

This document has been electronically entered in the records of the United States Bankruptcy Court for the Southern District of Ohio.

IT IS SO ORDERED.

Dated: May 26, 2004


Lawrence S. Walter
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION - DAYTON**

In re:) Chapter 11
)
DT INDUSTRIES, INC., et al.,¹) Case No. 04-34091
) (Jointly Administered)
Debtors.)
) Honorable Lawrence S. Walter

ORDER APPROVING (I) BIDDING PROCEDURES; (II) THE FORM AND MANNER OF NOTICE OF (A) THE SALE OF CERTAIN ASSETS, AND (B) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (III) THE BREAK-UP FEE

This matter having come before the Court on the Motion² for Orders Pursuant to 11 U.S.C. §§ 105(a), 363, 365, and 1145 and FED. R. BANKR. P. 2002, 6004, 6006 and 9014 (A) Approving (i) Bidding Procedures, (ii) the Form and Manner of Sale Notices, and (iii) Break-Up Fee and (B) Authorizing and Approving (i) the Sale of Certain of the Debtors' Assets Free and

¹ The other debtors and debtors-in-possession include the following: Vanguard Technical Solutions, Inc., Mid-West Automation Enterprises, Inc., Mid-West Automation Systems, Inc., Assembly Technology and Test, Inc., Detroit Tool and Engineering Company, Advanced Assembly Automation, Inc., Assembly Machines, Inc., Hansford Manufacturing Corporation, DTI Leominster Subsidiary, Inc., DTI Pennsylvania Subsidiary, Inc., DTI Massachusetts Subsidiary, Inc., DTI Lebanon Subsidiary, Inc., and DT Resources, Inc.

² All capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Motion, and, as applicable, the Agreement.

Clear of Liens, Claims and Interests, (ii) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (iii) the Form and Manner of Sale Notices; and (iv) Certain Sales Procedures, Including the Payment of a Break-Up Fee (the “*Motion*”) filed by DT Industries, Inc. (“*DTP*”) Detroit Tool and Engineering Company, Assembly Technology and Test, Inc. and Advanced Assembly Automation, Inc. (collectively, the “*Debtors*”), debtors and debtors-in-possession (the “*Debtors*”), for, *inter alia*, entry of an order (the “*Procedures Order*”) (a) scheduling a hearing (the “*Sale Hearing*”) with respect to the Debtors’ motion for an order authorizing (i) the sale of certain of the Debtors’ Assets relating to the Business, free and clear of all liens, security interests, claims, encumbrances and other interests (the “*Sale*”), pursuant to and as described in the Asset Purchase Agreement, dated as of May 12, 2004 (the “*Agreement*”), by and among the Debtors and Assembly and Test Worldwide, Inc. (the “*Proposed Purchaser*”), (ii) the Debtors’ assumption and assignment to the Proposed Purchaser of certain executory contracts and unexpired leases (the “*Assumed Contracts*”), pursuant to, limited by, and as described in the Agreement, free and clear of liens, security interests, claims, encumbrances and other interests; and (b) approving (i) the Debtors’ proposed bidding procedures in the form attached hereto as Exhibit 1 (the “*Bidding Procedures*”), (ii) the form and manner of notice of the Sale, (iii) the form and manner of the Notices of the Assumption of the Designated Contracts and (iv) the Break-Up Fee; and the Court having reviewed the Motion; and it appearing that notice of the Motion was good and sufficient under the particular circumstances and that no other or further notice need be given; and the Court having considered the arguments of counsel at the hearing held on May 25, 2004 (the “*Hearing*”); and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors and other parties in interest; and upon the record of the Hearing; and after due deliberation thereon; and good cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:³

A. The Court has jurisdiction over this matter and over the property of the Debtors and their respective bankruptcy estates pursuant to 28 U.S.C. §1334 and § 157(a).

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O).

C. The Debtors have articulated good and sufficient business justifications for approving (i) the manner of notice of the Sale, the Sale Hearing and the assumption and assignment of the Designated Contracts, (ii) the form of notice of the Sale and the Sale Hearing (the “*Sale Notice*”) to be distributed to creditors and other parties in interest, including prospective bidders, (iii) the form of notices of the cure amounts and the assumption of the Designated Contracts to be filed with the Court and served on parties to each Designated Contract, (iv) the Bidding Procedures, and (v) the terms of the Break-Up Fee for the Proposed Purchaser.

