

12-02-1999



TRADEMARK

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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

MED 11/17/99

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

Effective Date
Month Day Year
09 24 99

Merger

Change of Name

Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name **DT Industries, 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

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.)

12/02/1999 JSHABAZZ 0000030 75596698

FOR OFFICE USE ONLY

01 FC:481 40.00 CH
02 FC:482 25.00 CH

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Mail documents to be recorded with required cover sheet(s) information to:
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01 FC:481
02 FC:482

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

(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.

31

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)

75/596698

75/610691

Number of Properties

Enter the total number of properties involved.

2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 65.00

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

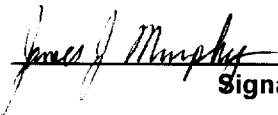
No

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

BORROWER SECURITY AGREEMENT

This BORROWER SECURITY AGREEMENT (this "Agreement") dated as of September 24, 1999, is by and between **DT INDUSTRIES, INC.**, a Delaware corporation (the "Debtor"), and **BANK OF AMERICA, N.A.**, formerly NationsBank, N.A. as the administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties (as hereinafter defined).

RECITALS:

A. The Debtor, DT Industries (UK) II Limited, Assembly Technologies & Automation GMBH, Kalish, Inc., formerly Kalish Canada Inc., DT Canada Inc., the 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 Debtor 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 the Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by the Debtor: (a) all rights of the Debtor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of the Debtor, (c) all rights of the Debtor to receive any payment of money or other form of consideration, (d) all security pledged, assigned, or granted to or

held by the 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 the 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 the 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 the Debtor, including, without limitation, all documents of title and warehouse receipts of the Debtor.

"Equipment" means any "equipment", as such term is defined in Section 9.109(2) of the UCC, now owned or hereafter acquired by the Debtor and, in any event, shall include, without limitation, all machinery, equipment, furnishings, fixtures and vehicles now owned or hereafter acquired by the 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 the Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by the Debtor: (a) all of the Debtor's Patents, Marks, trade secrets, intellectual property, registrations, renewal rights, goodwill, copyrights, franchises, licenses, permits, proprietary information, customer lists, designs, and inventions, (b) all of the Debtor's books, records, data, plans, manuals, computer software, and computer programs, (c) all of the Debtor's contract rights, partnership interests, joint venture interests, securities, deposit accounts, investment accounts, certificates of deposit, and investment property, (d) all rights of the Debtor to payment under letters of credit and similar agreements, (e) all tax refunds and tax refund claims of the Debtor, (f) all choses in action and causes of action of the Debtor (whether arising in contract, tort, or otherwise and whether or not currently in litigation) and all judgments in favor of the Debtor, (g) all rights and claims of the Debtor under warranties and indemnities, and (h) all rights of the 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 the Debtor, other than stock and other securities.

"Inventory" means any "inventory", as such term is defined in Section 9.109(4) of the UCC, now owned or hereafter acquired by the Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by the Debtor: (a) all goods and other personal property of the 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 the Debtor, (c) all wrapping, packaging, advertising, and shipping materials of the Debtor, (d) all goods that have been returned to, repossessed by, or stopped in transit by the 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 the 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 names.

"Obligations" means:

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

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

(c) all future Loans by any Lender to the Debtor;

(d) 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

(e) 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 the Debtor.

"Permitted Security Interests" 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 the 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 the 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), the 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.

If the grant, pledge, or collateral transfer or assignment of any rights of the Debtor under any contract included in the Collateral is expressly prohibited by such contract, then the security interest

hereby granted therein nonetheless remains effective to the extent allowed by UCC Section 9.318 or other applicable law but is otherwise limited by that prohibition.

Section 1.3 Debtor Remains Liable. Notwithstanding anything to the contrary contained herein, (a) the 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 the 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 the Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

ARTICLE II

Representations and Warranties

The Debtor represents and warrants to the Administrative Agent that:

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

Section 2.2 Accounts. Unless the Debtor has given the Administrative Agent written notice to the contrary, whenever the security interest granted hereunder attaches to an Account, the 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 the Debtor or the sale or lease of goods by the 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 Interest. Except as set forth on Schedule 3 hereto, the Debtor has not 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 the Debtor in its Due Diligence Questionnaire delivered to the Administrative Agent or its counsel is true, correct and complete in all material respects.

