

11-26-1999

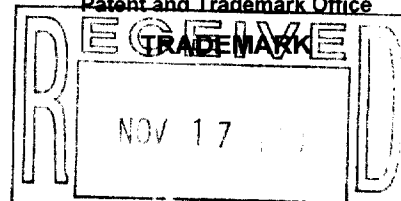


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U.S. Department of Commerce
Patent and Trademark Office



MRD 11/17/99

TRADEMARKS ONLY

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

Submission Type

New

Resubmission (Non-Recordation)
Document ID #

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger

Change of Name

Other

Effective Date
Month Day Year
09 24 99

Conveying Party

Mark if additional names of conveying parties attached

Name **Hansford Manufacturing Corporation**

Execution Date
Month Day Year
09 24 99

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization **New York**

Receiving Party

Mark if additional names of conveying parties attached

Name **Bank of America, NA**

DBA/AKA/TA

Composed of

Address (line 1) **901 Main Street, 66th Floor**

Address (line 2)

Address (line 3) **Dallas**

Texas

75202

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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.)

11/24/1999 DNGUYEN 00000125 74568170

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
400.00 OP

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

TRADEMARK
REEL: 001992 FRAME: 0451

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FC: 704

Domestic Representative Name and Address

Enter for the first Receiving Party only.

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| Name | |
| Address (line 1) | |
| Address (line 2) | |
| Address (line 3) | |
| Address (line 4) | |

Correspondent Name and Address

Area Code and Telephone Number

(214) 745-5374

| | |
|------------------|---------------------------------|
| Name | James J. Murphy, Esq. |
| Address (line 1) | Winstead Sechrest & Minick P.C. |
| Address (line 2) | 5400 Renaissance Tower |
| Address (line 3) | 1201 Elm Street |
| Address (line 4) | Dallas, Texas 75270 |

Pages

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

46

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)

| | | | | | |
|-----------|--|--|---------|---------|---------|
| 74/568170 | | | 0734877 | 0865718 | 0993395 |
| | | | 1239993 | 1250184 | 1268904 |
| | | | 1274792 | 1365218 | 1369966 |

Number of Properties

Enter the total number of properties involved.

17

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 440.00

Method of Payment:

Deposit Account

Enclosed

Deposit Account

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

Deposit Account Number:

23-2426

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

James J. Murphy

Name of Person Signing


Signature

11/17/99

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Mark if additional names of conveying parties attached

Enter Additional Conveying Party

Name **Pharma Group, Inc.**

Execution Date
Month Day Year
09 24 99

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization **Delaware**

Receiving Party

Mark if additional names of conveying parties attached

Enter Additional Receiving Party

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership Corporation Association Other

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

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)

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RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Mark if additional names of conveying parties attached

Enter Additional Conveying Party

Name **Sencorp Systems, Inc.**

Execution Date
Month Day Year
09 24 99

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization **Delaware**

Receiving Party

Mark if additional names of conveying parties attached

Enter Additional Receiving Party

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

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

Citizenship/State of Incorporation/Organization

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)

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SUBSIDIARY SECURITY AGREEMENT

This SUBSIDIARY SECURITY AGREEMENT (this "Agreement") dated as of September 24, 1999 is by and among the undersigned debtors (each, a "Debtor" and collectively, the "Debtors") and **BANK OF AMERICA, N.A.**, formerly NationsBank, N.A., as the administrative agent (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent") for the Secured Parties (as hereinafter defined).

R E C I T A L S:

A. Concurrently herewith, DT Industries, Inc., a Delaware corporation (the "Borrower"), DT Industries (UK) II Limited, Assembly Technologies & Automation GMBH, Kalish, Inc., formerly Kalish Canada Inc., DT Canada Inc., the Administrative Agent and the Lenders from time to time party thereto have executed that certain Fourth Amendment to Fourth Amended and Restated Credit Facilities Agreement of even date herewith (such Fourth Amended and Restated Credit Facilities Agreement, dated as of July 21, 1997, as the same has been or may be amended, supplemented or modified from time to time, being hereinafter referred to as the "Credit Agreement").

B. The Administrative Agent and the Lenders have conditioned their ongoing obligations under the Credit Agreement on the execution and delivery by the Debtors of this Agreement.

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

ARTICLE I

Definitions; Security Interest

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have their respective meanings as set forth in the Credit Agreement. Terms defined in the UCC shall have the same meanings when used, unless otherwise defined, in this Agreement. If the definition given a term in the Credit Agreement conflicts with the definition given that term in the UCC, then the Credit Agreement definition controls to the extent allowed by law. If the definition given a term in Chapter 9 of the UCC conflicts with the definition given that term in any other chapter of the UCC, then the Chapter 9 definition controls. Furthermore, as used in this Agreement:

"Account" means any "account," as such term is defined in Section 9.106 of the UCC, now owned or hereafter acquired by any Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by any Debtor: (a) all rights of any Debtor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of any Debtor, (c) all rights of any Debtor to receive any payment of

money or other form of consideration, (d) all security pledged, assigned, or granted to or held by any Debtor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, (f) all Chattel Paper, (g) all Instruments, and (h) all rights of any Debtor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation, and resale.

"Chattel Paper" means any "chattel paper", as such term is defined in Section 9.105(a)(2) of the UCC, now owned or hereafter acquired by any Debtor.

"Collateral" has the meaning specified in Section 1.2 of this Agreement.

"Default" means any Default under or as defined in the Credit Agreement.

"Document" means any "document", as such term is defined in Section 9.105(a)(6) of the UCC, now owned or hereafter acquired by any Debtor, including, without limitation, all documents of title and warehouse receipts of any Debtor.

"Equipment" means any "equipment", as such term is defined in Section 9.109(2) of the UCC, now owned or hereafter acquired by any Debtor and, in any event, shall include, without limitation, all machinery, equipment, furnishings, fixtures, and vehicles now owned or hereafter acquired by any Debtor and any and all additions, substitutions, and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment, and accessories installed thereon or affixed thereto.

"Event of Default" means any Event of Default under and as defined in the Credit Agreement.

"General Intangibles" means any "general intangibles", as such term is defined in Section 9.106 of the UCC, now owned or hereafter acquired by any Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by any Debtor: (a) all Patents, Marks, trade secrets, intellectual property, registrations, renewal rights, goodwill, copyrights, franchises, licenses, permits, proprietary information, customer lists, designs, and inventions of any Debtor, (b) all books, records, data, plans, manuals, computer software, and computer programs of any Debtor, (c) all contract rights, partnership interests, joint venture interests, securities, deposit accounts, investment accounts, certificates of deposit and investment property of any Debtor, (d) all rights of any Debtor to payment under letters of credit and similar agreements, (e) all tax refunds and tax refund claims of any Debtor, (f) all choses in action and causes of action of any Debtor (whether arising in contract, tort, or otherwise and whether or not currently in litigation) and all judgments in favor of any Debtor, (g) all rights and claims of any

Debtor under warranties and indemnities, and (h) all rights of any Debtor under any insurance, surety, or similar contract or arrangement.

"Instrument" means any "instrument", as such term is defined in Section 9.105(a)(9) of the UCC, now owned or hereafter acquired by any Debtor.

"Inventory" means any "inventory", as such term is defined in Section 9.109(4) of the UCC, now owned or hereafter acquired by any Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by any Debtor: (a) all goods and other personal property of any Debtor that are held for sale or lease or to be furnished under any contract of service, (b) all raw materials, work-in-process, finished goods, inventory, supplies, and materials of any Debtor, (c) all wrapping, packaging, advertising, and shipping materials of any Debtor, (d) all goods that have been returned to, repossessed by, or stopped in transit by any Debtor, and (e) all Documents evidencing any of the foregoing.

"Marks" means all trademarks and service marks, now owned or held or hereafter acquired by any Debtor, and whether registered or unregistered, and all trade areas including logos, designs, trade names, company names, business names, fictitious business names and other business identifiers in connection with any such registered or unregistered marks.

"Obligations" means:

(a) the indebtedness, liabilities and obligations of the Borrowers to the Lenders evidenced by the Notes, executed by the Borrower and payable to the order of the respective Lenders, pursuant to the Credit Agreement;

(b) the indebtedness, liabilities and obligations of each Debtor to the Administrative Agent and the Lenders under the Guaranty executed by each Debtor in favor of the Administrative Agent and the Lenders;

(c) the "Loan Obligations" as such term is defined in the Credit Agreement;

(d) all future Loans by any Lender to any Borrower and the Debtors, or any of them;

(e) all costs and expenses, including without limitation all reasonable attorneys' fees and legal expenses, incurred by any Secured Party to preserve and maintain the Collateral, collect the obligations herein described and enforce this Agreement; and

- (f) all extensions, renewals and modifications of any of the foregoing.

"Patents" means all patents, patent applications and patent rights, now owned or hereafter acquired by any Debtor.

"Permitted Security Interest" means the security interests granted hereby and expressly permitted by Section 14.4 of the Credit Agreement.

"Proceeds" means any "proceeds", as such term is defined in Section 9.306 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to any Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to any Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Secured Party" means each of, and "Secured Parties" means all of, the Administrative Agent and the Lenders.

"UCC" means the Uniform Commercial Code as in effect in the State of Texas or, if so required with respect to any particular Collateral by mandatory provisions of applicable law, as in effect in the jurisdiction in which such Collateral is located.

