

11-12-2003

11-12-03

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

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



102597733

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

1. Name of conveying party(ies):

The GSI Group, Inc.

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

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

2. Name and address of receiving party(ies)

Name: Congress Financial Corporation (Central)

Internal Address:

Street Address: 150 S. Wacker Drive

City: Chicago State: IL Zip: 60606

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State IL Other

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 10/31/03

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

A. Trademark Application No.(s) See Attached Exhibit A

B. Trademark Registration No.(s) See Attached Exhibit A

Additional number(s) attached Yes No

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

Name: Kristin Brozovic

Internal Address:

Street Address: Latham & Watkins LLP

233 S. Wacker Drive, Suite 5800

City: Chicago State: IL Zip: 60606

6. Total number of applications and registrations involved:

14

7. Total fee (37 CFR 3.41): \$ 365.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Kristin Brozovic

Name of Person Signing

Signature

11/10/03

Date

Total number of pages including cover sheet, attachments, and document: 23

11/13/2003 ECOOPER 00000043 1221295

01 FC:0521 02 FC:0522

40.00 OP 325.00 OP

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

TRADEMARK REEL: 002860 FRAME: 0842

EXHIBIT A

GSI GROUP, INC. TRADEMARK SECURITY AGREEMENT

Trademark Name	Application Number	Application Date	Registration Number	Registration Date
Adjust-a-Baffle	353053	3/4/1982	1221295	12/21/1982
Airstream	172803	6/2/1978	1129899	1/29/1980
Clark	531672	4/11/1985	1414606	10/21/1986
Cumberland	570053	9/6/1994	1954422	2/6/1996
DMC	76/398365	4/22/2002	2770967	10/7/2003
Grain King	506195	6/24/1998	2421823	1/16/2001
Grandstand	217957	6/1/1979	1172834	10/13/1981
GSI	459748	11/19/1993	1939175	12/5/1995
GSI and Design	533671	6/6/1994	1939356	12/5/1995
Hi-Lo	474918	12/27/1993	1880383	2/28/1995
Hog Diner and Design	489483	7/12/1984	1345631	7/2/1985
Pig Diner and Design	489482	7/12/1984	1347244	7/9/1985
Piggy Diner and Design	558016	9/13/1985	1391379	4/29/1986
Stirall Unidriv	036573	1/7/1974	1048001	9/14/1976

TRADEMARK SECURITY AGREEMENT

(The GSI Group, Inc.)

THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") is made and entered into as of October 31, 2003 by The GSI Group, Inc., a Delaware corporation having an office at 1004 East Illinois Street, Assumption, IL 62510 ("Debtor"), in favor of Congress Financial Corporation (Central), an Illinois corporation, having an office at 150 South Wacker Drive, Suite 2200, Chicago, Illinois 60606, individually and as agent (in such capacity, "Agent") for itself and the lenders (the "Lenders") from time to time party to the Loan Agreement as hereinafter defined.

WITNESSETH:

WHEREAS, Agent and the Lenders have entered or are about to enter into a Loan and Security Agreement with The GSI Group, Inc., a Delaware corporation ("Borrower") and certain affiliates of Borrower including Debtor (as amended, restated or otherwise modified from time to time, the "Loan Agreement"; capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement), pursuant to which Agent and the Lenders may make loans and provide other financial accommodations to Borrower and Borrower and Debtor will grant a security interest in substantially all of their assets to Agent for the benefit of the Lenders; and

WHEREAS, the Lenders have required, as a condition to the extension of credit to Borrower under the Loan Agreement, that Debtor shall grant to Agent for its benefit and the ratable benefit of the Lenders a security interest in and to the Collateral (as defined herein).

AGREEMENT

NOW THEREFORE, in consideration of the premises and in order to induce the Lenders to extend credit under the Loan Agreement, Debtor hereby agrees with Agent as follows:

1. Creation of Security Interest. Debtor hereby grants to Agent for its benefit and the ratable benefit of the Lenders a security interest in all of Debtor's right, title and interest in and to the collateral described in Section 2 herein (the "Collateral") in order to secure the payment of the Obligations and the obligations existing under this Agreement (collectively, the "Secured Obligations").