D. The Debtors’ payment to the Proposed Purchaser (as set forth in the Agreement), of the Break-Up Fee (a) is an actual and necessary cost and expense of preserving the Debtors’ estates, within the meaning of section 503(b) of the Bankruptcy Code; (b) is of substantial benefit to the Debtors’ estates and the collateral of parties asserting liens, security interests, encumbrances or other interests in and to the Transferred Assets, which are adequately protected from any diminution arising from such Break-Up Fee; (c) is reasonable and appropriate, including in light of the size and nature of the Sale and the efforts that have been and will be expended by the Proposed Purchaser notwithstanding that the proposed Sale is subject to higher or better offers for the Assets; (d) was negotiated by the parties at arms’ length and in good faith; and (e) is necessary to ensure that the Proposed Purchaser will continue to pursue its proposed acquisition of the Business. The Break-Up Fee was a material inducement for, and condition of,

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See FED. R. BANKR. P. 7052.

the Proposed Purchaser's entry into the Agreement. Thus, assurance to the Proposed Purchaser of payment of the Break-Up Fee has promoted more competitive bidding by inducing the Proposed Purchaser's bid that otherwise would not have been made, and without which bidding would have been limited.

E. The Bidding Procedures are reasonable and appropriate and represent the best method for maximizing the return for the Assets.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Asset Purchase Agreement

1. The Prospective Purchaser is approved as a "*Qualified Bidder*" for the Transferred Assets and the Agreement is approved as a Qualified Bid therefore. The Escrow Agreement dated as of May 12, 2004, by and among the Debtors, the Prospective Purchaser and LaSalle Bank, N.A., as escrow agent (the "*Escrow Agreement*"), including, without limitation the provision with respect to the terms and conditions for the return to the Prospective Purchaser of the deposits made pursuant to the Agreement and Escrow Agreement, are hereby approved.

Sale Hearing

2. The Sale Hearing shall be held before the Honorable, Lawrence S. Walter, United States Bankruptcy Judge for the United States Bankruptcy Court, for the Southern District of Ohio, Western Division – Dayton in the West Courtroom, on June 29, 2004 at 2:30 pm prevailing Eastern time, at which time the Court shall consider the Sale and confirm the results of the Auction (as defined in the Motion), if any. Objections to the Sale shall be filed and served upon counsel to the Debtors, the Proposed Purchaser, the Unsecured Creditors Committee, the agent to Debtors' prepetition secured lenders and DIP lenders, and all parties on the Debtors' Master Service List no later than 4:30 p.m. (prevailing Eastern Time) on June 22, 2004 (the

“*Objection Deadline*”). Parties in interest who file objections and other parties in interest may appear at the hearing and object to the Sale Motion.

3. The failure of any objecting person or entity to make an objection or appear and object at the Sale Hearing shall be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the Sale, or the Debtors’ consummation and performance of the Agreement (including the transfer of the Assets and Designated Contracts free and clear of all Interests), if authorized by the Court.

4. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Court’s calendar on the date scheduled for the Sale Hearing or any adjourned date.

Notice

5. Notice of (a) the Sale, (b) the Sale Hearing, and (c) the proposed assumption and assignment of the Designated Contracts to the Proposed Purchasers pursuant to the Agreement shall be good and sufficient, and no other or further notice shall be required, if given as follows:

(a) Notice of Sale Hearing. Within five (5) days after the entry of this Order (the “*Mailing Date*”), the Debtors (or their agents) shall serve the Motion, the Agreement, the proposed Sale Order, a copy of this Procedures Order and the Bidding Procedures attached hereto as Exhibit 1 by first-class mail, postage prepaid, upon (i) all entities known to have expressed an interest in a transaction with respect to the Transferred Assets or a portion thereof during the past three (3) months; (ii) all entities known to have asserted any Interest, including without limitation, any lien, security interest, claim, encumbrance or other interest, in or upon the Transferred Assets; (iii) all parties to the Designated Contracts; (iv) counsel for the Unsecured Creditors Committee; and (v) all entities listed on the Debtors’ Master Service List as of the Mailing Date;

(b) Sale Notice. On or before the Mailing Date, the Debtors (or their agents) shall serve by first class mail, postage prepaid, the Sale Notice substantially in the form attached hereto as Exhibit 2 upon all other known creditors of the Debtors;

(c) Cure Notice. Within five (5) days after the entry of this Order, the Debtors shall file with the Court and serve on all non-Debtor parties to the Designated Contracts, a notice substantially in the form attached hereto as Exhibit 3 (the “*Cure Notice*”) of the cure amount necessary to assume the Designated Contract (the “*Cure Amount*”);

(d) Assumption Notice. At the conclusion of the Auction, the Debtors shall file with the Court, and serve on all affected parties, a notice (the “Assumption Notice”) identifying the Successful Bidder.