Section 2.4 Organization and Authority. The Debtor is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation. The Debtor has the corporate power and authority to execute, deliver, and perform this Agreement, and the execution, delivery, and performance of this Agreement by the Debtor (a) has been authorized by all necessary corporate action on the part of the 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 the Debtor, or (ii) the articles of incorporation or bylaws of the 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 the 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 the Debtor, and the office where the Debtor keeps its books and records, is located at the address of the 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 the Debtor) of the 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 the 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. The Debtor has exclusive possession and control of its Inventory and Equipment. None of the Inventory or Equipment is evidenced by a Document (including, without limitation, a negotiable document of title). All Instruments and Chattel Paper have been endorsed and delivered to the Administrative Agent, including without limitation, the intercompany revolving notes listed on Schedule 5 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 the Debtor, the security interest in favor of the Administrative Agent created herein is and 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 Permitted Security Interests.

ARTICLE III

Covenants

The Debtor covenants and agrees 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 Debtor have been terminated:

Section 3.1 Maintenance. The Debtor shall maintain the Collateral in good operating condition and repair, and the Debtor shall not permit any waste or destruction of the Collateral or any part thereof except for the ordinary wear and tear of its intended primary use. The Debtor shall not use or permit the Collateral to be used in violation of any law or inconsistently with the terms of any policy of insurance. The Debtor shall not 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. The Debtor shall not create, permit, or suffer to exist, and the Debtor shall defend the Collateral against, any Security Interest on the Collateral except Permitted Security Interests, and the Debtor shall defend the 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, the Debtor shall not (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. The Debtor shall not sell, lease, assign, transfer or otherwise dispose of any of the 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 Debtor, the 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. The 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 Administrative Agent concurrently with the execution and delivery of this Agreement.

Section 3.6 Risk of Loss; Insurance. The Debtor shall be responsible for any loss of or damage to the Collateral. The Debtor shall maintain insurance policies required under Section 13.4. of the Credit Agreement with respect to all Collateral. The 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. The 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 the 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 the Debtor's Accounts.

Section 3.8 Mortgagee's and Landlord's Waivers. With respect to all locations of Collateral, the Debtor shall use commercially reasonable good faith efforts to cause each landlord of real property leased by the 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. The 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 any Default or Event of Default.

Section 3.10 Corporate Changes. The Debtor shall not 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 the 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. The Debtor shall not 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. The Debtor shall keep books and records of the Collateral and the Debtor's business and financial condition in accordance with GAAP (subject to year-end adjustments and disclosures). The Debtor shall from time to time at the request of the Administrative Agent deliver to the Administrative Agent such information regarding the Collateral and the 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. The 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. The Debtor shall not 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. The 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 Debtor shall have the right to collect and receive payments on the Accounts. In connection with such collections, the Debtor may take (and, at the Administrative Agent's direction, shall take) such actions as the Debtor 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 Debtor shall, instruct all account debtors and other Persons obligated in respect of the Accounts to make all payments on the Accounts either directly to the Administrative Agent, for the pro rata benefit of the Secured Parties (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 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 Debtor 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, the Debtor agrees that if any Proceeds of any Collateral (including payments made in respect of Accounts) shall be received by the Debtor while an Event of Default exists, the 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 the Debtor for the benefit of the Administrative Agent and shall not be commingled with any other funds or property of the Debtor.

ARTICLE IV

Special Provisions Concerning Marks

Section 4.1 Additional Representations and Warranties. The 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 Debtor's business as currently operated. The 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. The 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 the Debtor's present or contemplated business operations infringes or will infringe any trademark or service mark of any Person. The

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 the 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. The 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, the Debtor hereby agrees not to divest itself of any right under any Mark except those Debtor reasonably determines are not necessary for the conduct of its or its Subsidiaries' business.