2. Collateral. The Collateral is:

(a) all of Debtor's trademarks, trademark registrations, tradenames and trademark applications, which, in each case, are owned by Debtor and are now or hereafter filed with the United States Patent and Trademark Office, or, to the extent applicable, any similar office or agency of any state, territory or possession of the United States or any similar office or agency of any other countries or used in the United States, any state, territory or possession thereof or any other country, including, without limitation, the trademarks, tradenames, trademark registrations and trademark applications listed on Schedule A attached hereto and made a part hereof, and (i) renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, payments

under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, tradenames and trademark applications, together with the items described in clauses (i)-(iv) in this subparagraph (a), are sometimes hereinafter referred to, either individually or collectively, as the "Trademarks"); and

(b) the goodwill of Debtor's business connected with and symbolized by the Trademarks.

3. License.

(a) Grant of License. Upon the occurrence and continuance of an Event of Default, Debtor hereby grants to Agent for its benefit and for the ratable benefit of the Lenders a limited, non-exclusive, assignable right and license (i) under the Trademarks to use such Trademarks and (ii) under any license agreements held by Debtor with respect to trademarks owned by any person or entity other than Debtor to the extent permitted under such agreements, solely for the purpose of enabling Agent to sell any Collateral bearing any such Trademarks to the extent that such license is reasonably necessary to permit or to facilitate the collection, after an Event of Default, of any accounts receivable of Debtor or the disposition, after an Event of Default, of any Collateral (the "License"). The License shall be without royalty or any other payments or fees by Agent or the Lenders and the permitted use by Agent and the Lenders thereunder (i) shall be worldwide and (ii) shall be limited only by those restrictions to which Debtor is subject under the Trademarks.

(b) Term of License. The term of the License (the "License Term") shall continue until the disposition of all Collateral and any proceeds thereof in connection with the enforcement of Agent's and the Lenders' remedies under the Financing Agreements and application of the proceeds of such disposition to the satisfaction of the Secured Obligations.

4. Restrictions on Future Agreements. Until the Secured Obligations shall have been satisfied in full and the Loan Agreement and the other Financing Agreements shall have been terminated, Debtor will not, without Agent's prior written consent, which consent shall not be unreasonably withheld, (a) enter into any agreement, including, without limitation, any license agreement that is inconsistent with Debtor's obligations under this Agreement and the other Financing Agreements to which Debtor is a party, (b) take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action (including, without limitation, the abandonment of any Trademark), that would materially, adversely affect the validity or enforceability of the rights transferred to Agent and the Lenders under this Agreement or (c) enter into any other contractual obligations which may restrict or inhibit Agent's rights to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

5. New Trademarks. Debtor represents and warrants that the Trademarks listed on Schedule A constitute all of the registered trademarks, tradenames and applications which are as of the date hereof owned by or are pending on behalf of Debtor in the United States or any state of the United States (as set forth on Schedule A). If, before the Secured Obligations shall have

been satisfied in full, Debtor shall (i) (a) obtain any registration or apply for any registration after the date hereof in the United States Patent and Trademark Office or in any similar office or agency of a state, territory or possession of the United States or (b) obtain rights to any trademarks or tradenames used in the United States or any state, territory or possession thereof, or (ii) (a) become entitled to the benefit of any trademark application, trademark, tradename or trademark registration in the United States or any state, territory or possession thereof or (b) become entitled to the benefit of any trademark or tradenames used in the United States or any state, territory or possession thereof, the provisions of Section 1 shall automatically apply thereto and Debtor shall give to Agent prompt written notice thereof in accordance with the terms of the Loan Agreement. Debtor hereby authorizes Agent to modify this Agreement by amending Schedule A to include any future trademarks, trademark registrations, trademark applications and tradenames that are Trademarks, as applicable, under Section 2 or under this Section 5. Debtor agrees to give Agent prompt written notice of all subsequent exclusive Trademarks for registration in the United States Patent and Trademark Office and to execute amendments and provide new schedules as Agent shall request.

