	2055682 04/19/96	(covers shape, configuration, pattern and ornamental design). Registered. Term: 25 years	2057773 01/29/97
	Switzerland	123 195 03/07/96	Registered. Term: 15 years	123 195 03/07/96
Mixer (40.8 –full Instrument)	U.S.	29/051,444 3/11/96	Pending.	
	Benelux	72046-00 06/26/96	Registered. Term: 15 years	27399-00 12/20/96
	France	965113 09/11/96	Pending	
	Germany	M9605585.5 12/04/96	Registered. Term: 20 years	M9605585.5 12/04/96
	Great Britain	2059265 09/11/96	(covers pattern and/or ornamental design) Registered. Term: 25 years	2059265 03/11/96

Title	Country	Serial No. and Filing Date	Status	Patent No. and Issue Date
	Great Britain	2059267 09/11/96	(covers shape, configuration, pattern and ornamental design). Registered. Term: 25 years	2059267 03/11/96
	Switzerland	123 556 09/09/96	Registered. Term: 15 years	123 556 09/09/96
Mixer (40.8 -- chassis only)	U.S.	29/052,772 04/05/96  Divisional of 29/051,444	Pending.	
	Benelux	72323-00 09/29/96	Registered. Term: 15 years	27711-00 04/21/97
	France	965113 09/11/96	Pending	
	Germany	M9608098.1 01/27/97	Registered. Term: 20 years	M9608098.1 01/27/97
	Great Britain	2059266 09/11/96	Registered. Term: 25 years	2059266 04/05/96
	Switzerland	123 681 10/25/96	Registered. Term: 15 years	123 681 10/25/96
Mixer (40.8B)	U.S.	29/053,916 05/02/96	Application accepted and issue fees paid.	
Power Amplifier	U.S.	29/056,663 07/05/96	Pending.	
	Benelux	72113-00 07/17/96	Registered. Term: 15 years	27455-00 01/21/97
	France	966556 11/22/96	Registered. Term: 50 years.	966556 11/22/96
	Germany	M9610274.8 11/21/96	Registered. Term: 20 years	M9610274.8 11/21/96
	Great Britain	2062198 01/06/97	Registered. Term: 25 years	2062198 04/09/97
	Switzerland	123 558 09/09/96	Registered. Term: 15 years	123 558 09/09/96
Power Amplifier (European format)	U.S.	29/062,128 11/7/96	Patent to be issued 6/30/98.	
	Benelux	72580-00 12/03/96	Registered. Term: 15 years	27970-00 06/24/97
	France	972513 04/28/97	Registered. Term: 50 years	97 2513 04/28/97
	Germany	M9704045.2 04/21/97	Pending. Appln. accepted and printing fees paid 11/97.	

Title	Country	Serial No. and Filing Date	Status	Patent No. and Issue Date
	Great Britain	2065608 05/07/97	Pending. (covers shape and configuration only.)	
	Switzerland	123 756 12/04/96	Registered. Term: 15 years	123 756 12/04/96
Studio Monitor (Speaker)	U.S.	29/060,590 10/01/96	Registered. Term: 14 years	D387,351 12/09/97
	Benelux	72423-00 10/16/96	Registered. Term: 15 years	27743-00 04/21/97
	France	971101 02/24/97	Registered. Term: 50 years.	971101 02/24/97
	Germany	M9702708.1 03/13/97	Pending	
	Great Britain	2064583 04/01/97	Registered. Term: 25 years	2064583 10/01/97
	Switzerland	123 882 01/29/97	Registered. Term: 15 years	123 882 01/29/97
User Interface	U.S.	29/062,115 11/07/96	Application accepted and issue fees paid.	
	Benelux	72579-01 12/03/96	Registered. Term: 15 years	28193-01 12/03/96
	France	972514 04/28/97	Registered. Term: 50 years. (comb. reg. for HUI and HU2)	97 2514 04/28/97
	Germany	M9704558.6 05/02/97	Pending. Official printing fees paid 12/97.	
	Great Britain	2065607 05/07/97	Pending.	
	Switzerland	123 753 12/04/96	Registered. Term: 15 years	123 753 12/04/96
	Great Britain	2070569 09/29/97	Pending. Divisional of appln. No. 2065607 to cover the alternating indentations and raised channels.	
User Interface (full instrument-revised version)	U.S.	29/078,813 11/03/97	Application allowed and issue fees paid.	
	France	98 2602 04/28/98	Pending.	
	Germany	M98 04 389.7 04/28/98	Pending.	
	Great Britain	2074362 05/01/98	Pending.	

Title	Country	Serial No. and Filing Date	Status	Patent No. and Issue Date
User Interface (HUI – chassis only)	U.S.	29/062,116 11/07/96	Application allowed and issue fees paid.	
	Benelux	72579-02 12/03/96	Registered. Term: 15 years	28193-02 12/03/96
	France	972514 04/28/97	Registered. Term: 50 years. (comb. reg. for HUI and HU2)	97 2514 04/28/97
	Germany	M9704560.8 05/02/97	Pending. Official printing fees paid 12/97.	
	Great Britain	2065606 05/07/97	Pending.	
	Switzerland	123 754 12/04/96	Registered. Term: 15 years	123 754 12/04/96
User Interface (alternating indentations and raised channels of chassis only)	Great Britain	2070079 10/24/97	Divisional of appln. No. 2065606 to cover the alternating indentations and raised channels. Registered. Term: 25 years.	2070079 11/07/96
Digital Mixer	U.S.	29/064,970 01/16/97	Pending.	
	Benelux	72877-01 03/03/97	Registered. Term: 15 years.	28609-01 12/22/97
	Benelux	72877-02 03/03/97	Registered. Term: 15 years	28609-02 12/22/97
	France	974065 07/11/97	Registered. Term: 50 years.	97 4065 07/11/97
	Germany	M9706211.1 07/01/97	Registered.	M9706211.1 10/21/97
	Great Britain	2067428 07/16/97	Registered. Term: 25 years	2067428 01/16/97
	Switzerland	123 914 02/10/97	Registered. Term: 15 years	123 914 02/10/97
Digital Mixer (DIG8B)	U.S.	29/082,475 01/23/98	Pending.	
Mixer (24-8 bus and 32-8 bus)	France	973474 06/16/97	Registered. Term: 50 years.	973474 06/16/97



