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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Hurco Companies, Inc.

- Individual(s)
- General Partnership
- Corporation-State Indiana
- Other _____
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: October 31, 2001

2. Name and address of receiving party(ies)

Name: Bank One, Indiana, N.A.

Internal

Address: _____

Street Address: One Indiana Square

City: Indianapolis State: IN Zip: 46206

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other National Banking Assn.

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

TRADEMARK OFFICE
US PATENT &
JAN 22 P 4: 21
MARK FEE PROCESS.
RECEIVED

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See attached sheet.

Additional number(s) attached Yes No

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

Name: David R. Haarz

Internal Address: Suite 800

Street Address: 1901 L Street, N.W.

City: Washington State: D.C. Zip: 20036

6. Total number of applications and registrations involved:

13

7. Total fee (37 CFR 3.41)

\$ 340.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

01-22-2002

U.S. Patent & TMOs/TM Mail Rcpt. Dt. #40

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

David R. Haarz

Name of Person Signing

David R. Haarz
Signature

1-22-02

Date

30

Total number of pages including cover sheet, attachments, and document:

Mail documents to be recorded with required cover sheet information to
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

01/25/2002 LMUELLER 00000025 736765

01 FC:481
02 FC:482

40.00 DP
300.00 DP

TRADEMARK
REEL: 002430 FRAME: 0208

List of Trademarks

Pledge and Security Agreement from Hurco Companies, Inc. to Bank One, Indiana, N.A.

Registration No. <u>736,765</u>	DYNAPATH
Registration No. 903,846	AUTOBEND
Registration No. 988,340	COMPU-CUT
Registration No. 998,202	HURCO
Registration No. 1,093,088	ACROLOC
Registration No. 1,179,838	HURCO
Registration No. 1,340,362	ULTIMAX
Registration No. 1,818,373	ULTICAM
Registration No. 2,056,118	AUTOBEND PC
Registration No. 2,136,199	ULTIPATH
Registration No. 2,194,391	CONVERSATIONAL GRAPHIC
Registration No. 2,370,332	WE MAKE MACHINES SMARTER
Registration No. 2,458,051	WINMAX

DC 75521

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT is entered into as of October 31, 2001 by and between HURCO COMPANIES, INC., an Indiana corporation (the "Borrower") and the Bank (as defined below).

PRELIMINARY STATEMENT

The Borrower and the Bank are entering into a Second Amended and Restated Credit Agreement and Amendment to Reimbursement Agreement dated of even date herewith (as it may be amended or modified from time to time, the "Credit Agreement"). The Borrower is entering into this Pledge and Security Agreement (as it may be amended or modified from time to time, the "Security Agreement") in order to induce the Bank to enter into and extend credit to the Borrower under the Credit Agreement.

ACCORDINGLY, the Borrower and the Bank agree as follows:

ARTICLE I

DEFINITIONS

1.1. Terms Defined in Credit Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

1.2. Terms Defined in Indiana Uniform Commercial Code. Terms defined in the Indiana UCC which are not otherwise defined in this Security Agreement are used herein as defined in the Indiana UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

"Accounts" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Article" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"Bank" means Bank One, Indiana, NA, a national banking association with its principal office located in Indianapolis, Indiana, any of its Lending Installations and any of their respective successors and assigns.

"Chattel Paper" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Collateral" means all Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Instruments, Inventory, Investment Property, Pledged Deposits, and Other Collateral, wherever located, in which the Borrower now has or hereafter acquires any right or interest, and the proceeds (including Stock Rights), insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto, other than property held in the trust existing pursuant to the Hurco Deferred Compensation Plan Trust Agreement in connection with the Hurco Deferred Compensation Plan.

"Commercial Tort Claims" means those certain currently existing commercial tort claims of the Borrower.

"Control" shall have the meaning set forth in Article 8.1 or, if applicable, in Section 9.1-104, 9.1-105, 9.1-106 or 9.1-107 of Article 9.1 of the Indiana UCC.

"Default" means an event described in Section 5.1.

"Deposit Accounts" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Documents" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Equipment" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Exhibit" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"Farm Products" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Fixtures" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"General Intangibles" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Indiana UCC" means the Indiana Uniform Commercial Code *as in effect from time to time*.

"Instruments" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Inventory" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Investment Property" shall have the meaning set forth in Article 9.1 of the Indiana UCC.

"Obligations" means any and all existing and future indebtedness, obligation and liability of every kind, nature and character, direct or indirect, absolute or contingent, including all Reimbursement Obligations and Credit Obligations (including all renewals, extensions and

modifications thereof and all fees, costs and expenses incurred by the Bank in connection with the preparation, administration, collection or enforcement thereof), of the Borrower to the Bank or any branch, subsidiary or affiliate thereof, arising under or pursuant to this Security Agreement, the Credit Agreement and any promissory note or notes now or hereafter issued under the Credit Agreement.

"Other Collateral" means any property of the Borrower, other than real estate, not included within the defined terms Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Instruments, Inventory, Investment Property and Pledged Deposits, including, without limitation, all cash on hand, letter-of-credit rights, letters of credit, Stock Rights and Deposit Accounts or other deposits (general or special, time or demand, provisional or final) with any bank or other financial institution, it being intended that the Collateral include all property of the Borrower other than real estate.

"Pledged Deposits" means all time deposits of money (other than Deposit Accounts and Instruments), whether or not evidenced by certificates, which the Borrower may from time to time designate as pledged to the Bank as security for any Obligation, and all rights to receive interest on said deposits.

"Rate Management Transaction" means any transaction (including an agreement with respect thereto) now existing or hereafter entered into between the Borrower and the Bank or Affiliate thereof which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Rate Management Obligations" means any and all obligations of the Borrower, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

"Receivables" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments or Pledged Deposits, and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

"Section" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"Secured Obligations" means the Obligations and Rate Management Obligations entered into with the Bank or its Affiliates.

"Security" has the meaning set forth in Article 8.1 of the Indiana UCC.

"Stock Rights" means any securities, dividends or other distributions and any other right or property which the Borrower shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral and any securities, any right to receive securities and any right to receive earnings, in which the Borrower now has or hereafter acquires any right, issued by an issuer of such securities.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II

GRANT OF SECURITY INTEREST

The Borrower pledges, assigns and grants to Bank and (to the extent specifically provided herein) its Affiliates, a security interest in all of the Borrower's right, title and interest in and to the Collateral to secure the prompt and complete payment and performance of the Secured Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

3.1. Title, Authorization, Validity and Enforceability. The Borrower has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1.6, and has full power and authority to grant to the Bank the security interest in such Collateral pursuant hereto. The execution and delivery by the Borrower of this Security Agreement has been duly authorized by proper corporate proceedings, and this Security Agreement constitutes a legal, valid and binding obligation of the Borrower and creates a security interest which is enforceable against the Borrower in all now owned and hereafter acquired Collateral. When financing statements have been filed in the appropriate offices against the Borrower in the locations listed on Exhibit "F", the Bank will have a fully perfected first priority security interest in that Collateral in which a security interest may be perfected by filing in the United States, subject only to Liens permitted under Section 4.1.6.

3.2. Conflicting Laws and Contracts. Neither the execution and delivery by the Borrower of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or the Borrower's articles or certificate of incorporation or by-laws, the provisions of any indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of the Bank).

3.3. Type and Jurisdiction of Organization. The Borrower is a corporation organized under the laws of the State of Indiana.

3.4. Principal Location. The Borrower's mailing address and the location of its place of business (if it has only one) or its chief executive office (if it has more than one place of business), are disclosed in Exhibit "A"; the Borrower has no other places of business except those set forth in Exhibit "A".

3.5. Property Locations. The Inventory, Equipment and Fixtures are located solely at the locations described in Exhibit "A". All of said locations are owned by the Borrower except for locations (i) which are leased by the Borrower as lessee and designated in Part B of Exhibit "A" and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Part C of Exhibit "A", with respect to which Inventory the Borrower has delivered bailment agreements, warehouse receipts, financing statements or other documents satisfactory to the Bank to protect the Bank's security interest in such Inventory.