Section 1.2 Security Interest. As collateral security for the prompt payment and performance in full when due of the Obligations (whether at stated maturity, by acceleration, or otherwise), each Debtor hereby grants to the Administrative Agent, for the pro rata benefit of the Secured Parties, a security interest in the following property, whether now owned or existing or hereafter acquired or arising and wherever arising or located (such property being hereinafter sometimes called the "Collateral"):

- (a) all Accounts;
- (b) all General Intangibles;
- (c) all Inventory;
- (d) all Equipment; and
- (e) all Proceeds and products of any or all of the foregoing;

excluding from such grant any Accounts, General Intangibles, Proceeds or products which comprise the assets of any Pension Benefit Plan.

Without limiting the foregoing, this Agreement secures the payment of all amounts that constitute part of the Obligations and would be owed by the Borrower to any Secured Party but for the fact that they are unenforceable or not allowable due to the existence of bankruptcy, reorganization, or similar proceedings involving the Borrower. If the grant, pledge, or collateral transfer or assignment of any rights of any Debtor under any contract included in the Collateral is expressly prohibited by such contract, then the security interest hereby granted nonetheless remains effective to the extent allowed by Section 9.318 of the UCC or other applicable law but is otherwise limited by that prohibition.

Section 1.3 Debtors Remain Liable. Notwithstanding anything to the contrary contained herein, (a) each Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Administrative Agent of any of its rights hereunder shall not release any Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) none of the Secured Parties shall have any obligation or liability under any of the contracts and agreements included in the Collateral by reason of this Agreement, nor shall any Secured Party be obligated to perform any of the obligations or duties of any Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

ARTICLE II

Representations and Warranties

Each Debtor represents and warrants to the Administrative Agent that:

Section 2.1 Title. Except for the Permitted Security Interests, such Debtor owns, and with respect to Collateral acquired after the date hereof such Debtor will own, the Collateral free and clear of any Security Interest.

Section 2.2 Accounts. Unless a Debtor has given the Administrative Agent written notice to the contrary, whenever the security interest granted hereunder attaches to an Account, each Debtor shall be deemed to have represented and warranted to the Administrative Agent as to each and all of its Accounts that (a) each Account is genuine and in all respects what it purports to be, (b) to the best of Debtor's knowledge, each Account represents the legal, valid, and binding obligation of the account debtor evidencing indebtedness unpaid and owed by such account debtor arising out of the performance of labor or services by such Debtor or the sale or lease of goods by such Debtor, (c) the amount of each Account represented as owing is the correct amount actually and unconditionally owing except for normal trade discounts granted in the ordinary course of business, and (d) to the best of Debtor's knowledge, no Account is subject to any offset, counterclaim, or other defense.

Section 2.3 Financing Statements. No financing statement, security agreement, or other lien instrument covering all or any part of the Collateral is on file in any public office, except as may have been filed in favor of the Administrative Agent or to perfect any Permitted Security Interests. Except as set forth on Schedule 3 hereto, no Debtor has within the past five years done business under any name or trade name other than its legal name set forth at the beginning of this Agreement. All information provided by each Debtor in its Security Agreement Questionnaire delivered to the Administrative Agent or its counsel is true, correct and complete in all material respects.

Section 2.4 Organization and Authority. Each Debtor is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation. Each Debtor have the corporate power and authority to execute, deliver, and perform this Agreement, and the execution, delivery, and performance of this Agreement by such Debtor (a) have been authorized by all necessary corporate action on the part of such Debtor, (b) do not and will not violate (i) any law, rule or regulation which violation would have a material adverse effect on the business, condition (financial or otherwise), operations, prospects, or properties of such Debtor, or (ii) the articles or certificate of incorporation or bylaws of such Debtor, and (c) do not and will not conflict with, result in a breach of, or constitute a default under the provisions of any material indenture, mortgage, deed of trust, security agreement, instrument or agreement pursuant to which such Debtor or any of its property is bound.

Section 2.5 Principal Place of Business. The principal place of business and chief executive office of each Debtor, and the office where each Debtor keeps its books and records, is located at the address of such Debtor shown below its name on the signature pages of this Agreement except for any records stored offsite at the addresses specified on Schedule 1 hereto.

Section 2.6 Location of Collateral. All Inventory and Equipment (except for Inventory and Equipment which is not, individually or in the aggregate, material in value or to the business of any Debtor) of each Debtor are located at the locations specified on Schedule 1 hereto or at other locations within the continental United States of America in the ordinary course of each Debtor's business so long as all actions have been taken to assure the continued perfection and priority of the Administrative Agent's security interest therein. Each Debtor has exclusive possession and control of its Inventory and Equipment. None of the Inventory or Equipment of any Debtor is evidenced by a Document (including, without limitation, a negotiable document of title). All Instruments and Chattel Paper of each Debtor have been endorsed and delivered to the Administrative Agent, including without limitation, the intercompany revolving notes listed on Schedule 6 attached hereto.

Section 2.7 Perfection. This Agreement creates a security interest in the Collateral in favor of the Administrative Agent. Upon the filing of UCC financing statements in favor of the Administrative Agent in the jurisdictions listed on Schedule 2 attached hereto, and upon the Administrative Agent's obtaining possession of all Documents, Instruments and Chattel Paper of each Debtor, the security interest in favor of the Administrative Agent created herein will constitute a valid and perfected Security Interest in all items of the Collateral covered by Article 9 of the UCC, subject to no equal or prior Security Interest, except the Permitted Security Interests.

ARTICLE III

Covenants

The Debtors jointly and severally covenant and agree with the Administrative Agent that until the Obligations are paid and performed in full and all commitments and other obligations of the Lenders to the Borrower have been terminated:

Section 3.1 Maintenance. Each Debtor shall maintain the Collateral in good operating condition and repair, and no Debtor shall permit any waste or destruction of the Collateral or any part thereof except for the ordinary wear and tear of its intended primary use. No Debtor shall use or permit the Collateral to be used in violation of any law or inconsistently with the terms of any policy of insurance. No Debtor shall use or permit the Collateral to be used in any manner or for any purpose that would impair the value of the Collateral or expose the Collateral to unusual risk.

Section 3.2 Encumbrances. No Debtor shall create, permit, or suffer to exist, and each Debtor shall defend the Collateral against, any Security Interest on the Collateral except Permitted Security Interests, and shall defend such Debtor's rights in the Collateral and the Administrative Agent's security interest in the Collateral against the claims of all Persons.

Section 3.3 Modification of Collateral. Without the prior written consent of the Administrative Agent, no Debtor shall (a) grant any extension of time for any payment with respect to the Collateral, (b) compromise, compound, or settle any of the Collateral, (c) release in whole or in part any person or entity liable for payment with respect to the Collateral, (d) allow any credit or discount for payment with respect to the Collateral other than normal trade discounts granted in the ordinary course of business and other adjustments, such as bad debt expense, made in the ordinary course of business, (e) release any lien, security interest, or assignment securing the Collateral, or (f) otherwise amend or modify any of the Collateral.

Section 3.4 Disposition of Collateral. No Debtor shall sell, lease, assign, transfer or otherwise dispose of any Collateral, except as expressly permitted by the Credit Agreement.

Section 3.5 Further Assurances. At any time and from time to time, upon the request of the Administrative Agent, and at the sole expense of the Debtors, each Debtor shall promptly execute and deliver all such further instruments and documents and take such further action as the Administrative Agent may deem reasonably necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Agreement, including, without limitation, the execution and filing of such financing statements as the Administrative Agent may require. A carbon, photographic, or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement. Each Debtor shall promptly endorse and deliver to the Administrative Agent all Documents, Instruments, and Chattel Paper that it now owns or may hereafter acquire, including without limitation, the intercompany revolving notes listed

on Schedule 5 attached hereto, which notes shall be delivered to the Administrative Agent concurrently with the execution and delivery of this Agreement.

Section 3.6 Risk of Loss; Insurance. The Debtors shall be responsible for any loss of or damage to the Collateral. Each Debtor shall maintain insurance policies required under Section 13.4. of the Credit Agreement with respect to all Collateral. Each Debtor shall deliver to the Administrative Agent upon demand copies of all insurance policies covering the Collateral or any part thereof.

Section 3.7 Inspection Rights. Each Debtor shall permit the Administrative Agent and each Secured Party and their representatives, upon one (1) Business Day's prior notice, to examine or inspect the Collateral wherever located and to examine, inspect, and copy such Debtor's books and records at any reasonable time and as often as they may desire. The Administrative Agent may at any reasonable time and from time to time contact account debtors and other obligors to verify the existence, amounts, and terms of any Debtor's Accounts.

Section 3.8 Mortgagee's and Landlord's Waivers. With respect to all locations of Collateral, each Debtor shall use commercially reasonable good faith efforts to cause each landlord of real property leased by such Debtor to execute and deliver instruments reasonably satisfactory in form and substance to the Administrative Agent by which such landlord waives or subordinates its rights, if any, in the Collateral.

Section 3.9 Notification. Each Debtor shall promptly notify the Administrative Agent of (i) any Security Interest or material claim made or threatened against the Collateral, (ii) any material change in the Collateral, including, without limitation, any material damage to or loss of the Collateral, and (iii) the occurrence or existence of a Default or an Event of Default.