Section 4.3 Infringements. The 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 the Debtor's rights in and to any Mark, or with respect to any party claiming that the Debtor's use of any Mark violates any property right of that party, in each case to the extent that the Debtor reasonably believes that such infringement or violation could result in a Material Adverse Effect. The Debtor further agrees, if consistent with good business practice, diligently to prosecute any Person infringing any Mark to the extent that the 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 the Debtor reasonably believes it to be consistent with good business practice, the 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 the Debtor reasonably believes it to be consistent with good business practice, the 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 the 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 the Debtor, take any or all of the following actions: (i) declare the entire right, title and interest of the 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 the Debtor's businesses symbolized by the Marks and the right to carry on the businesses and use the assets of the Debtor in connection with which the Marks have been used; and (iii) direct the Debtor to refrain, in which event the 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. The 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 the Debtor now owns to the extent that, to the best of Debtor's knowledge, are necessary for Debtor's business as currently operated. The 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. The 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 the Debtor's present or contemplated business operations infringes or will infringe any patent of any Person. The 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, the Debtor hereby agrees not to divest itself of any right under any Patent except those Patents the Debtor reasonably determines are not necessary for the conduct of its or its Subsidiaries' business.

Section 5.3 Infringements. The Debtor agrees, promptly upon learning thereof, to furnish the Administrative Agent in writing with all pertinent information it may have to the Debtor with respect to any infringement or other violation of the 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 the Debtor reasonably believes that such infringement or violation could result in a Material Adverse Effect. The 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 the Debtor reasonably believes that such infringement would result in a Material Adverse Effect.

Section 5.4 Maintenance of Patents. At its own expense, the 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 the 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, the 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 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 the Debtor, take any or all of the following actions: (i) declare the entire right, title, and interest of the 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 the Debtor to refrain, in which event the Debtor shall refrain, from practicing the Patents directly or indirectly, and the 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. The 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 the 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, the Debtor hereby gives the Administrative Agent the power and right on behalf of the Debtor and in its own name to do any of the following, without notice to or the consent of the 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 the 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 the Debtor to an address designated by the Administrative Agent and to receive, open, and dispose of mail addressed to the 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 the 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, endorser, surety, or other party to any of the Collateral; (I) after the occurrence and during the continuance of an Event of Default, 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 Debtor's 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) The 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, the Debtor 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, the 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, the 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, the Debtor will give prompt written notice thereof to the Administrative Agent and, at the Debtor's 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 Debtor 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 Debtor any and all rights which the 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 the 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 the 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, the 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 Debtor whether incurred by the Administrative Agent or the Debtor.

Section 6.3 Performance by the Administrative Agent. If the Debtor 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 Debtor 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 the 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 the 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 the Debtor whether or not the Obligations are then due. As additional security for the Obligations, the Debtor hereby grants the Administrative Agent a security interest in all money, instruments, and other property of the 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, the 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 the 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 the 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 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 Debtor may reasonably request in writing, but no failure or omission or delay by the Administrative Agent in complying with any such request by Debtor, and no refusal by the Administrative Agent to comply with any such request by Debtor, shall be deemed to be a failure to exercise reasonable care.

Section 6.7 Assignment by the Secured Party. 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 the 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 the Debtor, which right or equity of redemption is hereby expressly waived and released by the Debtor. Upon the request of the Administrative Agent, the 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 the Debtor and the Administrative Agent. The 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 at 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. The Debtor shall be 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 Debtor 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. The 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 Debtor, the Administrative Agent and their respective heirs, successors, and assigns, except that the Debtor may not assign any of its rights or obligations under this Agreement, except as permitted under the Credit Agreement.

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 THE 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. THE 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. THE 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 THE DEBTOR OR WITH RESPECT TO ANY OF THE COLLATERAL IN ANY STATE OR FEDERAL COURT IN ANY OTHER JURISDICTION. ANY ACTION OR PROCEEDING BY THE 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 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, the 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. The 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 Debtor and the Administrative Agent.