**Utility Applications**

Title	Country	Serial No. and Filing Date	Status	Patent No. and Issue Date
Digital Signal Mixing Architecture Utility appln. Digital 8-BUS	U.S.	09/007,456 01/15/98	Pending.	
Digital Signal Mixing Architecture Utility appln. Digital 8-BUS	PCT	PCT/US98/00689 01/15/98	Pending	
Piston Motion, Large Excursion Passive Radiator Provisional utility appln. HR824	U.S.	60/053,171 07/18/97	Pending	
Integrated Tri-Flare Wave Guide and Trim Provisional utility appln. HR824	U.S.	60/053,068 07/18/97	Pending	
Passive Radiator Cooled Electronics Housing/Heat Exchanger for a Speaker Provisional utility appln. HR824	U.S.	60/053,065 07/18/97	Pending	
Output Signal Clamping Circuit with Level Shifting and Error Detection for Multiple Inputs Provisional utility appln. HR824	U.S.	60/053,361 07/22/97	Pending	
A Method for Loudspeaker Voice Coil Inductance Compensation Parametric Power Amplifiers Provisional utility appln. HR824 (Ace Bass)	U.S.	60/053,827 07/29/97	Pending	

Trademark Applications and Registrations

Mark: **MACKIE.**

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Argentina	IC 9: 1.991.731 IC 16: 1.991.727 7/25/95	Analog goods, amps/speakers. Awaiting action.
	IC 9: 2.133.504 02/25/98	Digital goods, amps/speakers. Appln. published for purpose of opposition 5/20/98.
Australia	664702 6/21/95	Renewal due 6/22/2005. Covers analog and digital goods.
Austria	159.496 8/29/95	Use due by 8/29/2000; Renewal due 8/31/2005
Benelux	585254 6/20/95	Use due by 6/20/2000. Renewal Due 6/20/2005.
Bolivia	IC 9: 62595-C IC 16: 62597-C 11/21/96	Renewals due 11/21/2006.
Brazil	IC 9: 818976837 12/14/95	Appln. accepted 5/5/98; reg. fees paid.
	820532185 03/03/98	Digital goods. Awaiting action.
Bulgaria	28093 8/3/95	Renewal due 8/3/2005.
Canada	486,583 12/09/97	Registered. Renewal due 12/9/2012.
	870,718 02/27/98	Digital goods. Awaiting action.
Chile	465.451 12/04/96	Renewal due 08/06/2006.
China	IC 9: 1048289 07/07/97 IC 16: 1057032 07/21/97	IC 9 renewal due 07/06/2007; IC 16 renewal due 7/20/2007
	9800017337 03/03/98	Digital goods.
	9800025930 03/25/98	Amps/speakers.
Costa Rica	93.397 (IC 9) 08/20/96	Renewal due 8/20/2006.
Croatia	Z951512 10/18/95	Renewal due 10/18/2005.
CTM	000763953 02/26/98	Digital goods and amps/speakers. Awaiting action.
Czech Republic	199 497 04/29/97 Effective Date: 7/25/95	Renewal due 07/25/2005.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
<b>Denmark and Greenland</b>	<b>VR 01.729 1997 04/18/97</b>	<b>Renewal due 04/18/2007.</b>
Dominican Republic	IC 9 only	Awaiting status
<b>Ecuador</b>	<b>IC 9: 692-97 IC 16: 691-97 3/26/97</b>	<b>Renewals due 3/26/2007.</b>
Estonia	95 01398 6/29/95	Appln. accepted 4/28/98 and to be published for opposition in due course. Published for opp. 6/1/98 – opp. due by 8/1/98.
<b>Finland</b>	<b>200255 4/30/96</b>	<b>Renewal due 4/30/2006.</b>
<b>France</b>	<b>95/576920 6/21/95</b>	<b>Renewal due 6/21/2005</b>
<b>Germany</b>	<b>395 25 147 6/20/95</b>	<b>Renewal due 6/30/2005. Use due by 8/2/2001.</b>
<b>Great Britain</b>	<b>2024868 6/22/95</b>	<b>Renewal due 6/22/2005.</b>
<b>Greece</b>	<b>125067 7/5/95</b>	<b>Renewal due 7/5/2005.</b>
Guatemala	IC 9: 96-2866 IC 16: 96-2865 4/19/96	Appln. in IC 16 pub. for purpose of opposition 1/98. Opp. due by 4/98. Appln. in IC 9 pub. for opp. in 4/98 – Opp. due by 7/98.
<b>Honduras</b>	<b>67221 01/24/97</b>	<b>Renewal due 1/24/2007.</b>
Hong Kong	IC 9: 7541/95 6/21/95  IC 16: 7542/95 (IC 16 appln. abandoned 8/96)	IC 9: Response to Office Action filed 5/98; awaiting action. IC 16 application abandoned 8/96.
	IC 9: 2461/98 02/27/98	Digital goods. Appln. accepted for reg. if minor amendments made to goods. Resp. due 11/20/98.
	IC 9: 3379/98 03/18/98	Amps/speakers. Awaiting action.
<b>Hungary</b>	<b>147 397 7/21/95</b>	<b>Renewal due 7/21/2005</b>
<b>Iceland</b>	<b>479/1996 05/28/96</b>	<b>Renewal due 5/28/2006</b>
<b>Indonesia</b>	<b>380391 08/15/97</b>	<b>Renewal due 11/15/2005.</b>
<b>Ireland</b>	<b>IC 9: 171372 IC 16: 171373 9/5/95</b>	<b>Renewals due 9/4/2002. Use due by 9/4/2000.</b>
<b>Israel</b>	<b>IC 9: 99355 IC 16: 99356 12/03/96</b>	<b>Renewals due 06/27/2002.</b>
Italy	RM95C003060 6/23/95	Awaiting action