6. Additional Representations and Warranties. Debtor hereby represents, warrants, covenants and agrees that:

(a) It is and will continue to be the owner of all its right, title and interest in the Collateral, free from any lien in favor of any person or entity, including, without limitation, group rights and covenants by Debtor not to sue third parties.

(b) It has the full right and power to enter into this Agreement and to grant the security interest in the Collateral made hereby.

(c) It has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer, or encumbrance on any of the Collateral.

(d) So long as any Secured Obligations remain outstanding or the Loan Agreement and the other Financing Agreements have not been terminated, it will not authorize, and there will not be on file in any public office, any financing statement or other document or instruments evidencing or giving notice of liens affecting the Collateral.

(e) Debtor has no knowledge of any material infringement or unauthorized use presently being made of any of the Trademarks which would adversely affect the fair market value of the Collateral or the benefits of this Agreement granted to Agent and the Lenders, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Agent hereunder and Debtor will continue to maintain monitoring and enforcement practices which fully and adequately protect the Collateral.

7. Royalties; Terms. Debtor hereby agrees that the permitted use by Agent of all Trademarks shall be worldwide without any liability for royalties or other related charges from Agent or the Lenders to Debtor. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Trademarks, or (ii) the Secured

Obligations have been paid in full and the Loan Agreement and the other Financing Agreements have been terminated.

8. Agent's Right to Maintain Quality. Debtor agrees that upon the occurrence and continuance of an Event of Default, Agent shall have the right to establish such additional product quality controls as Agent, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Debtor under the Trademarks. Debtor agrees (i) not to sell or assign its interest in, or to grant any license under, any Trademarks without the prior written consent of Agent, which consent shall not be unreasonably withheld; (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of such products as of the date hereof; and (iii) to provide Agent, upon request, with a certificate of an officer of Debtor certifying Debtor's compliance with the foregoing.

9. Duties of Debtor. Debtor shall take all reasonable and necessary actions which in its best business judgment are reasonable for the conduct of its business, including (i) prosecute diligently any material trademark application that is part of the Trademarks pending as of the date hereof or thereafter until the Secured Obligations shall have been paid in full and the Loan Agreement and the other Financing Agreements shall have been terminated, (ii) make application for registration on material trademarks, as appropriate, (iii) preserve and maintain all rights in material trademark applications, trademarks, tradenames, and trademark registrations that are part of the Trademarks; (iv) not knowingly abandon any right to file a trademark application nor any pending trademark application if the value thereof could reasonably be expected to justify the cost of obtaining such trademark, and (v) not knowingly do any act or knowingly omit to do any act, whereby any material Trademark may become abandoned. Any expenses incurred in connection with the applications referred to in this Section 9 shall be borne by Debtor. Debtor shall keep Agent advised on a current basis of any such applications or proceedings.

If Debtor fails to comply with any of the foregoing duties, Agent may so comply in Debtor's name to the extent permitted by law, but at Debtor's expense, and Debtor hereby agrees to reimburse Agent in full for all expenses, including the reasonable fees and disbursements of attorneys and paralegals (including charges for inside counsel) incurred by Agent in protecting, defending and maintaining the Collateral.

In the event that Debtor shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien, prohibited hereby, or shall fail to comply with any other duty hereunder, Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Debtor and all moneys so paid out shall be Secured Obligations of Debtor repayable on demand, together with interest at a rate equal to the highest interest rate permitted by Section 3.1 of the Loan Agreement.

Debtor shall take all action necessary to preserve and maintain the validity, perfection and first priority of Agent's security interest granted herein in the Collateral.

10. Debtor's Right to Sue; Agent's Right to Sue. (a) Debtor shall have the right to bring suit in its own name, and to join Agent, if necessary, as a party to such suit so long as

Agent is satisfied that such joinder will not subject it to any risk of liability, to enforce the Trademarks and any licenses thereunder. Debtor shall indemnify and shall, upon demand, promptly reimburse Agent for all damages, costs and expenses, including attorneys' and paralegal fees and expenses, incurred by Agent pursuant to this Section 10(a).

(b) Upon the occurrence and continuance of an Event of Default, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks, and any licenses thereunder, and, if Agent shall commence any such suit, Debtor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Debtor shall indemnify and shall, upon demand, promptly reimburse Agent for all damages, costs and expenses, including attorneys' and paralegal fees and expenses, incurred by Agent in the exercise of its rights under this Section 10(b).