(e) Objections to Assumption and Assignment of Designated Contracts or Cure Amount. A non-Debtor third party to a Designated Contract shall have until 4:30 p.m. prevailing Eastern Time on June 22, 2004 (the “*Contract Objection Deadline*”) to object to the assumption or assignment of any Designated Contract to which it is a party or to the amount or terms of payment of Cure Amount and shall, as applicable, state in its objection with specificity what Cure Amount is required (with appropriate documentation in support thereof). Such objections shall be served to be actually received by the Contract Objection Deadline on counsel for (i) the Debtors, (ii) the Proposed Purchaser, (iii) the Unsecured Creditors’ Committee, (iv) the agent to Debtors’ prepetition secured lenders and DIP lenders and (v) all other parties on the Debtors’ Master Service List. To the extent that Contracts are added to the list of Designated Contracts, the Debtors shall provide a Cure Notice to the non-Debtor party to any such Contract and such non-Debtor party shall have no less than fourteen (14) days to file an objection to the specified Cure Amount. If no objection is timely received, the Cure Amount set forth in the Debtors’

Cure Notice shall be controlling, notwithstanding anything to the contrary in any Designated Contract or any other document, and each non-Debtor party to the Designated Contract which has received actual or constructive notice of the Cure Objection Deadline shall be deemed to have waived and released any right to assert a Cure Objection, to have consented to the assumption and assignment of such Designated Contract to the Prospective Purchaser, and shall be forever barred from asserting any other claims against the Debtors, the Proposed Purchaser, or the property of either of them, as to such Designated Contract with respect to amounts other than the Cure Amount that were due, defaults that were existing or other performance that was due from the Debtors under such Designated Contract prior to the Closing. At the Sale Hearing, the Court will consider and resolve any objections to the listed Cure Amounts;

Break-Up Fee

6. Payment of the Break-Up Fee, as defined in the Agreement, and in accordance with Section 8.4 of the Agreement is hereby approved, and the Break-Up Fee is authorized and directed to be paid at the time and under the circumstances set forth in the Agreement and shall be entitled to priority under Section 364(d)(1) of the Bankruptcy Code as a senior lien and security interest on the Transferred Assets with priority over all other pre- or postpetition Interests and the proceeds thereof and a surcharge under Section 506(c) of the Bankruptcy Code on any interest of the Debtors in the Transferred Assets which is subject to any lien, security interest, or other encumbrance.

Bidding Procedures

7. The Bidding Procedures, as set forth on Exhibit 1, attached hereto and incorporated herein by reference as if fully set forth in this Order, are hereby approved and shall govern all proceedings relating to the Agreement and any subsequent bids for the Assets in these cases.

8. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

9. Notwithstanding Bankruptcy Rules 6004(g) and 6006(d), this Order shall be effective upon entry.

Bidding Procedures

Exhibit 1 to Procedures Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION - DAYTON**

In re:) Chapter 11
)
DT INDUSTRIES, INC., et al.,¹) Case No. 04-34091
) (Jointly Administered)
Debtors.)
) Honorable Lawrence S. Walter

**PROCEDURES FOR SALE OF ASSETS OF DEBTORS DT INDUSTRIES, INC.,
DETROIT TOOL AND ENGINEERING COMPANY, ASSEMBLY TECHNOLOGY
AND TEST, INC. AND ADVANCED ASSEMBLY AUTOMATION, INC.**

Set forth below are the sale procedures (the “*Sale Procedures*”) to be employed with respect to the asset purchase agreement (the “*Agreement*”) by and among DT Industries, Inc. (“*DTI*”), Detroit Tool and Engineering Company (“*DTE*”), Assembly Technology and Test, Inc. (“*AT&T*”) and Advanced Assembly Automation, Inc. (“*AAA*” and together with *DTI* and *DTE*, the “*Sellers*”) and Assembly and Test Worldwide, Inc. (the “*Proposed Purchaser*”) concerning the prospective sale of the Transferred Assets (as that term is defined in the Agreement). The Sellers will seek entry of an order from the Bankruptcy Court authorizing and approving the Sale (as hereinafter defined) to one or more Qualified Bidders (as hereinafter defined) which the Sellers may determine to have made the highest, best or otherwise financially superior offer (the “*Successful Bidder*”).

Assets to be Sold

The Sellers are offering for sale in one or more transactions (the “*Sale*”) all or substantially all of the assets of Sellers (the “*Assets*”). The Proposed Purchaser has offered to purchase the Transferred Assets which are described in the Agreement and which include substantially all of the operating assets of DTE, AT&T and AAA, the operating assets of DTI related to the business of DTE, AT&T and AAA and the stock of DTI’s German subsidiary DT Assembly and Test Europe GmbH. The Proposed Purchaser also proposes to assume the Designated Contracts of Sellers listed in the Agreement after curing any defaults thereunder.

The Bidding Process

The Sellers and their advisors shall (i) determine whether any person is a Qualified Bidder (hereinafter defined), (ii) coordinate the efforts of Qualified Bidders in conducting their due diligence investigations, (iii) receive offers from Qualified Bidders, and (iv) negotiate any offers made to purchase the Assets (collectively, the “*Bidding Process*”). Any person who wishes to participate in the Bidding Process must be a Qualified Bidder and must make a

¹ The other debtors and debtors-in-possession include the following: Vanguard Technical Solutions, Inc., Mid-West Automation Enterprises, Inc., Mid-West Automation Systems, Inc., Assembly Technology and Test, Inc., Detroit Tool and Engineering Company, Advanced Assembly Automation, Inc., Assembly Machines, Inc., Hansford Manufacturing Corporation, DTI Leominster Subsidiary, Inc., DTI Pennsylvania Subsidiary, Inc., DTI Massachusetts Subsidiary, Inc., DTI Lebanon Subsidiary, Inc., and DT Resources, Inc.