Section 3.10 Corporate Changes. No Debtor shall change its name, identity, or corporate structure in any manner that might make any financing statement filed in connection with this Agreement seriously misleading, unless such Debtor shall have given the Administrative Agent forty-five (45) days prior written notice thereof and shall have taken all action reasonably deemed necessary or desirable by the Administrative Agent to make each financing statement not seriously misleading. No Debtor shall change its principal place of business, chief executive office, or the place where it keeps its books and records, unless it shall have given the Administrative Agent forty-five (45) days prior written notice thereof and shall have taken all action deemed reasonably necessary or desirable by the Administrative Agent to cause its security interest in the Collateral to be perfected with the priority required by this Agreement.

Section 3.11 Books and Records; Information. Each Debtor shall keep accurate and complete books and records of the Collateral and such Debtor's business and financial condition in accordance with GAAP (subject to year-end adjustments and disclosures). Each Debtor shall from time to time at the request of the Administrative Agent deliver to the Administrative Agent such information regarding the Collateral and such Debtor as the Administrative Agent may reasonably request, including, without limitation, lists and descriptions of the Collateral and evidence of the

identity and existence of the Collateral. Each Debtor shall mark its books and records to reflect the security interest of the Administrative Agent under this Agreement.

Section 3.12 Location of Collateral. No Debtor shall move any of its Equipment or Inventory from the locations specified herein without the prior written consent of the Administrative Agent, except to other locations within the continental United States of America in the ordinary course of business so long as all actions have been taken to assure the continued perfection and priority of the Administrative Agent's security interest therein, including without limitation landlord waivers and/or subordinations reasonably satisfactory to Administrative Agent.

Section 3.13 Warehouse Receipts Non-Negotiable. Each Debtor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued in respect of any of the Collateral, such warehouse receipt or receipt in the nature thereof shall not be "negotiable" (as such term is used in Section 7.104 of the UCC as in effect in any relevant jurisdiction or under relevant law).

Section 3.14 Collection of Accounts. Except as otherwise provided in this Section, the Debtors shall have the right to collect and receive payments on the Accounts. In connection with such collections, the Debtors may take (and, at the Administrative Agent's direction, shall take) such actions as the Debtors or the Administrative Agent may reasonably deem necessary or advisable to enforce collection of the Accounts. At any time, if an Event of Default shall have occurred and be continuing, the Administrative Agent shall have the right to, or upon the request of the Administrative Agent the Debtors shall, instruct all account debtors and other Persons obligated in respect of the Accounts to make all payments on the Accounts either (a) directly to the Administrative Agent (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Administrative Agent), or (b) to one or more other banks in the United States of America (by instructing that such payments be remitted to a post office box which shall be in the name or under the control of the Administrative Agent) under arrangements in form and substance satisfactory to the Administrative Agent pursuant to which the Debtors shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all such payments directly to the Administrative Agent. In addition to the foregoing, each Debtor agrees that if any Proceeds of any Collateral (including payments made in respect of Accounts) shall be received by such Debtor while an Event of Default exists, such Debtor shall promptly deliver such Proceeds to the Administrative Agent, for the pro rata benefit of the Secured Parties, with any necessary endorsements. Until such Proceeds are delivered to the Administrative Agent, such Proceeds shall be held in trust by such Debtor for the benefit of the Administrative Agent and shall not be commingled with any other funds or property of any Debtor.

ARTICLE IV

Special Provisions Concerning Marks

Section 4.1 Additional Representations and Warranties. Each Debtor represents and warrants that it is the true and lawful exclusive owner of the Marks listed as being owned by it in

Schedule 4 hereto and that, as of the date hereof, the listed Marks include all the United States federal and foreign trademark registrations or trademark applications registered in the United States Patent and Trademark Office or the equivalent government agency or office in any applicable foreign jurisdiction to the extent that, to the best of Debtor's knowledge, are necessary for such Debtor's business as currently operated. Each Debtor represents and warrants that, to the best of its knowledge, except as set forth in Schedule 4, it owns or is licensed to use or is not prohibited from using all Marks that it uses except as would not have a Material Adverse Effect. Each Debtor further warrants that, to the best of its knowledge, except as set forth in Schedule 4, it is aware of no third party claim (which could have a Material Adverse Effect) that any aspect of such Debtor's present or contemplated business operations infringes or will infringe any trademark or service mark of any Person. Each Debtor represents and warrants that, to the best of its knowledge, except as set forth in Schedule 4, it is the owner of record of all registrations and applications listed as being owned by it in Schedule 4 hereto except as would not have a Material Adverse Effect and, to the best of Debtor's knowledge, except as set forth in Schedule 4, that such registrations are valid, subsisting, have not been cancelled and that such Debtor is not aware of any third party claim (which could have a Material Adverse Effect) that any such registration is invalid or unenforceable except as would not have a Material Adverse Effect. Each Debtor hereby grants to the Administrative Agent an absolute power of attorney to sign, only upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office or any equivalent government agency or office of any applicable foreign jurisdiction in order to effect an absolute assignment of all right, title and interest in each such Mark and associated goodwill, and record the same.

Section 4.2 Licenses and Assignments. Other than the license agreements listed on Schedule 4 hereto and any extensions or renewals thereof, each Debtor hereby agrees not to divest itself of any right under any Mark except those such Debtor reasonably determines are not necessary for the conduct of its or its Subsidiaries' business.

Section 4.3 Infringements. Each Debtor agrees, promptly upon learning thereof, to notify the Administrative Agent in writing of the name and address of, and to furnish such pertinent information that it may have with respect to, any party who may be infringing or otherwise violating any of such Debtor's rights in and to any Mark, or with respect to any party claiming that such Debtor's use of any Mark violates any property right of that party, in each case to the extent that such Debtor reasonably believes that such infringement or violation could result in a Material Adverse Effect. Each Debtor further agrees, if consistent with good business practice, diligently to prosecute any Person infringing any Mark to the extent that such Debtor reasonably believes that such infringement would result in a Material Adverse Effect.

Section 4.4 Preservation of Marks. To the extent the failure to do so would cause a Material Adverse Effect and such Debtor reasonably believes it to be consistent with good business practice, each Debtor agrees to use the trademarks of its Marks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Marks as trademarks or service marks registered under the laws of the United States or applicable foreign jurisdictions.

Section 4.5 Maintenance of Registration. To the extent the failure to do so would cause a Material Adverse Effect and such Debtor reasonably believes it to be consistent with good business practice, each Debtor (a) shall, at its own expense, diligently process all documents required by the Trademark Act of 1946, 15 U.S.C. §§ 1051 et seq. to maintain trademark registration, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its Marks pursuant to 15 U.S.C. §§ 1058(a), 1059 and 1065, and (b) shall pay all fees and disbursements in connection therewith and (c) shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all reasonable administrative and judicial remedies without prior written consent of the Lenders.

Section 4.6 Future Registered Marks. If any Mark registration is issued hereafter to any Debtor as a result of any application now or hereafter pending before the United States Patent and Trademark Office or any equivalent government agency or office in any applicable foreign jurisdiction, within 30 days of receipt of such registration, such Debtor shall deliver to Administrative Agent written notice of such registration, and upon the request by the Administrative Agent, a copy of such registration, and a grant of security in such Mark to the Administrative Agent, confirming the grant thereof hereunder, the form of such confirmatory grant to be satisfactory to the Administrative Agent.

Section 4.7 Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent may, after ten days' written notice to each Debtor, take any or all of the following actions: (i) declare the entire right, title and interest of each Debtor in and to each of the Marks and the goodwill of the business associated therewith, together with all trademark rights and rights of protection to the same, vested, in which event such rights, title and interest shall immediately vest, in the Administrative Agent for the benefit of the Secured Parties, in which case the Administrative Agent shall be entitled to exercise the power of attorney referred to in Section 4.1 to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (ii) take and use or sell the Marks and the goodwill of each Debtor's businesses symbolized by the Marks and the right to carry on the businesses and use the assets of such Debtor in connection with which the Marks have been used; and (iii) direct each Debtor to refrain, in which event such Debtor shall refrain, from using the Marks in any manner whatsoever, directly or indirectly, and execute such other and further documents that the Administrative Agent may request to further confirm this and to transfer ownership of the Marks and registrations and any pending trademark application in the United States Patent and Trademark Office or any equivalent government agency or office in any foreign jurisdiction to the Administrative Agent.

ARTICLE V

Special Provisions Concerning Patents

Section 5.1 Additional Representations and Warranties. Each Debtor represents and warrants that it is the true and lawful exclusive owner of all rights in the Patents listed as being owned by it in Schedule 4 hereto and that, as of the date hereof, said Patents include all the patents

and applications for patents that such Debtor now owns to the extent that, to the best of Debtor's knowledge, are necessary for such Debtor's business as currently operated. Each Debtor represents and warrants that, to the best of its knowledge, except as set forth in Schedule 4, it owns or is licensed to practice under all Patents that it now uses or practices under except as would not have a Material Adverse Effect. Each Debtor further warrants that, to the best of its knowledge, except as set forth in Schedule 4, it is aware of no third party claim (which could have a Material Adverse Effect) that any aspect of such Debtor's present or contemplated business operations infringes or will infringe any patent of any Person. Each Debtor hereby grants to the Administrative Agent an absolute power of attorney to sign, only upon the occurrence and during the continuance of any Event of Default, any document which may be required by the United States Patent and Trademark Office or the equivalent government agency or office of any applicable foreign jurisdiction, in order to effect an absolute assignment of all right, title and interest in each Patent and record the same.

Section 5.2 Licenses and Assignments. Other than the license agreements listed on Schedule 4 hereto and any extensions or renewals thereof, each Debtor hereby agrees not to divest itself of any right under any Patent except those Patents such Debtor reasonably determines are not necessary for the conduct of its or its Subsidiaries' business.