Country	Serial/Reg. No. Filed/Issued	Misc. Information
<i>Jamaica</i>	IC 9: 29,579 07/19/95  IC 16: 30,071 7/21/95	IC 9: Renewal due 7/19/2002. IC 16: Renewal due 7/21/2002.
Japan	IC 9 only 1995 - 78491 7/31/95	Response to Office Action filed; awaiting action.  Cancellation actions filed 6/25/97 against Reg. Nos. 1946808 (AUTOMACKY) and 2088418 (MACKY). Awaiting decisions.
Jordan	IC 9: 10016 (app. # 41145) IC 16: 11251 (app. #41927) 4/22/96	Renewals due 4/22/2003.
Latvia	M 95-1269 8/15/95	Awaiting action.
Lithuania	95-1989 7/21/95	Awaiting action.
Malaysia	96/01073 01/27/96	Awaiting action.
Mexico	IC 9: 508222 10/26/95	Voluntary Dec. of use due 10/26/98; Renewal and Dec. of Use due 08/31/2005
	IC 9: 323,911 02/26/98	Digital goods. Awaiting action.
	IC 9: 326,392 03/18/98	Amps/speakers. Awaiting action.
Netherland Antilles	Reg. No. 18681 8/2/95	Renewal due 6/21/2005
New Zealand and Cook Islands	IC 9: 252481 IC 16: 252482 8/16/95	Applns. accepted and published for opp. 2/24/98. If no opp. filed by 5/24/98, reg. to issue upon payment of reg. fees.
Nicaragua	IC 9: 32,458 C.C. 11/13/1996	Renewal due 11/12/2006.
Norway	185442 10/02/97	Renewal due 10/02/2007.
Pakistan	IC 9: 134848 IC 16: 134841 3/20/96  IC 16 appln. abandoned 8/97.	Affidavit showing use filed 9/97; awaiting further action.  IC 16 appln. abandoned 8/97.
Panama	IC 9: 079098 01/16/1996 IC 16: 079102 01/16/96	IC 9: Renewal due 01/16/2006.
Peru	023875 03/05/96	Renewal due 3/5/2006
Portugal	311655 7/24/95	1st Declaration of Use due 3/6/2001. Renewal due 3/6/2006.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Romania	24040 7/24/95	Renewal due 7/24/2005.
Russia	148533 Issued: 12/16/96 Effective Date: 8/31/95	Renewal due 8/31/2005.
	98703574 03/03/98	Digital goods. Awaiting action (approx. 9/99)
	98704399 03/18/98	Amps/speakers. Awaiting action.
Singapore	IC 9: 7334/95 8/8/95  (IC 16 appln. dropped 3/97)	Response filed in IC 9 appln. – Appln. accepted for publication 6/98 and to be published for purpose of opp. in due course.
Slovenia	9570958 7/28/95	Renewal due 7/28/2005. Use due by 7/28/2000.
South Africa	IC 9: 95/7886 IC 16: 95/7887 6/20/95	Applns. accepted 12/97 and IC 9 appln. published for opposition 12/31/97 – opp. due by 3/31/98.
South Korea	CI 39: 365346 06/16/97 CI 52: 364415 06/09/97  CI 39 = IC 9 CI 52 = IC 16	CI 39: Renewal due 6/16/2007; CI 52: Renewal due 6/9/2007. [NOTE: Must prove use of the marks for 3 year period prior to renewals.]
	98-5829 03/02/98	Digital goods. Awaiting action.
	98-62 (supp.) 03/24/98	Amps/speakers. Appln. filed (as supp. to 98-5829 appln.). Awaiting action.
Spain and Canary Islands	IC 9 1972811 Effective Date: 06/22/95	Quinquennial tax due 6/30/2000. Renewal due 6/22/2005. <i>NOTE: When applying for renewal, must submit statement of use of the mark prior to deadline.</i>
Spain and Canary Islands	IC 16 1987757 9/29/95	Quinquennial tax due 9/30/2000. Renewal due 9/29/2005. <i>NOTE: When applying for renewal, must submit statement of use of the mark prior to deadline.</i>
Sweden	95-07230 6/20/95	Renewal due 9/20/2006.
Switzerland	431535 07/24/95	Renewal due 7/24/2005. Use due 7/24/2000.
	01693/1998 03/03/98	Digital goods and amplifiers and speakers. Awaiting action.
Taiwan	IC 9: 750899 03/01/97	IC 9 renewal due 2/28/2007. IC 16 renewal due 2/15/2007.
	IC 16: 749285 02/16/97	