Qualified Bid. Neither the Sellers nor their representatives shall be obligated to furnish any information of any kind whatsoever to any person who is not determined to be a Qualified Bidder. The Sellers shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein), which rules will better promote the goals of the Bidding Process and which are not inconsistent with any of the other provisions hereof or of any Bankruptcy Court order.

Participation Requirements

Unless otherwise ordered by the Bankruptcy Court or determined by the Sellers, each person (a “*Potential Bidder*”) interested in participating in the Bidding Process must deliver (unless previously delivered) to the Sellers on or before June 21, 2004:

- (i) An executed confidentiality agreement; and
- (ii) adequate assurance acceptable to the Sellers and their advisors, demonstrating such Potential Bidder’s ability to close a proposed transaction.

A Qualified Bidder is a Potential Bidder that delivers the documents described in subparagraphs (i) and (ii) above, and that the Sellers, determine is reasonably likely based on information submitted by the Potential Bidder, the availability of financing, experience and other considerations deemed relevant by the Sellers, to submit a bona fide offer and to be able to consummate the Sale if selected as a Successful Bidder.

No later than three (3) Business Days after a Potential Bidder delivers all of the materials required by subparagraphs (i) and (ii) above, the Sellers shall determine, and shall notify the Potential Bidder, if such Potential Bidder is a Qualified Bidder. The Proposed Purchaser has already been determined to be a Qualified Bidder.

Due Diligence

The Sellers must afford any Qualified Bidder the time and opportunity to conduct reasonable due diligence. The Sellers will designate an employee or other representative to coordinate all reasonable requests for additional information and due diligence access from such Qualified Bidders. The Sellers shall not be obligated to furnish any due diligence information after the Bid Deadline (as hereinafter defined). Neither the Sellers nor any of their respective representatives are obligated to furnish any information to any person other than a Qualified Bidder. The Sellers are not responsible for, and will bear no liability with respect to, any information obtained by Bidders in connection with the sale of the Assets.

Bid Deadline

A Qualified Bidder who desires to make a bid shall deliver a written copy of its bid to Debtors’ counsel Jeffrey L. Elegant, Katten Muchin Zavis Rosenman, 525 West Monroe Street, Suite 1600, Chicago, Illinois 60661-3693, (312)902-5265 (tel), (312) 577-4676 (fax) not later than 9:00 a.m. (prevailing Central time) on June 25, 2004 (the “*Bid Deadline*”). Debtors’ counsel shall immediately distribute copies of the bids to counsel for the Creditors’ Committee, if any, the agent to Debtors’ prepetition secured lenders and DIP lenders, and Proposed

Purchaser. The Sellers shall announce the terms of the highest and best Qualified Bid(s) received by the Bid Deadline no later than 9:00 a.m. (prevailing Central time) June 28, 2004.

Bid Requirements

All bids must include the following documents (the “*Required Bid Documents*”):

- (i) A letter stating that the bidder’s offer is irrevocable until the earlier of (x) the Closing of the sale of the Transferred Assets, or (y) July 15, 2004.
- (ii) An executed copy of an asset purchase agreement marked to show modifications to the Agreement that the Qualified Bidder proposes (the “*Marked Agreement*”), which may not be subject to a financing contingency and must propose an overall value of consideration to Sellers which is equal to, or in excess of, at least \$640,000.00 over the sum of the overall value of the transactions contemplated by the Agreement (which includes the Break-up Fee of \$540,000 described below) (the “*Required Bid Value*”).
- (iii) A good faith deposit (the “*Good Faith Deposit*”) in the form of immediately available funds or a letter of credit in form acceptable to the Debtors in their sole discretion payable to the order of the Debtors (or such other party as the Sellers may determine) in an amount equal to \$900,000.00.
- (iv) Written evidence of a commitment for financing without contingencies or other evidence of the ability to consummate the Sale satisfactory to the Sellers with appropriate contact information for such financing sources.

The Sellers will disregard bids that are conditioned on obtaining financing or on the outcome of unperformed due diligence by the bidder. A bid received from a Qualified Bidder that includes all of the Required Bid Documents and meets all of the above requirements is a “*Qualified Bid*.”

There is no requirement that a Qualified Bid include more or less Assets than the Transferred Assets covered by the Agreement. The Sellers reserve the right to determine (i) the value of any Qualified Bid, (ii) whether any Qualified Bid (either by itself or in connection with another Qualified Bid(s) provides overall value to Sellers that is equal to, or in excess of, the Required Bid Value or any other Qualified Bid and (iii) which Qualified Bid(s) constitutes the highest and best offer. The Sellers’ determination in this regard may include an analysis of the value (whether positive or negative) of any Assets that are included in or excluded from any Qualified Bid, the existence or absence of any escrow or indemnity and consideration of the Break-up Fee, if applicable.