3.6. No Other Names. The Borrower has not conducted business under any name except the name in which it has executed this Security Agreement, which is the exact name as it appears in the Borrower's organizational documents, as amended, as filed with the Borrower's jurisdiction of organization.

3.7. No Default. No Default or Unmatured Default exists.

3.8. Accounts and Chattel Paper. The names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper are and will be correctly stated, to the best of the Borrower's knowledge, in all records of the Borrower relating thereto and in all invoices and reports with respect thereto furnished to the Bank by the Borrower from time to time. As of the time when each Account or each item of Chattel Paper arises, the Borrower shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and in all respects what they purport to be.

3.9. Filing Requirements. None of the Equipment is covered by any certificate of title, except for the vehicles described in Part A of Exhibit "B". None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for (i) the vehicles described in Part B of Exhibit "B" and (ii) patents, trademarks and copyrights

held by the Borrower and described in Part C of Exhibit "B". The legal description, county and street address of the property on which any Fixtures are located is set forth in Exhibit "C" together with the name and address of the record owner of each such property.

3.10. No Financing Statements. No financing statement describing all or any portion of the Collateral which has not lapsed or been terminated naming the Borrower as debtor has been filed in any jurisdiction except (i) financing statements naming the Bank as the secured party and (ii) as described in Exhibit "D".

3.11. Federal Employer Identification Number. The Borrower's Federal employer identification number is 35-1150732.

3.12. State Organization Number. If the Borrower is a registered organization, the Borrower's State organization number is 196806-044.

3.13. Pledged Securities and Other Investment Property. Exhibit "E" sets forth a complete and accurate list of the Instruments, Securities and other Investment Property delivered to the Bank. The Borrower is the direct and beneficial owner of each Instrument, Security and other type of Investment Property listed on Exhibit "E" as being owned by it, free and clear of any Liens, except for the security interest granted to the Bank hereunder. The Borrower further represents and warrants that (i) all such Instruments, Securities or other types of Investment Property which are shares of stock in a corporation or ownership interests in a partnership or limited liability company have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property) duly and validly issued, are fully paid and non-assessable and (ii) with respect to any certificates delivered to the Bank representing an ownership interest in a partnership or limited liability company, either such certificates are Securities as defined in Article 8 of the Uniform Commercial Code of the applicable jurisdiction (in Indiana, being Article 8.1 of the Indiana UCC) as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, the Borrower has so informed the Bank so that the Bank may take steps to perfect its security interest therein as a General Intangible.

ARTICLE IV

COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated:

4.1. General.

4.1.1. Inspection. The Borrower will permit the Bank, by its representatives and agents (i) to inspect the Collateral, (ii) to examine and make copies of the records of the Borrower relating to the Collateral and (iii) to discuss the Collateral and the related records of the Borrower with, and to be advised as to the same by, the Borrower's officers and employees (and, in the case of any Receivable, with any person or entity which is or

may be obligated thereon), all at such reasonable times and intervals as the Bank may determine, and all at the Borrower's expense.

4.1.2. Taxes. The Borrower will pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which no Lien exists.

4.1.3. Records and Reports; Notification of Default. The Borrower will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Bank, such reports relating to the Collateral as the Bank shall from time to time request. The Borrower will give prompt notice in writing to the Bank of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which might materially and adversely affect the Collateral.

4.1.4. Financing Statements and Other Actions; Defense of Title. The Borrower authorizes the Bank to file, and if requested will execute and deliver to the Bank, all financing statements and other documents and take such other actions as may from time to time be requested by the Bank in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral. The Borrower will take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Bank in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

4.1.5. Disposition of Collateral. The Borrower will not sell, lease or otherwise dispose of the Collateral except (i) prior to the occurrence of a Default or Unmatured Default, dispositions specifically permitted pursuant to Section 6.13 of the Credit Agreement, (ii) until such time following the occurrence of a Default as the Borrower receives a notice from the Bank instructing the Borrower to cease such transactions, sales or leases of Inventory in the ordinary course of business, and (iii) until such time as the Borrower receives a notice from the Bank pursuant to Article VII, proceeds of Inventory and Accounts collected in the ordinary course of business.

4.1.6. Liens. The Borrower will not create, incur, or suffer to exist any Lien on the Collateral except (i) the security interest created by this Security Agreement, (ii) existing Liens described in Exhibit "D" and (iii) other Liens permitted pursuant to Section 6.15 of the Credit Agreement.

4.1.7. Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name. The Borrower will:

- (a) preserve its existence as a corporation and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets;
- (b) not change its state of organization;

- (c) not maintain its place of business (if it has only one) or its chief executive office (if it has more than one place of business) at a location other than a location specified on Exhibit "A;" and
- (d) not (i) have any Inventory, Equipment or Fixtures or proceeds or products thereof (other than Inventory and proceeds thereof disposed of as permitted by Section 4.1.5) at a location other than a location specified in Exhibit "A", (ii) change its name or taxpayer identification number or (iii) change its mailing address,

unless the Borrower shall have given the Bank not less than 30 days' prior written notice of such event or occurrence and the Bank shall have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Bank's security interest in the Collateral, or (y) taken such steps (with the cooperation of the Borrower to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Bank's security interest in the Collateral.

4.1.8. Other Financing Statements. The Borrower will not sign or authorize the signing on its behalf or the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by Section 4.1.6.

4.2. Receivables.

4.2.1. Certain Agreements on Receivables. The Borrower will not make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of a Default, the Borrower may reduce the amount of Accounts arising from the sale of Inventory in accordance with its present policies and in the ordinary course of business.

4.2.2. Collection of Receivables. Except as otherwise provided in this Security Agreement, the Borrower will collect and enforce, at the Borrower's sole expense, all amounts due or hereafter due to the Borrower under the Receivables.

4.2.3. Delivery of Invoices. The Borrower will deliver to the Bank immediately upon its request after the occurrence of a Default duplicate invoices with respect to each Account bearing such language of assignment as the Bank shall specify.

4.2.4. Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on a Receivable exists or (ii) if, to the knowledge of the Borrower, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable, the Borrower will disclose such fact to the Bank in writing in connection with the inspection by the Bank of any record of the Borrower relating to such

Receivable and in connection with any invoice or report furnished by the Borrower to the Bank relating to such Receivable.

4.3. Inventory and Equipment.

4.3.1. Maintenance of Goods. The Borrower will do all things necessary to maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working and saleable condition.

4.3.2. Insurance. The Borrower will (i) maintain fire and extended coverage insurance on the Inventory and Equipment containing a lender's loss payable clause in favor of the Bank, and providing that said insurance will not be terminated except after at least 30 days' written notice from the insurance company to the Bank, (ii) maintain such other insurance on the Collateral for the benefit of the Bank as the Bank shall from time to time request, (iii) furnish to the Bank upon the request of the Bank from time to time the originals of all policies of insurance on the Collateral and certificates with respect to such insurance and (iv) maintain general liability insurance naming the Bank as an additional insured.

4.3.3. Titled Vehicles. The Borrower will give the Bank notice of its acquisition of any vehicle covered by a certificate of title and deliver to the Bank, upon request, the original of any vehicle title certificate and do all things necessary to have the Lien of the Bank noted on any such certificate.

4.4. Instruments, Securities, Chattel Paper, Documents and Pledged Deposits. The Borrower will (i) deliver to the Bank immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral (if any then exist), (ii) hold in trust for the Bank upon receipt and immediately thereafter deliver to the Bank any Chattel Paper, Securities and Instruments constituting Collateral, (iii) upon the designation of any Pledged Deposits (as set forth in the definition thereof), deliver to the Bank such Pledged Deposits which are evidenced by certificates included in the Collateral endorsed in blank, marked with such legends and assigned as the Bank shall specify, and (iv) upon the Bank's request, after acceleration of the Secured Obligations, deliver to the Bank (and thereafter hold in trust for the Bank upon receipt and immediately deliver to the Bank) any Document evidencing or constituting Collateral.