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Thailand	IC 9: Kor46862 8/17/95 IC 16: Kor43442 8/17/95	Renewal of IC 16 reg. due 08/16/2005. Renewal of IC 9 reg. due 08/16/2005.
Trinidad	IC 9: 24616 IC 16: 24617 10/3/95	Applications accepted and pending publication for purpose of opposition in both classes
United States	2,015,046 11/12/96	Sec. 8 & 15 Dec. due between 11/12/2001 and 11/12/2002. Renewal due 12/12/2006.
	75/351,302 09/03/97	Awaiting action.
	75/453,587 03/20/98	Awaiting action
Uruguay	279.705 7/26/95	Response to Office Action filed; awaiting further action.
Venezuela	IC 9: 14723-95 9/22/95	Reg. fees paid on 4/22/97. Reg. Cert. expected approx. 10/1998.
Viet Nam	20 722 May 11, 1996  (Effective date: 8/23/1995)	Renewal due 8/23/2005.

**Mark: Running Man design**

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Argentina	IC 9: 1.991.730 IC 16: 1.991.729 7/25/95	Analog goods, amps/speakers. Awaiting action.
	IC 9: 2.133.505 02/25/98	Digital goods, amps/speakers. Appln. published for purpose of opposition 5/20/98 – opp. due by 6/20/98.
Australia	664703 6/21/95 (IC 9 only)	Renewal due 6/22/2005. Use due by 6/22/2000. Covers analog and digital goods.
Austria	259.573 8/30/95	Use due by 8/30/2000; Renewal due 8/31/2005
Benelux	578705 06/20/96	Use due by 6/20/2000; Renewal due by 6/20/2005
Bermuda	IC 9: 27290 IC 16: 27289 10/23/95	IC 9 and IC 16 renewals due by 10/23/2002.
Bolivia	IC 9: 62596-C IC 16: 62598-C 11/21/96	Renewals due 11/21/2006.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Brazil	IC 9: 818976870 12/14/95	Appln. published for opp. 6/17/97. Awaiting action.
	820532193 03/03/98	Digital goods. Awaiting action
Bulgaria	28094 6/13/96	Renewal due 8/03/2005.
Canada	799,941 12/14/95	Analog goods. Reg. to issue in due course.
	870,717 02/27/98	Digital goods. Awaiting action.
Chile	465.450 12/04/96	Renewal due 08/06/2006.
China	IC 9: 1016770 05/28/97 IC 16: 1057007 07/20/97	IC 9 renewal due 5/27/2007; IC 16 renewal due 7/20/2007.
	9800017336 03/03/98	Digital goods. Awaiting action.
	9800025928 03/25/98	Amps/speakers. Awaiting action.
Costa Rica	96.013 08/13/96	Renewal due 08/13/2006.
Croatia	Z951511 10/18/95	Renewal due 10/18/2005. Fee paid for issuance of cert. of reg. (4/98). Certificate to issue in due course
CTM	000764001 02/26/98	Digital goods and amps/speakers. Awaiting action.
Czech Republic	199 498 04/28/97 Effective Date: 7/25/95	Renewal due 07/25/2005.
Denmark and Greenland	VR 05.746 1995 9/01/95	Renewal due 09/01/2005
Dominican Republic	IC 9 only	Awaiting status
Ecuador	IC 9: 677-97 IC 16: 690-97 3/26/97	Renewals due 3/26/2007.
Estonia	22520 2/21/97	Renewal due 2/21/2007. Use due 2/21/2002.
Finland	143319 3/05/96	Renewal due 3/05/2006
France	95/576921 6/21/95	Renewal due 6/21/2005
Germany	39 5 25 148 (provisional) 6/20/95	Appln. accepted for reg. as No. 395 25 148 on 7/3/96. Opposition filed by Laufer-Werk Atiengesellschaft. Awaiting signing of Pre-Right Agreement.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Great Britain	2024878 7/19/96 Effective 6/22/95	Renewal due 6/22/2005.
Greece	125066 7/05/95	Renewal due 7/5/2005.
Guatemala	IC 9: 96-2867 IC 16: 96-2864 4/19/96	Awaiting action by TM Office
Honduras	67720 01/24/97	Renewal due 1/10/2007.
Hong Kong	IC 9: 8095/96 IC 16: 8096/96 6/21/95	Renewals due 6/21/2002.
	IC 9: 2460/98 02/27/98	Digital goods. Appln. accepted for reg. if minor amendments to goods made. Resp. due 11/20/98.
	IC 9: 3380/98 03/18/98	Amps/speakers. Awaiting action.
Hungary	M 9502063 7/21/95	Dec. of Consent needed. Resp. due 6/30/98 -- extension to be obtained.
Iceland	1354/1995 12/27/95	Renewal due 12/27/2005; Use of mark due by 12/27/2000
India	IC 9: 691715 IC 16: 691716 12/22/95	Official Report expected in 12/98.
Indonesia	383260 8/15/97	Renewal due between 11/15/2004 and 5/15/2005.
Ireland	IC 9: 174006 IC 16: 174007 9/5/95	Renewals due 9/4/2002.
Israel	IC 9: 99358 IC 16: 99359 12/03/96	Renewals due 6/26/2002. Use due by 12/03/98.
Italy	RM 95C003061 6/29/95	Awaiting action.
Jamaica	IC 9: 29,308 7/21/95 IC 16: 16/1981 7/21/95	IC 9 registered. Renewal due 7/21/2002.
Japan	4053793 09/05/97 (IC 9 only)	Renewal due between 3/6/2007 and 9/5/2007. Analog and digital goods, and amplifiers and speakers covered.
Latvia	M-95-1270 8/15/95	Awaiting action.
Lithuania	95-1988 7/21/95	Awaiting action.
Malaysia	96/01072 01/27/96	Awaiting action.