Bid Protection

Recognizing the Proposed Purchaser’s expenditure of time, energy and resources, the Sellers have agreed to provide certain bidding protections to the Proposed Purchaser. Specifically, the Sellers have determined that the Agreement will further the goals of the Bidding

Procedures by setting a floor for which all other Potential Bids must exceed and, therefore, is entitled to be selected as a “*Stalking Horse Bid*.” As a result, the Sellers have agreed to pay, in certain limited circumstances as set forth in the Agreement, a break-up fee of \$540,000 (the “*Break-up Fee*”) to the Proposed Purchaser. The Break-Up Fee shall have the priority set forth under Section 364(d)(1) of the Bankruptcy Code and a surcharge under Section 506(c) of the Bankruptcy Code on the Transferred Assets and the proceeds thereof which are subject to any liens, security interests, claims and encumbrances.

“As Is, Where Is”

The sale of the Transferred Assets shall be on an “as is, where is” basis and without representations or warranties of any kind, nature, or description by the Sellers, their agents or their estate except to the extent set forth in the applicable agreement of the Successful Bidder as accepted by Sellers. Except as otherwise provided in the applicable agreement, all of the Sellers’ right, title and interest in and to the Transferred Assets subject thereto shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims and other interests of any type whatsoever (collectively, the “*Interests*”) in accordance with sections 363 and 365 of the Bankruptcy Code, with such interests to attach to the net proceeds of the sale of the Assets.

Auction

If one or more Qualified Bids (other than that of the Proposed Purchaser) are received, the Sellers shall conduct an auction (the “*Auction*”) with respect to the Assets. The Auction shall commence on June 28, 2004 at 10:00 a.m. at the offices of Katten Muchin Zavis Rosenman, 525 West Monroe Street, Suite 1600, Chicago, Illinois 60661-3693. The Sellers shall notify all Qualified Bidders who have submitted Qualified Bids of the time and place of the Auction. If there is no timely Qualified Bid (other than that of the Proposed Purchaser), the Proposed Purchaser shall be deemed to be the Successful Bidder.

Only a Qualified Bidder who has submitted a Qualified Bid is eligible to participate at the Auction. During the Auction, bidding shall begin initially with the highest Qualified Bid and subsequently continue in minimum increments of at least \$100,000. Other than as disclosed herein, the Sellers may conduct the Auction in the manner they determine will result in the highest and best offer(s) for the Assets. If a Qualified Bidder who is eligible to participate in the auction submits a Qualified Bid in an amount that is at least \$640,000 more than the overall value of the transactions contemplated by the Agreement and thereby become the highest Qualified Bid, the Proposed Purchaser is entitled, but not required, to overbid the previously highest Qualified Bid by at least the minimum bid increment; provided however, that should any such overbid by the Proposed Purchaser be designated the Successful Bid (as defined *infra*), the amount actually payable by Proposed Purchaser thereunder shall be reduced by the \$540,000 amount of the Break-up Fee.

Upon conclusion of the bidding, the Auction shall be closed. The Sellers shall (i) immediately review each Qualified Bid or Bids on the basis of the financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the sale and (ii) within one day identify the highest, best or otherwise financially superior offer(s) for the Assets (the “*Successful Bid*” and the entity or entities submitting such Successful Bid, the “*Successful Bidder*”), which highest, best or otherwise financially superior offer(s) will provide the greatest amount of net value to the Sellers after

payment of, among other things, the Break-up Fee, if required and advise the Bidders of such determination.

Acceptance of Qualified Bids

The Sellers shall sell the Assets to the Successful Bidder(s) upon the approval of the Successful Bid, by the Bankruptcy Court after hearing (the “*Sale Hearing*”). The Sellers’ presentation of a particular Qualified Bid to the Bankruptcy Court for approval does not constitute the Sellers’ acceptance of the bid. The Sellers will be deemed to have accepted a bid only when the bid has been approved by the Bankruptcy Court at the Sale Hearing. The Proposed Purchaser shall have the right to object to the Debtors’ selection of another person as the Successful Bidder at the Sale Hearing, and the Debtors, as well as the Debtors’ prepetition secured lenders and DIP lenders, shall have the right to respond to any such objection.

Sale Hearing

The Sale Hearing will be held before the Honorable Lawrence S. Walter on June 29, 2004 at 2:30 p.m. (prevailing Eastern time) at the United States Bankruptcy Court for the Southern District of Ohio, West Courtroom, 120 West Third Street, Dayton, Ohio, but may be adjourned or rescheduled without further notice by an announcement of the adjourned date at the Sale Hearing.