Section 5.3 Infringements. Each Debtor agrees, promptly upon learning thereof, to furnish the Administrative Agent in writing with all pertinent information it may have to such Debtor with respect to any infringement or other violation of such Debtor's rights in any Patent, or with respect to any claim that practice of any Patent violates any property rights of that party, in each case to the extent that such Debtor reasonably believes that such infringement or violation could result in a Material Adverse Effect. Each Debtor further agrees, consistent with good business practice and absent direction of the Administrative Agent to the contrary (which direction shall only be given if an Event of Default shall have occurred and be continuing), diligently to prosecute any Person infringing any Patent to the extent that such Debtor reasonably believes that such infringement would result in a Material Adverse Effect.

Section 5.4 Maintenance of Patents. At its own expense, each Debtor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. § 41 to maintain in force rights under each Patent to the extent such Debtor reasonably believes it to be consistent with good business practice and failure to do so would cause a Material Adverse Effect.

Section 5.5 Prosecution of Patent Application. At its own expense, each Debtor shall diligently prosecute all applications for Patents listed as being owned by it in Schedule 4 hereto and shall not abandon any such application prior to exhaustion of all reasonable administrative and judicial remedies, to the extent such Debtor reasonably believes it to be consistent with good business practice and failure to do so would cause a Material Adverse Effect.

Section 5.6 Other Patents. Within thirty (30) days of acquisition of a Patent, or of filing of an application for a Patent, each Debtor shall deliver to Administrative Agent written notice of such acquisition or filing, and upon request by the Administrative Agent, a copy of said Patent or such application, as the case may be, with a grant of security as to such Patent, as the case may be,

confirming the grant thereof hereunder, the form of such confirmatory grant to be satisfactory to the Administrative Agent.

Section 5.7 Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent may after ten days' written notice to each Debtor, take any or all of the following actions: (i) declare the entire right, title, and interest of each Debtor in each of the Patents vested, in which event such right, title, and interest shall immediately vest in the Administrative Agent for the benefit of the Secured Parties, in which case the Administrative Agent shall be entitled to exercise the power of attorney referred to in Section 6.1 to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (ii) take and practice or sell the Patents; and (iii) direct each Debtor to refrain, in which event such Debtor shall refrain, from practicing the Patents directly or indirectly, and such Debtor shall execute such other and further documents as the Administrative Agent may request further to confirm this and to transfer ownership of the Patents to the Administrative Agent for the benefit of the Secured Parties.

ARTICLE VI

Rights of the Administrative Agent

Section 6.1 Power of Attorney. Each Debtor hereby irrevocably constitutes and appoints the Administrative Agent 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 name of such Debtor or in its own name, to take any and all action consistent with the requirement of this Agreement or the other Loan Documents and to execute any and all documents and instruments which the Administrative Agent at any time and from time to time deems necessary or desirable to accomplish the purposes of this Agreement which Debtor is obligated to take, execute or deliver under any Loan Document and has failed to do so within the applicable time period required under such Loan Document. Notwithstanding the foregoing, each Debtor hereby gives the Administrative Agent the power and right on behalf of such Debtor and in its own name to do any of the following, without notice to or the consent of such Debtor, whether or not an Event of Default has occurred and is continuing, except as otherwise expressly provided below.

(i) after the occurrence and during the continuance of an Event of Default, to demand, sue for, collect, or receive in the name of any Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title, or any other instruments for the payment of money under the Collateral or any policy of insurance;

(ii) to pay or discharge taxes or Security Interests levied or placed on or threatened against the Collateral in accordance with Section 13.5 of the Credit Agreement and subject to the rights of Debtor to contest such tax or Security Interest as provided in such Section;

(iii) after the occurrence and during the continuance of an Event of Default and after giving written notice to the Debtor, to notify post office authorities to change the address for delivery of mail of any Debtor to an address designated by the Administrative Agent and to receive, open, and dispose of mail addressed to any Debtor:

(iv) (A) after the occurrence and during the continuance of an Event of Default, to direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (B) after the occurrence and during the continuance of an Event of Default, to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) after the occurrence and during the continuance of an Event of Default, to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications, and notices in connection with accounts and other documents relating to the Collateral; (D) after the occurrence and during the continuance of an Event of Default, to commence and prosecute any suit, action, or proceeding at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) after the occurrence and during the continuance of an Event of Default, to defend any suit, action, or proceeding brought against any Debtor with respect to any Collateral; (F) after the occurrence and during the continuance of an Event of Default, to settle, compromise, or adjust any suit, action, or proceeding described above and, in connection therewith, to give such discharges or releases as the Administrative Agent may deem appropriate; (G) after notice to Debtor or otherwise after the occurrence and during the continuance of an Event of Default, to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization, or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depository, transfer agent, registrar, or other designated agency upon such terms as the Administrative Agent may determine; (H) after the occurrence and during the continuance of an Event of Default, to add or release any guarantor, indorser, surety, or other party to any of the Collateral; (I) to renew, extend, or otherwise change the terms and conditions of any of the Collateral; (J) after the occurrence and during the continuance of an Event of Default, to make, settle, compromise, or adjust claims under any insurance policy covering any of the Collateral; and (K) after the occurrence and during the continuance of an Event of Default, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and to do, at the Administrative Agent's option and the Debtors' expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve, or realize upon the Collateral and the Administrative Agent's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable. The Administrative Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to the Administrative Agent in this

Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Administrative Agent shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or in its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct. This power of attorney is conferred on the Administrative Agent solely to protect, preserve, and realize upon its security interest in the Collateral. The Administrative Agent shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve, or maintain any security interest or Security Interest given to secure the Collateral.

Section 6.2 Certain Covenants and Rights Regarding the Collateral.

(a) Each Debtor shall from time to time at the reasonable request of the Administrative Agent furnish the Administrative Agent with a schedule of each Account included in the Collateral and a list of all those liable on checks, notes, drafts, and other Instruments representing the proceeds of such Accounts. The Administrative Agent shall have the right to make test verifications of the Collateral. If any part of the Collateral is or becomes subject to the Federal Assignment of Claims Act, each Debtor whose Collateral has been affected thereby will execute all instruments and take all steps required by the Administrative Agent to comply with that act. If part of the Collateral is evidenced by Chattel Paper, or by one or more promissory notes, trade acceptances or other Instruments for the payment of money, each Debtor will, at the request of the Administrative Agent, immediately deliver them to the Administrative Agent, appropriately endorsed to the order of the Administrative Agent, and regardless of the form of endorsement, such Debtor waives presentment, demand, notice of dishonor, protest, and notice of protest.

(b) If the validity or priority of this Agreement or of any rights, titles, security interests or other interests created or evidenced hereby shall be attacked, endangered, or questioned, or if any legal proceedings are instituted with respect thereto, each Debtor will give prompt written notice thereof to the Administrative Agent and, at such Debtors' own cost and expense, will diligently endeavor to cure any defect which may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, and the Administrative Agent (whether or not named as a party to the legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its reasonable judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the rights, titles, security interests, and other interests created or evidenced hereby, and all reasonable expenses so incurred of every kind and character shall be a demand obligation owing by the Debtors and the party incurring such expenses shall be subrogated to all rights of the Person receiving such payment.

(c) Upon the occurrence of an Event of Default, and during the continuance of an Event of Default, the Administrative Agent is authorized to take possession peaceably of the Collateral and of all books, records and accounts relating thereto, and to exercise without

interference from the Debtors any and all rights which any such Debtor has with respect to the management, possession, protection, or preservation of the Collateral. If necessary to obtain the possession provided for above, the Administrative Agent may invoke any and all legal remedies to dispossess any such Debtor, including specifically one or more actions for forcible entry and detainer. In connection with any action taken by the Administrative Agent pursuant to this Section, the Administrative Agent shall not be liable for any loss sustained by any Debtor resulting from any act or omission of the Administrative Agent unless such loss is caused by the gross negligence or willful misconduct or bad faith of the Administrative Agent, nor shall the Administrative Agent be obligated to perform or discharge any obligation, duty, or liability under any sale or lease agreement covering the Collateral or any part thereof, or under or by reason of this Agreement or exercise of rights or remedies hereunder.

(d) At any time prior to the termination of this Agreement, if an Event of Default shall have occurred and be continuing, the Administrative Agent may notify the account debtors or obligors of any Accounts, Chattel Paper, Instruments, or other evidences of indebtedness included in the Collateral to pay the Administrative Agent directly. Until the Administrative Agent elects to exercise these rights, each Debtor is authorized as agent of the Administrative Agent to collect and enforce such accounts. The costs of collection and enforcement, including attorneys' fees and expenses, shall be borne solely by the Debtors whether incurred by the Administrative Agent or the Debtors.

Section 6.3 Performance by the Administrative Agent. If any of the Debtors fails to perform or comply with any of its obligations or agreements contained herein within a reasonable period after a request by the Administrative Agent to do so, the Administrative Agent itself may, at its sole discretion, cause or attempt to cause performance or compliance with such agreement, and the reasonable expenses of the Administrative Agent, together with interest thereon at the Default Rate, shall be payable by the Debtors to the Administrative Agent on demand and shall constitute Obligations secured by this Agreement. The Administrative Agent, upon making such payment, shall be subrogated to all of the rights of the Person receiving such payment. Notwithstanding the foregoing, it is expressly agreed that the Administrative Agent shall not have any liability or responsibility for the performance of any obligation of any Debtor under this Agreement.