Section 8.12 Obligations Absolute. The obligations of the 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.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

DEBTOR:

DT INDUSTRIES, INC.

By: Bruce P. Erdel

Name: Bruce P. Erdel

Title: Senior Vice President, Finance and Administration

Address for Notices:

1949 E. Sunshine, Suite 2-300
Springfield, MO 65804

Fax No.: 417-890-6872

Telephone No.: 417-890-0102

Attention: Dennis S. Dockins

ADMINISTRATIVE AGENT:

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

By: _____

Name: _____

Title: _____

Address for Notices:

901 Main Street, 66th Floor
Dallas, TX 75202

Fax No.: _____

Telephone No.: _____

Attention: _____

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1023.9766-669

BORROWER SECURITY AGREEMENT

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

DEBTOR:

DT INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

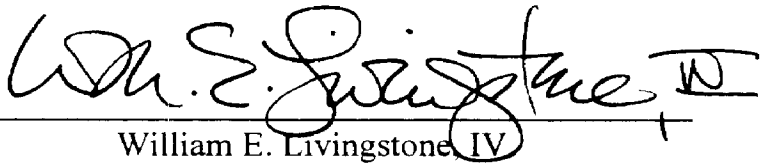
Address for Notices:

1949 E. Sunshine, Suite 2-300
Springfield, MO 65804

Fax No.: _____
Telephone No.: _____
Attention: _____

ADMINISTRATIVE AGENT:

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

By: 
William E. Livingstone, IV
Managing Director

Address for Notices:

901 Main Street, 66th Floor
Dallas, TX 75202
Fax No.: (214) 209-3533
Attention: Bill Livingstone

SCHEDULE 1

Locations of Collateral

BORROWER SECURITY AGREEMENT

TRADEMARK
REEL: 001994 FRAME: 0548

SCHEDULE 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)	
DT Industries, Inc.	1949 E. Sunshine Suite 2-300 Springfield, MO 65804	1949 E. Sunshine Suite 2-300 Springfield, MO 65804	MO	Greene (1)	American National Insurance Company 1949 E. Sunshine Suite 1-206 Springfield, MO 65804
				Laclede (1)	

3205594 1
1023:9766-669

SCHEDULE 2

Jurisdictions for Filing
UCC Financing Statements

BORROWER SECURITY AGREEMENT

TRADEMARK
REEL: 001994 FRAME: 0550

SCHEDULE 2

Debtor: DT Industries, Inc.

Central Filings:

Missouri Secretary of State
Greene County, MO
Laclede County, MO

UCC Fixture Filings:

Greene County, MO
Laclede County, MO

3207243 2
1023:9766-669

SCHEDULE 3

Additional Names and Trade Names

None.

BORROWER SECURITY AGREEMENT

TRADEMARK
REEL: 001994 FRAME: 0552

SCHEDULE 4

Trademarks and Patents

BORROWER SECURITY AGREEMENT

TRADEMARK
REEL: 001994 FRAME: 0553

SCHEDULE 4

Intellectual Property Schedule of the DT Industries, Inc. Companies

Company	Trademark/Patent/Copyright	Jurisdiction	Application #	Filing Date	Registration #	Issue Date
DT Industries Inc.	<u>Trademark:</u> *ATT	U.S.	75/596,698			
		U.S.	75/610,691			
		Canada	1,009,522	03/23/1999		
		India	N/A	04/20/1999		
		S. Korea	40-1999-0015624	05/11/1999		
		Mexico	374776	05/11/1999		
		Brazil	821371100	05/20/1999		
		EP Community	1121714	03/29/1999		
		U.S.				
		(Common Law)				

* ATTDIT.COM -- AT&T has sent DT Industries a letter claiming that the mark ATT and the domain name "ATTDIT.COM" conflicts with AT&T's registered trademarks and domain names.

SCHEDULE 5

Intercompany Notes

None.

BORROWER SECURITY AGREEMENT

RECORDED: 11/17/1999

**TRADEMARK
REEL: 001994 FRAME: 0555**