11. Waivers. No course of dealing between Debtor and Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any Lender, any right, power or privilege hereunder or under any other Financing Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction. If any provision hereof shall render an otherwise valid Trademark invalid or ineffective, then such provision shall be void ab initio to the extent that the validity or effectiveness of the Trademark is thereby preserved and Debtor shall make suitable other valid arrangements to provide Agent and the Lenders with equivalent protections to that intended hereby.

13. Amendments and Waivers. Except as set forth in Section 5 hereof, neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Agent. Agent shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Agent. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Agent of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Agent would otherwise have on any future occasion, whether similar in kind or otherwise.

14. Remedies. If any Event of Default shall have occurred and be continuing, Agent shall be entitled to exercise its rights in respect of the Collateral, in addition to other rights and remedies provided for herein, in the Loan Agreement or the other Financing Agreements or otherwise available to Agent, all of the rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of Illinois (the "UCC") whether or not the UCC applies

to the affected Collateral, and also may (i) require Debtor, and Debtor hereby agrees that it will upon the request of Agent, forthwith, (A) execute and deliver an assignment, substantially in the form of Exhibit A hereto, of all right, title and interest in and to the Collateral, and (B) take such other action as Agent may request to effectuate the outright assignment of such Collateral or to exercise, register or further perfect and protect their rights and remedies with respect to such assigned Collateral, and (ii) without notice except as specified below, sell the Trademarks and the goodwill of the businesses related thereto or any part thereof in one or more parcels at public or private sale, at any of Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such terms as are commercially reasonable. Debtor agrees that at least five (5) days' prior notice to Debtor of the time and place of any public sale or the time which any private sale is to be made shall constitute reasonable notification. Agent shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Agent or any Lender may purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may setoff the amount of such price against the Secured Obligations. The proceeds realized from the sale of any of the Collateral shall be, applied first to the reasonable costs, expenses and attorneys and paralegal fees and expenses incurred by Agent for collection and for acquisition, protection, and sale of the Collateral; second to interest due upon any of the Secured Obligations; and third to the principal of the Secured Obligations. If any deficiency shall arise, Debtor shall remain liable to Agent and the Lenders therefor. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect Agent's security interest in the Collateral until the Secured Obligations are fully paid. Debtor agrees that Agent and the Lenders have no obligation to preserve rights to the Collateral against any other parties.

15. Cumulative Remedies; Power of Attorney; Effect on the Other Agreements. All of Agent's rights and remedies with respect to the Collateral, whether established hereby, by the other Financing Agreements or by law shall be cumulative and may be exercised singularly or concurrently. Debtor hereby authorizes Agent to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Debtor's true and lawful attorney-in-fact, with power, from and after the occurrence of an Event of Default to (a) endorse Debtor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Collateral including, without limitation, if Debtor fails to execute and deliver within three (3) business days of Agent's request therefor the assignment substantially in the form of Exhibit A hereto, (b) take any other actions with respect to the Collateral as Agent deems in the best interest of Agent, (c) grant or issue any exclusive or non-exclusive license under the Collateral to anyone, or (d) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all Secured Obligations shall have been paid in full and the Loan Agreement and the other Financing Agreements have been terminated. Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent and the Lenders under the Loan Agreement and the other Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies.

16. Notice. All notices, requests and demands hereunder shall be in writing and (a) made to Agent and to Debtor at their respective addresses set forth in Section 13.3 of the Loan Agreement or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by registered or certified mail, return receipt requested, five (5) days after mailing.

17. Continuing Security Interest; Transfer of Obligations. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Secured Obligations and termination of the Loan Agreement and the other Financing Agreements, (ii) be binding upon Debtor, its successors and assigns, and (iii) inure, together with the rights and remedies of Agent and the Lenders hereunder, to the benefit of Agent and the Lenders, and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii) and subject to the provisions of the Loan Agreement Agent and/or any Lender may, assign or otherwise transfer any of the Secured Obligations and/or the "Obligations" as defined in the Loan Agreement to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Agent and/or such Lender herein or otherwise.