Following the Sale Hearing approving the sale of the Assets to the Successful Bidder, if such Successful Bidder fails to consummate an approved sale, the next highest or otherwise best Qualified Bid, as disclosed at the Sale Hearing, shall be deemed to be the Successful Bid and the Sellers shall be authorized, but not required, to consummate the sale with the Qualified Bidder submitting such bid without further order of the Bankruptcy Court.

Return of Good Faith Deposit

The Good Faith Deposit of the Qualified Bidder submitting the second highest Qualified Bid (the “*Back-Up Bid*”) shall be held in an interest-bearing escrow account until the earlier of (x) the Closing of the sale of the Transferred Assets, or (y) July 15, 2004. All other Good Faith Deposits shall be returned to the bidders immediately at the close of the auction. If a Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the Sellers shall be entitled to retain the Good Faith Deposit as part of its damages resulting from the breach or failure to perform by the Successful Bidder.

Modifications

The Sellers may (a) determine, which Qualified Bid(s), if any, is the highest and best offer; and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid(s), any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Sellers, their estates and creditors. At or before the Sale Hearing, the Sellers may impose such other terms and conditions as the Sellers may determine to be in the best interests of the Sellers’ estate, their creditors and other parties in interest. Any party in interest shall have the right to appear and be heard at the Sale Hearing with respect to the Debtors’ selection of the Successful Bid or rejection of a bid.

Further Information

For further information on the Sale, please contact Debtors' Counsel at the address set forth above.

Notice of Sale

EXHIBIT 2 of Procedures Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO

WESTERN DIVISION - DAYTON

In re:) Chapter 11
)
DT INDUSTRIES, INC., et al.,¹) Case No. 04-34091
) (Jointly Administered)
Debtors.)
) Honorable Lawrence S. Walter

NOTICE OF SALE OF SUBSTANTIALLY ALL OF DEBTORS' ASSETS

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. Pursuant to that certain Motion for Orders Authorizing and Approving (i) the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims and Encumbrances, (ii) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (iii) the Form and Manner of Sale Notices, and (iv) Certain Sale Procedures, Including the Payment of a Break-Up Fee (the "*Procedures Order*"), DT Industries, Inc. ("DTI"), Detroit Tool and Engineering Company, Assembly Technology and Test, Inc. and Advanced Assembly Automation, Inc. (collectively, the "*Debtors*"), are selling their operating assets (the "*Business*") as set forth in the Asset Purchase Agreement (the "*Agreement*") by and between the Debtors and Assembly and Test Worldwide, Inc. (the "*Proposed Purchaser*").

2. All interested parties are invited to make competing offers to purchase the Assets in accordance with the terms and conditions approved by the Bankruptcy Court (the "*Bidding Procedures*"). Pursuant to the Bidding Procedures approved pursuant to the Procedures Order, the Debtors may conduct an auction for the Business (the "*Auction*") beginning on June 28, 2004 at 10:00 a.m. prevailing Central time at the offices of Katten Muchin Zavis Rosenman, 525 West Monroe Street, Chicago, Illinois.

3. Participation at the Auction is subject to the Sale Procedures and the Procedure Order. The Bidding Procedures include the following:

4. A hearing (the "*Sale Hearing*") to approve the Sale of the Assets to the highest and best bidder will be held June 29, 2004, at 2:30 p.m. prevailing Eastern Time at the United States Bankruptcy Court for the Southern District of Ohio, Western Division - Dayton, West Courtroom, 120 West Third Street, Dayton, Ohio, 45402, before the Honorable Lawrence S. Walter, United States Bankruptcy Judge. **An order granting the relief requested may be entered without further notice unless you appear at the hearing and object or file a written objection on or before 4:30 p.m. prevailing Eastern Time on June 22, 2004 with the Clerk**

¹ The other debtors and debtors-in-possession include the following: Vanguard Technical Solutions, Inc., Mid-West Automation Enterprises, Inc., Mid-West Automation Systems, Inc., Assembly Technology and Test, Inc., Detroit Tool and Engineering Company, Advanced Assembly Automation, Inc., Assembly Machines, Inc., Hansford Manufacturing Corporation, DTI Leominster Subsidiary, Inc., DTI Pennsylvania Subsidiary, Inc., DTI Massachusetts Subsidiary, Inc., DTI Lebanon Subsidiary, Inc., and DT Resources, Inc.

of the Court and served so as to be actually received by the following counsel at or before that time: (i) the undersigned counsel for the Debtors, (ii) counsel for the Prospective Purchaser, J. Mark Fisher, Schiff Hardin LLP, 6600 Sears Tower, Chicago, IL 60606, (iii) counsel for the agent to Debtors' prepetition secured lenders and DIP lenders, Mark Brannum, Winstead Sechrest & Minick P.C., 5400 Renaissance Tower, 1201 Elm Street, Dallas, Texas 75270-2199 (iv) counsel for the Official Committee of Unsecured Creditors, and (v) all parties on the Debtors' Master Service List.