4.5. Uncertificated Securities and Certain Other Investment Property. The Borrower will permit the Bank from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates which are Collateral to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Investment Property not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Bank granted pursuant to this Security Agreement. The Borrower will take any actions necessary to cause (i) the issuers of uncertificated securities which are Collateral and which are Securities and (ii) any financial intermediary which is the holder of any Investment Property, to cause the Bank to have and retain Control over such Securities or other

Investment Property. Without limiting the foregoing, the Borrower will, with respect to Investment Property held with a financial intermediary, cause such financial intermediary to enter into a control agreement with the Bank in form and substance satisfactory to the Bank.

4.6. Stock and Other Ownership Interests.

4.6.1. Changes in Capital Structure of Issuers. The Borrower will not (i) permit or suffer any issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral to dissolve, liquidate, retire any of its capital stock or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (ii) vote any of the Instruments, Securities or other Investment Property in favor of any of the foregoing.

4.6.2. Issuance of Additional Securities. The Borrower will not permit or suffer the issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral to issue any such securities or other ownership interests, any right to receive the same or any right to receive earnings, except to the Borrower.

4.6.3. Registration of Pledged Securities and other Investment Property. The Borrower will permit any registerable Collateral to be registered in the name of the Bank or its nominee at any time.

4.6.4. Exercise of Rights in Pledged Securities and other Investment Property. The Borrower will permit the Bank or its nominee at any time after the occurrence of a Default, without notice, to exercise all voting and corporate rights relating to the Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any corporate securities or other ownership interests or Investment Property in or of a corporation, partnership, joint venture or limited liability company constituting Collateral and the Stock Rights as if it were the absolute owner thereof.

4.7. Pledged Deposits. The Borrower will not withdraw all or any portion of any Pledged Deposit or fail to rollover said Pledged Deposit without the prior written consent of the Bank.

4.8. Deposit Accounts. The Borrower will (i) upon the Bank's request, cause each bank or other financial institution in which it maintains (a) a Deposit Account to enter into a control agreement with the Bank, in form and substance satisfactory to the Bank in order to give the Bank Control of the Deposit Account or (b) other deposits (general or special, time or demand, provisional or final) to be notified of the security interest granted to the Bank hereunder and cause each such bank or other financial institution to acknowledge such notification in writing and (ii) upon the Bank's request, deliver to each such bank or other financial institution a letter, in form and substance acceptable to the Bank, transferring ownership of the Deposit Account to the Bank or transferring dominion and control over each such other deposit to the

Bank. In the case of deposits maintained with the Bank, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding setoffs.

4.9. Letter-of-Credit Rights. The Borrower will upon the Bank's request, cause each issuer of a letter of credit, to consent to the assignment of proceeds of the letter of credit in order to give the Bank Control of the letter-of-credit rights to such letter of credit.

4.10. Federal, State or Municipal Claims. The Borrower will notify the Bank of any Collateral which constitutes a claim against the United States government or any state or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

ARTICLE V

DEFAULT

5.1. The occurrence of any one or more of the following events shall constitute a Default:

5.1.1. Any representation or warranty made by or on behalf of the Borrower under or in connection with this Security Agreement shall be materially false as of the date on which made.

5.1.2. The breach by the Borrower of any of the terms or provisions of Article IV or Article VII.

5.1.3. The breach by the Borrower (other than a breach which constitutes a Default under Section 5.1.1 or 5.1.2) of any of the terms or provisions of this Security Agreement which is not remedied within 10 days after the giving of written notice to the Borrower by the Bank.

5.1.4. Any material portion of the Collateral shall be transferred or otherwise disposed of, either voluntarily or involuntarily, in any manner not permitted by Section 4.1.5 or 8.7 or shall be lost, stolen, damaged or destroyed.

5.1.5. Any Secured Obligation shall not be paid when due, whether at stated maturity, upon acceleration, or otherwise.

5.1.6. The occurrence of any "Default" under, and as defined in, the Credit Agreement.

5.2. Acceleration and Remedies. Upon the acceleration of the obligations under the Credit Agreement pursuant to Section 8.1 thereof, the Obligations and, to the extent provided for under the Rate Management Transactions evidencing the same, the Rate Management Obligations, shall immediately become due and payable without presentment, demand, protest or

notice of any kind, all of which are expressly waived, and the Bank may exercise any or all of the following rights and remedies:

5.2.1. Those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document, provided that this Section 5.2.1 shall not be understood to limit any rights or remedies available to the Bank prior to a Default.

5.2.2. Those rights and remedies available to a secured party under the Indiana UCC (whether or not the Indiana UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

5.2.3. Without notice except as specifically provided in Section 8.1 or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Bank may deem commercially reasonable.

The Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

If, after the Credit Agreement has terminated by its terms and all of the Obligations have been paid in full, there remain Rate Management Obligations outstanding, the Bank may exercise the remedies provided in this Section 5.2 upon the occurrence of any event which would allow or require the termination or acceleration of any Rate Management Obligations pursuant to the terms of the agreement governing any Rate Management Transaction.

5.3. Debtor's Obligations Upon Default. Upon the request of the Bank after the occurrence of a Default, the Borrower will:

5.3.1. Assembly of Collateral. Assemble and make available to the Bank the Collateral and all records relating thereto at any place or places specified by the Bank.

5.3.2. Secured Party Access. Permit the Bank, by the Bank's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

5.4. License. The Bank is granted a license or other right to use, following the occurrence and during the continuance of a Default, without charge, the Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral, and, following the occurrence and during the continuance of a Default, the Borrower's rights under all

licenses and all franchise agreements shall inure to the Bank's benefit. In addition, the Borrower irrevocably agrees that the Bank may, following the occurrence and during the continuance of a Default, sell any of the Borrower's Inventory directly to any person, including without limitation persons who have previously purchased the Borrower's Inventory from the Borrower and in connection with any such sale or other enforcement of the Bank's rights under this Agreement, may sell Inventory which bears any trademark owned by or licensed to the Borrower and any Inventory that is covered by any copyright owned by or licensed to the Borrower and the Bank may finish any work in process and affix any trademark owned by or licensed to the Borrower and sell such Inventory as provided herein.

ARTICLE VI

WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of the Bank to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Bank and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Bank until the Secured Obligations have been paid in full.

ARTICLE VII

PROCEEDS; COLLECTION OF RECEIVABLES

7.1. Lockboxes. Upon request of the Bank, the Borrower shall execute and deliver to the Bank irrevocable lockbox agreements in the form provided by or otherwise acceptable to the Bank, which agreements shall be accompanied by an acknowledgment by the bank where the lockbox is located of the Lien of the Bank granted hereunder and of irrevocable instructions to wire all amounts collected therein to a special collateral account at the Bank.

7.2. Collection of Receivables. The Bank may at any time in its sole discretion, by giving the Borrower written notice, elect to require that the Receivables be paid directly to the Bank. In such event, the Borrower shall, and shall permit the Bank to, promptly notify the account debtors or obligors under the Receivables of the Bank's interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under the Receivables directly to the Bank. Upon receipt of any such notice from the Bank, the Borrower shall thereafter hold in trust for the Bank, all amounts and proceeds received by it with respect to the Receivables and Other Collateral and immediately and at all times thereafter deliver to the Bank all such amounts and proceeds in the same form as so received, whether by cash, check,

draft or otherwise, with any necessary endorsements. The Bank shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4.

7.3. Special Collateral Account. The Bank may require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account with the Bank and held there as security for the Secured Obligations. The Borrower shall have no control whatsoever over said cash collateral account. If no Default or Unmatured Default has occurred or is continuing, the Bank shall from time to time deposit the collected balances in said cash collateral account into the Borrower's general operating account with the Bank. If any Default or Unmatured Default has occurred and is continuing, the Bank may, from time to time, apply the collected balances in said cash collateral account to the payment of the Secured Obligations whether or not the Secured Obligations shall then be due.