Country	Serial/Reg. No. Filed/Issued	Misc. Information
Mexico	IC 9: 554,788 07/31/97	Voluntary Dec. of Use due 7/31/2000; Renewal and Dec. of Use due 8/31/2005.
	Effective Date: 8/31/95	
	IC 9: 323,910 02/26/98	Digital goods. Awaiting action.
	IC 9: 326,393 03/18/98	Amps/speakers. Awaiting results of novelty examination.
Netherland Antilles	18807 9/15/95	Renewal due 6/21/2005
New Zealand and Cook Islands	IC 9: 252483 IC 16: 252484 8/16/95	Renewals due 8/16/2002.
Nicaragua	IC 9: 32,457 C.C. 11/13/96	Renewal due 11/12/2006.
Norway	185443 10/02/97	Renewal due 10/02/2007.
Pakistan	IC 9: 134840 IC 16: 134842 3/20/96	IC 9: Response filed to Office Action; awaiting further action.
	IC 16 appln. abandoned 3/97	
Panama	IC 9: 079099 IC 16: 079101 01/16/96	Renewals due 1/16/2006.
Peru	024021 3/07/96	Renewal due 3/7/2006
Portugal	311656 06/03/96	Dec. of Intention of Use due 3/06/2001. Renewal due by 03/06/2006.
Romania	24039 7/24/95	Renewal due 7/24/2005.
Russia	148534 Issued: 12/16/96 Effective Date: 8/31/95	Renewal due 8/31/2005.
	98703558 03/03/98	Digital goods. Awaiting action (approx. 9/99)
	98704398 03/18/98	Amps/speakers. Awaiting action.
Singapore	IC 9: 7331/95 IC 16: 7332/95 8/8/95	IC 9: Appln. accepted 6/98 and to be published in due course. IC 16 appln. accepted for purpose of opposition 8/97. Appln. published 2/98 – If no opposition filed, registration to issue in due course.
Slovenia	9570959 7/28/95	Renewal due 7/28/2005. Use due by 7/28/2000.
South Africa	IC 9: 95/7888 IC 16: 95/7889 6/20/95	Renewals due 6/20/2005.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
South Korea	CI 39: 365345 06/16/97 CI 52: 364414 06/09/97	CI 39: Renewal due 6/16/2007; CI 52: Renewal due 6/9/2007. [NOTE: Must prove use of the marks for 3 year period prior to renewals.]
	98-5830 03/02/98	Digital goods. Awaiting action.
	98-63 (supp.) 03/24/98	Amps/speakers. Appln. filed (as supplement to 98-5830 appln.)
Spain and Canary Islands	IC 9: 1987758 IC 16: 1987759 9/29/95	Quinquennial taxes due 9/30/2000. Renewals due 9/29/2005. NOTE: When applying for renewals, must submit statements of use of the mark prior to deadline.
Sweden	307 967 1/12/96	Renewal due 1/12/2006
Switzerland	431460 7/24/95	Renewal due 7/24/2005. Use due 7/24/2000.
	01692/1998 03/03/98	Digital goods and amplifiers/ speakers. Awaiting action.
Taiwan	IC 9: 763113 06/01/97  IC 16: 757998 04/16/97	IC 9 renewal due 5/31/2007. IC 16 renewal due 4/15/2007 (need to show use for 3 years prior to renewal).
Thailand	IC 9: Kor49245 8/17/95  IC 16: Kor43115 8/17/95	IC 16 renewal due 8/16/2005. IC 9 renewal due 8/16/2005.
Trinidad	IC 9: 24619 IC 16: 24618 10/3/95	Awaiting action.
United States 1 = facing left  2 = facing right	1. 2,090,377 08/26/97	1. Sec. 8 & 15 Dec. due between 8/26/2002 and 8/26/2003. Renewal due 8/26/2007.
	2. 2,017,111 11/19/96	2. Sec. 8 & 15 Dec. due between 11/19/2001 and 11/19/2002. Renewal due 11/19/2006.
	1. 75/351,303 09/03/97	1. Awaiting action.
	2. 75/351,392 09/03/97	2. Appln. to be published for opposition.
	1.	1. Application not filed.
	2. 75/453,588 03/20/98	2. Appln. to be published for opposition.
Uruguay	279.707 04/29/97	Renewal due 04/29/2007.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Venezuela	IC 9: 14722-95 9/22/95	Appln. pub. for opp. 5/9/97. Reg. fees paid 6/97. Cert. to issue approx. 12/98.
Viet Nam	20 999 June 12, 1996  (Effective date: 8/23/1995)	Renewal due 08/23/2005.

**Mark: 8•Bus Console Configurations**

24-8 Configuration

Country	Serial No./Reg. No. Filed/Issued	Misc. Information
United States	2,035,113 02/04/97	8 & 15 Declaration due between 2/04/2002 and 2/04/2003. Renewal due 02/04/2007.
Australia	746453 10/16/97	Office Action issued. Response and Declaration by 8/8/98.
Benelux	615341 10/21/97	Renewal due by 10/21/2007. Use due by 10/21/2002.
Brazil	820354791 11/17/97	Published for opposition 4/28/98 – opp. due by 6/28/98.
Canada	858,091 10/07/97	Affidavit to support acquired distinctiveness sent to assoc. 5/3/98; awaiting issuance of Office Action.
Germany	397 48 746.0 10/13/97	Appln. has been <b>suspended</b> pending outcome of 32-8 configuration appln.
Great Britain	2135464 06/11/97	Office Action issued; Declaration/Response due 7/3/98.
Italy	A. RM97C005869 12/01/97  B. RM97C005868 12/01/97	A=3-D appearance; B=configuration only. Awaiting action.