18. Authority of Agent. Agent shall have and be entitled to exercise all powers hereunder which are specifically delegated to Agent by the terms hereof, together with such powers as are reasonably incident thereto. Agent may perform any of its duties hereunder or in connection with the Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Agent and its directors, officers, employees, attorneys and agents shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons. Debtor agrees to indemnify and hold harmless Agent and the Lenders and any other person acting on behalf of Agent or the Lenders from and against any and all costs, expenses, including reasonable fees and expenses of attorneys and paralegals (including charges of inside counsel), claims or liability incurred by Agent or any Lender or such person hereunder, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of Agent, the Lenders or such person.

19. Waiver. To the fullest extent it may lawfully so agree, Debtor agrees that it will not at any time insist upon, claim, plead, or take any benefit or advantage of any appraisal, valuation, stay, extension, moratorium, redemption or similar law now or hereafter in force in order to prevent, delay, or hinder the enforcement hereof or the absolute sale of any part of the Collateral. Debtor for itself and all who claim through it, so far as it or they now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all right to have the Collateral marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Agreement may order the sale of the Collateral as an entirety. Without limiting the generality of the foregoing, Debtor hereby: (i) authorizes Agent in its sole discretion and without notice to or demand upon Debtor and without otherwise affecting the obligations of Debtor hereunder from time to time to take and hold other collateral (in addition to the Collateral) for payment of the Secured Obligations, or any part thereof, and to exchange, enforce

or release such other collateral or any part thereof and to accept and hold any endorsement or guarantee of payment of the Secured Obligations, or any part thereof and to release or substitute any endorser or guarantor or any other person or entity granting security for or in any other way obligated upon any Secured Obligations or any part thereof, and (ii) waives and releases any and all right to require Agent to collect any of the Secured Obligations from any specific item or items of the Collateral or from any other party liable as guarantor or in any other manner in respect of any of the Secured Obligations or from any collateral (other than the Collateral) for any of the Secured Obligations.

20. Interpretation of Agreement. Time is of the essence of each provision of this Agreement of which time is an element. All terms not defined herein shall have the meaning set forth in the UCC, except where the context otherwise requires.

21. Reinstatement. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Agent or any Lender in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Debtor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, Debtor or any substantial part of its assets, or otherwise, all as though such payments had not been made.

22. Final Expression. This Agreement, together with the other Financing Agreements to which Debtor is a party, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

23. Survival of Provisions. All representations, warranties and covenants of Debtor contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by Debtor of the Secured Obligations and termination of the Loan Agreement and the other Financing Agreements.

24. Termination of Agreement. This Agreement shall terminate upon full and final payment and performance of all the Secured Obligations and termination of the Loan Agreement and the other Financing Agreements. At such time, Agent shall, at the request of Debtor, promptly execute and deliver to Debtor a written release of Agent's security interest in the Collateral in a form suitable for recordation and, if necessary, deliver all deeds, assignments or other instruments reasonably requested by Debtor as may be necessary or proper to re-vest in Debtor full title to the Trademarks, subject to any dispositions of the Collateral which may have been made by Agent in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to Agent, except as to the absence of any prior assignments by Agent of its interest in the Collateral, and shall be at the expense of Debtor.

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

26. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL; WAIVER OF DAMAGES.

(a) THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THE RELATIONSHIP BETWEEN THE PARTIES HERETO, WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS (WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW).

(b) DEBTOR AND AGENT IRREVOCABLY CONSENT AND SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE ILLINOIS STATE COURTS LOCATED IN COOK COUNTY, ILLINOIS AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS AND WAIVE ANY OBJECTION BASED ON VENUE OR FORUM NON CONVENIENS WITH RESPECT TO ANY ACTION INSTITUTED THEREIN ARISING UNDER THIS AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE, AND AGREE THAT ANY DISPUTE WITH RESPECT TO ANY SUCH MATTERS MAY BE HEARD IN THE COURTS DESCRIBED ABOVE (EXCEPT THAT AGENT SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST DEBTOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH AGENT DEEMS NECESSARY OR APPROPRIATE IN ORDER TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE ITS RIGHTS AGAINST DEBTOR OR ITS PROPERTY).