Section 6.4 Setoff; Property Held by the Administrative Agent. If an Event of Default shall have occurred and be continuing, each Secured Party shall have the right to set off and apply against the Obligations, at any time and without notice to any Debtor, any and all deposits (general or special, time or demand, provisional or final) or other sums at any time credited by or owing from any Secured Party to any Debtor whether or not the Obligations are then due. As additional security for the Obligations, each Debtor hereby grants the Administrative Agent a security interest in all money, instruments, and other property of such Debtor now or hereafter held by the Administrative Agent or any Secured Party. In addition to the Administrative Agent's right of setoff and as further security for the Obligations, each Debtor hereby grants the Administrative Agent a security interest in all deposits (general or special, time or demand, provisional or final) and other accounts of such Debtor now or hereafter deposited with or held by any Secured Party and all other sums at any time

credited by or owing from any Secured Party to such Debtor. The rights and remedies of the Secured Parties hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Administrative Agent may have.

Section 6.5 Subrogation. If any of the Obligations are given in renewal or extension or applied toward the payment of indebtedness secured by any Security Interest, the Secured Parties shall be, and are hereby, subrogated to all of the rights, titles, interests and Security Interests securing the indebtedness so renewed, extended, or paid.

Section 6.6 Administrative Agent's Duty of Care. Other than the exercise of reasonable care in the physical custody of the Collateral while held by the Administrative Agent hereunder, the Administrative Agent shall have no responsibility for or obligation or duty with respect to all or any part of the Collateral or any matter or proceeding arising out of or relating thereto, including without limitation any obligation or duty to collect any sums due in respect thereof or to protect or preserve any rights against prior parties or any other rights pertaining thereto, it being understood and agreed that each Debtor shall be responsible for preservation of all rights in the Collateral. Without limiting the generality of the foregoing, the Administrative Agent shall be conclusively deemed to have exercised reasonable care in the custody of the Collateral if the Administrative Agent takes such action, for purposes of preserving rights in the Collateral, as any Debtor may reasonably request in writing, but no failure or omission or delay by the Administrative Agent in complying with any such request by any Debtor, and no refusal by the Administrative Agent to comply with any such request by any Debtor, shall be deemed to be a failure to exercise reasonable care.

Section 6.7 Assignment by the Secured Parties. The Secured Parties may from time to time assign the Obligations and any portion thereof and/or the Collateral and any portion thereof in accordance with the applicable provisions of the Credit Agreement and the assignee shall be entitled to all of the rights and remedies of such Person under this Agreement in relation thereto.

ARTICLE VII

Default

Section 7.1 Rights and Remedies. Upon the occurrence of an Event of Default and acceleration of the Loan Obligations as provided under the Credit Agreement, the Administrative Agent shall have the following rights and remedies:

(i) In addition to all other rights and remedies granted to the Administrative Agent in this Agreement and in any other instrument or agreement securing, evidencing, or relating to the Obligations or any part thereof or by applicable law, the Administrative Agent shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral). Without limiting the generality of the foregoing, the Administrative Agent may (A) without demand or notice to any Debtor, collect, receive, or take possession of the Collateral or any part thereof and for that purpose the Administrative Agent may enter upon any premises on which the Collateral is located and

remove the Collateral therefrom or render it inoperable, and/or (B) sell, lease, or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Administrative Agent's offices or elsewhere, for cash, on credit, or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. Each Secured Party shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid and become a purchaser of the Collateral or any part thereof free of any right or equity of redemption on the part of any Debtor, which right or equity of redemption is hereby expressly waived and released by each Debtor. Upon the request of the Administrative Agent, each Debtor shall assemble the Collateral and make it available to the Administrative Agent at any place designated by the Administrative Agent that is reasonably convenient to such Debtor and the Administrative Agent. Each Debtor agrees that the Administrative Agent shall not be obligated to give more than ten days prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The Administrative Agent shall not be obligated to make any sale of Collateral if it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement of the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. Each Debtor shall be jointly and severally liable for all expenses of retaking, holding, preparing for sale, or the like, and all reasonable attorneys' fees, legal expenses, and all other costs and expenses incurred by any Secured Party in connection with the collection of the Obligations and the enforcement of the Administrative Agent's rights under this Agreement. The Debtors shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay the Obligations in full. Each Debtor waives all rights of marshalling in respect of the Collateral.

(ii) The Administrative Agent may cause any or all of the Collateral held by it to be transferred into the name of the Administrative Agent or the name or names of the Administrative Agent's nominee or nominees.

(iii) The Administrative Agent may collect or receive all money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so.

(iv) On any sale of the Collateral, the Administrative Agent is hereby authorized to comply with any limitation or restriction with which compliance is necessary, in the view of the Administrative Agent's counsel, in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.

Section 7.2 Application of Proceeds of Sale. Upon any sale of the Collateral by the Administrative Agent (including, without limitation, a sale pursuant to the UCC or under a judicial

proceeding), the receipt of the Administrative Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Administrative Agent or such officer or be answerable in any way for the misapplication thereof.

ARTICLE VIII

Miscellaneous

Section 8.1 No Waiver; Cumulative Remedies. No failure on the part of the Administrative Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

Section 8.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Debtors, the Administrative Agent, and their respective heirs, successors, and assigns, except that no Debtor may assign any of its rights or obligations under this Agreement, except as permitted under the Credit Agreement. The provisions of this Agreement shall apply to each Debtor, individually and collectively.

Section 8.3 AMENDMENT; ENTIRE AGREEMENT; CONTROLLING AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto. In the event any term or provision of this Agreement expressly conflicts with any term or provision of the Credit Agreement; the terms and provisions of the Credit Agreement shall govern and control.

Section 8.4 Notices. All notices and other communications provided for in this Agreement shall be given or made in writing and telecopied, mailed by certified mail return receipt requested, or delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof; or, as to any party at such other address as shall be designated by such party in a notice to the other party given in accordance with this Section. Except as otherwise provided in this Agreement or the Credit Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopy, subject to telephone confirmation

of receipt, or when personally delivered or, in the case of a mailed notice, three Business Days after being duly deposited in the mails, in each case given or addressed as aforesaid.

Section 8.5 Applicable Law; Venue; Service of Process. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND THE APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. THIS AGREEMENT HAS BEEN ENTERED INTO IN DALLAS COUNTY, TEXAS, AND IT SHALL BE PERFORMABLE FOR ALL PURPOSES IN DALLAS COUNTY, TEXAS. ANY ACTION OR PROCEEDING AGAINST ANY DEBTOR UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT OR AGREEMENT SECURING, EVIDENCING, OR RELATING TO THE OBLIGATIONS OR ANY PART THEREOF MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT IN DALLAS COUNTY, TEXAS. EACH DEBTOR HEREBY IRREVOCABLY (I) SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURTS, AND (II) WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. EACH DEBTOR AGREES THAT SERVICE OF PROCESS UPON IT MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, AT ITS ADDRESS SPECIFIED OR DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 8.4 OF THIS AGREEMENT. NOTHING IN THIS AGREEMENT OR ANY OTHER INSTRUMENT OR AGREEMENT SECURING, EVIDENCING, OR RELATING TO THE OBLIGATIONS OR ANY PART THEREOF SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT TO BRING ANY ACTION OR PROCEEDING AGAINST ANY DEBTOR OR WITH RESPECT TO ANY OF THE COLLATERAL IN ANY STATE OR FEDERAL COURT IN ANY OTHER JURISDICTION. ANY ACTION OR PROCEEDING BY ANY DEBTOR AGAINST THE ADMINISTRATIVE AGENT SHALL BE BROUGHT ONLY IN A COURT LOCATED IN DALLAS COUNTY, TEXAS.**

Section 8.6 Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 8.7 Survival of Representations and Warranties. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by any Secured Party shall affect the representations and warranties of any Debtor herein or the right of the Secured Parties to rely upon them.

Section 8.8 Counterparts; Execution via Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be validly executed and delivered by facsimile or other electronic transmission.

Section 8.9 Waiver of Bond. In the event the Administrative Agent seeks to take possession of any or all of the Collateral by judicial process, each Debtor hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

Section 8.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.11 Construction. Each Debtor and the Administrative Agent acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Debtors and the Administrative Agent.

Section 8.12 Obligations Absolute. The obligations of each Debtor under this Agreement shall be absolute and unconditional and shall not be released, discharged, reduced, or in any way impaired by any circumstance whatsoever, including, without limitation, any amendment, modification, extension, or renewal of this Agreement, the Obligations, or any document or instrument evidencing, securing, or otherwise relating to the Obligations, or any release or subordination of collateral, or any waiver, consent, extension, indulgence, compromise, settlement, or other action or inaction in respect of this Agreement, the Obligations, or any document or instrument evidencing, securing, or otherwise relating to the Obligations, or any exercise or failure to exercise any right, remedy, power, or privilege in respect of the Obligations.

Section 8.13 Release of Security Interest. At such time as all of the Obligations have been paid and performed in full, all obligations and commitments of the Secured Parties to make advances or otherwise extend credit under the Credit Agreement have expired or terminated, the Administrative Agent shall release the security interest granted hereby.

Section 8.14 Savings Clause. The obligations of each Debtor hereunder shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or to being set aside, avoided, or annulled under any applicable state law relating to fraudulent transfers or fraudulent obligations.