32-8 Configuration

Country	Serial No./Reg. No. Filed/Issued	Misc. Information
United States	2,033,529 01/28/97	8 & 15 Declaration due between 1/28/2002 and 1/28/2003. Renewal due 1/28/2007.
Australia	746454 10/16/97	Office Action issued; Response and Declaration due by 8/8/98.
Benelux	615432 10/21/97	Renewal due by 10/21/2007. Use due by 10/21/2002.
Brazil	820354767 11/17/97	Published for opposition 4/28/98 – opp. due by 6/28/98.

Country	Serial No./Reg. No. Filed/Issued	Misc. Information
Canada	822,022 04/17/97	Expedited processing requested. Appln. amended to a "distinguishing guise" appln., and dec. of acquired distinctiveness through use and advertising filed 5/15/98 in response to Office Action issued. Awaiting further action.
Germany	395 46 060.3 11/13/95	Response and Declarations filed 2/11/98. Awaiting further action.
Great Britain	2135464 06/11/97	Office Action issued; Response/Declaration due by 7/3/98.
Italy	A. RM97C005871 12/01/97  B. RM97C005870 12/01/97	A=3-D appearance; B=configuration only. Awaiting action.

40-8•BUS Configuration

Country	Serial No./Reg. No. Filed/Issued	Misc. Information
Brazil	820354740 11/17/97	Published for purpose of opposition 4/28/98 -- opp. due by 6/28/98.

1202 Configuration

Country	Serial No./Reg. No. Filed/Issued	Misc. Information
Brazil	820354775 11/17/97	Published 4/28/98 -- opp. due by 6/28/98.

1402 Configuration

Country	Serial No./Reg. No. Filed/Issued	Misc. Information
Brazil	820354759 11/17/97	Published 4/28/98 -- opp. due by 6/28/98.

1604 Configuration

Country	Serial No./Reg. No. Filed/Issued	Misc. Information
Brazil	820354783 11/17/97	1604 configuration. Awaiting action.

**Mark: d8b (stylized)**

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Argentina	2132872 2/23/98	Appln. published for purpose of opposition 5/20/98 -- opp. due by 6/20/98.
Australia	756280 03/02/98	Appln. accepted for publication and published 5/21/98 -- opp. due by 8/21/98.
Brazil	820532207 03/03/98	Awaiting action.
Canada	870,425 2/26/98	Awaiting action.
China	9800017335 03/03/98	Awaiting action.
CTM	000763961 02/26/98	Awaiting action.
Hong Kong	2261/98 02/25/98	Office Action issued; Resp. due by 11/15/98.
Japan	1998-16793 03/03/98	Awaiting action.
Mexico	323,453 02/23/98	Awaiting action.
Russia	98703552 03/03/98	Awaiting action (approx. 9/99)
So. Korea	98-5053 02/25/98	Awaiting action.
Switzerland	01515/1998 02/25/98	Awaiting action.
United States	75/358,287 09/17/97	Awaiting action.

**Mark: HUI (block letter form)**

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Argentina	2132873 2/23/98	Appln. published for purpose of opposition 5/20/98 -- opp. due by 6/20/98.
Australia	756279 03/02/98	Office Action issued; Resp. due by 9/8/98.
Brazil	820532215 03/03/98	Attorney. Awaiting action.
Canada	870,424 02/26/98	Awaiting action.
China	9800017338 03/03/98	Awaiting action.
CTM	000763623 02/26/98	Awaiting action.

Hong Kong	2259/98 02/25/98	Awaiting action.
Japan	1998-15530 02/27/98	Awaiting action.
Mexico	323,455 02/23/98	Awaiting action.
So. Korea	98-5052 02/25/98	Awaiting action.
Switzerland	01514/1998 02/25/98	Awaiting action.
United States	75/351,304 09/03/97	Amendment to Allege Use filed 3/23/98 and accepted 6/9/98. Office Action issued 6/11/98 - resp. due by 12/11/98

**Mark: HUMAN USER INTERFACE and HUI (stylized)**

Country	Serial/Reg. No. Filed/Issued	Misc. Information
United States	75/445,361 03/05/98	Awaiting action. Convention foreign filings due by 9/5/98.

**Mark: TAPCO**

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Australia	743944 9/12/97	Application published 4/23/98 for opposition – opp. due by 7/23/98. Reg. fees to be paid. If no opp. filed, reg. to issue in due course.
Brazil	Cl: 9.10; 9.35. 9.80 820285323 09/29/97 Cl: 9.25; 9.55 820285331 09/29/97	Applications accepted and published for opposition 2/17/98. Opp. due by 4/18/98.
Canada	855,124 9/4/97	Appln. accepted for purpose of publication 3/1/98. Pub. to occur in due course.
China	970098594 09/17/97	Office Action issued; Response filed. Awaiting further action.
CTM (Community Trademark Office) Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Luxembourg, Netherlands, Portugal, Italy, Spain, Sweden, UK	000643627 09/19/97	Awaiting action..
Hong Kong	12824/97 09/06/97	Official Action issued; response filed. Awaiting further action.
Japan	1997-159433 09/19/97	Awaiting action.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Mexico	308,816 09/25/97	Office Action issued; response filed. Awaiting further action.
So. Korea	97-42660 09/08/97	Awaiting action.
United States	75/265,779 03/28/97	Notice of Allowance issued 3/17/98 – Statement of Use due by 9/17/98.