(c) DEBTOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO ITS ADDRESS SET FORTH IN SECTION 13.3 OF THE LOAN AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED TEN (10) DAYS AFTER THE SAME SHALL HAVE BEEN SO DEPOSITED IN THE CANADIAN OR US MAILS, OR, AT AGENT'S OPTION, BY SERVICE UPON DEBTOR IN ANY OTHER MANNER PROVIDED UNDER THE RULES OF ANY SUCH COURTS. WITHIN THIRTY (30) DAYS AFTER SUCH SERVICE, DEBTOR SHALL APPEAR IN ANSWER TO SUCH PROCESS, FAILING WHICH DEBTOR SHALL BE DEEMED IN DEFAULT AND JUDGMENT MAY BE ENTERED BY AGENT OR ANY LENDER AGAINST DEBTOR FOR THE AMOUNT OF THE CLAIM AND OTHER RELIEF REQUESTED.

(d) DEBTOR AND AGENT EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND AGENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR

CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR AGENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) AGENT AND THE LENDERS SHALL NOT HAVE ANY LIABILITY TO DEBTOR (WHETHER IN TORT, CONTRACT, EQUITY OR OTHERWISE) FOR LOSSES SUFFERED BY DEBTOR IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO THE TRANSACTIONS OR RELATIONSHIPS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION HEREWITH, UNLESS IT IS DETERMINED BY A FINAL NON-APPEALABLE JUDGMENT OR COURT ORDER BINDING ON AGENT AND THE LENDERS THAT THE LOSSES WERE THE RESULT OF ACTS OR OMISSIONS BY AGENT AND THE LENDERS CONSTITUTING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. IN ANY SUCH LITIGATION, AGENT AND THE LENDERS SHALL BE ENTITLED TO THE BENEFIT OF THE REBUTTABLE PRESUMPTION THAT THEY ACTED IN GOOD FAITH AND WITH THE EXERCISE OF ORDINARY CARE IN THEIR PERFORMANCE OF THE TERMS OF THIS AGREEMENT.

(f) EXCEPT FOR RIGHTS OF NOTICE WHICH ARE EXPRESSLY PROVIDED FOR HEREIN, DEBTOR HEREBY EXPRESSLY WAIVES ALL RIGHTS OF NOTICE AND HEARING OF ANY KIND PRIOR TO THE EXERCISE OF RIGHTS BY AGENT FROM AND AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT TO REPOSSESS THE COLLATERAL WITH JUDICIAL PROCESS OR TO REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL OR OTHER SECURITY FOR THE SECURED OBLIGATIONS. DEBTOR WAIVES THE POSTING OF ANY BOND OTHERWISE REQUIRED OF AGENT IN CONNECTION WITH ANY JUDICIAL PROCESS OR PROCEEDING TO OBTAIN POSSESSION OF, REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL OR OTHER SECURITY FOR THE SECURED OBLIGATIONS, TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF AGENT, OR TO ENFORCE BY SPECIFIC PERFORMANCE, TEMPORARY RESTRAINING ORDER, PRELIMINARY OR PERMANENT INJUNCTION, THIS AGREEMENT OR ANY OTHER FINANCING AGREEMENT BETWEEN DEBTOR AND AGENT OR ANY OF THE LENDERS.

[Next page is signature page]

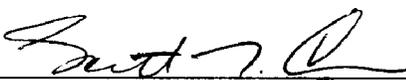
IN WITNESS WHEREOF, Debtor has duly executed and delivered this Agreement as of the day and year first above written.

THE GSI GROUP, INC.
a Delaware corporation

By: 
Name: Russell C. Mello
Title: Secretary & Treasurer

By acceptance hereof as of the day and year first written above, Agent on behalf of itself and the Lenders agrees to be bound by the provisions hereof.

CONGRESS FINANCIAL CORPORATION
(CENTRAL), an Illinois corporation, as Agent

By: 
Name: SCOTT T. COLLINS
Title: VICE PRESIDENT

[Signature Page to Trademark Security Agreement of The GSI Group, Inc.]