7.4. Application of Proceeds. The proceeds of the Collateral shall be applied by the Bank to payment of the Secured Obligations in the following order unless a court of competent jurisdiction shall otherwise direct:

(a) FIRST, to payment of all costs and expenses of the Bank incurred in connection with the collection and enforcement of the Secured Obligations or of the security interest granted to the Bank pursuant to this Security Agreement;

(b) SECOND, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest and fees;

(c) THIRD, to payment of the principal of the Secured Obligations and the net early termination payments and any other Rate Management Obligations then due and unpaid from the Borrower to the Bank or its Affiliates, pro rata among the Bank and its Affiliates in accordance with the amount of such principal and such net early termination payments and other Rate Management Obligations then due and unpaid owing to each of them;

(d) FOURTH, to payment of any Secured Obligations (other than those listed above) pro rata among those parties to whom such Secured Obligations are due in accordance with the amounts owing to each of them; and

(e) FIFTH, the balance, if any, after all of the Secured Obligations have been satisfied, shall be deposited by the Bank into the Borrower's general operating account with the Bank.

ARTICLE VIII

GENERAL PROVISIONS

8.1. Notice of Disposition of Collateral; Condition of Collateral. The Borrower waives notice of the time and place of any public sale or the time after which any private sale or

other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Borrower, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. The Bank shall have no obligation to clean-up or otherwise prepare the Collateral for sale.

8.2. Compromises and Collection of Collateral. The Borrower and the Bank recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, the Borrower agrees that the Bank may at any time and from time to time, if a Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Bank in its sole discretion shall determine or abandon any Receivable, and any such action by the Bank shall be commercially reasonable so long as the Bank acts in good faith based on information known to it at the time it takes any such action.

8.3. Secured Party Performance of Debtor Obligations. Without having any obligation to do so, the Bank may perform or pay any obligation which the Borrower has agreed to perform or pay in this Security Agreement and the Borrower shall reimburse the Bank for any amounts paid by the Bank pursuant to this Section 8.3. The Borrower's obligation to reimburse the Bank pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.4. Authorization for Secured Party to Take Certain Action. The Borrower irrevocably authorizes the Bank at any time and from time to time in the sole discretion of the Bank and appoints the Bank as its attorney in fact (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Bank's sole discretion to perfect and to maintain the perfection and priority of the Bank's security interest in the Collateral, (ii) to indorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Bank in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Bank's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Collateral and which are Securities or with financial intermediaries holding other Investment Property as may be necessary or advisable to give the Bank Control over such Securities or other Investment Property, (v) subject to the terms of Section 4.1.5, to enforce payment of the Receivables in the name of the Bank or the Borrower, (vi) to apply the proceeds of any Collateral received by the Bank to the Secured Obligations as provided in Article VII and (vii) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), and the Borrower agrees to reimburse the Bank on demand for any payment made or any expense incurred by the Bank in connection therewith, provided that this authorization shall not relieve the Borrower of any of its obligations under this Security Agreement or under the Credit Agreement.

8.5. Specific Performance of Certain Covenants. The Borrower acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1.5, 4.1.6, 4.4, 5.3, or 8.7 or in Article VII will cause irreparable injury to the Bank, that the Bank has no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Bank to seek and obtain specific performance of other obligations of the Borrower contained in this Security Agreement, that the covenants of the Borrower contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Borrower.

8.6. Use and Possession of Certain Premises. Upon the occurrence of a Default, the Bank shall be entitled to occupy and use any premises owned or leased by the Borrower where any of the Collateral or any records relating to the Collateral are located until the Secured Obligations are paid or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay the Borrower for such use and occupancy.

8.7. Dispositions Not Authorized. The Borrower is not authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1.5 and notwithstanding any course of dealing between the Borrower and the Bank or other conduct of the Bank, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1.5) shall be binding upon the Bank unless such authorization is in writing signed by the Bank.

8.8. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Borrower and the Bank and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that the Borrower shall not have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Bank.

8.9. Survival of Representations. All representations and warranties of the Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.10. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Borrower, together with interest and penalties, if any. The Borrower shall reimburse the Bank for any and all out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Bank) paid or incurred by the Bank in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Borrower in the performance of actions required pursuant to the terms hereof shall be borne solely by the Borrower.

8.11. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.12. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been indefeasibly paid and performed in full and no commitments of the Bank which would give rise to any Secured Obligations are outstanding.

8.13. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Borrower and the Bank relating to the Collateral and supersedes all prior agreements and understandings between the Borrower and the Bank relating to the Collateral.

8.14. CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF INDIANA, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

8.15. Distribution of Reports. The Borrower authorizes the Bank, as the Bank may elect in its sole discretion, to discuss with and furnish to its affiliates or to any other person or entity having an interest in the Secured Obligations (whether as a guarantor, pledgor of collateral, participant or otherwise) all financial statements, audit reports and other information pertaining to the Borrower and its Subsidiaries whether such information was provided by the Borrower or prepared or obtained by the Bank. Neither the Bank nor any of its employees, officers, directors or agents makes any representation or warranty regarding any audit reports or other analyses of the Borrower's and its Subsidiaries' condition which the Bank may in its sole discretion prepare and elect to distribute, nor shall the Bank or any of its employees, officers, directors or agents be liable to any person or entity receiving a copy of such reports or analyses for any inaccuracy or omission contained in or relating thereto.

8.16. Indemnity. The Borrower agrees to indemnify the Bank and its successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Bank is a party thereto) imposed on, incurred by or asserted against the Bank or its successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Bank or the Borrower, and any claim for patent, trademark or copyright infringement).

ARTICLE IX

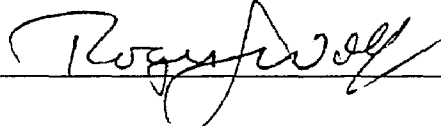
NOTICES

9.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in Article XII of the Credit Agreement.

9.2. Change in Address for Notices. Each of the Borrower and the Bank may change the address for service of notice upon it by a notice in writing to the other parties.

IN WITNESS WHEREOF, the Borrower and the Bank have executed this Security Agreement as of the date first above written.

HURCO COMPANIES, INC.

By: 

Title: Senior V.P., Secretary, Treasurer and CFO

BANK ONE, INDIANA, NA

By: _____

Title: _____

ARTICLE IX

NOTICES

9.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in Article XII of the Credit Agreement.

9.2. Change in Address for Notices. Each of the Borrower and the Bank may change the address for service of notice upon it by a notice in writing to the other parties.

IN WITNESS WHEREOF, the Borrower and the Bank have executed this Security Agreement as of the date first above written.

HURCO COMPANIES, INC.

By: _____

Title: _____

BANK ONE, INDIANA, NA

By: Joanne W. Anderson

Title: Corporate Banking Officer

My Commission Expires: August 20, 2006

STATE OF Indiana)
) SS
COUNTY OF Marion)

The foregoing instrument was acknowledged before me this 21 day of November, 2001,
by Roger J. Wolf, an officer of Hurco Companies, Inc., on behalf of said corporation.

Notary Public *Yvonne L. Gross*

My commission expires: August 20, 2006

I am a resident of Marion
County, Indiana

EXHIBIT "A"

(See Sections 3.3, 3.4, 3.5, 4.1.7 and 9.1 of Security Agreement)

Place of Business (if it has only one) or Chief Executive Office (if more than one place of business) and Mailing Address:

One Technology Way
Indianapolis, Indiana 46268

Attention: Roger J. Wolf, Senior Vice President, Secretary
and Treasurer

Locations of Inventory and Equipment and Fixtures:

A. Properties Owned by the Borrower:

One Technology Way
Indianapolis, Indiana 46268

B. Properties Leased by the Borrower:

38455 Hills Tech Drive
Farmington Hills, Michigan 48331
The Landlord is UNUM Life Insurance Company of America
(This lease expires on July 31, 2002)

C. Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

Hurco Automation Limited
6F, No. 31, Shintai Road
Jubei City, Hsinchu
30244 Taiwan, ROC

Hurco Manufacturing Limited
No. 899, Section 2, Jung Shan Road
Taichia Town, Taichung Country
Taiwan, ROC

Quasar Machine Tool
No. 28-1, Ching Chuan Road
Chung Yi Village, Ta Ya Hsiang
Taichung Hsien, Taiwan ROC