*Mark: ULTRAMIX*

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Argentina	1.991.728 7/25/95	Awaiting action
Benelux	572395 6/20/95	Use due by 6/20/2000; Renewal due 6/20/2005
Bolivia	62609-C 11/25/96	Renewal due 11/25/2006.
Bulgaria	28109 8/3/95	Renewal due 8/3/2005.
Chile	465.452 08/06/2006	Renewal due 08/06/2006.
Czech Republic	199 499 4/29/97 Effective Date: 7/25/95	Renewal due 07/25/2005.
Denmark and Greenland	VR 07.476 1995 11/03/95	Renewal due 11/03/2005
Dominican Republic		Awaiting status
Ecuador	689-97 3/26/97	Renewal due 3/26/2007.
Estonia	22521 2/21/97	Renewal due 2/21/2007. Use due 2/21/2002.
France	95/576922 6/21/95	Renewal due 6/21/2005
Germany	395 25 145 7/22/96	Renewal due 6/30/2005. Use due by 7/22/2001.
Greece	125065 7/05/95	Renewal due 7/5/2005
Israel	99357 12/03/96	Renewal due 06/26/2002. Use due by 12/3/98.
Japan	3365280 12/5/97	Renewal due between 6/5/2007 and 12/5/2007.
Latvia	M-40-188 3/20/98 Effective Date: 8/15/95	Renewal due 8/15/2005.

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Lithuania	95-1987 7/21/95	Power of Attorney. Fees paid for reg. and pub. 6/98.
Netherland Antilles	18740 8/23/95	Renewal due 6/21/95
New Zealand and Cook Islands	252485 8/16/95	Renewal due 8/16/2002.
Norway	178966 01/09/1997	Renewal due 01/09/2007. Use due by 01/09/2002.
Portugal	311657 7/24/95	1st Declaration of Use due 3/6/2001. Renewal due 3/6/2006.
Romania	24041 7/24/95	Renewal due 7/24/2005.
Russia	148251 8/31/95  (Reg. date: 11/29/1996)	Renewal due 8/31/2005. Use due by 11/29/2001.
Slovenia	9570960 7/28/95	Renewal due 7/28/2005.
South Africa	95/7890 6/20/295	Appln. accepted 12/97 and IC 9 appln. Published for opp. 12/31/97 -- opp. due by 3/31/98.
South Korea	377059 10/02/97  Class 39	Renewal due between 10/3/2006 and 10/2/2007.
Sweden	311 140 06/20/96	Renewal due 6/20/2006.
Taiwan	739802 12/16/96	Renewal due 12/15/2006.
United States	1,991,943 08/06/96	8&15 Dec. due 8/6/2002; Renewal due 8/6/2006.
Uruguay	279.707 04/29/97	Renewal due 04/29/2007.

Mark: VLZ

Country	Serial/Reg. No. Filed/Issued	Misc. Information
Argentina	1.617.926 10/07/96	Renewal due 10/07/2006.
Brazil	818976853 12/14/95	Final reg. fees paid.
Canada	469473 01/23/97	Renewal due 1/23/2012
France	95599421 11/29/95	Renewal due 11/29/2005



Country	Serial/Reg. No. Filed/Issued	Misc. Information
Germany	395 49 69 3/19/97  Effective date: 12/05/95	Renewal due 12/05/2005
Great Britain	2046967 11/30/95	Renewal due 11/30/2005
Italy	RM95C/005942 12/20/95	Awaiting action.
Japan	4047641 08/22/97	Renewal due between 2/23/2007 and 8/22/2007.
Mexico	249,134 11/29/95	Office Action issued; response filed. Awaiting further action.
Spain and Canary Islands	2001591 12/14/95	Quinquennial tax due 12/31/2000. Renewal due 12/14/2005.
United States	2,022,019 12/10/96	Sec. 8 & 15 Affidavit due between 12/10/2001 and 12/10/2002. Renewal due by 12/20/2006.

**Mackie Designs Manufacturing Inc.**

None

Borrower has software license agreements with the following:

- a. Apogee Electronic Corporation for data input/output cards and Apogee's UV22 algorithm;
- b. IVL Technologies Inc. for reverb, chorus and delay algorithm; and,
- c. TC Electronics A/F I for reverb, chorus and delay algorithms.

## SCHEDULE II

Address of  
chief executive office:

Mackie Designs Inc.  
16220 Woodinville-Redmond Road NE  
Woodinville, Washington 98072

Address of Office where  
books and records are kept:

Mackie Designs Inc.  
16220 Woodinville-Redmond Road NE  
Woodinville, Washington 98072

Address of Office where  
corporate records are kept:

Weiss Jensen Ellis & Howard  
2600 Pike Tower  
520 Pike Street  
Seattle, WA 98101

Addresses of locations of  
collateral:

Mackie Designs Inc.  
16220 Woodinville-Redmond Road NE  
Woodinville, Washington 98072

Mackie Designs Inc.  
Van Ommeren Intexo (Rotterdam)  
BV  
Oliphantweg 10, Rotterdam-Botlek  
P. O. Box 510, NL 3190 AL Hoogvliet

## SECURITY AGREEMENT

This security agreement ("Agreement") is made and entered into as of June 18, 1998, by MACKIE DESIGNS INC., a Washington corporation ("Borrower"), for the benefit of U. S. BANK NATIONAL ASSOCIATION, a national banking association ("U. S. Bank").