5. The Debtors will have accepted a bid only when the bid has been approved by the Bankruptcy Court at the Sale Hearing. All Good Faith Deposits shall be held by the Debtors until the Sale Hearing. Upon failure to consummate the sale of the Business because of a breach or failure on the part of the Successful Bidder, the Debtors may sell the assets to the next highest or otherwise best Qualified Bid to be the Successful Bid without further order of the Court.

6. The Sellers may (a) determine, which Qualified Bid(s), if any, is the highest and best offer; and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid(s), any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Sellers, their estates and creditors. At or before the Sale Hearing, the Sellers may impose such other terms and conditions as the Sellers may determine to be in the best interests of the Sellers' estate, their creditors and other parties in interest. Any party in interest shall have the right to appear and be heard at the Sale Hearing with respect to the Debtors' selection of the Successful Bid or rejection of a bid.

7. None of the officers, directors or shareholders of the Prospective Purchaser are insiders of any of the Debtors. Certain present vice presidents of DTI's subsidiaries will, subject to Closing under the Agreement, be employed as general managers of the manufacturing facilities to be acquired and, along with a former director of DTI, will be given the opportunity to purchase stock in the Prospective Purchaser and receive incentive compensation in the form of such stock. None of such persons are expected to become officers or directors of the Prospective Purchaser or holders of 10% or more of its stock (determined on a fully-diluted basis).

8. This notice is qualified in its entirety by the Procedures Order, which may be obtained by contacting the undersigned counsel.

Dated: June 1, 2004

Respectfully Submitted,

DT INDUSTRIES, INC., et al.

By: s/ Julia Brand

One of its attorneys

Ronald S. Pretekin (#0016894)
COOLIDGE WALL WOMSLEY & LOMBARD
33 West First Street, Suite 600
Dayton, OH 45402
Telephone: (937) 223-8177
Facsimile: (937) 223-6705

and

Julia W. Brand (CA #121760)²
Kenneth J. Ottaviano (Ill. #6237822)
Matthew A. Olins (Ill. #6275636)
KATTEN MUCHIN ZAVIS ROSENMAN
525 West Monroe Street
Chicago, Illinois 60661-3693
Telephone: (312) 902-5200
Facsimile: (312) 902-1061
Proposed Attorneys for Debtors and Debtors-In-
Possession

² Julia W. Brand is an attorney in the Los Angeles office of Katten Muchin Zavis Rosenman: 2029 Century Park East, Suite 2600, Los Angeles, California, 90067-3012 (telephone) (310) 788-4400 (Facsimile) (310) 788-4471.

Cure Notice
Exhibit 3 to Procedures Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION - DAYTON**

In re:) Chapter 11
)
DT INDUSTRIES, INC., et al.,¹) Case No. 04-34091
) (Jointly Administered)
Debtors.)
) Honorable Lawrence S. Walter

**NOTICE OF AMOUNTS NECESSARY TO CURE DEFAULTS UNDER CONTRACTS
AND LEASES PROPOSED TO BE ASSUMED AND ASSIGNED TO PURCHASER OF
SUBSTANTIALLY ALL OF DEBTORS' ASSETS**

PLEASE TAKE NOTICE THAT:

1. Pursuant to that certain Motion for Orders Authorizing and Approving (i) the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims and Interests, (ii) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (iii) the Form and Manner of Sale Notices, and (iv) Certain Sale Procedures, Including the Payment of a Break-Up Fee (the "*Procedures Order*"), the above captioned debtors and debtors in possession (collectively, the "*Debtors*"), hereby provide notice that the unexpired leases or executory contracts listed on Exhibit A² hereto may be assumed and assigned, pursuant to section 365 of the Bankruptcy Code to Assembly and Test Worldwide, Inc. (the "*Proposed Purchaser*") or such other purchaser (the "*Successful Bidder*") that submits a higher and better offer pursuant to the bidding procedures approved under the Procedures Order.

2. Under the Asset Purchase Agreement dated as of May 12, 2004 (the "*Agreement*") that the Debtors have entered into with the Proposed Purchaser, or such other agreement as the Debtors may enter into with a Successful Bidder, certain unexpired leases or executory contracts may be identified as unexpired leases or executory contracts ("*Designated Contracts*") that are to be assumed by the Debtors and assigned to the Proposed Purchaser or the Successful Purchaser, as the case may be. If you have received this notice, it is possible that your unexpired lease or executory contract with the Debtors may be assumed by the Debtors and assigned to the Proposed Purchaser or Successful Bidder, as the case may be.