CIMPlus, Inc.
636 Broadway, Suite 714
New York, NY 10012

Patterns, tooling & test equipment in various locations throughout the world

Inventory Located at Third Party Warehouses

Finished Goods
Vertical Machining Centers
Milling Machines
1525 West Wardlow Road
Long Beach, CA 90810

Consigned Inventory

<u>Type of Inventory</u>		<u>Address and Location of Inventory</u>
Milling Machines		
14" Lathe	Center for Mfg Excellence (Carl Sandburg Junior College)	3000 Log City Trail Galesburg, IL 61401
14" Lathe	Price Equipment Co	512 North Johnson Street Monroe, NC 28112
14" Lathe w/Delta 2000	Reinen Machines Sales	219 Homestead Rd, Bldg 2, Unit 1 Hillsborough, NJ 08844
16" Lathe	Machine Tool Solutions	5738 Westbourne Ave Columbus, OH 43213
DMC 1000	Machine Tool Solutions	5739 Westbourne Ave Columbus, OH 43213
DP 500	Reinen Machines Sales	219 Homestead Rd, Bldg 2, Unit 1 Hillsborough, NJ 08844
Dynapath 500-3	CNC Services	4534 Manilla Rd SE Calgary, Alberta Canada T2G 4B7
Dynapath 500-3	Gosiger	108 McDonough Dayton, OH 45402
Dynapath 750	Sunnen	7910 Manchester St. Louis, MO 63143

VSX24	Gadsden State Comm. College	1001 E. Broad St. Gadsden, AL 35902
VSX24	Automation Solutions (ASI)	882 S. Matlack St, Suite 204 West Chester, PA 19382
KM3P/V2	CIMPlus	636 Broadway, Suite 714 New York, NY 10012
CSX50	CIMPlus	636 Broadway, Suite 714 New York, NY 10012

Press Brakes

PH30-12	PFS	1262 Quarry Lane, Suite B Pleasanton, CA 94566
PH30-12	PFS	1262 Quarry Lane, Suite B Pleasanton, CA 94566
PH40-20	Paramount	3535 Laird Road, Unit 3 Mississauga, Ontario Canada L5L 5Y7
PH40-20	PFS	1262 Quarry Lane, Suite B Pleasanton, CA 94566
PH40-20	Rockford	4620 Hydraulic Road Rockford, IL 61109
PH90-30	Center for Mfg Excellence (Carl Sandburg Junior College)	3000 Log City Trail Galesburg, IL 61401

Depository Accounts

IMS Technology, Inc.
Bank of America, NA
Regional Center, VA2-125-04-01
P.O. Box 27025
Richmond, VA 23261
AC# 000011529305

EXHIBIT "B"
(See Section 3.9 of Security Agreement)

A. Vehicles subject to certificates of title:

<u>Description</u>	<u>Title Number & State Where Issued</u>
	None

B. Aircraft/engines, ships, railcars and other vehicles governed by federal statute:

<u>Description</u>	<u>Registration Number</u>
	None

C. Patents, copyrights, trademarks protected under federal law:

See attached

ATTACHMENT
TO
EXHIBIT B

Patents, Trademarks, Copyrights, Domain Names and other Intellectual Property

<u>Name / Description</u>	<u>Date</u>	<u>Registration Numbers</u>
HURCO PATENTS		
1 - Milling machine including improved tool knockout means	12/8/81	4,304,513
2 - Parallel positioning device	7/6/82	4,337,637
3 - Lathe tool calibrator and method	11/29/83	4,417,490
4 - Apparatus for controlling a press brake	2/14/84	4,430,879
5 - Bedtype Milling Machine	1/8/85	D 277,104
6 - Press Brake gauging apparatus	1/22/85	4,494,312
7 - Self-adjusting Gibb for machine tool	3/12/85	4,504,096
8 - Gauge bar	4/9/85	D 278,343
9 - Controller for a machine tool (twin screen)	3/17/87	D 288,820
10 - T-Bed Mill	11/3/87	D 292, 589
11 - Vectoring/Orbiting Control Unit for EDM	9/24/91	5,051,912
12 - Spindle and tool holder for machine tool	9/7/93	5,242,360
13 - CNC Control System (ObjectOriented)	9/26/95	5,453,933
14 - Machine tool with bar spindle and DIN tool holder changer	3/25/97	5,613,929
15 - Manual tool changing apparatus	11/21/00	6,149,562
IMS PATENTS		
1 - Interactive Machining System (Canada)	6/2/81	1,102,434
2 - Interactive Machining System (US/original)	10/16/84	4,477,754
3 - Programmable Microcomputer control apparatus (Japan)	4/22/87	1,375,124
4 - Interactive Machining System (US/re-exam)	3/21/95	B1 4,477,754
TRADEMARKS		
1 - Dynapath	8/28/62	736,765
2 - Autobend	12/8/70	903,846
3 - Compu-cut	Dead	988,340
4 - Hurco	11/12/74	998,202
5 - Acroloc	6/13/78	1,093,088
6 - Hurco (block design)	12/1/81	1,179,838
7 - UltiMax	6/11/85	1,340,362
8 - Autobend PC	4/22/97	2,056,118
9 - UltiCam	Dead	1,818,373
10 - UltiPath	2/10/98	2,136,199
11 - Conversational Graphics	10/6/98	2,194,391
12 - We Make Machines Smarter	7/25/00	2,370,332
13 - WinMax	6/5/01	2,458,051

*Note: Foreign Patents Exhibit G.1
Foreign Trademarks Exhibit G.2

ATTACHMENT TO EXHIBIT B
CONTINUED

DOMAIN NAMES

Hurco.com
Hurco.com.tw
Hurco.com.fr
Hurco.de
Hurco.co.uk
Hurco.it
Hurco.com.sg
Hacontrols.com
Pcbased.com
Autobend.com
Dynapath.com
Autocontech.com