S-1

CH637249

TRADEMARK
REEL: 002860 FRAME: 0854

SCHEDULE A

TO

TRADEMARK SECURITY AGREEMENT

Dated as of October 31, 2003

Trademarks Owned By The GSI Group, Inc.

See Attached

Schedule A-1

TRADEMARK
REEL: 002860 FRAME: 0855



Trademark	Status	Client Ref Number	App Number	Reg Number	App Date	Reg Date	All Actions	Due Dates
ADJUST-A-BUFFLE Country: United States of America Classes: 9	Registered		353053	1221295	04-Mar-1982	21-Dec-1982	Renewal Reminder Next Renewal	21-Dec-2011 21-Dec-2012
AIRSTREAM Country: United States of America Classes: 11	REGISTERED		172803	1129899	02-Jun-1978	29-Jan-1980	Next Renewal	29-Jan-2010
CLARK Country: United States of America Classes: 11	Registered		531672	1414606	11-Apr-1985	21-Oct-1986	First Renewal	21-Oct-2006
CUMBERLAND Country: Argentina Classes: 21	DISPATCHED GSI CUMBAR							
CUMBERLAND Country: Australia Classes: 021	DISPATCHED GSI CUMBAU							
CUMBERLAND Country: Brazil Classes: 720	Registered GSI CUMBBR		818549700	818549700	30-May-1995	05-May-1998		
CUMBERLAND Country: Canada Classes: 000	REGISTERED GSI CUMBCA		775632	450917	16-Feb-1995	24-Nov-1995	Next Renewal	24-Nov-2010
CUMBERLAND Country: China Classes: 021	DISPATCHED GSI CUMBCN							



Trademark	Status	Client Ref Number	App Number Reg Number	App Date Reg Date	All Actions	Due Dates
CUMBERLAND Country: France Classes: 021	DISPATCHED GSI CUMBFR					
CUMBERLAND Country: India Classes: 006	PENDING GSI CUMBIN		658256	10-Mar-1995		
CUMBERLAND Country: India Classes: 007	PENDING GSI CUMBIN		6528255	10-Mar-1995		
CUMBERLAND Country: Indonesia Classes: 021	DISPATCHED GSI CUMBIJ					
CUMBERLAND Country: Israel Classes: 021	DISPATCHED GSI CUMBIL					
CUMBERLAND Country: Italy Classes: 021	DISPATCHED GSI CUMBIT					
CUMBERLAND Country: Japan Classes: 021	DISPATCHED GSI CUMBIP					
CUMBERLAND Country: Korea, Republic of	DISPATCHED GSI CUMBKR					



Trademark	Status	Client Ref Number	App Number Reg Number	App Date Reg Date	All Actions	Due Dates
CUMBERLAND Country: Malaysia Classes: 021	DISPATCHED GSI CUMBMR					
CUMBERLAND Country: Mexico Classes: 006	REGISTERED GSI CUMBMX	232254 495912	19-May-1995 28-Jun-1995	Next Renewal		19-May-2005
CUMBERLAND Country: Mexico Classes: 007	REGISTERED GSI CUMBMX	232255 495913	19-May-1995 28-Jun-1995	Next Renewal		19-May-2005
CUMBERLAND Country: Pakistan Classes: 021	DISPATCHED GSI CUMBPK					
CUMBERLAND Country: Philippines Classes: 021	DISPATCHED GSI CUMBPH					
CUMBERLAND Country: Portugal Classes: 021	DISPATCHED GSI CUMBPT					
CUMBERLAND Country: South Africa Classes: 021	DISPATCHED GSI CUMRZA					
CUMBERLAND Country: Spain Classes: 006	Registered GSI CUMBES	1961987 1961987	26-Apr-1995 05-Jul-1996	First Renewal		26-Apr-2005