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3204797

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


DEBTORS:

ADVANCED ASSEMBLY AUTOMATION, INC.

By: 
Name: Bruce P. Ediel
Title: Vice President

Address: 313 Mound Street
Dayton, OH 45407-3370
Fax No.: (937) 222-1886
Phone No.: (937) 222-3030
Attention: President


ARMAC INDUSTRIES CO.

By: 
Name: Bruce P. Ediel
Title: Vice President

Address: 400 Kidds Hill Road
Hyannis, MA 02601
Fax No.: (508) 775-4564
Phone No.: (508) 771-9400
Attention: President


SUBSIDIARY SECURITY AGREEMENT

ASSEMBLY MACHINES, INC.

By: 
Name: Bruce P. Edel
Title: Vice President

Address: 2400 Yoder Drive
Erie, PA 16506
Fax No.: (814) 835-1700
Phone No.: (814) 838-8646
Attention: President

ASSEMBLY TECHNOLOGY & TEST, INC.

By: 
Name: Bruce P. Edel
Title: Vice President

Address: 12841 Starck Road
Livonia, MI 48150
Fax No.: (734) 522-9344
Phone No.: (734) 522-1900
Attention: President

SUBSIDIARY SECURITY AGREEMENT

DETROIT TOOL AND ENGINEERING COMPANY

By: Bruce P. Erdel
 Name: Bruce P. Erdel
 Title: Vice President

Address: 441 W. Elm
 Lebanon, MO 65336
 Fax No.: (417) 532-8367
 Phone No.: (417) 532-2141
 Attention: President


DETROIT TOOL METAL PRODUCTS CO.

By: Bruce P. Erdel
 Name: Bruce P. Erdel
 Title: Vice President

Address: 100 Carr Road
 Lebanon, MO 65536
 Fax No.: (417) 532-6097
 Phone No.: (417) 532-2142
 Attention: President


SUBSIDIARY SECURITY AGREEMENT

HANSFORD MANUFACTURING CORPORATION

By: 
Name: Bruce P. Erdel
Title: Vice President

Address: 3111 Winton Road South
Rochester, NY 14623
Fax No.: (716) 273-0951
Phone No.: (716) 427-0660
Attention: President

PHARMA GROUP, INC.

By: 
Name: Bruce P. Erdel
Title: Vice President

Address: 1500 Grundy's Lane
Bristol, PA 19007
Fax No.: (215) 781-1122
Phone No.: (215) 788-3500
Attention: President

SUBSIDIARY SECURITY AGREEMENT

MID-WEST AUTOMATION ENTERPRISES, INC.

By: Bruce P. Eudel
Name: Bruce P. Eudel
Title: Vice President

Address: 1400 Busch Parkway
Buffalo Grove, IL 60089
Fax No.: (847) 541-8562
Phone No.: (847) 541-3570
Attention: President

MID-WEST AUTOMATION SYSTEMS, INC.

By: Bruce P. Eudel
Name: Bruce P. Eudel
Title: Vice President

Address: 1400 Busch Parkway
Buffalo Grove, IL 60089
Fax No.: (847) 541-8562
Phone No.: (847) 541-3570
Attention: President

SUBSIDIARY SECURITY AGREEMENT

SENCORP SYSTEMS, INC.

By: Bruce P. Edel
Name: Bruce P. Edel
Title: Vice President

Address: 400 Kidds Hill Road
Hyannis, MA 02601
Fax No.: (508) 775-4564
Phone No.: (508) 771-9400
Attention: President

VANGUARD TECHNICAL SOLUTIONS, INC.

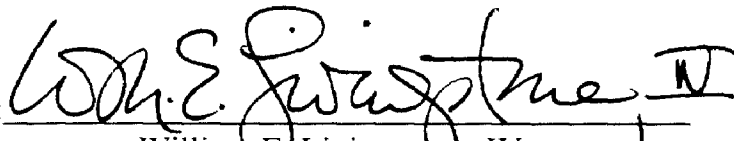
By: Bruce P. Edel
Name: Bruce P. Edel
Title: Vice President

Address: 2151 Convention Center Way
Ontario, CA 91764
Fax No.: (909) 605-7531
Phone No.: (909) 605-7742
Attention: President

SUBSIDIARY SECURITY AGREEMENT

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: 
William E. Livingstone, IV
Managing Director

Address: 901 Main Street, 66th Floor
Dallas, Texas 75202

Fax No.: (214) 209-3533

Phone No.: (214) 209-2023

Attention: Bill Livingstone

With a copy to:

Patrick W. Zetzman
Bank of America, N.A.
1455 Market Street, 12th Floor
Mail Code CA5-701-12-09
San Francisco, California 94103
Fax: (415) 503-5016

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SUBSIDIARY SECURITY AGREEMENT

TRADEMARK
REEL: 001992 FRAME: 0482

SCHEDULE 1

Locations of Collateral

SUBSIDIARY SECURITY AGREEMENT

TRADEMARK
REEL: 001992 FRAME: 0483

EXHIBIT 1
Locations

| Debtor | Principal Place of Business and Chief Executive Office | Location of Books and Records Concerning Accounts | Location(s) of Inventory | | Owner/Manager of Premises Where Inventory Located |
|------------------------------------|--|--|--------------------------|--------------------------|---|
| | | | State | County (Number of sites) | |
| Advanced Assembly Automation, Inc. | 313 Mound Street Dayton, OH 45407-3370 | 313 Mound Street Dayton, OH 45407-3370 | OH | Montgomery (1) | City Wide Development Corp. 8 N. Main Street Dayton, OH 45402 |
| | | | | Greene (1) | |
| Armec Industries, Co. | 400 Kidds Hill Road Hyannis, MA 02601 | 400 Kidds Hill Road Hyannis, MA 02601 | MA | Barnstable (1) | 925 Airport Road Realty & Insurance 76 County Drive Somerset, MA 02726 |
| Assembly Machines, Inc. | 2400 Yoder Drive Erie, PA 16506 | 2400 Yoder Drive Erie, PA 16506 | PA | Erie (1) | |
| | | | | Wayne (2) | |
| Assembly Technology Test, Inc. | 12841 Stark Rd. Livonia, MI 48150 | 12841 Stark Rd. Livonia, MI 48150 | MI | Saginaw (1) | Epic Investment 1204 Turquoise Trail Cerrillos, NM 87010 |
| | | | | Laclede (1) | |
| Detroit Tool & Engineering Company | 441 W. Elm P. O. Box 232 Lebanon, MO 65336 | 441 W. Elm P. O. Box 232 Lebanon, MO 65336 | MI | Berrien (1) | EFMR, Inc. 21347 Pinetreet Dr. Lebanon, MO |
| | | | | Laclede (1) | |
| Detroit Tool Metal Products Co. | 100 Carr Rd. P. O. Box 512 Lebanon, MO 65536 | 100 Carr Rd. P. O. Box 512 Lebanon, MO 65536 | MO | Laclede (1) | |
| Hansford Manufacturing Corporation | 311 Winton Road South Rochester, NY 14623 | 311 Winton Road South Rochester, NY 14623 | NY | Monroe (2) | Van Buren N. Hansford, Jr. |
| | | | | | |

| Debtor | Principal Place of Business and Chief Executive Office | Location of Books and Records Concerning Accounts | Location(s) of Inventory | | Owner/Manager of Premises Where Inventory Located |
|---------------------------------------|--|---|--------------------------|--------------------------|---|
| | | | State | County (Number of sites) | |
| Pharma Group, Inc. | 1500 Grundy's Lane Bristol, PA 19007 | 1500 Grundy's Lane Bristol, PA 19007 | MA | Worcester (1) | Somerville Fidelco Associates Alamios Associates, LLC Caplanco Fair, Inc. 1-95 Business Center at Keystone Park A-1, and PA Limited Partnership |
| | | | IL | Cook (1) | |
| | | | KY | Jefferson (1) | |
| | | | NJ | Somerset (1) | |
| | | | PA | Bucks (1) | |
| CA | Los Angeles (1) | | | | |
| Mid-West Automation Enterprises, Inc. | 1400 Busch Parkway Buffalo Grove, IL 60089 | 1400 Busch Parkway Buffalo Grove, IL 60089 | IL | Cook (1) | American National Bank and Trust Company of Chicago |
| | | | | Lake (1) | |
| | | | | Lake (3) | |
| Mid-West Automation Systems, Inc. | 1400 Busch Parkway Buffalo Grove, IL 60089 | 1400 Busch Parkway Buffalo Grove, IL 60089 | IL | Cook (3) | LaSalle National Trust N.A. Kersten Randolph Street Property Community First National Bank |
| | | | | Boulder (1) | |
| | | | CO | | |
| Sencorp Systems, Inc. | 400 Kidds Holl Rd. Hyannis, MA 02601 | 400 Kidds Holl Rd. Hyannis, MA 02601 | MA | Barnstable (1) | |
| | | | NY | Monroe (1) | |
| Vanguard Technical Solutions, Inc. | 2151 Convention Center Way Ontario, CA 91764 | 2151 Convention Center Way Ontario, CA 91764 | CA | San Bernardino (1) | Spiker Properties, Ltd. AU Bay Colony, LLC |
| | | | AZ | Pima (1) | |

SCHEDULE 2

Jurisdictions for Filing
UCC Financing Statements

SUBSIDIARY SECURITY AGREEMENT

TRADEMARK
| REEL: 001992 FRAME: 0486

SCHEDULE 2

Debtor: Advanced Assembly Automation, Inc.