¹ The other debtors and debtors-in-possession include the following: Vanguard Technical Solutions, Inc., Mid-West Automation Enterprises, Inc., Mid-West Automation Systems, Inc., Assembly Technology and Test, Inc., Detroit Tool and Engineering Company, Advanced Assembly Automation, Inc., Assembly Machines, Inc., Hansford Manufacturing Corporation, DTI Leominster Subsidiary, Inc., DTI Pennsylvania Subsidiary, Inc., DTI Massachusetts Subsidiary, Inc., DTI Lebanon Subsidiary, Inc., and DT Resources, Inc.

² Nothing contained herein shall be deemed an admission by the Debtors that any contract, lease or other agreement listed on Exhibit A is, in fact, an executory contract or an unexpired lease. The Debtors specifically reserve their right to argue that any such contract, lease or other agreement is not an executory contract or unexpired lease.

3. Opposite the name of each non-Debtor party to an unexpired lease or executory contract listed on Exhibit A is the dollar amount that the Debtors believe is necessary to cure any defaults under the Designated Contract or lease to which such non-Debtor is a party, plus the amount the Debtors believe is required to compensate such person for any actual loss resulting from such default (the “*Cure Amount*”).

4. **All objections to the assumption and assignment of the Designated Contracts or to the amounts listed as Cure Amounts must be filed on or before 4:30 p.m. prevailing Eastern time on June 22, 2004, with the United States Bankruptcy Court for the Southern District of Ohio, Western Division - Dayton (the “*Bankruptcy Court*”), 120 West Third Street, Dayton, Ohio 45402 and served so as to be actually received by the following counsel at or before that time: (i) the undersigned counsel for the Debtors, (ii) counsel for the Prospective Purchaser, J. Mark Fisher, Schiff Hardin LLP, 6600 Sears Tower, Chicago, IL 60606, (iii) counsel for the agent to Debtors’ prepetition secured lenders and DIP lenders, Mark Brannum, Winstead Sechrest & Minick P.C., 5400 Renaissance Tower, 1201 Elm Street, Dallas, Texas 75270-2199 (iv) counsel for the Official Committee of Unsecured Creditors, and (v) all parties on the Debtors’ Master Service List.** The objection must state with specificity the amounts that the non-Debtor party believes are necessary to cure the defaults and compensate the party for any actual losses resulting from the defaults with appropriate documentation in support thereof.

IF NO OBJECTION IS TIMELY RECEIVED OR IF ANY OBJECTION IS NOT MADE AT THE HEARING, THE CURE AMOUNT SET FORTH IN THE CURE NOTICE SHALL BE CONTROLLING NOTWITHSTANDING ANYTHING TO THE CONTRARY IN ANY DESIGNATED CONTRACT OR OTHER DOCUMENT AND THE NON-DEBTOR PARTY TO THE DESIGNATED CONTRACT SHALL BE FOREVER BARRED FROM ASSERTING ANY OTHER CLAIM ARISING PRIOR TO THE ASSIGNMENT AGAINST THE DEBTORS OR THE PROPOSED PURCHASER AS TO SUCH DESIGNATED CONTRACT AND SUCH NON-DEBTOR PARTY SHALL BE DEEMED TO HAVE CONSENTED TO THE ASSUMPTION AND ASSIGNMENT OF SUCH DESIGNATED CONTRACT TO THE PROPOSED PURCHASER.

5. There shall be a hearing commencing on June 29, 2004 at 2:30 p.m. prevailing Eastern time before the Honorable Lawrence S. Walter, United States Bankruptcy Judge for the Southern District of Ohio, Western Division - Dayton, West Courtroom , 120 West Third Street, Dayton, Ohio 45402 to (a) determine that there is adequate assurance of the future performance of the ability of the Proposed Purchaser or Successful Bidder, as the case may be, to provide adequate assurance of future performance under the unexpired leases and executory contracts to be assumed and assigned to the Proposed Purchaser or Successful Bidder, (b) resolve any objections to the listed Cure Amounts, and (c) approve the proposed assumption and assignment of such leases and contracts.

Dated: June 1, 2004

Respectfully Submitted,

DT INDUSTRIES, INC., et al.

By: s/ Julia Brand

One of its attorneys

Ronald S. Pretekin (#0016894)
COOLIDGE WALL WOMSLEY & LOMBARD
33 West First Street, Suite 600
Dayton, OH 45402
Telephone: (937) 223-8177
Facsimile: (937) 223-6705

and

Julia W. Brand (CA #121760)³
Kenneth J. Ottaviano (Ill. #6237822)
Matthew A. Olins (Ill. #6275636)
KATTEN MUCHIN ZAVIS ROSENMAN
525 West Monroe Street
Chicago, Illinois 60661-3693
Telephone: (312) 902-5200
Facsimile: (312) 902-1061
Proposed Attorneys for Debtors and Debtors-In-
Possession

#####

³ Julia W. Brand is an attorney in the Los Angeles office of Katten Muchin Zavis Rosenman: 2029 Century Park East, Suite 2600, Los Angeles, California, 90067-3012 (telephone) (310) 788-4400 (Facsimile) (310) 788-4471.