i

ATTACHMENT TO EXHIBIT B CONTINUED

Country	Invention	Serial No.	Active/Inactive	Additional Information	Filing Date	Patent No.	Issue Date
Canada	3-Axis NC Control with Auto Tool Changer	245,978	A	Miscellaneous File			
Great Britain	Adjustable Die Holder	640176	A	Abandoned 11/20/84		1,055,378	
Switzerland	Adjustable Die Holder	218376	A	Abandoned 11/20/84		1,495,217	
	Ajle Patents (Wire-Cut EDM)		A	Abandoned 07/28/78			
	Ajada Patent Infringement		A	Miscellaneous File			
	A Jobend		A	Miscellaneous File			
	A Jobbank Digital Controller		A	Miscellaneous File			
	A Jomatic Material Loader		A	Miscellaneous File			
Canada	A Jomatic Shearing Method & Apparatus	113,886	A	Miscellaneous File			
Canada	A Jomatic Shearing Method & Apparatus	163,713	A	Warner & Swasey - 1986		946,731	
France	A Jomatic Shearing Method & Apparatus	0	A	Warner & Swasey - 1986		948,099	
Germany	A Jomatic Shearing Method & Apparatus	P21 27 160.3	A	Warner & Swasey - 1986		P21 27 160	
Great Britain	A Jomatic Shearing Method & Apparatus	1716871	A	Warner & Swasey - 1986		1,353,160	
Italy	A Jomatic Shearing Method & Apparatus	50722-A71	A	Warner & Swasey - 1986		928,383	
Japan	A Jomatic Shearing Method & Apparatus	16071582	A	Warner & Swasey - 1986			
Japan	A Jomatic Shearing Method & Apparatus	3751071	A	Warner & Swasey - 1986			
Sweden	A Jomatic Shearing Method & Apparatus	706771	A	Warner & Swasey - 1986			
Switzerland	A Jomatic Shearing Method & Apparatus	793371	A	Warner & Swasey - 1986		7107067-6	
	A Jomatic Tool Changer		A	Miscellaneous File		542,015	
Canada	A Jomatic Tool Changer with Curvilinear Tool Transfer	431,757	A	Miscellaneous File			
European	A Jomatic Tool Changer with Curvilinear Tool Transfer	833042914	A	Abandoned 11/05/84			
Spain	A Jomatic Tool Changer with Curvilinear Tool Transfer	524,534	A	Abandoned 11/05/84			
	A Jomec Patent Infringement		A	Miscellaneous File			
	A Jo-Spindle		A	Miscellaneous File			
	Axis Controller		A	Miscellaneous File			
Canada	Back Gauge for Press Brakes	112,619	A	Issued Foreign Patent	05/10/71	959,350	12/17/74
Great Britain	Back Gauge for Press Brakes	1420671	A	Abandoned 02/18/85		1,399,778	
Benelux	Bed-Type Milling Machine	3027-0162	A	Issued Foreign Design Registration	05/03/83	10,875	05/03/83
Canada	Bed-Type Milling Machine	05-05-83-5	A	Abandoned 11/01/84			
France	Bed-Type Milling Machine	831,707	A	Issued Foreign Design Registration	05/06/83	831,707	05/06/83
Germany	Bed-Type Milling Machine	URA 52883	A	Issued Foreign Design Registration	05/05/83	MR20889	06/22/83
Great Britain	Bed-Type Milling Machine	1,012,893	A	Issued Foreign Design Registration	05/06/83	1,012,893	11/08/83
Italy	Bed-Type Milling Machine	35801-883	A	Abandoned 10/23/86		36,676	
Japan	Bed-Type Milling Machine	19381/83	A	Issued Foreign Design Registration	05/09/83	681,809	03/26/86
Spain	Bed-Type Milling Machine	103,942	A	Issued Foreign Design Registration	05/06/83	103,942	11/23/83
Sweden	Bed-Type Milling Machine	83-1307	A	Issued Foreign Design Registration	05/06/83	34,350	04/11/84
Switzerland	Bed-Type Milling Machine	113,024	A	Issued Foreign Design Reg.	05/04/83	113,024	05/04/83
	Behrens AG Patent Infringement		A	Miscellaneous File			
Canada	Banding Press Gauge Control Panel	21087820	A	Abandoned 3/16/83		44,427	
France	Banding Press Gauge Control Panel	41,704	A	Issued Foreign Design Reg.	09/06/76	127,825	09/06/76
Germany	Banding Press Gauge Control Panel	URA 815778	A	Abandoned 09/22/80		MR14372	
Great Britain	Banding Press Gauge Control Panel	988,037	A	Abandoned 11/10/87		988,037	
Japan	Banding Press Gauge Control Panel	3570978	A	Abandoned 11/20/84		577,533	
Switzerland	Banding Press Gauge Control Panel	110,010	A	Abandoned 03/09/83			
Brazil	Banding Press Gauge Control Panel	MI 3500885	A	Issued Foreign Design Patent		D243,960	04/05/7
	Bomx Patent Infringement		A	Miscellaneous File			
Belgium	CNC Control System	PCT US84/10029	A	Europe Patent Appl No. 94928559.7			

TRADEMARK

REEL: 002430 FRAME: 0236

ATTACHMENT TO EXHIBIT B CONTINUED

Country	Invention	Serial No.	Active/Inactive	Additional Information	Filing Date	Patent No.	Issue Date
Canada	CNC Control System	2,199,916	A	Intl Appl No. PCT/US94/10029	09/07/94	0 717 866	11/05/97
Europe	CNC Control System	No. 94928559.7	A	Intl Appl No. PCT/US94/10029			
France	CNC Control System	No. 94928559.7	A	Intl Appl No. PCT/US94/10029	09/07/94	0 717 866	11/05/97
Germany	CNC Control System	Lu-04 928 559	A	European Patent No. 0717866	09/07/94	0 717 866	11/05/97
Ireland	CNC Control System	E77318	A	Intl Appl No. PCT/US94/10029	09/07/94	0 717 866	11/05/97
Italy	CNC Control System	No. 94928559.7	A				
Japan	CNC Control System	PCT US94/10029	A				
Switzerland	CNC Control System	PCT US94/10029	A	European Patent No. 0717866	09/07/94		11/05/97
Taiwan	CNC Control System	R.O.C. 83107977	A	European Patent No. 0717866	09/07/94		11/05/97
	Compu-Cut Patent Infringement		A	Miscellaneous File			
Great Britain	Controlled Machine Tool, A	2458479	A	Issued Foreign Patent	07/13/79	1,584,647	04/22/81
Germany	Controller for a Machine Tool	URA 1129/84	A	Issued Foreign Design Reg.	08/20/84	MR23004	09/24/84
Japan	Controller for a Machine Tool	3497184	A	Issued Foreign Design Reg.		756,240	
U.K.	Controller for a Machine Tool	1,021,595	A	Issued Foreign Design Reg.	08/20/84	1,021,595	02/21/85
Great Britain	Corner Notch Culling Shear Assembly	3764673	A	Issued Foreign Patent	08/08/73	1,446,206	12/14/76
Japan	Corner Notching Shearing Machine	2052773	A	Warner & Swasey - 1986		498,175	
Canada	Corner Notching Shearing Machine	D44574	A	Expired DB/14/B3		36,818	
France	Corner Notching Shearing Machine	36,570	A	Warner & Swasey - 1986		110,156	
Germany	Corner Notching Shearing Machine	URA 38473	A	Warner & Swasey - 1986		MR 8949	
Great Britain	Corner Notching Shearing Machine	962,739	A	Warner & Swasey - 1986			
Italy	Corner Notching Shearing Machine	35759-8/73	A	Warner & Swasey - 1986		7,195	
Sweden	Corner Notching Shearing Machine	1091073	A	Warner & Swasey - 1986		14,127	
Switzerland	Corner Notching Shearing Machine	106,613	A	Warner & Swasey - 1986		106,613	
Switzerland	Digital Control Pendant for Machine Tools	107,915 Pat #	A	Abandoned 08/22/80			
Canada	Digital Controlled Multiple Depth Slop & Return Stroke PB	220,353	A	Issued Foreign Patent	02/18/75	1,036,240	08/09/76
Australia	Digital Controller for Machine Tools	67,631	A	Abandoned 11/20/84		67,631	
Brazil	Digital Controller for Machine Tools	MI 3500665	A	Abandoned 02/13/79			
Canada	Digital Controller for Machine Tools	05-03-74-2	A	Abandoned 08/22/80		40,247	
France	Digital Controller for Machine Tools	38,447	A	Issued Foreign Design Reg.	08/22/75	117,293	01/27/76
Germany	Digital Controller for Machine Tools	URA 60375	A	Abandoned 05/31/85		MR10968	
Great Britain	Digital Controller for Machine Tools	972,375	A	Abandoned 03/05/85		972,375	