Central Filings:

Ohio Secretary of State
Greene County, OH
Montgomery County, OH

Fixture Filings:

Greene County, OH
Montgomery County, OH

Debtor: Assembly Technology & Test, Inc.

Central Filings:

Michigan Secretary of State

Wayne County, MI
Saginaw County, MI

Debtor: Detroit Tool and Engineering Company

Central Filings:

Michigan Secretary of State

Berrien, MI

Missouri Secretary of State
Laclede County, MO

Laclede County, MO

Debtor: Detroit Tool Metal Products Co.

Central Filings:

Missouri Secretary of State
Laclede County, MO

Laclede County, MO

Debtor: Hansford Manufacturing Corporation

Central Filings:

New York Secretary of State
Monroe County, NY

Monroe County, NY

TRADEMARK

| REEL: 001992 FRAME: 0487

Debtor: Pharma Group, Inc.

Central Filings:

California Secretary of State

Los Angeles County, CA

Illinois Secretary of State

Cook County, IL

Kentucky Secretary of State

Jefferson County, KY

Jefferson County, KY

Massachusetts Secretary of State

Worcester County, MA

Worcester County, MA

New Jersey Secretary of State

Somerset County, NJ

Pennsylvania Secretary of State

Bucks County, PA

Bucks County, PA

Debtor: Mid-West Automation Enterprises, Inc.

Central Filings:

Illinois Secretary of State

Cook County, IL

Lake County, IL

Debtor: Sencorp Systems, Inc.

Central Filings:

Massachusetts Secretary of State

Barnstable County, MA

Barnstable County, MA

New York Secretary of State

Monroe County, NY

Monroe County, NY

Debtor: Assembly Machines, Inc.

Central Filings:

Pennsylvania Secretary of State

Erie County, PA

Erie County, PA

Debtor: Mid-West Automation Systems, Inc.

Central Filings:

Colorado Secretary of State

Boulder County, CO

Illinois Secretary of State

Cook County, IL

Lake County, IL

Debtor: Armac Industries Co.

Central Filings:

Massachusetts Secretary of State

Bristol County, MA

Bristol County, Massachusetts

Barnstable County, MA

Barnstable County, Massachusetts

Debtor: Vanguard Technical Solutions, Inc.

Central Filings:

Arizona Secretary of State

Pima County, AZ

California Secretary of State

San Bernadino County, CA

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SCHEDULE 3

Additional Names and Trade Names

SUBSIDIARY SECURITY AGREEMENT

TRADEMARK
| REEL: 001992 FRAME: 0490

**SCHEDULE 3
TRADE NAMES**

| <u>COMPANY</u> | <u>TRADE NAME</u> | <u>JURISDICTION</u> |
|--------------------------------------|---------------------------------------|--------------------------------------|
| Advanced Assembly Automation, Inc. | Advanced Assembly Automation, Inc. | Ohio |
| Armac Industries, Co. | AMI Acquisition Corporation | Delaware Massachusetts |
| Assembly Machines, Inc. | Assembly Machines, Inc. | Pennsylvania |
| Assembly Technology & Test, Inc. | Assembly Technology & Test, Inc. | Delaware Michigan |
| Detroit Tool and Engineering Company | Detroit Tool and Engineering Company | Delaware Missouri |
| | Peer | Michigan |
| Detroit Tool Metal Products Co. | Detroit Tool Metal Products Co. | Missouri |
| | Arrow Precision Elements, Inc. | N. Carolina |
| | F. J. Potter Company | Connecticut |
| | Fred J. Potter Company | Connecticut |
| Hansford Manufacturing Corporation | Hansford Manufacturing Corporation | New York |
| | H022 Corporation | New York |
| Pharma Group, Inc. | Pharma Group, Inc. | Delaware Pennsylvania |
| | Stokes-Merrill Corporation | Delaware Pennsylvania Illinois |
| | Stokes | Pennsylvania |
| | Merrill | Illinois |
| | Lakso | Massachusetts |
| | Kalish | New Jersey |
| | Scheu & Kniss | Kentucky |
| | Mid-West Automation Enterprises, Inc. | Mid-West Automation Systems, Inc. |
| Automation Acquisition Corporation | | Illinois |

| <u>COMPANY</u> | <u>TRADENAME</u> | <u>JURISDICTION</u> |
|------------------------------------|------------------------------------|-----------------------------------|
| Mid-West Automation Systems, Inc. | Mid-West Automation Systems, Inc. | Illinois |
| Sencorp Systems, Inc. | Sencorp Systems, Inc. | Delaware Massachusetts |
| Vanguard Technical Solutions, Inc. | Vanguard Technical Solutions, Inc. | Delaware Arizona California |
| | Stikwrap, Inc. | Delaware |

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1023:9766-669

SCHEDULE 4

Trademarks and Patents

SUBSIDIARY SECURITY AGREEMENT

TRADEMARK
| REEL: 001992 FRAME: 0493

SCHEDULE 4

Intellectual Property Schedule of the DT Industries, Inc. Companies

| Company | Trademark/Patent/Copyright | Jurisdiction | Application # | Filing Date | Registration # | Issue Date |
|---|---------------------------------------|---------------------|----------------------|--------------------|-----------------------|-------------------|
| Assembly Technology & Test, Inc. | <u>Trademark:</u> ATT (and design) | Japan | | | 1,182,793 | |
| | <u>Patents:</u> | | | | | |
| | Cold Engine Testing | U.S. | 960,232 | 10/13/1992 | 5,355,713 | 10/18/1994 |
| | Cold Engine Testing | U.S. | 271,904 | 07/08/1994 | 5,780,730 | 07/14/1998 |
| | Multifunction Fluid Charging Device | U.S. | 484,361 | 02/21/1990 | RE34,715 | 09/26/1989 |
| | Chassis Dynamometer Construction | U.S. | 650,257 | 09/13/1984 | 4,635,472 | 01/13/1987 |
| | | Canada | | | 1,263,258 | 11/28/1989 |
| | | Germany | | | 0246345 | 11/23/1989 |
| | | EPC | | | 0246345 | 11/23/1989 |
| | | France | | | 0246345 | 11/23/1989 |
| | | U.K. | | | 0246345 | 11/23/1989 |
| | | Italy | | | 0246345 | 11/23/1989 |
| | | Sweden | | | 0246345 | 11/23/1989 |
| Transmission Testing Apparatus and Method | Canada | | | 1,168,900 | 06/12/1984 | |
| | Germany | | | P314014.7 | 03/22/1984 | |
| | U.K. | | | 2,087,571 | 11/09/1981 | |
| | Japan | | | 1,506,296 | 07/13/1989 | |
| | U.S. | | | 205,609 | 4,391,131 | 07/05/1983 |
| Radio Controlled Material Handling Apparatus | U.S. | | | 595,692 | 5,012,749 | 05/08/1991 |
| Fluid Flow Generating Apparatus | U.S. | | | 686,165 | 5,226,311 | 07/13/1993 |
| Apparatus and Methods for Detecting Imbalance | Canada | | | 2,125,908 | 0629847 | 05/12/1999 |
| | EPC | | | 94109323.9 | 0629847 | 06/16/1994 |
| | U.K. | | | | 2,279,151 | 06/16/1994 |
| | Mexico | | | | 188415 | 03/27/1998 |
| | U.S. | | | 79,459 | 5,496,741 | 11/28/1994 |
| | Germany | | | | 0629847 | 05/12/1999 |
| | Spain | | | | 0629847 | 05/12/1999 |
| | France | | | | 0629847 | 05/12/1999 |

Intellectual Property Schedule of the DT Industries, Inc. Companies

| Company | Trademark/Patent/Copyright | Jurisdiction | Application # | Filing Date | Registration # | Issue Date |
|---------|---|--------------|---------------|-------------|----------------|------------|
| | Methods and Apparatus for Testing Engines | Italy | 0629847 | | 0629847 | 05/12/1999 |
| | | Sweden | | | | 05/12/1999 |
| | | Canada | | | 2,132,160 | 09/15/1994 |
| | | Germany | | | P4434695.6 | 09/28/1994 |
| | | Spain | | | 2,112,736 | 09/29/1993 |
| | | France | | | 9,411,738 | 05/23/1997 |
| | | U.K. | | | 2,282,411 | 02/05/1997 |
| | | Italy | | | 01271232 | 05/27/1997 |
| | | Japan | | | 2,865,574 | 12/18/1998 |
| | | S. Korea | | | 24920194 | 09/30/1994 |
| | | Mexico | | | 187979 | 02/04/1998 |
| | | Sweden | | | 9403249.7 | 11/23/1998 |
| | | U.S. | 129,449 | 09/30/1993 | 5,417,109 | 05/23/1995 |
| | Apparatus and Methods for Simulating Varying Atmospheric Conditions | U.S. | 156,982 | 06/06/1980 | 4,343,348 | 08/10/1982 |

| Hansford Manufacturing Corporation | | Trademarks: | | | | |
|-------------------------------------|------------------------------------|-------------|---------|------------|-----------|------------|
| Assembly Flex | | U.S. | | | | |
| | Bijur | U.S. | | | | 2,152,925 |
| | Bijur (& design) | U.S. | | | | |
| | Davis Keyseater | U.S. | | | | |
| | Davis Keyseater Company | U.S. | | | | |
| | Flex Cell | U.S. | | | | |
| | Hansford | U.S. | | | | |
| | Hansford Automation Systems | U.S. | | | | |
| | Hansford Davis Keyseater | U.S. | | | | |
| | Hansford Manufacturing Corporation | U.S. | | | | |
| | Kwik Klamps | U.S. | | | | |
| | One Shot Lube System | U.S. | | | | |
| | Uchiyama Hansford | U.S. | | | | |
| Phama Group, Inc. (Kalish Division) | | | | | | |
| | Capping Machine | U.S. | 626,543 | 12/20/1990 | 5,115,617 | 05/29/1992 |
| | Anti-Spray Fluid Dispensing Nozzle | U.S. | 658,016 | 02/20/1991 | 5,137,187 | 08/11/1992 |
| | Bottle Orienting Machine | U.S. | 191,128 | 02/13/1994 | 5,439,093 | 08/08/1995 |
| | Monocount Filling System | U.S. | 366,437 | 12/30/1994 | 5,713,180 | 02/03/1998 |
| | Rotary Knife Bandit | U.S. | 447,352 | 05/23/1995 | 5,566,527 | 10/22/1996 |
| | Wireway | U.S. | 72,789 | 06/23/1997 | D403,950 | 01/12/1999 |