Trademark	Status	App Number	App Date	All Actions	Due Dates
	Client Ref Number	Reg Number	Reg Date		
CUMBERLAND Country: Spain Classes: 007	REGISTERED GSI CUMBES	1961988 1961988	26-Apr-1995 05-Dec-1995	Next Renewal	26-Apr-2005
CUMBERLAND Country: Taiwan Classes: 006	Registered GSI CUMBTW	84/19486 720166	26-Apr-1995 01-Jul-1996	First Renewal	01-Jul-2006
CUMBERLAND Country: Taiwan Classes: 007	Registered GSI CUMBTW	84/19487 764505	26-Apr-1995 16-Jun-1997	First Renewal	16-Jun-2007
CUMBERLAND Country: Turkey Classes: 021	DISPATCHED GSI CUMBTR				
CUMBERLAND Country: United Kingdom Classes: 021	DISPATCHED GSI CUMBUK				
CUMBERLAND Country: United States of America Classes: 6, 7, 9, 11	Registered GSI CUMBUS	570053 1954422	06-Sep-1994 06-Feb-1996	Renewal Due	06-Feb-2006
CUMBERLAND Country: Uruguay Classes: 021	DISPATCHED GSI CUMBUY				
CUMBERLAND Country: Venezuela Classes: 021	DISPATCHED GSI CUMBEV				



Trademark	Status	Client Ref Number	App Number	Reg Number	App Date	Reg Date	All Actions	Due Dates
PIG DINER AND DESIGN Country: United States of America Classes: 7	Registered		489482 1347244		12-Jul-1984 09-Jul-1985		First Renewal	09-Jul-2005
PIGGY DINER AND DESIGN Country: United States of America Classes: 7	Registered		558016 1391379		13-Sep-1985 29-Apr-1986		First Renewal	29-Apr-2006
STIRALL UNIDRIV Country: United States of America Classes: 7	Registered		036573 1048004		07-Jan-1974 14-Sep-1976		Next Renewal	14-Sep-2006
STIR-ATOR Country: United States of America Classes: 7	Registered		425388 2234021		29-Jan-1998 23-Mar-1999		Aff of Use - 5 Year Aff of Use - 6 Year Renewal Due	23-Mar-2004 23-Mar-2005 23-Mar-2009

EXHIBIT A

FORM OF ASSIGNMENT

ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT OF TRADEMARKS ("Assignment") is made as of _____ by and between The GSI Group, Inc., a Delaware corporation having an office at 1004 East Illinois Street, Assumption, IL 62510 ("Assignor"), in favor of CONGRESS FINANCIAL CORPORATION (CENTRAL), having an office at 150 South Wacker Drive, Suite 2200, Chicago, Illinois 60606 as Agent for the Lenders ("Assignee").

Recitals

WHEREAS, Assignor and Assignee are parties to that certain Trademark Security Agreement dated as of October 31, 2003 made by Assignor to Assignee (the "Agreement") providing that under certain conditions specified therein Assignor shall execute this Assignment; and

WHEREAS, the aforementioned conditions have been fulfilled;

NOW THEREFORE, Assignor hereby agrees as follows:

1. Assignment of Trademarks. Assignor hereby grants, assigns and conveys to Assignee for Assignee's benefit and for the ratable benefit of the Lenders its entire right, title and interest in and to (a) the trademarks, tradenames, trademark registrations and trademark applications listed on Schedule I attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages, payments and other proceeds now and hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter referred to, either individually or collectively, as the "Trademarks"), and (b) the goodwill of Assignor's business connected with and symbolized by the Trademarks. The Trademarks and such goodwill are collectively referred to herein as the "Collateral".

2. Representations and Warranties. Assignor represents and warrants that it has the full right and power to make the assignment of the Collateral made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment or encumbrance of any or all of the Collateral, except as set forth in the Agreement.

3. Modification. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

Ex. A-1

CH\642169.1

4. Binding Effect; Governing Law. This Assignment shall be binding upon Assignor and its successors and shall inure to the benefit of Assignee and its successors and assigns. This Assignment shall, except to the extent that federal law or laws of another state apply to the Collateral or any part thereof, be governed by and construed in accordance with the internal (as opposed to the conflict of laws provisions) and decisions laws of the State of Illinois.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed and delivered as of the date first above written.

THE GSI GROUP, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Ex. A-2

SCHEDULE I

Trademarks

Trademark Registraton
Number or Applicaton
Serial Number

Registration or
Filing Date

Schedule I-1