TRADEMARK

REEL: 002430 FRAME: 0237

Hurco Foreign Trademarks

LS REF.	COUNTRY	OWNER	MARK	CLASS(ES)	APPL. NO. AND DATE	REG. NO. AND DATE	COMMENT: NEXT RENEWAL DATE
T0001GB	GREAT BRITAIN	HURCO HOLDINGS LIMITED	ULTIMAX	9	1344203 26 MAY 1988	1344203 26 MAY 1989	26 MAY 2006
T0002GB	GREAT BRITAIN	HURCO HOLDINGS LIMITED	AUTOBEND	7	1345728 26 MAY 1988	1345728 26 MAY 1989	26 MAY 2006
T0003GB	GREAT BRITAIN	HURCO HOLDINGS LIMITED	AUTOBEND	9	1345729 26 MAY 1988	1345729 26 MAY 1989	26 MAY 2006
T00021GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	HURCO	9	1028367 23 APR. 1974	1028367 23 APR. 1974	23 APR. 2005
T00022GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	HURCO	7	1293238 19 NOV. 1986	1293238 19 NOV. 1986	19 NOV. 2007
T00023GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	HURCO + DEVICE	7	1293238 19 NOV. 1986	1293238 19 NOV. 1986	19 NOV. 2007
T00024GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	HURCO	9	1293239 19 NOV. 1986		ABANDONED
T00025GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	HURCO + DEVICE	9	1293237 19 NOV. 1986	1293237 19 NOV. 1986	19 NOV. 2007
T00026GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	HURCO + DEVICE	41	1292763 19 NOV. 1986	1292763 19 NOV. 1986	19 NOV. 2007
T00027GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	HURCO	41	1292762 19 NOV. 1986	1292762 19 NOV. 1986	19 NOV. 2007
T00028GB	GREAT BRITAIN	HURCO MANUFACTURING COMPANY INC.	AUTOBEN	9	1064969 28 JUN. 1976		CANCELLED
T000271GB	GREAT BRITAIN	HURCO HOLDINGS LIMITED	AGEMASPARK	7	1417259 09 MAR. 1990		ABANDONED
T000272GB	GREAT BRITAIN	HURCO HOLDINGS LIMITED	AGEMASPARK	9	1417260 09 MAR. 1990		ABANDONED
T00004AT	AUSTRIA	HURCO HOLDINGS LIMITED	HURCO	7, 9, 41	AM 3584/89 27 JUL. 1989	130049 14 MAR. 1990	14 MAR. 2000
T00029AT	AUSTRIA	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9, 41	AM 3583/89 27 JUL. 1989	130046 14 MAR. 1990	14 MAR. 2000
T00083AT	AUSTRIA	HURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	AM 1610/90 05 APR. 1990	132861 28 AUG. 1990	31 AUG. 2000

T00005BX	BENELUX	HURCO HOLDINGS LIMITED	HURCO	7, 9, 41	732105 24 JUL. 1989	466662 24 JUL. 1989	24 JUL. 2009
T00030BX	BENELUX	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9	732104 24 JUL. 1989	466661 24 JUL. 1989	24 JUL. 2008
T00284BX	BENELUX	HURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	744233 05 APR. 1990	480739 05 APR. 1990	04 APR. 2000
T00008DK	DENMARK	HURCO HOLDINGS LIMITED	HURCO	7, 9, 41	542079 25 JUL. 1989	802072 09 OCT. 1992	09 OCT. 2002
T00031DK	DENMARK	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9	542759 25 JUL. 1989	805070 14 DEC. 1990	14 DEC. 2000
T00285DK	DENMARK	HURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	282170 04 APR. 1990	-	ABANDONED
T00007FI	FINLAND	HURCO HOLDINGS LIMITED	HURCO	7, 9, 41	574979 26 JUL. 1989	112658 22 JUL. 1991	22 JUL. 2001
T00032FI	FINLAND	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9	374969 26 JUL. 1989	121985 21 SEP. 1992	21 SEP. 2002
T00008FR	FRANCE	HURCO HOLDINGS LIMITED	HURCO	7, 9, 41	147531 02 AUG. 1989	1812005 02 AUG. 1989	02 AUG. 1989
T00033FR	FRANCE	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9	147549 02 AUG. 1989	1812004 02 AUG. 1989	02 AUG. 1989
T00287FR	FRANCE	HURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	214830 05 JUN. 1990	1812555 05 JUN. 1990	05 JUN. 2000
T00009DE	GERMANY	HURCO MANUFACTURING COMPANY INC.	HURCO	7	H 37823 10 NOV. 1972	814108 10 NOV. 1972	10 NOV. 2002 (NOT OUR RESPONSIBILITY)
T00010DE	GERMANY	HURCO MANUFACTURING COMPANY INC.	HURCO	7, 9	H 518297 WZ 07 OCT. 1983	1061540 07 OCT. 1983	07 OCT. 2003
T00034DE	GERMANY	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9	H 620789 WZ 11 AUG. 1989	-	WITHDRAWN - REFILED AS T00404DE
T00285DE	GERMANY	HURCO GMBH	AGEMASPARK	7, 9	H 604217 WZ 29 MAY 1990	-	ABANDONED
T00404DE	GERMANY	HURCO GMBH	ULTIMAX	7, 9	H 643089 WZ 10 OCT. 1990	2013988 10 OCT. 1990	10 OCT. 2000
T00281GR	GREECE	HURCO HOLDINGS LIMITED	HURCO	7, 9	88655 20 APR. 1990	88655 20 APR. 1990	20 APR. 2000
T00282GR	GREECE	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9	88667 20 APR. 1990	-	PENDING
T00286GR	GREECE	HURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	88668 20 APR. 1990	88668 20 APR. 1990	20 APR. 2000
T00011HU	HUNGARY	HURCO HOLDINGS LIMITED	HURCO	7, 9, 41	202950 08 SEP. 1989	129052 08 SEP. 1989	08 SEP. 1999

T00036HU	HUNGARY	FURCO HOLDINGS LIMITED	ULTIMAX	7, 9	2028789 06 SEP. 1989	129053 06 SEP. 1989	08 SEP. 1989
T00012IT	ITALY	FURCO HOLDINGS LIMITED	HURCO	7, 9, 41	23582 C789 17 AUG. 1989	595038 17 AUG. 1989	17 AUG. 1989
T00037IT	ITALY	FURCO HOLDINGS LIMITED	ULTIMAX	7, 9, 41	23583 C789 17 AUG. 1989	559777 17 AUG. 1989	17 AUG. 1989
T00289IT	ITALY	FURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	23342 C790 07 SEP. 1990	-	ABANDONED
T00013NO	NORWAY	FURCO HOLDINGS LIMITED	HURCO	7, 9, 41	893860 26 JUL. 1989	143920 24 JAN. 1991	24 JAN. 2001
T00038NO	NORWAY	FURCO HOLDINGS LIMITED	ULTIMAX	7, 9	893659 28 JUL. 1989	153448 03 DEC. 1992	03 DEC. 2002
T00290NO	NORWAY	FURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	901630 05 APR. 1990	-	ABANDONED
T00014PT	PORTUGAL	FURCO HOLDINGS LIMITED	HURCO	7	257723 09 AUG. 1989	257723 05 MAR. 1993	05 MAR. 2003
T00039PT	PORTUGAL	FURCO HOLDINGS LIMITED	ULTIMAX	7	257784 11 AUG. 1989	257784 08 MAR. 1993	08 MAR. 2003
T00051PT	PORTUGAL	FURCO HOLDINGS LIMITED	HURCO	9	257724 09 AUG. 1989	257724 05 MAR. 1993	05 MAR. 2003
T00052PT	PORTUGAL	FURCO HOLDINGS LIMITED	HURCO	41	257725 08 AUG. 1989	257725 05 MAR. 1993	05 MAR. 2003
T00040PT	PORTUGAL	FURCO HOLDINGS LIMITED	ULTIMAX	9	257785 11 AUG. 1989	257785 08 MAR. 1993	08 MAR. 2003
T00015ES	SPAIN	FURCO HOLDINGS LIMITED	HURCO	7	1556391 16 MAR. 1990	-	REFUSED
T00016ES	SPAIN	FURCO HOLDINGS LIMITED	HURCO	9	1656392 18 MAR. 1990	1656392 16 MAR. 1990	16 MAR. 2000
T00017ES	SPAIN	FURCO HOLDINGS LIMITED	HURCO	41	1556393 18 MAR. 1990	1556393 18 MAR. 1990	16 MAR. 2000
T00040ES	SPAIN	FURCO HOLDINGS LIMITED	ULTIMAX	7	1556394 16 MAR. 1990	1556394 18 MAR. 1990	16 MAR. 2000
T00041ES	SPAIN	FURCO HOLDINGS LIMITED	ULTIMAX	9	1556395 18 MAR. 1990	-	REFUSED
T00018SE	SWEDEN	FURCO HOLDINGS LIMITED	HURCO	7, 9, 41	89-07015 26 JUL. 1989	247378 19 MAR. 1993	19 MAR. 2003
T00042SE	SWEDEN	FURCO HOLDINGS LIMITED	ULTIMAX	7, 9	89-07014 28 JUL. 1989	-	ABANDONED
T00291SE	SWEDEN	FURCO HOLDINGS LIMITED	AGEMASPARK	7, 9	90-03362 05 APR. 1990	-	ABANDONED
T00019CH	SWITZERLAND	FURCO HOLDINGS LIMITED	HURCO	7, 9	827890 16 AUG. 1989	380349 18 AUG. 1990	16 AUG. 2009