Intellectual Property Schedule of the DT Industries, Inc. Companies

| Company | Trademark/Paten/Copyright | Jurisdiction | Application # | Filing Date | Registration # | Issue Date |
|---------------------------|--|--------------------------------------|--|--|-------------------------------------|--|
| | Wireway Technical Patent | U.S. | 805,903 | 03/04/1997 | 5,704,175 | 01/06/1998 |
| | Wireway | U.S. | 36,603 | 03/01/1995 | D389,034 | 01/13/1998 |
| | <u>Trademarks:</u> Fillit Phamaveyor Kalish H. G. Kalish Inc. Vibracount | U.S. U.S. U.S. U.S. U.S. | | | | 1,863,507 1,918,705 |
| (Lakso Division) | <u>Patents:</u> Feed Tray for Singularizing Objects Apparatus for Packaging a Predetermined Quantity of Objects and a Counting Device Therefor | U.S. U.S. | 285,809 285,806 | 08/04/1994 08/04/1994 | 5,489,019 5,463,839 | 02/06/1996 11/07/1995 |
| | Improved Container Filling Machine | Canada U.K. | | | 1,287,333 2,194,210 | 08/06/1991 04/04/1990 |
| | <u>Trademarks:</u> Micro-Scan Reformer | U.S. U.S. | 74/568,170 (Notice of Allowance 1/12/99) 3,288 | 08/31/1994 10/11/1973 | 993,395 (Renewed 09/24/94) | 09/24/1994 |
| | Feed Tray for Singularizing Objects Apparatus for Packaging a Predetermined Quantity of Objects and a Counting Device Therefor | Canada U.K. U.S. | 285,809 285,806 451,680 | 08/04/1994 08/04/1994 11/07/1983 | 5,489,019 5,463,839 1,365,218 | 02/06/1996 11/07/1995 10/15/1985 |
| (Scheu & Kniss Division) | <u>Trademarks:</u> S & K (Stylized) | U.S. | | | 1,441,780 | |
| (Stokes-Merrill Division) | <u>Patents:</u> Tablet Press Controller and Method Optical Detecting System for Article Counting Machine | U.S. U.S. | | | 4,570,229 4,680,464 | 02/11/1986 07/14/1987 |

Intellectual Property Schedule of the DT Industries, Inc. Companies

| Company | Trademark/Patent/Copyright | Jurisdiction | Application # | Filing Date | Registration # | Issue Date |
|---------|----------------------------|--------------|---------------|-------------|----------------|------------|
| | <u>Trademarks:</u> | | | | | |
| | Force-Flo Feeder | U.S. | | | 734,877 | |
| | Merrill | Argentina | | | 1,010,224 | |
| | | Benelux | | | 365,860 | |
| | | Canada | | | 174,691 | |
| | | Italy | | | 521,888 | |
| | | Switzerland | | | 376,634 | |
| | Pacer | U.S. | | | 865,718 | |
| | Slat-Scan | U.S. | | | 1,239,993 | |
| | Vali-Tab | U.S. | | | 1,484,143 | |
| | Versa-Press | U.S. | | | 1,369,966 | |
| | | U.S. | | | 1,250,184 | |

Mid-West Automation Systems, Inc.

| | | | | | | |
|--------------------------------------|--|----------|--|--|-----------|--|
| <u>Trademarks:</u> | | | | | | |
| Mid-West Automation | | U.S. | | | 1,268,904 | |
| | | Illinois | | | 51,338 | |
| Mid-West | | U.S. | | | 1,394,647 | |
| Miscellaneous Design | | U.S. | | | 1,274,792 | |
| Mid-West Automation, Inc. (& design) | | Illinois | | | 51,340 | |
| Mid-West Automation Systems, Inc. | | Illinois | | | 51,341 | |

| | | | | | | |
|--|--|------|---------|------------|-----------|------------|
| <u>Patents:</u> | | | | | | |
| Orienter for Cup-Shaped Objects | | U.S. | 190,127 | 05/04/1988 | 4,863,007 | 09/05/1989 |
| Automatic Flip-Top Cap Cover Machine | | U.S. | 251,193 | 09/29/1988 | 4,847,988 | 07/18/1989 |
| Automatic Flip-Top Cap Closing and Testing Machine | | U.S. | 584,768 | 09/19/1990 | 5,070,599 | 12/10/1991 |
| Apparatus for Inserting Multiple Terminals into a Holder | | U.S. | 78,239 | 09/24/1979 | 4,271,581 | 06/09/1981 |
| Spraying Apparatus | | U.S. | 168,756 | 07/11/1980 | 4,558,657 | 12/17/1985 |

| | | | | | | |
|--|--|------|--|--|-----------|------------|
| <u>Patents:</u> | | | | | | |
| Nested Plastic Tray Separator Apparatus, Packaging System and Method | | U.S. | | | 5,329,748 | 07/19/1994 |
| Blister Packaging System and Method | | U.S. | | | 5,379,572 | 01/10/1995 |
| Method for Making Plastic Blister Packages | | U.S. | | | 5,404,693 | 04/11/1995 |

Sencorp Systems, Inc.

Intellectual Property Schedule of the DT Industries, Inc. Companies

| Company | Trademark/Patent/Copyright | Jurisdiction | Application # | Filing Date | Registration # | Issue Date |
|----------------|--|---------------------|----------------------|--------------------|-----------------------|-------------------|
| | Apparatus and Method for Non-Mechanical Die Lip Temperature Adjustment in an Extruder | U.S. | | | 5,462,423 | 10/31/1995 |
| | Blister Packaging Card for Use in Making Plastic Blister Packages | U.S. | | | 5,522,505 | 06/04/1996 |
| | Blister Package Collator and Stacking Apparatus System and Method | U.S. | | | 5,560,183 | 10/01/1996 |
| | Method for Die Lip Temperature Adjustment in a Thermoplastic Extruder System for Making Plastic Blister Packages | U.S. | | | 5,567,369 | 10/22/1996 |
| | Foam Sheet Extrusion Die Apparatus, System and Method with Adjustable Choke Area | U.S. | | | 5,600,939 | 02/11/1997 |
| | Method of Adjusting Choke Gap of Plastic Extruder Apparatus | U.S. | | | 5,622,732 | 04/22/1997 |
| | Method of Thermofforming Plastic Articles Basket | U.S. | | | 5,762,848 | 06/09/1998 |
| | Basket | U.K. | | | 5,795,535 | 08/18/1998 |
| | Press Apparatus with Dynamic Counterbalance and Feed Mechanism | U.S. | | | 2,066,705 | 09/22/1997 |
| | Extrusion System | Berelux | | | 28810-00 | 02/15/1998 |
| | Extrusion System | U.S. | 09/114,080 | 07/13/1998 | | |
| | Apparatus and Method for Plastic Blister Packages | U.S. | PCT/US99/14180 | 06/23/1999 | | |
| | Precut Apparatus and Thermoplastic Molding Method and System | U.S. | 09/049,038 | 03/27/1998 | | |
| | | U.S. | PCT/US99/06668 | 03/26/1999 | | |
| | | U.S. | 08/285,659 | 04/17/1992 | | |
| | | U.S. | 08/619,810 | 07/11/1995 | | |
| | | Canada | PCT/US97/04130 | 03/14/1997 | | |
| | | Japan | | 09/15/1998 | | |
| | | Mexico | | 09/15/1998 | | |
| | | EPC | 97915999.3 | 10/15/1998 | | |
| | Method of Adjusting Choke Gap of Plastic Extruder Apparatus | | 08/735,002 | 10/22/1996 | | |
| | System of Thermofforming Plastic Articles | | | 02/27/1998 | | |

Intellectual Property Schedule of the DT Industries, Inc. Companies

| Company | Trademark/Patent/Copyright | Jurisdiction | Application # | Filing Date | Registration # | Issue Date |
|----------------|---|---------------------|----------------------|--------------------|-----------------------|-------------------|
| | Pre-cut Apparatus for Thermoformed Articles in Sheet Material | | | 02/27/1998 | | |
| | <u>Trademarks:</u> | | | | | |
| | Sencorp | | | | 1,719,855 | 09/29/1992 |

SCHEDULE 5

Intercompany Notes

None

SUBSIDIARY SECURITY AGREEMENT

RECORDED: 11/17/1999

TRADEMARK
REEL: 001992 FRAME: 0500