### RECITALS:

A. Concurrently with the execution hereof, U. S. Bank and 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 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 for U. S. Bank to make the Loans, Borrower 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 Borrower 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.

"Collateral" means all property, real, personal, and mixed, tangible and intangible, wherever located, now owned or hereafter acquired by Borrower, or in which Borrower 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 Borrower'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 Borrower'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 Borrower'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 Borrower 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.

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

"Investment Property" means all of Borrower'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 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 Borrower hereunder, (c) the obligations of Borrower under any guaranty executed by Borrower and delivered to U. S. Bank, whereby Borrower guarantees the indebtedness of any Person other than Borrower 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, Borrower hereby grants to U. S. Bank a continuing security interest in and assigns to

U. S. Bank all of Borrower's right, title, and interest in the Collateral and all products, profits, rents, and proceeds thereof.

### **ARTICLE III. COVENANTS OF BORROWER**

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

#### **3.1 Obligations to Pay**

(a) Borrower shall pay to U. S. Bank, in timely fashion and in full, all amounts payable by Borrower to U. S. Bank, pursuant to the Credit Agreement, the Notes, and the other Loan Documents; and

(b) Borrower 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**

Borrower shall fully perform in a timely fashion every covenant, agreement, and obligation set forth in the Credit Agreement and the other Loan Documents.

#### **3.3 Further Documentation**

At its own expense, Borrower 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**

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

#### **3.5 Pledges**

Borrower 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**

Borrower 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. Borrower shall mark its books and records pertaining to the Collateral to evidence this Agreement and the security interests granted herein. Borrower 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.

### **3.7 Disposition of Collateral**

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

### **3.8 Indemnification**

Borrower 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 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 Borrower 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, Borrower 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 Borrower 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 Borrower.

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

Borrower 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**

Borrower 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**

Borrower 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.

### **3.12 Notices**

Borrower 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.**

Borrower 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) Borrower (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) Borrower 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 Borrower's ownership of any material Trademark or its right to register, keep, or maintain the same.

(c) Whenever Borrower, 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, Borrower 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. Borrower shall execute and deliver to U. S. Bank all agreements, instruments, powers of 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 Borrower relating to or represented by the Trademark. Borrower 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) Borrower 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, Borrower shall promptly notify U. S. Bank after it learns thereof and shall take such action as Borrower reasonably deems appropriate under the circumstances to protect such Trademark.

### **3.15 Vehicles**

Within ten days after the request by U. S. Bank, Borrower 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**

Borrower agrees to insure the Collateral against all hazards in form and amount satisfactory to U. S. Bank. If Borrower fails to obtain such insurance, U. S. Bank shall have the right, but not the obligation, to obtain either insurance covering both Borrower's and U. S. Bank's interest in the Collateral, or insurance covering only U. S. Bank's interest in the Collateral. Borrower 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. Borrower 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.

### **3.17 Copy of Financing Statement**

Borrower 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**

Borrower hereby makes the following representations and warranties:

### **4.1 Title to Collateral**

Borrower 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 Borrower is a party or by which Borrower 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**

Borrower 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 Borrower are kept concerning the Collateral is set forth on Schedule II.

#### **4.7 Location of Collateral**

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

#### **4.8 Name**

Borrower conducts its business only under its name and the names "Mackie" and "Mackie Designs."

#### **4.9 Accounts**

The amount represented by Borrower 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 Borrower 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**

Borrower'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 Borrower in its own name as of the date hereof. To the best of Borrower'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 Borrower 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 of the exercise of such powers; and neither U. S. Bank nor any of its officers, directors, employees, or agents shall be responsible to Borrower 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, Borrower 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. Borrower 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, Borrower 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 Borrower.

## **5.7 Assignee Deposit Account**

Upon demand by U. S. Bank at any time during the continuation of an Event of Default, Borrower 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 Borrower at any time. All items or amounts that are delivered by Borrower to U. S. Bank, or collected by U. S. Bank from the Account Debtors, shall be deposited to the credit of a Deposit Account ("Assignee Deposit Account") of Borrower with U. S. Bank, as security for the payment of the Secured Obligations. Borrower 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 Borrower 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 Borrower.

## **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. Borrower 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 Borrower 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, Borrower will assemble the Collateral and make it available to U. S. Bank at places that U. S. Bank shall reasonably select, whether on Borrower'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 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 Borrower all Collateral then held by U. S. Bank, if any, and upon written request of Borrower, 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 Borrower shall be binding upon its successors and assigns.

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

Borrower 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 Borrower and in the name of Borrower 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, Borrower hereby gives U. S. Bank the power and right, on behalf of Borrower, without consent by or notice to Borrower, 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 Borrower 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 Borrower's expense, at any time or from time to time, all acts and things that U. S. Bank deems necessary to protect, preserve 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 Borrower might do.

(b) Borrower 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) Borrower 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 Borrower for any act or failure to act hereunder.

### **7.7 Performance by U. S. Bank of Borrower's Obligations**

If Borrower 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 Borrower 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:

(a) If to Borrower:

Mackie Designs Inc.  
16220 Woodinville-Redmond Road NE  
Woodinville, Washington 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

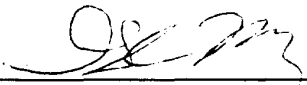
deemed to be given or made when received by the party to whom such communication was sent.

**7.10 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, Borrower 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.

MACKIE DESIGNS INC.

By 

Title CEO

Accepted By:

U. S. BANK NATIONAL ASSOCIATION

By 

Title Vice President