T00043CH	SWITZERLAND	HURCO HOLDINGS LIMITED	ULTIMAX	7, 9	6280/89 16 AUG. 1989	340350 16 AUG. 1989	16 AUG. 2009
T00279TR	TURKEY	HURCO HOLDINGS LIMITED	HURCO	-	3026/90 16 APR. 1990	118857 16 APR. 1990	16 APR. 2000
T00280TR	TURKEY	HURCO HOLDINGS LIMITED	ULTIMAX	...	3026/90 16 APR. 1990	118973 16 APR. 1990	16 APR. 2000

EXHIBIT "C"
(See Section 3.9 of Security Agreement)

Legal description, county and street address of property on which
Fixtures are located:

One Technology Way
Indianapolis, IN 46268

Name and address of record owner:

Hurco Companies, Inc.
One Technology Way
Indianapolis, IN 46268

Legal Description:

PARCEL I: (fee)

A part of the Southwest Quarter and part of the Southeast Quarter of Section 25, Township 17 North, Range 2 East in Marion County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of said Southwest Quarter Section; thence South 88°18'08" West, along the South line of said Quarter Section, 76.45 feet; thence North 01°41'52" West, 700.49 feet to the Point of Beginning; thence North 01°29'20" West 506.20 feet; thence South 89°53'46" East, 825.20 feet; thence South 00°06'14" West, 477.67 feet, to a point on a tangent curve to the right having a chord bearing and distance of South 03°06'57" West, 28.37 feet; thence along said curve a distance of 28.39 feet; thence along a line non-tangent to said curve, North 89°53'46" West, 809.64 feet to the Point of Beginning.

PARCEL II: (easements tract)

Non-exclusive easements for ingress and egress as set out in Declaration of Ingress/Egress Easement dated September 18, 1990 and recorded September 27, 1990, as Instrument No. 90-100745 and as set out in Declaration of Ingress/Egress Easement dated September 17, 1990 and recorded September 27, 1990 as Instrument No. 90-100748 and as set out in Declaration of Ingress/Egress Easement recorded as Instrument No. 88-116201.

EXHIBIT "C" continued

38455 Hills Tech Drive
Farmington Hills, MI 48331-5751

Name and address of record owner:

UNUM Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122

Legal Description:

See attached

LEGAL DESCRIPTION

Situated in the City of Farmington Hills, Oakland County, Michigan, described as:

PHASE II:

Part of the South 1/2 of Section 18, Town 1 North, Range 9 East, City of Farmington Hills, Oakland County, Michigan, described as beginning at a point on the South line of Hills Tech Drive (86 feet wide) said point being distant South 86 degrees 56 minutes 00 seconds East 1962.93 feet and South 03 degrees 04 minutes 00 seconds East 43.00 feet and South 86 degrees 56 minutes 00 seconds East 426.00 feet from the West 1/4 corner of Section 18, Town 1 North, Range 9 East and proceeding thence along the South line of Hills Tech Drive (86 feet wide) South 86 degrees 56 minutes 00 seconds East 107.64 feet; thence continuing along said South line South 86 degrees 57 minutes 40 seconds East 660.27 feet; thence South 02 degrees 41 minutes 22 seconds West 116.88 feet; thence along the Northerly right-of-way line of Highway I-696, South 79 degrees 26 minutes 15 seconds West 699.66 feet; thence continuing along said Northerly right-of-way line South 82 degrees 30 minutes 15 seconds West 13.60 feet; thence North 11 degrees 47 minutes 54 seconds West 293.74 feet to the point of beginning.

Subject to easement for ingress, egress, parking and utilities, described as part of the South 1/2 of Section 18, Town 1 North, Range 9 East, City of Farmington Hills, Oakland County, Michigan, described as beginning at a point on the south line of Hills Tech Drive (86 feet wide) said point being distant South 86 degrees 56 minutes 00 seconds East 1962.93 feet and South 03 degrees 04 minutes 00 seconds East 43.00 feet and South 86 degrees 56 minutes 00 seconds East 426.00 feet from the West 1/4 corner of Section 18, Town 1 North, Range 9 East, and proceeding thence along the South line of Hills Tech Drive (86 feet wide) South 86 degrees 56 minutes 00 seconds East 67.25 feet; thence South 11 degrees 47 minutes 54 seconds East 278.62 feet; thence along the Northerly right-of-way line of Highway I-696, South 79 degrees 26 minutes 15 seconds West 51.45 feet; thence continuing along said right-of-way line South 82 degrees 30 minutes 15 seconds West 13.60 feet, thence North 11 degrees 47 minutes 54 seconds West 293.74 feet to the point of beginning.

AND TOGETHER with an easement for ingress, egress, parking and utilities described as part of the South 1/2 of Section 18, Town 1 North, Range 9 East, City of Farmington Hills, Oakland County, Michigan, described as beginning at a point on the South line of Hills Tech Drive (86 feet wide) said point being distant South 86 degrees 56 minutes 00 seconds East 1962.93 feet and South 03 degrees 04 minutes 00 seconds East 43.00 feet and South 86 degrees 56 minutes 00 seconds East 358.75 feet from the west 1/4 corner of Section 18, Town 1 North, Range 9 East and proceeding thence along the South line of Hills Tech Drive (86 feet wide) South 86 degrees 56 minutes 00 seconds East 67.25 feet; thence South 11 degrees 47 minutes 54 seconds East 293.74 feet; thence along the Northerly right-of-way line of Highway I-696, South 82 degrees 30 minutes 15 seconds West 65.18 feet; thence North 11 degrees 47 minutes 54 seconds West 306.11 feet to the point of beginning.

ALSO TOGETHER with those rights to a Storm Water Retention Easement as are created by that certain Easement Agreement recorded in liber 9039, page 298 and liber 9311, page 63, Oakland County Records.

Parcel Identification No. 23-18-301-018
Commonly known as: 38455 HILLS TECH DR.

EXHIBIT "D"

(See Sections 3.10 and 4.1.6 of Security Agreement)

EXISTING LIENS ON THE COLLATERAL

<u>Jurisdiction</u>	<u>Secured Party</u>	<u>File No.</u>	<u>File Date</u>	<u>Collateral</u>
Indiana	AT&T Credit Corp.	2225717	11/24/98	Equipment Lease
Indiana	GATX Technology Services	2331267	6/16/00	Equipment Lease
Indiana	Sarcom Financial Services	2347729	9/21/00	Equipment Lease
Indiana	Sarcom Financial Services	2370957	1/26/01	Equipment Lease
Michigan	NONE FOUND (as of 10/25/01)			
New York	NONE FOUND (as of 10/31/01)			
California	NONE FOUND (as of 11/01/01)			

EXHIBIT "E"

List of Pledged Securities
(See Section 3.13 of Security Agreement)

A. STOCKS:

<u>Issuer</u>	<u>Certificate Number</u>	<u>Number of Shares</u>
Hurco International, Inc.	02	66
Hurco International Holdings, Inc.	02	66
IMS Technology, Inc.	1	1,000

B. BONDS:

<u>Issuer</u>	<u>Number</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>
None				

C. GOVERNMENT SECURITIES:

<u>Issuer</u>	<u>Number</u>	<u>Type</u>	<u>Face Amount</u>	<u>Coupon Rate</u>
<u>Maturity</u>				
None				

D. OTHER SECURITIES OR OTHER INVESTMENT PROPERTY
(CERTIFICATED AND UNCERTIFICATED):

<u>Issuer</u>	<u>Description of Collateral</u>	<u>Percentage</u>	<u>Ownership</u>
<u>Interest</u>			
None			

EXHIBIT "F"
(See Section 3.1 of Security Agreement)

OFFICES IN WHICH FINANCING STATEMENTS HAVE BEEN FILED

Indiana Secretary of State

DETROIT 15275-5 631110-2